

Resolve 4-09/10
Tab 10 9-21-09

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DAVID A. MARSHALL (2)
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CITY OF PORTLAND
IN THE CITY COUNCIL

JOHN R. COYNE (5)
JOHN M. ANTON (A/L)
DORY-ANNA WAXMAN (A/L)
NICHOLAS M. MAVODONES, JR. (A/L)

**RESOLVE OPPOSING QUESTION # 2 ON THE NOVEMBER BALLOT
SEEKING TO DECREASE THE AUTOMOBILE EXCISE TAX**

WHEREAS, Statewide, municipalities are responsible for maintaining over 13,000 miles of local roads, and Portland is responsible for maintaining 550 miles of roads;

WHEREAS, the motor vehicle excise tax which is collected by Maine's towns and cities, is used primarily to fund road construction, repair, winter maintenance, and snow plowing;

WHEREAS, proper road maintenance is crucial to the state's economy and the public's safety;

WHEREAS, passage of Question # 2 "*An Act to Decrease the Automobile Excise Tax and Promote Energy Efficiency*" would result in a significant reduction in the automobile excise tax which amounts to an average of 40% statewide, and in Portland it would result in a loss of nearly \$4 million annually;

WHEREAS, Question 2 would take effect in January 2010 which would mean a reduction of about \$2 million in revenues in the middle of Portland's fiscal year which the City Council would be required to address in the middle of the fiscal year in order to balance the budget and end the fiscal year in the black;

WHEREAS, the Portland City Council has worked diligently to be fiscally responsible and keep tax increases within affordable limits while providing core essential services, but such a significant decrease in revenues would necessitate a combination of a property tax increase and cuts in local and school programs;

WHEREAS, the proposed reduction in the excise tax would increase the City's reliance on the property tax, and likely require property tax increases to maintain essential public safety services, and road and street improvements otherwise funded through excise taxes;

WHEREAS, Question #2 would only benefit those people who can afford to purchase newer cars; however 70% of car owners in Maine will not qualify for any tax decrease under this proposal, but they will be negatively affected by the increased property taxes and reduced services that Portland and other municipalities will have to enact in order to adjust to the reduction in millions of excise tax dollars,

Now, Therefore, Be It Resolved By the Portland City Council That the Portland City Council opposes Question #2 on the November ballot, since it would significantly reduce excise tax revenues, decrease the City's ability to fund street improvement and winter maintenance, and increase the City's reliance on the regressive property tax; and the City Council further urges citizens to educate themselves and join the Council in voting to oppose Question 2.