

JILL C. DUSON (MAYOR)
KEVIN J. DONOGHUE (1)
DAVID A. MARSHALL (2)
DANIEL S. SKOLNIK (3)
CHERYL A. LEEMAN (4)

CITY OF PORTLAND
IN THE CITY COUNCIL

Resolve 5-09/10
Sub 11 9-21-09

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

**RESOLUTION OPPOSING QUESTION #4 ON THE NOVEMBER BALLOT
COMMONLY KNOWN AS THE TAXPAYERS BILL OF RIGHTS II (TABOR II)
WHICH SEEKS TO MODIFY CURRENT STATE LAW ON TAX AND EXPENDITURE
LIMITATIONS ON STATE AND LOCAL GOVERNMENT**

WHEREAS, since 2005, local governments in Maine have operated under a state law which was proposed by municipalities to limit how much the property taxes may increase in any given year, and that requires the local governing body to vote on a separate article to exceed that limit, and which also imposes expenditure limitations on State Government; and

WHEREAS, since this law, "*LD 1 -An Act to Increase the State Share of Education Costs, Reduce Property Taxes and Reduce Government Spending at All Levels.*" was adopted, it has been achieving its stated purpose, by having both State spending and municipal property taxes being approved at amounts lower than the allowed targeted levels; and

WHEREAS, the City of Portland has consistently held taxes well below the limits established by state law, and in Fiscal Year 2010 was below the limit by more than \$1.5 million; and

WHEREAS, Question 4 on the State November ballot, also known as TABOR II, will impose even stricter limits on state spending, and will lock in Fiscal Year 2010 as the baseline year for all future growth in State spending, a year where the State has already experienced significant revenue declines due to current recessionary levels;

WHEREAS, in order to comply with TABOR II, the State Legislature will have little choice but to reduce aid to communities primarily in aid to education, local road assistance, and municipal revenue sharing, which will adversely impact Portland taxpayers;

WHEREAS, TABOR II will require statewide voter approval for virtually all tax and expenditure increases, which will mean significant additional state and local election expenditures.

WHEREAS, the cost of complying with TABOR II could exceed the cost of a proposed state spending increase since any increase in excess of 1/100 of 1% or approximately \$300,000, would require voter approval. The State would be required to mail a notice to each voter explaining the issue which would currently cost approximately \$800,000, and conduct the election which amounts to about \$1 million; and

WHEREAS, TABOR II, if approved, will change state and local government in Maine by replacing thoughtful discourse between citizens and elected officials to government by referendum;

NOW, THEREFORE, BE IT RESOLVED BY THE PORTLAND CITY COUNCIL THAT the City Council opposes Question #4, the so-called TABOR II referendum, and the City Council further urges citizens to educate themselves about this issue and join the Council in voting to oppose Question 4 on November 3.