

Revenue Sharing Restoration Nothing to Report as of Yet

Governor LePage and the Maine State Legislature have badly damaged the municipal revenue sharing system. It has been pushed at this point to the brink of extinction.

A bill to stop that from happening – LR 2721 – was given its public hearing last week. More than 100 municipal leaders from all corners of the state attended that hearing to lay out the strong public policy arguments in support of that bill and explain the real-life negative human impacts should the bill get crushed in partisan pythomics. If LR 2721 is rejected by the Legislature, almost all the remaining revenue sharing distribution for the upcoming fiscal year will be redirected for state government spending, forcing big service cuts onto local governments and even greater property tax increases for homeowners and small businesses.

At the public hearing on LD 2721, the folks from town and city government presented themselves in exemplary fashion and made their points with wisdom and grace.

Since the hearing, all the state’s major newspapers have made it clear that they have the back of local government on this issue, and everyone seems to know that it is just plain wrong to crush Maine’s property taxpayers as severely and unremittably as is being contemplated by this Governor and Legislature.

A legislative response to the bill’s presentation and its public hearing is not yet forthcoming. Nine days ago, just one day after the public hearing, the Appropriations Committee took up LR 2721 in work session, immediately went into a “caucusing” posture, and hasn’t been much seen since.

Committee “caucusing” is another

word for negotiating over the details of the bill outside of the Committee room.

For those municipal officials anxious to learn about the Committee’s recommendation on LR 2721, two good guesses could be made why the fast-track intentions on this legislation have slowed down.

First, there is no unanimous agreement among Committee members, particularly between the political parties and among legislative leadership on the printed bill’s details and how \$40 million should be found and appropriated to keep the revenue sharing program from turning to ash.

Second, the interest among Committee members to find a package of recommendations that could be unanimously supported by the 13 lawmakers is still alive.

It is imperative that municipal officials contact their legislators – today, this weekend, sometime over the next week – and impress upon those that serve you in Augusta the importance to their constituent property taxpayers of stopping any further raids to the municipal revenue sharing program. Phone calls or direct contact is preferable to any other form of communication.

Road Abandonment Law... It’s the Municipalities’ Fault

On Wednesday, Jan. 22, the State and Local Government Committee voted near unanimously to support an amended version of LD 1177, *An Act to Implement the Recommendations from the Discontinued and Abandoned Roads Stakeholder Group*.

As amended by Committee, the bill makes three significant amendments to the existing road discontinuance and abandonment laws that are detrimental to municipalities. (A full description of LD 1177 was published in the Jan. 17 Legislative Bulletin.)

• **Road Inventory.** By Jan. 1, 2016 municipalities are mandated to prepare a list of all roads that have been publicly maintained in the last 50 years and file those lists with the registry of deeds. The mandate, described by some members of the Committee as little more than getting a group of volunteers to look through old boxes, directs municipalities to research

50 years’ of records to identify which roads were maintained with public funds and when.

• **Repeal of Abandonment Law.** With a statutory sleight-of-hand, the amended bill repeals the current road abandonment law. If LD 1177 is enacted, municipalities will be mandated to either publicly maintain roads that haven’t been publicly maintained for over 30 years or formally discontinue the road, paying out damages to abutters to cover any future non-maintenance.

• **Revisiting Discontinuation.** LD 1177 also requires all municipalities to reconsider every decision to discontinue a road 20 years after the original vote. If a community fails to conduct the reassessment, a single abutter on the road can call a town meeting to force the municipality to revisit the 20-year-old vote.

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Tax Exempt Organizations and Service Charges

A bill authorizing municipalities to impose fees-for-service on the owners of tax exempt property was presented to the Legislature a year ago and given a fair amount of attention by the Taxation Committee before being carried over to the 2014 legislative session.

Sponsored by Rep. Kathy Chase of Wells, the bill is LD 936, *An Act to Authorize Municipalities To Impose Service Charges on Tax-exempt Property Owned by Certain Nonprofit Organizations*. Over the last couple of weeks, LD 936 was further developed by the Committee and has now been reported-out to the full Legislature with a 50/50 ought-to-pass/ought-not-to-pass recommendation, very nearly along party lines.

The starting point of LD 936 is existing law, which for decades has authorized municipalities to adopt an ordinance that imposes fees on a very narrow class of tax exempt properties; specifically, rental housing that is 100% exempt from taxation. Those ordinances must provide a system that calculates the “service charges” so they reflect the cost of municipal services actually provided to the tax exempt facilities. The charges may not exceed 2% of the exempt institution’s gross revenue.

Working from that base, LD 936 expands the municipal authority so that the exempt property of a wider range of institutions and organizations can be made subject to municipal service charges. The categories include “benevolent and charitable” organizations, “literary and scientific” institutions, fraternal organizations and the chambers of commerce. Expressly excluded from the imposition of any services charges under LD 936 are church properties and the property of veterans’ organizations.

LD 936 also installs into the authorizing statute several additional limitations.

Value and compensation thresholds. For the local ordinance to apply to the new range of exempt institutions, the tax exempt entity must have a property value of at least \$1 million and the CEOs or professional managers of the institution must have a salary that exceeds 4 times the median household income of the county within which the institution is

located. Using current data for examples, the CEO salaries would have to exceed \$223,000 in participating communities in Cumberland County, and \$136,000 within Piscataquis County.

Ordinance by referendum. The ordinance that imposes the service charges on the tax exempt institutions must be approved by the voters in the municipality by a referendum vote.

Service charge calculation. Unless the municipal ordinance develops a more accurate method of calculating the value of the service charges, the default methodology is to calculate the tax exempt institution’s share of the municipal budget for municipal services the facility receives, such as public safety and public works, on the basis of the square footage of the facility’s built property as a percentage of the square footage of the built property throughout the entire municipality.

Set-off. LD 936 also requires that any financial contribution the exempt facility provides to the municipality be set off against the value of any calculated

service charges, as well as the value of any services the exempt institution provides directly to the municipality.

LD 936 is now headed to the full Legislature for a vote. As reported above, the Committee’s recommendation is almost perfectly partisan, with all the Republicans on the tax panel supporting the bill, but only one Democrat. MMA’s Legislative Policy Committee has always strongly supported providing this type of tool to the legislative bodies of the towns and cities with high concentrations of tax exempt property. Who is in a better position to determine if this policy should or should not be applied in those communities than the voters? No one is better suited to judge what is fair than the citizens of the community, who both recognize the missions those institutions undertake and pay for the public services the tax exempt entities receive.

Municipal officials who would like to see LD 936 become law should be asking their legislators to support the bill.

Restoration of Local Option Property Tax Relief

On Monday this week the Taxation Committee gave a unanimous thumbs-up to a bill that would fix a mistake created when the two-year state budget was enacted last June.

The bill is LD 1607, *An Act to Reinstate Statutory Authority for Local Property Tax Assistance Programs*. As reported in previous editions of the Legislative Bulletin, the state budget mistakenly “terminated” all locally-implemented and funded property tax relief programs when it “terminated” the state-level Circuitbreaker program last year. LD 1607 merely restores the municipal authority to operate those programs and removes references in that authorizing statute to the state’s Circuitbreaker program. Such references would only be confusing now that the state-level program no longer exists.

With unanimous Committee support, it is likely that LD 1607 will be enacted into law in the near future. It is a bill with an emergency preamble, which means that it will become law as soon as it is finally enacted by the Legislature and signed by the Governor.

Municipal officials in those communities that have been administering local property tax relief programs that until now were “riding piggyback” on the state’s Circuitbreaker program should be working on the ordinance amendments necessary to operate the program without the state-level Circuitbreaker in place. According to the “municipal valuation return” data gathered by Maine Revenue Services, there are 14 municipalities statewide that currently operate locally-funded property tax relief programs.

Veterans' Grave Sites Bill Headed to State and Local Government Committee

On Wednesday of this week, the Veterans and Legal Affairs Committee unanimously voted to re-refer LD 1662, *An Act to Clarify the Law Governing the Maintenance of Veterans' Grave Sites* to the State and Local Government Committee (SLG). The bill, sponsored by Sen. Chris Johnson (Lincoln County), seeks to relieve municipalities of a costly unfunded mandate that was developed by a majority of the SLG Committee and finally enacted by the Legislature in 2013.

Enacted as chapter 421, the law: (1) requires municipalities to maintain "in good condition and repair" the graves, headstones, monuments and markers of all veterans in public cemeteries and "ancient burying grounds", whether municipal or private; (2) prescribes the standards to be used by municipalities to measure "good condition and repair", including full-scale stone management responsibilities; and (3) further extends municipal responsibilities to all graves, headstones, monuments and markers located in ancient burying grounds, whether municipal cemeteries or not, and whether the graves are veterans' graves or not.

With the enactment of that law, municipalities became responsible for maintaining all graves in all cemeteries—public or private—established before 1880 and held to maintenance standards that in some cases require professional training and expertise, such as maintaining the proper height, plumb and orientation of headstones and ensuring that the inscriptions are visible and legible. Although compliance with the new law will impose millions of dollars of burden on Maine's property taxpayers, not a single state dollar in resources necessary to accomplish the mandated tasks was provided.

LD 1662 seeks to relieve municipalities and its property taxpayers of some of the mandate's pressure by: (1) limiting the maintenance mandate to veterans' graves located in public and ancient burying grounds; (2) authorizing municipalities to work in collaboration with veterans' organizations, cemetery associations, civic and fraternal organizations and other interested parties to meet the leg-

islative charge to keep in good condition the graves, headstones, monuments and markers of all veterans; and (3) requiring municipalities to adopt "good condition and repair" standards for the maintenance

of veterans' graves.

It is expected that the State and Local Government Committee will schedule a hearing or work session on LD 1662 in the very near future.



Images of an "ancient burial ground", any number of which can be found in the average Maine community. Legislation enacted last year requires the property taxpayers in all municipalities to pay for making all gravestones in these cemeteries, whether public or private, to be made plumb and their inscriptions legible. An unfunded mandate costing property taxpayers millions of dollars annually, without one penny of state financial contribution.

Road Abandonment Law (cont'd)

During the discussion on LD 1177, some members of the Committee justified their support for the bill by placing blame on the municipalities. Municipal officials were described as ignoring issues, not providing appropriate information to citizens, not providing services for which communities "were being paid" by the state, and even for misusing revenue sharing dollars by using those funds for purposes other than reducing the property tax burden. This is representative of an attitude or point of view that some members of the Committee have been expressing all session long.

Setting aside the anti-municipal attitude, municipal officials remain perplexed by the disconnect between the apparent problem and the way this significant municipal mandate seeks to resolve the problem. Throughout the process on LD 1177, which included public hearings and work sessions in 2013, the creation of a subcommittee, and another round of public hearings and work sessions in 2014, many abutters raised concerns about damages caused to discontinued and abandoned roads by loggers, ATV riders and others using the public easements without repairing the damage. None of the solutions found in LD 1177 address that concern.

Instead, the "solutions" are targeted at the municipalities, property taxpayers and residents who have illustrated time and time again the ability to resolve issues without the Legislature's interference.

At one of the subcommittee meetings a resident of Mount Vernon reported that the town had worked with her to resolve the issue. The residents of the Town of Fayette raised and appropriated funds to purchase property abutting a discontinued road, but the offer was refused by the abutter. In Buckfield, the community decided to publicly maintain a discontinued road. Three different issues resolved three different ways.

With such a strong level of support among members of the State and Local Government Committee, LD 1177 could go through the House and Senate without much debate. Municipal officials are urged to contact their legislators and ask them to oppose LD 1177 and make sure the bill gets a vigorous debate on the floor of each chamber of the Legislature. It is full-blown unfunded state mandate season in Augusta, and municipal officials deserve to hear the full discussion about why these mandates should be passed down to the property taxpayers before the electioneering season begins in full swing.

Dig Safe: When is a Mandate Not a Mandate?

The Energy, Utilities and Technology Committee (EUT) held another work session on LD 965, *An Act To Improve Maine's Underground Facility Damage Prevention Program*, on Wednesday. Although Wednesday's work session was more civil in tone than last week's, the effort to force this mandate through continues, and has taken an unusual turn.

For over 20 years, the Legislature's Office of Fiscal and Program Review (OFPR) has been given the responsibility to determine whether or not individual pieces of legislation should be identified as a proposed "state mandate," as that term is defined in Maine's Constitution, and should be given a "mandate preamble" as part of the fiscal note process. The EUT Committee is trying a different direction.

After seeking input from the Legislature's Office of Policy and Legal Analysis (OPLA) rather than OFPR regarding the extent to which LD 965 constitutes a mandate, the Committee is now asking the Attorney General to weigh in. The basis of the Committee's request is to get an update on a 1993 Attorney General's opinion which held that the proposed Family Medical Leave legislation was not a "state mandate" because it applied to all employers, of which municipal employers were a small subset. The concept has come to be known as the "Rule of General Applicability"; that is, if the universe is being mandated to do X, and X involves a new expense, it is not a state mandate on municipalities because they are a small part of the universe.

That opinion has no bearing on LD 965, which imposes a direct requirement on municipalities and other local governments – all of which are protected by the mandate law in Maine's Constitution – and no one else. The supporters of the LD 965 mandate are now considering expanding the mandatory dig safe requirements to include private property owners as well, large shopping malls, perhaps, and/or college campuses, so that the "Rule of General Applicability" can be invoked and the negative municipal impacts can be imposed on the towns and cities with legislative impunity.

The constitutional requirement restricting the authority of the Legislature to

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List of municipalities potentially affected by LD 965

(Note: Seven of these municipalities are voluntary members* of Dig Safe currently. Certain water and waste water districts are also voluntary members.)

Abbot	Coplin Plt.	Hodgdon	New Portland	Sedgwick
Addison	Corinna	Holden	New Sharon	Shapleigh
Alfred	Corinth	Hollis	New Sweden	Sidney
Alton	Cornish	Houlton	Newburg	Skowhegan
Andover	Cumberland	*Howland	Newcastle	Solon
Arundel	Damariscotta	Island Falls	Newport	Sorrento
Ashland	Danforth	Islesboro	Newry	South Berwick
*Auburn	Deerisle	Jackman	Norrigewock	South Portland
Augusta	Dennysville	Jay	North Berwick	Southwest
Avon	Dexter	Jonesport	North Haven	Harbor
Baileyville	Dixfield	Kenduskeag	North Yarmouth	Saint Agatha
Bangor	Dover-Foxcroft	Kennebunk	Northport	Saint Francis
Bar Harbor	Dresden	Kennebunkport	Norway	Saint George
Bath	Durham	Kingfield	Oakfield	Standish
Belfast	Eagle Lake	Kittery	Oakland	Starks
Belmont	East Machias	Lagrange	Ogunquit	Stockton Springs
Benton	E. Millinockett	Lamoine	Old Orchard	Stonington
Berwick	Easton	Lebanon	Beach	Strong
Bethel	Eastport	Leeds	Old Town	Swanville
Biddeford	Eddington	Levant	Orland	Thomaston
Bingham	Eliot	*Lewiston	Orono	Topsham
Blue Hill	Ellsworth	Liberty	Orrington	Turner
Boothbay	Eustis	Limerick	Owls Head	Union
Boothbay Harbor	Exeter	Limestone	Oxford	Unity
Bowdoin	Fairfield	Limington	Palmyra	Van Buren
Bowdoinham	Falmouth	Lincoln	Paris	Vassalboro
Bradley	Farmington	Lisbon	Parkman	Veazie
Brewer	Fort Fairfield	Litchfield	Parsonsfield	Vinalhaven
Bridgton	Fort Kent	Livermore	Patten	Waldoboro
Bristol	Franklin	Livermore Falls	Pembroke	Wales
Brooks	Freeport	Lubec	Penobscot	Warren
Brownville	Frenchville	Lyman	Perry	Washburn
Brunswick	Friendship	Machias	Phillips	Washington
Buckfield	Fryeburg	Machiasport	*Pittsfield	Waterboro
Bucksport	Gardiner	Madawaska	Pittston	Waterville
Buxton	Glenburn	Madison	Plymouth	Wells
Calais	Gorham	Manchester	Poland	West Bath
Camden	Grand Isle	Mapleton	Porter	West Gardiner
Canton	Gray	MarsHill	Portland	West Paris
Cape Elizabeth	Greenbush	Mattawamkeag	Presque Isle	*Westbrook
Caribou	Greene	Mechanic Falls	Princeton	Whitefield
Carmel	Greenville	Mexico	Rangeley	Whitneyville
Carrabassett	Greenwood	Milbridge	Raymond	Wilton
Valley	Guilford	Millinockett	Readfield	*Windham
Casco	Hallowell	Milo	Richmond	Windsor
Castine	Hampden	Monmouth	Rockland	Winslow
Charleston	Hancock	Monson	Rockport	Winter
Chelsea	Harpswell	Monticello	Rumford	Harbor
Cherryfield	Harrington	Morrill	Sabattus	Winterport
Chesterville	Harrison	Moscow	Saco	Winthrop
China	Hartland	Mount Desert	Sanford	Wiscasset
Clinton	Hebron	Mount Vernon	Sangerville	Woolwich
Columbia	Hermon	Naples	Scarborough	Yarmouth
Columbia Falls	Hiram	New Gloucester	Searsport	*York

April 1 is the Universal Date of Assessment (Or is it?)

On Wednesday last week, the Taxation Committee held a public hearing on LD 1610, *An Act To Allow a Municipality To Abate Taxes Assessed on Property That Is Destroyed*. The bill would establish another reason to abate a person's property taxes. The new reason is that his or her residential property was more than 50% destroyed after the April 1 universal date of assessment.

Sponsored by Rep. Janice Cooper of Yarmouth, LD 1610 was filed in response to serious explosions that destroyed several condominium homes in Yarmouth last year, nearly three months after the April 1 assessment date. The homeowners, understandably shocked and horrified by the destruction or condemnation of their property, were additionally frustrated to learn that the tax obligation pertaining to their property was not extinguished when their property was destroyed.

MMA's Legislative Policy Committee (LPC) voted to oppose LD 1610 because of the importance of maintaining a strict date of assessment in order to manage the property tax system uniformly. To be fair to all taxpayers, if exemptions from the April 1 standard are made when property is reduced in value during certain times of the year, exceptions should also be made when property is increased in value during those same periods.

Because of the fixed date of assessment, property created or installed immediately after April 1 is exempt from taxation for a full year. As a matter of balance, and to protect the municipal treasury from demands that cannot be anticipated, property destroyed or removed sometime after April 1 remains taxable for that year. In other words, the fixed date of assessment system, which is utilized in all property tax systems, cuts both ways.

Other concerns about the bill expressed by the MMA's LPC focused on the "slippery slope" argument. Whenever Maine law creates a tax break in any form for one group or category of taxpayers – whether an exemption, exclusion, credit or abatement – other groups of taxpayers quickly line up to the Legislature and are granted the same tax break for reasons of "equity and fairness." If residential

homeowners who experience property destruction get the tax break, why not small business owners? Why not large business owners? Why not everybody?

An additional municipal concern regarding LD 1610 as drafted is that the abatement would be an entitlement regardless of the particular circumstances at play, including the time of the fiscal year the destruction occurs, the degree to which the property loss was completely insured and would be promptly replaced, whether the cause of the destruction affected many homes and the multiple abatements would significantly impact the municipal treasury. It was clearly not the sponsor's intent to mandate the abatement in all circumstances, but the way LD 1610 is worded, and the section of tax law that the bill involves, all point to the conclusion that there would be no local option on the matter, just as there is no local option with respect to the other types of abatements that must be granted for either overvaluation or financial incapacity.

At the work session on LD 1610 this week, MMA presented an alternative approach that from the municipal perspective mitigates the problems with the printed bill. Under this alternative, the section of law that already allows municipalities to adopt certain ordinances to provide different forms of tax relief would be amended to allow a municipality to adopt an ordinance to address the post-April 1 destruction of homestead property. Although the adoption of the ordinance would be a home-rule decision of the voters, certain standards would have to be included in the ordinance to protect the interests of all taxpayers in the community. For example, the applicant for the abatement would have to apply in a timely manner and before property taxes are committed, and the municipal officers would have to review several considerations before deciding to grant the abatement. One consideration would focus on when the property was destroyed in the course of the municipality's fiscal year. Another consideration would be the impact of the municipal treasury, particularly if there were multiple applications stemming from a significant destructive

event. A third consideration would be the specific cause of the destruction and the likelihood of prompt reconstruction. Finally, the granting of any abatement would authorize the municipality to supplementally assess the property if it was replaced, reconstructed or repaired within the same tax year as its destruction.

The sponsor objected to many elements of the MMA alternative. Several members of the Committee were asked to work with the sponsor and MMA to see if a consensus approach could be developed. Updates on LD 1610 will be provided in subsequent editions of the Legislative Bulletin.

Mandate (cont'd)

impose unfunded state mandates includes a clause that is found in no other section of Maine's Constitution. The last line of the anti-mandate provision reads: "This section must be liberally construed." This means that the Legislature, and the courts, if necessary, should recognize that the intent of the law is not to impose new unfunded requirements on the towns and cities. The stated purposes of the anti-mandate law, also written into the Constitution, are to 'more fairly apportion the cost of government and provide local property tax relief.' The state's Constitution clearly does not condone playing games around the edges of the definition of mandate.

The Committee has been given an extension to Feb. 6 to finally report out LD 965, and is expected to take its vote after receiving the Attorney General's letter.

As a sidebar, Maine has been recognized by the federal Pipeline and Hazardous Materials Safety Administration as one of only eight states in the country to achieve a perfect score for its Underground Utility Damage Prevention Program. This recognition comes even without the mandatory municipal membership certain interest groups are attempting to impose on local governments in Maine.

A list accompanies this article of the 266 municipalities (and/or their water/wastewater districts) that would be required to become paying members of Dig Safe Systems, Inc. if LD 965, in its amended form, is enacted. It should be noted that additional municipalities may be affected as this list errs on the side of caution.

Solid Waste Management and the Future of the Waste-to-Energy Option

For the better part of the past year, and most intensely over the past few months, the Environment and Natural Resources Committee has diligently attempted to address a looming electricity cost issue that is expected to impact the continued financial viability of the three incineration or “waste-to-energy” facilities in Maine. These electricity costs have been subsidized by the federal government for roughly three decades but that subsidization recently expired for EcoMaine in Portland and MMWAC in Lewiston and it is set to expire in 2018 for the PERC facility in Orrington. The legislative proposal before the Committee, LD 1483, *An Act To Promote and Enhance State Policy To Preserve and Support Existing Methods of Disposal of Municipal Solid Waste*, sponsored by Senator Emily Cain (Penobscot County), seeks to help the waste to energy facilities by imposing a \$14/ton fee on landfill disposal and returning \$30/ton on incinerator disposal.

Given the direct municipal impact of the proposal, the Committee’s Solid Waste Subcommittee invited municipal officials to discuss their waste disposal approaches back in October. This well-received informational meeting, along with an impressive showing of municipal officials at LD 1483’s public hearing on Jan. 9, helped the Committee come to appreciate that the fee-for-rebate proposal was not the optimal method of addressing the incinerators’ problem. After the public hearing, Sen. Tom Saviello (Franklin County) and Rep. Gay Grant of Gardiner put forward

compromise proposals, each of which would have replaced the content of the printed bill with the creation of a special task force to study Maine’s overarching solid waste policy. That policy has generated much discussion among Committee members over the past two weeks.

Both task force proposals seemed to take a step in the right direction while raising a few eyebrows as well. On Thursday, the Committee took its final vote and decided that, in lieu of establishing a task force, it ought to amend the bill to simply codify that waste disposal facilities’ practices must be consistent with Maine’s solid waste management hierarchy and to direct Maine’s Department of Environmental Protection (DEP) to implement routine technical rules to incorporate the hierarchy as a review criterion when licensing waste disposal facilities. The hierarchy prioritizes solid waste disposal in the

order: reduce, reuse, recycle, incinerate, landfill. The Committee also plans to send DEP a letter to this end, and the letter is expected to ask MMA to work with the Chamber of Commerce to coordinate a symposium on solid waste management issues sometime this fall.

With this final action, it might appear that the Committee has said more than it has done. Possibly so, but the degree to which the Committee did its homework was impressive. There is now an appreciation among Committee members for the complexities associated with solid waste management issues, and for how each potential policy change can generate both pitfalls and positives.

Moving forward, MMA will keep a close eye on the rule development process at DEP and begin framing out the logistics of holding a solid waste symposium to brainstorm for solutions.

IN THE HOPPER

(The bill summaries are written by MMA staff and are not necessarily the bill’s summary statement or an excerpt from that summary statement. During the course of the legislative session, many more bills of municipal interest will be printed than there is space in the Legislative Bulletin to describe. Our attempt is to provide a description of what would appear to be the bills of most significance to local government, but we would advise municipal officials to also review the comprehensive list of LDs of municipal interest that can be found on MMA’s website, www.memun.org.)

Taxation

LD 1751 – An Act To Provide Property Tax Relief to Maine Residents. (Sponsored by Rep. Eves of North Berwick; additional cosponsors.)

This bill amends and adds to the so-called “cascade” which is the system in law that automatically distributes the state’s unappropriated General Fund surplus at the end of each state fiscal year to various accounts. In this case, a new account would be established called the “Property Tax Fairness Fund”. The Fund would be the repository 10% of the unappropriated General Fund surplus after several other higher-priority accounts are fully capitalized. The money allocated to the Fund would be used administratively, without further legislative action, to incrementally increase the maximum benefit that can be provided to low-income homeowners through the property tax fairness credit which was established as part of the state’s income tax code as a replacement to the former “Circuitbreaker” program. Under current law, the maximum property tax fairness credit is \$300 for qualifying residents under 70 years of age and \$400 for qualifying residents over 70 years of age. When the Fund is capitalized under this new element of the “cascade”, the State Tax Assessor is directed to incrementally increase the maximum value of the credit equally for both qualifying age groups and provide public notice with respect to the increase. This new element of the “cascade” is sharing space with another element created in 2011 which dedicates unappropriated General Fund surplus for the purpose of incrementally lowering the income tax rate from the current top rate of 7.95% to 4%. Under current law, the income tax rate reduction fund is capitalized with 20% of the unappropriated General Fund surplus (after required deductions). Under this bill, the income tax rate reduction fund would get 10% of the surplus and the property tax fairness credit would get the other 10%.

Legislative Bulletin

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LEGISLATIVE HEARINGS

Note: You should check your newspapers for Legal Notices as there may be changes in the hearing schedule. Weekly schedules and supplements are available at the Senate Office at the State House and the Legislature's web site at <http://www.state.me.us/legis/senate/Documents/hearing/ANPHFrame.htm>. If you wish to have updates to the Hearing Schedules e-mailed directly to you, sign up on the ANPH homepage listed above. Work Session schedules and hearing updates are available at the Legislative Information page at <http://janus.state.me.us/legis/lio/>.

Monday, February 3

Education & Cultural Affairs

Room 202, Cross State Office Building, 1:00 p.m.

Tel: 287-3125

LD 1726 – An Act Directing the Department of Education To Formulate and Implement a Citizenship Educational Component for the School Curriculum.

LD 1728 – An Act To Prohibit Possession of a Replica or Simulated Firearm on or near School Property.

Taxation

Room 127, State House, 10:00 a.m.

Tel: 287-1552

LD 1696 – An Act To Extend the Veterans' Property Tax Exemption to Veterans Who Served in Iraq or Afghanistan.

LD 1715 – An Act To Provide Property Tax Relief to Persons Receiving Long-term Care.

LD 1733 – An Act Regarding the Registration of Motor Vehicles of Deployed Members of the National Guard or Reserves of the United States Armed Forces.

Tuesday, February 4

Energy, Utilities & Technology

Room 211, Cross State Office Building, 1:00 p.m.

Tel: 287-4143

LD 1618 – An Act To Enhance the Sustainability of the Corinna Water District.

LD 1693 – An Act To Amend the Anson and Madison Water District Charter.

Transportation

Room 126, State House, 1:00 p.m.

Tel: 287-4148

LD 1692 – An Act To Ensure That Local Businesses Are Notified of Construction Projects.

LD 1721 – An Act To Make Changes to and Clarify Maine Traveler Information Services Law.

Wednesday, February 5

Energy, Utilities & Technology

Room 211, Cross State Office Building, 1:00 p.m.

Tel: 287-4143

LD 1621 – An Act To Create the Newport Natural Gas District.

LD 1628 – An Act To Require a Timely Response by a Gas Company to a Municipal Request for Service Expansion.

Health & Human Services

Room 209, Cross State Office Building, 9:00 a.m.

Tel: 287-1317

LD 1594 – Resolve, To Improve Access to Emergency Behavioral Health Services and Increase Public Safety.

Taxation

Room 127, State House, 10:00 a.m.

Tel: 287-1552

LD 1707 – An Act To Amend the State's Tax Laws.