

1       **RESOLVED:** That, pursuant to the Constitution of Maine,  
2 Article IV, Part Third, Section 18, subsection 2, the Legislature  
3 intends that the following be submitted to the electors of the  
4 State as a competing measure to Initiated Bill 3, Legislative  
5 Document 1372 of the 121st Legislature, "An Act to Enact the  
6 School Finance Act of 2003."

7  
8                                   **PART A**  
9

10       **Sec. A-1. 30-A MRSA c. 112** is enacted to read:

11  
12                                   **CHAPTER 112**  
13

14                                   **MUNICIPAL SERVICE DISTRICTS**  
15

16       **§2110. Purpose**  
17

18       The purpose of this chapter is to enhance the ability of  
19 municipalities to cooperate on a basis of mutual advantage in the  
20 efficient and effective exercise of municipal obligations and  
21 home-rule authority pursuant to this Part through voluntary  
22 creation of and delegation to municipal service districts.  
23

24       **§2111. Definitions**  
25

26       As used in this chapter, unless the context otherwise  
27 indicates, the following terms have the following meanings.  
28

29       1. **Municipality.** "Municipality" means a municipality, as  
30 defined in section 2001, subsection 8, or a plantation.  
31

32       2. **Municipal service district.** "Municipal service  
33 district" means an entity that has been or may be formed to  
34 exercise authority delegated by participating municipalities in  
35 accordance with this chapter that consists of:  
36

37       A. Five or more contiguous municipalities with a total  
38 population of at least 20,000 according to the Federal  
39 Decennial Census conducted in 2000 and within which are  
40 contained 2 or more school administrative units with a total  
41 public school enrollment of at least 3,000 students as  
42 recorded by the Department of Education in 2002; or  
43

44       B. Five or more contiguous municipalities with a total land  
45 area of 250 or more square miles and within which are  
46 contained 2 or more school administrative units with a total  
47 public school enrollment of at least 1,000 students as  
48 recorded by the Department of Education in 2002.  
49  
50

1 For the purpose of this subsection, "contiguous municipalities"  
2 includes municipalities that are separated solely by water or by  
3 unorganized territory.

4  
5 3. Municipal service district officers. "Municipal service  
6 district officers" means the legislative body of the government  
7 of a municipal service district provided for in its charter in  
8 accordance with section 2112, subsection 2 to which participating  
9 municipalities have delegated their municipal authority.

10  
11 4. Participating municipality. "Participating  
12 municipality" means a municipality that has joined, has agreed to  
13 join or has entered into a process for the purpose of joining a  
14 municipal service district.

15  
16 5. School board of directors. "School board of directors"  
17 means the board of directors of a school management unit formed  
18 and elected pursuant to a municipal service district charter as  
19 provided for in section 2112, subsection 2.

20  
21 6. School management unit. "School management unit" means  
22 the school management unit established by a municipal service  
23 district in accordance with its charter as provided for in  
24 section 2112, subsection 2.

25  
26 7. State board. "State board" means the State Board of  
27 Education.

28  
29 §2112. Adoption of municipal service district charter

30  
31 1. Charter commission. Any 5 or more municipalities that  
32 together meet the definition of a municipal service district may  
33 enter into an interlocal agreement to establish a joint charter  
34 commission for the purpose of proposing a charter for a proposed  
35 municipal service district. The agreement must provide that the  
36 charter commission consist of one representative from each  
37 participating municipality, appointed by the legislative body of  
38 the municipality, plus 3 representatives at-large who reside  
39 within the proposed municipal service district and who are  
40 elected by the qualified voters within the proposed municipal  
41 service district. A person seeking election as an at-large  
42 member of the charter commission shall file with the clerk of  
43 that person's participating municipality a petition bearing the  
44 signatures of 25 qualified voters within the proposed municipal  
45 service district 90 days prior to the election date. The clerks  
46 of each participating municipality shall cooperate in the  
47 validation of signatures. Election of at-large members must be  
48 held within 90 days of the effective date of the interlocal  
49 agreement. The election must be held by all participating  
50 municipalities on the same day. The names of the candidates must

1  
2 appear on a common ballot in each participating municipality and  
3 must be arranged alphabetically by last name.  
4

5 2. Terms of proposed charter. The proposed municipal  
6 service district charter under this section must include:  
7

8 A. The names of the participating municipalities;  
9

10 B. The name of the proposed municipal service district,  
11 which must be distinguishable from the name of any  
12 municipality in the State other than one or more of the  
13 participating municipalities, and the proposed location of  
14 the municipal service district office;  
15

16 C. The property, real and personal, belonging to each  
17 participating municipality and its fair value and whether  
18 any such property will be provided to the municipal service  
19 district for its use, and the terms of that use;  
20

21 D. The indebtedness, bonded and otherwise, of each  
22 participating municipality;  
23

24 E. Provision for assumption of 50% of the general obligation  
25 debt of each participating municipality in the municipal  
26 service district by the State as provided by section 5686;  
27

28 F. Provision for application or expenditure of cost savings  
29 realized through formation of the municipal service district  
30 and funds received from the Municipal Service District Fund  
31 established in chapter 112-A, as follows:  
32

33 (1) Fifty percent to fund public education needs, as  
34 identified in the budget prepared for the municipal  
35 service district's school management unit; and  
36

37 (2) Fifty percent to reduce the property tax burden,  
38 as defined in section 5681, subsection 2, paragraph B  
39 in the municipal service district's participating  
40 municipalities.  
41

42 The municipal service district shall allocate funds or cost  
43 savings under this paragraph proportionally among its  
44 participating municipalities, based on their populations as  
45 determined by the latest Federal Decennial Census or as  
46 determined and certified by the Department of Human  
47 Services, whichever is later. For purposes of this  
48 paragraph, cost savings must be calculated in accordance  
49 with a methodology established by rule by the Department of  
50 Administrative and Financial Services pursuant to Title 5,  
51 chapter 375. Rules adopted pursuant to this paragraph are

1  
2 routine technical rules as defined in Title 5, chapter 375,  
3 subchapter 2-A.

4  
5 G. The organization of the government of the municipal  
6 service district, including but not limited to the form and  
7 method of representation of an elected legislative body; a  
8 school department and the form and method of representation  
9 of the school management unit, including an elected school  
10 board of directors, which replaces the school administrative  
11 units within the municipal service district; a clerk of the  
12 municipal service district having the same duties as a  
13 municipal clerk; and such other personnel, departments and  
14 procedures, not inconsistent with state law, as are  
15 necessary to carry out the powers and responsibilities of  
16 the municipal service district;

17  
18 H. Assignment and delegation to the municipal service  
19 district of all rights and obligations of the municipalities  
20 within the municipal service district pursuant to the  
21 Constitution of Maine, Article IV, Part Third, Section 23  
22 and Title 36, section 661; and

23  
24 I. Any other facts and terms considered necessary by the  
25 charter commission.

26  
27 **3. Submission of proposed charter to voters; adoption.**

28 After notice and hearing as provided in paragraphs A and B, the  
29 municipal officers of each municipality within the proposed  
30 municipal service district shall submit the proposed municipal  
31 service district charter to the voters of their respective  
32 municipalities.

33  
34 A. A public hearing must be held in each of the  
35 participating municipalities. The public hearing may be  
36 held on more than one day, provided that it adjourns  
37 permanently at least 10 days before the election.

38  
39 B. At least 30 days before the election and at least 10  
40 days before the hearing under paragraph A, the municipal  
41 officers shall notify the voters of each participating  
42 municipality of the proposed charter and of the time and  
43 place of the public hearing in the same manner that the  
44 voters of each municipality are notified of ordinances to be  
45 enacted.

46  
47 **4. Ballot question.** The municipal officers of each  
48 participating municipality shall submit the question of adoption  
49 of the proposed municipal service district charter to the voters  
50 in substantially the following form:

1       "Shall the (name of municipality) adopt the proposed  
2       municipal service district charter and thereby form jointly  
3       with the (names of municipalities) a municipal service  
4       district that will exercise and assume, in accordance with  
5       the Maine Revised Statutes, Title 30-A, chapter 112, home-  
6       rule powers and duties regarding public education, taxation,  
7       land use regulation and other matters delegated to it under  
8       the charter?"

9  
10       5. Adoption by majority vote in each participating  
11       municipality. Upon approval of a majority of those voting in  
12       each of the participating municipalities, the charter becomes  
13       effective and the municipal service district is established.

14  
15       §2113. Charter revision; procedure

16  
17       1. Initiation by municipal service district officers. The  
18       municipal service district officers may determine that revision  
19       of the charter for the municipal service district should be  
20       considered and by order may provide for the establishment of a  
21       charter commission to carry out that purpose as provided in this  
22       chapter. The membership of a charter commission established  
23       pursuant to this subsection must be determined in accordance with  
24       section 2112, subsection 1.

25  
26       2. Petition by voters. On the written petition of a number  
27       of voters equal to at least 20% of the number of votes cast in  
28       the participating municipalities as a whole at the last  
29       gubernatorial election, but in no case less than 200, the  
30       municipal service district officers, in accordance with the  
31       procedure set forth in subsection 3, shall provide for the  
32       establishment of a charter commission for the revision of the  
33       municipal service district charter as provided in this chapter.  
34       The membership of a charter commission established pursuant to  
35       this subsection must be determined in accordance with section  
36       2112, subsection 1.

37  
38       3. Petition procedure; petitioner's committee. The  
39       procedures for a petition by the voters set forth in subsection 2  
40       to establish a charter commission for the revision of the  
41       municipal service district charter is as set out in this  
42       subsection.

43  
44       A. Any 5 registered voters from the municipal service  
45       district may file an affidavit with the clerk of the  
46       municipal service district stating:

47  
48               (1) That these voters will constitute the petitioners'  
49               committee;

Maine, Article IV, Part Third, Section 18, Subsection 2 with Initiated Bill 3, Legislative Document 1372 of the 121st Legislature, "An Act To Enact the School Finance and Tax Reform Act of 2003." It is the further intent of the Legislature that this measure be subject to referendum as a competing measure with that bill.

**Sec. E-2. Statutory referendum procedure; submission at statewide election; form of question; effective date.** This Resolution must be submitted to the legal voters of the State of Maine at the next statewide election in the month of November following passage of this Resolution as a competing measure with Initiated Bill 3, Legislative Document 1372 of the 121st Legislature, "An Act To Enact the School Finance and Tax Reform Act of 2003." The municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Resolution by voting on the following question:

"Do you want the State to pay 55% of the annual cost of public education and lower property taxes by cutting government spending?"

The legal voters of each city, town and plantation shall vote by ballot on this question and the question established by the Secretary of State for Initiated Bill 3 and shall designate their choice by a cross or check mark placed in the corresponding square next to either the question relating to Initiated Bill 3, the question relating to the competing measure or an option of against both Initiated Bill 3 and the competing measure. The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns and, if it appears that a majority of the legal votes are cast in favor of the Resolution, the Governor shall proclaim that fact without delay, and the Resolution takes effect in accordance with the Constitution of Maine, Article IV, Part Third, Section 19.

## SUMMARY

This bill proposes a resolution as a competing measure with Initiated Bill 3, Legislative Document 1372 of the 121st Legislature, "An Act to Enact the School Finance Act of 2003."

This bill provides a comprehensive, self-funded fiscal reform package that reduces costs of governmental services now borne by municipalities and reduces property tax burdens. This