

Section 29

It was the drafters' intent to include all necessary state mandated cost increases in this provision, including but not limited to: changes in general law which increase local governmental costs, e.g., increases in the state minimum wage law; changes in the civil and criminal statutes, e.g., mandatory sentencing; federally encouraged changes in state law, e.g., unemployment compensation coverage; collective bargaining or compulsory arbitration mandates, land use regulations, etc. It was the drafters' intent that the words "activity or service" be broadly defined to require that the state pay for all costs mandated by state law or state directive after December 22, 1978. This section requires reimbursements to local units for necessary new costs from all state mandates requiring action after December 22, 1978. Such interpretation is also required by Section 25 which prohibits the state from requiring any new or expanded activities by local governments without full state financing...or from shifting the tax burden to local government. The phrase "required by existing law," is used to clarify the authority of the State to require local governments to increase their activities up to standards established by existing law without additional reimbursements. However, "new" administrative interpretation of existing law would require reimbursement.

"Necessary costs" means that the legislature may establish some criteria to determine effectiveness, such as average costs, state-wide. It was intended that the legislature implement this section through appropriate legislation, including appropriations to cover the necessary costs for mandated activity or service. No mandated activity or service should be legally binding on any local unit until the appropriations for such mandated activity or service is made and disbursed to the applicable local units.

The state is prohibited from reducing the state financed proportion of specific existing activities or services below that proportion funded by the state in the base year, i.e., fiscal year 1978-1979. It was the drafters' intent that the phrase "any existing activity or service required of Local Government by state law" be broadly construed to mean all activities or services performed by Local Government as a result of the State Constitution, state statute or state regulation, e.g., public elementary and secondary schools as defined by law. This provision does not guarantee, for example, that the proportion of state expenditures paid to a specific school district cannot be reduced. It does mean, however, that the proportion of state funding going to school districts, state-wide, for public elementary and secondary education shall not be reduced.

The State is prohibited from reducing the state financed proportion of existing specific programs required of local governments by state law or state directive. Future mandated programs shall be fully funded. It seeks to obviate any temptation the state might have to fund a new mandated program (e.g., rapid transit) by shifting funds from a previously mandated program (e.g., K-12 education).

This section does not necessarily prevent the state from shifting funds from general and unrestricted revenue sharing to the funding of a state mandated activity but it does prohibit shifting funds from state mandated programs unless the mandate for such programs is eliminated.

Section 30

The primary intent of this section was to prevent a shift in tax burden, either directly or indirectly from state to local responsibility. The phrase "taken as a group" permits the legislature to reallocate funds to local units of government, i.e., geographically or from one unit to another. It was the drafters' intent to rely on the political process to effect such allocations and not to limit the legislature's ability to create more effective and efficient governmental entities or to eliminate those local units which no longer serve any utilitarian purpose.

Additional or expanded activities mandated by the state, as described in Section 29 would tend to increase the proportion of total state spending paid to local government above that level in effect when this section becomes effective.

Section 31

Section 31 begins: "Units of Local Government are hereby prohibited from levying any tax not authorized by law or charter when this section is ratified or from increasing the rate of an existing tax above that rate authorized by law or charter when this section is ratified, without approval of a majority of the qualified electors of that Local Government voting thereon." This sentence was intended to prohibit local units from levying any new tax that might be authorized after the effective date of the amendment without voter approval. It also was intended to prohibit any local unit from increasing the rate of an existing tax beyond the limit established by law or charter after the effective date of the amendment.

However, the intent of the wording was to permit Local units to retain those taxing powers they had by state law or local charter prior to the effective date of the amendment. Thus, a Local unit that was not levying or imposing the full amount of its taxing authority at the time of the effective date of the