

The Medicaid-based Supplemental State Budget

Increased Pressure on General Assistance Anticipated

The Legislature formally reconvened for its second legislative session on Wednesday this week, but many lawmakers have been scrutinizing a very serious budgetary matter for well over a month.

In early December Governor LePage submitted a supplemental state budget with a single focus on Maine's Medicaid program. The Administration warns the state's "MaineCare" program is gouging a deep hole in the Department of Health and Human Services' (DHHS) budget for both this fiscal year and the next. In order to trim approximately \$220 million in state DHHS spending over the next 18-month period, the Governor is proposing to scale back the "MaineCare" program in three ways:

Reducing eligibility by making certain groups of people ineligible for Medicaid services;

Reducing offerings for adults who remain eligible; and

Reducing the level of payments the Medicaid program will provide to certain providers.

With respect to reduction in eligibility, the major changes are:

- Removing childless adults between 20 and 64 years of age from Medicaid
- Removing income-eligible 19 and 20 years olds from Medicaid
- Significantly reducing the household income level, currently 200 percent of the Federal Poverty Level, which secures Medicaid eligibility for the parents or caretakers within low income families with children.

With respect to reductions in certain services for eligible adults, the major optional services that would be eliminated are:

Reimbursement for services to Private Non-Medical Institutions (PNMI), which include assisted-living boarding homes for the elderly and disabled

- Drugs for the elderly
- Targeted case management
- Attendant services
- Dental
- Vision
- Physical and Occupational therapy
- Podiatry
- Chiropractic
- Treatment/prevention for sexually transmitted diseases

With respect to reductions in payments to providers, the major reductions are:

- Reduced reimbursements in various ways to hospitals
- Limits in drug prescription reimbursement
- Reductions in rental subsidies
- Time limits on drug treatment services

If the slate of proposals being advanced by the Governor are enacted by the Legislature, it is widely anticipated that increased pressure on local General

Assistance programs will result. Cutting off health insurance to the 7,000 low income young adults and the 16,000 low income childless adults reduces the chance that those people will be able to provide for their own basic needs without local assistance.

Although General Assistance (GA) in most communities may not be directly exposed to providing medical care if these Medicaid cuts are enacted, the loss of health insurance to these thousands of people will create an impact. This is a population that is already on the threshold of GA eligibility and can easily fall into the "emergency" GA category. To the extent these folks are exposed to their medical needs without insurance, including for both general medical services and prescriptions, there will likely be a number of impacts experienced on the local level, involving the public safety, county corrections and local welfare departments. At the very least, the Medicaid recipients removed

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Intersecting State & Local Land Use

Most of the working group recommendations regarding bills or issues "carried over" from last year's legislative session to 2012 were detailed in the December 2011 edition of the *Maine Townsman*. One of those working groups, however, had not quite finished its assignment in time for that article. That group's recommendations are described here.

During the first session of the 125th Legislature in 2011, LD 159, *An Act To Foster Economic Development by Improving Administration of the Laws Governing Site Location of Development and Storm Water Management*, was introduced to the Environment and Natural Resources

Committee (ENR) by the bill's sponsor, Senator Tom Saviello (Franklin Cty). The bill as originally drafted would have made significant changes to the jurisdiction of the state's Site Location of Development Act (Site Law).

The parts of the original bill that gave MMA's Legislative Policy Committee some heartburn was the proposal to increase the thresholds that trigger Site Law review by the Department of Environment Protection (DEP) for both "structures" and "subdivisions." The proposed threshold changes were significant increases to the current law, at least doubling the lot and/

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Medicaid (cont'd)

from the program will be less financially capable of paying for their housing, which is the most common form of General Assistance by far.

The Legislature's Appropriations Committee and Health and Human Services Committee held three long days of public hearings on these proposals in mid-December that were characterized by strong opposition from the affected recipients of these services and their providers. Thus far, the Committees have held two work sessions on the proposal, with the most recent being conducted on Tuesday this week.

The first order of business for the Committees this week was to respond to the anxiety expressed by the thousands of elderly and disabled clients in the "private non-medical institutions" by making it clear that the PNMI elimination in the Governor's proposal will not be enacted. The Committee also heard testimony regarding the incompatibility of the Governor's proposed elimination of Medicaid for childless adults with the long-established legal entitlement to social services provided to approximately 500 members of that population pursuant to the so-called "AMHI consent decree."

In short, the deeper the legislators dig into the Governor's proposal, the more limitations they are discovering with respect to their ability to address the Medicaid-based budget hole, at least in the near term.

Site Law (cont'd)

or acreage triggers for both categories. For subdivisions of single-family, detached residential house lots, the lot count

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threshold would have gone from 15 or more lots to 30 or more and the land area threshold would be increased from over 30 acres to over 60 acres. The increases were just as significant for other types of subdivisions, such as multi-family and commercial/industrial developments. These went from threshold triggers of five or more lots on more than 20 acres to 10 or more lots on more than 40 acres. With respect to structural, non-subdivision projects, DEP review would kick-in for development projects involving in excess of 10 impervious acres, compared to the current Site Law threshold of more than three impervious acres.

At the end of the work sessions dealing with LD 159, the Committee was unable to reach a consensus on these proposed threshold changes. Therefore, the decision was made to remove those sections from the bill and direct GrowSmart Maine (GSM) to convene a working group to tackle this issue while the 125th Legislature was out of session. Nancy Smith, the executive director of GSM, assembled a diverse group representing developers, private land owners, municipalities, and environmentalists. The working group held several meetings throughout the fall of 2011.

It was obvious early on that the working group would not be able to reach an agreement on what changes, if any, were needed for "subdivision" and "structure" threshold counts. Rather, the group recognized that many developers felt the major issue with Site Law was the increased costs, project delays and lack of predictability associated with having both a municipal and state review of the development when a municipality did not have "capacity" or was not a "delegated" community. To the developers' point, these designations allow the municipality to review development projects (without the state's active participation) for impacts that would otherwise be analyzed by DEP under Site Law.

After a few meetings, two broad categories were identified that could possibly ease developers' concerns and promote a more streamlined permitting process under Site Law. A report was developed around these categories that detailed specific recommendations that address the suggested issues. This report will be presented to the ENR Committee

in early 2012.

Education/outreach. The first component of the report recognized that education/outreach was necessary for all parties involved in these development projects. The members of the working group believe that educational forums, where a better understanding of the diverse perspectives could be heard by all stakeholders, might encourage a more cohesive working relationship with the various parties involved.

As part of the outreach effort, the working group supported an initiative to promote and encourage other communities to attain "capacity" or "delegated" status (see sidebar on pg 3). Through discussions with the municipalities that have been designated either as having "capacity" or as being "delegated," the working group believes that a better understanding of the reasons why more municipalities are not trying to obtain these designations can be assessed. The working group felt the ultimate goal of these discussions would be to simplify the process and add value to it so that more municipalities would be encouraged to become "delegated" or to recognize their "capacity."

The other educational effort recommended by the group is to encourage municipalities to use the same third party reviewer that DEP might use on occasion for permitting in order to further streamline this review process.

It was suggested that the educational/outreach efforts be coordinated with all parties involved with the development projects under Site Law, and a central clearinghouse of available resources be initiated and maintained so that consistent information is provided to all audiences.

Simplification. The other component of the report dealt with wanting to simplify the Site Law process in identified municipal "growth areas." The working group's report suggests that this would promote efficiency due to: (a) the developer's efforts being targeted to areas designated by the municipality as suited for development and (b) the community's residents being more accepting of said development as it is in line with the community's planned future. As part of these recommendations, the Site Law regulatory process would be streamlined in these "growth areas"

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Site Law (cont'd)

thereby encouraging, without mandating, development to occur there. In order to qualify for the streamlined regulatory process, the municipality would need an adopted comprehensive plan, the appropriate land use ordinances, and to expressly assume this land use authority from the state. This program would be entirely voluntary. The group identified a few efforts to help establish this program: (1) development of a best management practices toolbox; (2) compilation of case studies from municipalities that have successfully designated “growth areas”; and (3) identification of state agencies that could provide technical support to municipalities, if needed.

What the ENR Committee does with this report and the recommendations contained within it is anyone’s guess. Regardless of the report’s future, MMA certainly believes this approach is much more reasonable than the original proposal of increasing the lot size and acreage thresholds under Site Law in order to address the developers’ concerns about time, money and predictability. As this report moves through the committee process, updates will follow.

If you would like to obtain a copy of this report, please contact Greg Connors at gconnors@memun.org and he’ll forward one to you.

LEGISLATIVE HEARINGS

Note: You should check your newspapers for Legal Notices as there may be changes in the hearing schedule. Weekly “Advance Notice of Public Hearing” (ANPH) schedules and supplements are no longer available at the Senate Office at the State House and the Legislature’s web site. Work Session and Hearing schedules by Committee are available at the Legislative Information page at http://www.mainelegislature.org/legis/bills/phwksched_ps.asp?PID=1456.

Monday, January 9

Energy, Utilities & Technology
Room 211, Cross State Office Building, 10:00 a.m.
Tel: 287-4143

LD 1620 – An Act To Amend the Charter of the Ogunquit Sewer District.

LD 1676 – An Act To Increase Energy Options.

LD 1703 – An Act To Create the New Gloucester Water District.

Capacity vs. Delegation

During the Site Law working group meetings held this fall, the topic of “capacity” and “delegation” under Site law was explored by the group with a focus on the similarities and differences between these methods of providing state-level Site Law permitting authority to the designated town or city. With only 14 municipalities holding one or both of these designations, the group wanted to get a better understanding of what these terms meant and if they effectively streamlined the permitting process. The following is what was discovered during this exercise.

Current state law provides two alternatives by which municipalities can opt for a greater role in Site Law review.

Delegation. Back in the late 1980s, the Legislature authorized “delegation” (38 MRSA Section 489-A) as a way to provide certain municipalities with the ability to administer the state’s Site Law requirements. The municipality adopts ordinances that are at least as stringent as state Site Law regulations. After which, with DEP’s approval, these “delegated” communities act as the sole “reviewer” of the development project, assess the various impacts the development will have, and ultimately issue state Site Law permits, as necessary. Apparently, there is some level of state review when a “delegated” community assesses Site Law development projects and DEP is notified of projects approved.

Capacity. In the 1990s, the designation of “capacity” (38 MRSA Section 488(19)) was introduced to communities by DEP. Again, this designation allows for a more streamlined permitting process by significantly reducing DEP’s role in Site Law development projects as “delegation” does. In fact, under the “capacity” designation, the municipality is found to have adequate ordinances and resources to issue their own permits, as opposed to issuing state permits, that have the same authority as a state permit. There are fewer reporting requirements and filings to the DEP under “capacity” and the municipality does not have to adopt the Site Law regulations per se because its body of regulation is deemed by DEP as equally protective of the environment.

If a municipality does not hold either designation, then the state is actively involved in the Site Law permitting process and will issue state permits, when applicable.

Advance Notice on Tree Growth Hearing

Municipal officials with particular interests in the Tree Growth tax program may want to mark their calendars for a public hearing that has been scheduled for Tuesday, January 17, 2012 at 3:00 p.m. in Room 127 of the State House (Taxation Committee room).

The bill is LD 1470, *An Act to Ensure Harvesting of Timber on Land Taxed under the Maine Tree Growth Tax Law*. Sponsored by Sen. Kevin Raye (Washington County), this is a “concept draft” bill that proposes to amend the Tree Growth tax law in a going-forward way so that only property owners who are actually engaged in timber harvesting would be determined eligible to enroll in the Maine Tree Growth program.

As a “concept draft” bill, no specific details are provided. Those details will be left up to the Taxation Committee to create if it chooses to go forward with the bill.

Municipal officials, particularly in certain areas of the state, often express their concerns when they see the Tree Growth program being used merely as a tax dodge. This public hearing provides an opportunity for municipal officials to share those concerns directly to the legislative committee that can actually do something about the concerns raised.

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. 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, http://www.memun.org/public/MMA/svc/SFR/LD/LD_fr.htm.)

Agriculture, Conservation & Forestry

LD 1649 – An Act To Authorize the Registration of Farmland in 2012 and 2013. (Emergency) (Sponsored by Sen. Saviello of Franklin Cty; additional cosponsor.)

This emergency bill reconstitutes a farmland registration program enacted in 1989 which allowed qualifying farmers to register their farmland with the municipality for a two-year period in 1990 and 1991. Under the terms of this bill, the registration program could resume during an 18-month period between July 1, 2012 and December 31, 2013. The core purpose of the farmland registration program is to put property owners adjacent to registered farmland on notice that they are abutting farmland property and to restrict development or uses that may otherwise be constructed or occur within 100 feet of the farmland property. There are municipal duties associated with the farmland registration program. In order to register farmland property, the qualifying landowner must first notify all abutters of that intention by certified mail and then file an application fee with the municipality. The municipality must keep a publicly accessible file of all registrations and withdrawals. The municipality is allowed to charge up to \$25 for a registration filing fee. The registration also has to be recorded in county registry of deeds, presumably at the farmer's expense. Proceedings before the municipality's Board of Appeals or municipal officers are required in the event an abutter or the municipality believes the registration no longer qualifies, and the municipal planning and building permit authorities must restrict inconsistent land use development or use within 100 feet of properly registered farmland. Variances issued by the local Board of Appeals are allowed with respect to those restrictions.

LD 1741 – An Act To Streamline the Paperwork Requirements of the State's Forest Practices Laws. (Sponsored by Sen. Sherman of Aroostook Cty.)

This bill is designed to reduce certain paperwork requirements that are associated with forest practices management. Among the changes, the bill repeals the requirement that the Director of the Maine Forest Service notify the assessor in a municipality when an intention-to-harvest notice filed with MFS indicates that there will be change of use of land enrolled in the Tree Growth tax program.

Education & Cultural Affairs

LD 1668 – An Act To Improve the Regional School Unit Budget Approval and Validation Process. (Sponsored by Sen. Snowe-Mello of Androscoggin Cty; additional cosponsors.)

This bill makes three changes to the law governing the school budget validation process. First, the bill requires the question on the ballot to expressly state the dollar amount of the budget as well as the amount the proposed budget is greater than or less than the budget adopted for the previous school year. Second, the bill changes the default budget which is established as the operating budget if no school budget is finally approved as of the July 1 start-up date of each school year. Under current law, the default budget is the latest budget submitted by the school board to the school system's legislative body, which becomes the operational budget until the actual school budget is finally adopted. Under this bill, the default budget is the latest budget actually approved at a budget validation referendum. Finally, the bill changes the presumptive school budget upon which the municipal officers may base a commitment of taxes in the circumstance where no school budget has been adopted but the taxes need to be committed in order to send out tax bills. Under current law, the presumptive budget upon which

to base such a commitment is the latest school budget approved by the school's legislative body, even if not ratified at the "budget validation referendum." Under this bill, the commitment would have to be based on the most recent budget actually approved at referendum.

LD 1696 – An Act To Modify the Alternative Organizational Structure Budget Approval Process. (Sponsored by Rep. David Burns; additional cosponsors.)

The budget of a school system organized as an Alternative Organizational Structure (AOS) is essentially the budget of the superintendent's office and other functions provided in a central office manner to the various participating municipal school systems within the AOS. Under current law, the AOS budget is adopted by the combined voters within the entire AOS at an open meeting. (No budget validation referendum vote is required.) Under this bill, the AOS budget could be approved by the AOS school board (governing body) rather than the voters, if the voters expressly provide the governing body that authority at an election.

Energy, Utilities & Technology

LD 1614 – An Act To Create Efficiency in E-9-1-1 Call Centers. (Sponsored by Sen. Thibodeau of Waldo Cty; additional cosponsors.)

This bill reorganizes and amends the law governing the establishment of Public Safety Answering Points (PSAPs) and the related municipal responsibilities. The bill: (1) changes the current goal established in law for the Emergency Services Communication Bureau to establish, 16 to 24 PSAPs in Maine into a mandate to approve only 15 to 17 PSAPs; (2) requires the Bureau to design the system so that all wireless 9-1-1 calls made within one mile of the I-95/I-295 corridor are routed to one of the four State PSAPs and all wireless calls made outside of that one-mile corridor get routed to the PSAP serving the municipality where the tower receiving the call is located; and (3) clarifies the municipal options to contract with another government entity for PSAP services and further requires that such contracts must have a term of at least 5 years.

LD 1676 – An Act To Increase Energy Options. (Sponsored by Sen. Raye of Washington Cty; additional cosponsors.)

This bill grants to municipalities that are not served by consumer-owned electric utilities but have formed a municipal power district pursuant to 35-A MRSA, chapter 39 the right to manage their own standard offer electricity supply in the same manner permitted for communities served by consumer-owned electric utilities.

Health & Human Services

LD 1627 – An Act Regarding the Filing of Birth, Death and Marriage Data. (Sponsored by Sen. McCormick of Kennebec Cty; additional cosponsor.)

This bill makes a number of changes to the laws governing the filing of birth records and notices of intentions of marriage with local or state agencies. Specifically, the bill provides: (1) that the application recording the intentions to marry as filed with the town or city clerk are confidential and not available for public inspection for a 50-year period, except that the names of the marrying persons and the intended date of the marriage are public records; (2) that the required practice of a municipal clerk transmitting a copy of the certificate of live birth to the municipality of a parent if other than the municipality where the birth occurred is no longer required if the birth is registered or will be registered on the electronic birth registration system implemented by the state registrar; (3) that the report of a birth occurring in an unincorporated place may be registered in the electronic birth registration system by the reporting municipality; (4) that the report by a person assuming custody of a child of unknown parentage must report to the State Office of Data, Research and Vital Statistics rather than the local town or city clerk; and (5) for the filing of certificates of live births to the Office of Data, Research and Vital Statistics in all cases where the filing occurs

more than 7 days after the date of the birth.

Judiciary

LD 1687 – An Act To Clarify the Liability of 3rd-party Building Inspectors. (Emergency) (Sponsored by Rep. Moulton of York; additional cosponsors.)

This emergency bill establishes that persons employed as “third party inspectors” for the purpose of determining the construction of a building’s compliance with the Maine Uniform Building and Energy Code (MUBEC) have the same protection from liability under the Maine Tort Claims Act as other persons acting on behalf of a governmental entity.

Labor, Commerce, Research & Economic Development

LD 1619 – An Act To Resolve Conflicts In the Implementation of the Maine Uniform Building and Energy Code. (Sponsored by Sen. Saviello of Franklin Cty.)

This bill makes the following changes to the laws governing the implementation of the Maine Uniform Building and Energy Code (MUBEC): (1) allows municipalities to adopt the MUBEC-based codes “by reference” as that process is governed by Title 30-A MRSA, section 3003; (2) removes the requirement that a municipal code enforcement officer be MUBEC trained and certified if the municipality has not adopted and is not enforcing the MUBEC code; (3) targets the requirement to inspect all buildings under construction for compliance with MUBEC to those municipalities that are mandated or have voluntarily chosen to enforce MUBEC; and (4) targets the requirement to issue occupancy permits only to buildings that have been constructed according to MUBEC to those municipalities that are mandated or have voluntarily chosen to enforce MUBEC.

LD 1675 – Resolve, To Establish the Task Force To Facilitate the Development of Unoccupied Mills. (Emergency) (Sponsored by Sen. Hobbins of York Cty; additional cosponsor.)

This emergency bill establishes a 13 member task force to facilitate the development of unoccupied mills. The task force membership consists of four state senators, three state representatives, one representative of the Maine Municipal Association, one representative of the Maine State Chamber of Commerce, one representative from a municipality with an unoccupied mill, and one representative each from the Department of Economic and Community Development, the Maine State Housing Authority and the Finance Authority of Maine. The task force is charged with reviewing previous efforts to develop unoccupied mills, determine the obstacles to that type of development, review efforts in other states to redevelop mill sites, determine the measures that need to be taken to facilitate mill redevelopment, and estimate the costs involved to implement the redevelopment efforts. The task force must provide its findings and recommendations to the Legislature no later than December 5, 2012.

LD 1695 – An Act To Provide Additional In-store Space for Maine’s Businesses by Removing License and Permit Posting Requirements. (Sponsored by Rep. Prescott of Topsham; additional cosponsors.)

This bill eliminates the requirement that certain retail vendors must publicly display at the retail location their various retail licenses, permits or sales tax registration certificates, requiring the retailers instead to make those licenses or certificates available on demand by the various governmental licensing authorities. Along those lines, the bill prohibits the municipal officers from requiring a licensee or permittee to publicly display any licenses or permits that may be issued at the local level, authorizing only an inspection-on-demand system instead.

LD 1697 – An Act Relating to the Calculation of Population for Purposes of the Maine Uniform Building and Energy Code and Public Safety Answering Point Assessments. (Emergency) (Sponsored by Rep. Richardson of Warren; additional cosponsor.)

This bill provides two circumstances where a municipality’s population would be calculated to not include persons held within the municipality at a correctional facility. One circumstance would be with

respect to a municipality’s obligation to enforce the Maine Uniform Building and Energy Code (MUBEC). The second circumstance would be with respect to the fees calculated and assessed to a municipality for Public Safety Answering Point (PSAP) services.

LD 1725 – An Act To Strengthen the Unemployment Insurance Laws and Reduce Unemployment Fraud. (Sponsored by Sen. Rector of Knox Cty; additional cosponsors.)

This bill tightens up the standards to retain ongoing eligibility for unemployment insurance benefits (UI). Specifically, the bill: (1) provides that a UI recipient must seek work each week for which a claim is filed and report the work search efforts to the UI commission or face denial of benefits until such time as the documentation is provided; (2) requires a UI recipient to broaden his or her work search after 6 weeks of unemployment rather than 12 weeks; (3) provides that participation in reemployment eligibility assessment services is mandatory and failure to comply results in loss of benefits; and (4) designates a tiered level of criminal offense (Class D, C or B) for UI fraud depending on the amount of UI benefits fraudulently obtained. The bill also increases the earning requirements for re-qualifying for benefits after disqualification for refusing suitable work or misconduct, and establishes indefinite disqualification upon a 3rd determination of UI fraud. The bill also adds vacation pay to the types of remuneration which offset UI benefits.

State & Local Government

LD 1596 – An Act To Amend the Laws Governing Discontinued Town Ways. (Sponsored by Sen. Saviello of Franklin Cty.)

Under existing law, a public easement is generally retained when a town way is formally discontinued by the local legislative body. This bill authorizes the municipal officers to propose placing restrictions on the public easement as part of the discontinuation order approved by the town meeting or town or city council. Those restrictions could include but not be limited to seasonal use, time of day, and/or motorized vehicle limitations.

Taxation

LD 1653 – An Act To Make Fisheries and Wildlife Projects Eligible for Tax Increment Financing. (Sponsored by Sen. Raye of Washington Cty; additional cosponsors.)

This bill expands the allowable uses of Tax Increment Financing revenue to support “fisheries and wildlife projects”, which are defined as projects approved by the Department of Inland Fisheries and Wildlife undertaken for the purpose of improving public access to fisheries and wildlife resources of the state for fishing, hunting, research or observation or for conservation or improvement of the fisheries and wildlife resources of the State.

LD 1680 – An Act To Amend the Circuitbreaker Program To Include Claimants Occupying Property Pursuant to a Trust and To Require Proof of Payment of Rent. (Sponsored by Sen. Plowman of Penobscot Cty; additional cosponsors.)

This bill makes two substantive changes to the state’s “Circuit Breaker” program which provides cash rebates to qualifying property owners and renters for the purposes of property tax and rent relief. Under current law, a person can be eligible for Circuit Breaker benefits if the subject property is held in a “revocable living trust”. This bill expands the category of trusts in which the property may be held which would nonetheless allow the actual inhabitant of the property receive Circuit Breaker benefits. The bill also requires renters applying for benefits to show proof that the claimed rent was actually paid during the year for which application is made.

LD 1693 – An Act To Amend the Law Governing Abatements of Property Taxes for Infirmity or Poverty. (Sponsored by Rep. Keschl of Belgrade; additional cosponsors.)

This bill makes three changes to the current statutory interface between the state’s Circuit Breaker property tax rebate program and the local property tax systems and the poverty abatement process. Specifically, the bill: (1) establishes that a Circuit Breaker benefit is

deemed available to the applicant for the purpose of contributing to the public charges, referring to a poverty abatement standard; (2) requires an applicant for a Circuit Breaker benefit to provide proof that the property tax obligation upon which the application for relief is being made was actually paid; and (3) prohibits an applicant from applying for Circuit Breaker benefits with respect to a property tax obligation that was abated at the local level.

LD 1699 – An Act To Create Excise Tax Equity and Consistency for Buses. (Sponsored by Rep. Knapp of Gorham.)

Under current law the motor vehicle excise tax rates are applied to the motor vehicle’s Manufacturer’s Suggested Retail Price (MSRP) or “list price”. The exception is for commercial vehicles manufactured after 1995 and registered for more than 26,000 lbs. The excise tax on those vehicles is based on the actual sales price, but municipalities are reimbursed the difference between the actual excise tax received and what would have been received under an MSRP calculation through a reimbursement program funded by required contributions to the state from interstate trucking operations. This bill expands the “sales price” (instead of list price”) excise tax system to include buses, which are defined as motor vehicles designed to carry more than 15 persons, including the operator.

LD 1730 – An Act To Require the Review of Proposed Tax Expenditures. (Sponsored by Sen. Hastings of Oxford Cty.)

This bill establishes a certain review procedure to be followed by the Legislature’s Taxation Committee when reviewing and approving any expanded or newly proposed tax exemption, referred to in statute as a “tax expenditure.” The review procedure walks the Committee through a 9-point evaluation checklist including: the identification of the taxpayers who are affected by the proposed tax break, public policy justifications for the exemption, fiscal impacts and proposals to address the revenue loss, impacts on consumer and business spending, unintended consequences, comparison of similar tax expenditures in other states, standards for accountability and taxpayer reporting requirements, methods of evaluating the exemption’s performance over time, and the process to sunset the exemption. The bill also requires all legislation proposing a new tax expenditure to include a repeal date and a specific review process to be used in evaluating the tax expenditure’s performance.

Transportation

LD 1656 – An Act To Clarify the Registration Exemption of Tractors under the Motor Vehicle Laws. (Sponsored by Sen. Whittemore of Somerset Cty; additional cosponsors.)

This bill amends the registration exemption for tractors under the motor vehicle laws to clarify that tractors used solely on residential premises are exempt from registration requirements when operated on the residential premises or going to or from a filling station or garage for fuel or repair.

LD 1710 – An Act To Amend the Motor Vehicle Laws. (Sponsored by Rep. Cebra of Naples; additional cosponsors.)

This bill makes a number of changes to Maine’s motor vehicle laws, most of which are not directly pertinent to municipal operations. An element of the bill impacting the motor vehicle registration system limits to the first 6 years of registration the system whereby commercial vehicles registered at more than 26,000 lbs. are charged an excise tax based on the actual sales price rather than the Manufacturer’s Suggested Retail Price (MSRP). Under the terms of this bill, the truck’s excise tax would be calculated on the MSRP rather than the actual sales price after the first six years of registration.

Veterans & Legal Affairs

LD 1630 – Resolve, To Establish a Stakeholder Group for the Development of a Plan for the Inventory and Proper Care of Veterans’ Graves. (Sponsored by Sen. Raye of Washington Cty; additional cosponsors.)

This resolve directs the Bureau of Maine Veterans’ Services to establish a stakeholder group for the development of a plan for the inventory and proper care of veterans’ graves. The Bureau must invite the participation of representatives of municipal and county government, veteran organizations, interested members of the public and a designee of the Maine Old Cemetery Association. The Bureau’s report and recommendations must be submitted to the Legislature by January 15, 2013.

LD 1664 – An Act To Amend the Election Laws. (Sponsored by Sen. Farnham of Penobscot Cty; additional cosponsors.)

This bill makes several changes to laws governing the conduct of elections. Of significant interest, this bill: (1) increases from 2 to 5 the number of years the incoming voter list must be kept by the clerk and clarifies that the list may be kept in the clerk’s office or other secure location under the clerk’s control; (2) requires clerks to keep all paperwork related to the absentee voter process for 2 years; (3) increases from “at least 7 days” to “10 to 15 business days” the number of days the notice of election must be published in a newspaper of general circulation; (4) clarifies that if a voter from the unorganized territories fails to register to vote 60-days before an election, the clerk is required to amend the issued ballot by marking a line through the offices, candidates and questions that do not pertain to that “out-of-district” voter; (5) adds “year of birth” to the voter information the Secretary of State is allowed to issue to authorized governmental and quasi-governmental entities; (6) removes the “is not a registered voter” from the list of reasons a voter may challenge the ballot of another; and (7) authorizes clerks to issue a second absentee ballot when the ballot envelope has a defect in the affidavit that would cause the ballot to be rejected.