

## MMA's Legislative Policy Committee Frames Municipal Borrowing Priorities

When it convened on Thursday this week, MMA's 70-member Legislative Policy Committee weighed-in on the question of the borrowing package that should be recommended to Maine's voters for ratification.

Governor Baldacci is proposing a \$306 million borrowing proposal to cover the next biennium. In order of priority, the Governor's proposal focuses on transportation (\$127 million), economic development and research and development (\$67.5 million), higher education campus infrastructure (\$52 million), Land for Maine's Future (\$23 million), environmental improvements (\$20.4 million), and two targeted "energy" programs (\$15.5 million).

Although the municipalities agree with the overall size of the biennial borrowing package, there are some differences that should be noted with respect to priorities.

**Areas of agreement.** The two general categories where the municipalities generally agree with the Governor with respect to spending priorities are in the areas of transportation and environmental investments (wastewater, drinking water, agricultural "nutrient management", etc.)

**Where the municipal priorities exceed the Governor's.** The most significant difference between the municipal and gubernatorial priorities is found in the area of pure economic development, along the lines of a "jobs bond" package. The municipalities would dedicate 20% of the total bond package to that goal; the Governor, in contrast, is proposing a much smaller investment in that category - just 7% of the total package.

Another significant area of disagreement is found in the area of housing. The Governor's proposal is essentially silent with respect to providing additional resources for affordable housing. In contrast, the municipalities would like to see about 4% of the overall package, or approximately \$12 million, dedicated to affordable housing initiatives.

The other two areas where the municipalities are seeking greater financial investments than what the Governor is proposing are energy investments and public facilities/downtown revitalization (excluding higher education infrastructure). In the area of energy initiatives (weatherization of homes, public

*(continued on page 8)*

## Updating Credit Card Laws

The Insurance and Financial Services Committee took testimony on an MMA-initiated bill Monday, LD 715, *An Act to Enable the Use of Credit Cards for Governmental Transactions*. The bill was sponsored by Representative Patsy Crockett (Augusta).

The bill simply amends an outdated statute governing credit card transactions involving local governments. Currently, credit card companies charge a fee to entities that accept payment by credit card. This charge is sometimes called a merchant fee. This charge is imposed on municipalities and other local governments if they accept payment by credit card.

For example, if a tax bill is \$100 and the consumer pays by credit card, the credit card company charges the municipality a fee (around 1-3% of the transaction cost) such that the municipality ultimately receives less than \$100. Accordingly, all the other taxpayers in the municipality must subsidize the user of the credit card.

For years, the credit card companies had a blanket policy prohibiting any merchant from passing along these fees

to the consumer. They didn't want goods to cost a certain amount if you pay cash and a slightly higher amount if you use a credit card.

However, the credit card companies have recently changed their policies for governmental entities. They have come to understand the subsidy issue and they now allow governments to pass-through the merchant fees to consumers.

Unfortunately, Maine has a statute that continues to prohibit passing-through these fees, even for governments. The legislation sponsored by Representative Crockett simply excludes local governments from the ban on pass-through charges imposed by credit card companies - with two conditions.

First, government may not pass-through costs in excess of what the credit card companies charge. Second, the pass-through costs must be disclosed.

In addition to Rep. Crockett and MMA, testimony in support of the bill was provided by Susan Bulay, President of the Maine Registrar of Deeds Association and a Registrar for Penobscot County. Ms. Bulay offered a friendly amendment

*(continued on page 3)*

# State and Local Recommends Ending Abuse of Local Government Efficiency Fund

This week the State and Local Government Committee convened in work session mode to address several issues of municipal interest, including elements of Governor Baldacci's FY 2010-2011 General Fund budget, an issue regarding municipal financial administration, the process to fill vacancies on boards of selectmen, and allowing nonresident property owners to vote on municipal budgets.

**Budget Recommendations.** Although the Appropriations Committee is ultimately responsible for finalizing the repackaging of Governor Baldacci's FY 2010-2011 General Fund budget, that final proposal is based in part on the recommendations from different legislative committees. On Monday of this week, the State and Local Government Committee made two interesting recommendations on the elements of the General Fund budget dealing with code enforcement officer (CEO) training and the Local Government Efficiency Fund.

As proposed in the Governor's budget, the State Planning Office (SPO) would no longer provide free training to CEOs and instead require attendees to pay for the cost of training. This proposal shifts the training cost onto the CEO instead of the municipality in an attempt to sidestep the unfunded mandate law. The theoretical posture is that by shifting the cost to the individual CEOs, the municipality will be relieved of paying the training cost, thereby avoiding the imposition of an unfunded mandate on the municipalities. There are few who accept that theory with straight face.

## Legislative Bulletin

A weekly publication of the Maine Municipal Association throughout sessions of the Maine State Legislature.

Subscriptions to the *Bulletin* are available at a rate of \$20 per calendar year. Inquiries regarding subscriptions or opinions expressed in this publication should be addressed to: *Legislative Bulletin*, Maine Municipal Association, 60 Community Drive, Augusta, ME 04330. Tel: 623-8428. Website: [www.memun.org](http://www.memun.org)

**Editorial Staff:** Geoffrey Herman, Kate Dufour, Jeff Austin, and Laura Veilleux of the State & Federal Relations staff.

The other municipal budget issue within the purview of the State and Local Government Committee is the use of the dollars remaining in the Efficiency Fund. Under existing law, 2% of the Revenue Sharing funds provided to municipalities are set aside to fund initiatives and programs at the local level designed to provide services more efficiently and collaboratively. While the 2% set aside generates over \$5 million over the two year period, virtually all of that money has been diverted by the Legislature and the Governor to the state's General Fund this biennium.

As provided for in the Governor's budget, over the next biennium \$1.5 million would be set aside to encourage municipalities to work with consolidated school districts to provide administrative services more effectively. In a nutshell, the Governor's proposal replaces the broad Efficiency Fund concept with a narrow version focused on consolidating school-municipal "back office" functions, and continues using the Local Government Efficiency Fund as a stooge vehicle to divert approximately \$4 million worth of municipal revenue sharing money to the state's General Fund over the next two years.

At Monday's work session the Committee advanced two different recommendations for addressing these two municipal issues.

One Committee report repeals the Efficiency Fund program. On a going forward basis, this action would put an end to the practice of setting aside 2% of the total municipal Revenue Sharing funds. In order to keep the General Fund whole in FY 2010 and FY 2011, this recommendation diverts \$4 million over the biennium to the state's General Fund. The remaining \$1.5 million is returned to the Revenue Sharing program. While this recommendation requires CEOs to pay for training, the members of the Committee supporting this recommendation would prefer that SPO find the money within existing resources to continue to provide the free training.

A competing Committee report diverts \$4 million to the state's General

Fund for FY 2010 and FY 2011. The remaining \$1.5 million in Efficiency Fund revenue is disbursed as follows: 1) \$270,000 over the biennium to fund SPO's CEO training program; 2) \$8,000 to fund part of the Maine Rural Water Association's budget; and 3) the remaining funds, approximately \$1.2 million, is equally divided between the Efficiency Fund program and the Municipal Investment Trust Fund. Under this recommendation, in future years the funds generated by the 2% set aside of municipal Revenue Sharing would be divided equally between the Efficiency Fund program and the Municipal Investment Trust Fund.

On Wednesday of this week, the State and Local Government Committee also voted on three bills of municipal interest.

**Co-mingling of Municipal Revenue in Personal Accounts.** The State and Local Government Committee unanimously voted to support LD 331, *An Act to Clarify the Duties of Municipal Treasurers, Clerks and Tax Collectors*. As proposed by Rep. Dianne Tilton of Harrington, municipal treasurers, clerks and tax collectors would be prohibited from depositing funds collected on behalf of the municipality into personal checking and savings accounts. Municipal officials support this legislation.

**Nonresident Property Owners Voting on Municipal Budgets.** LD 463, *An Act to Allow Nonresident Property Owners to Vote on Municipal Budget Matters*, sponsored by Sen. Roger Sherman of Aroostook County, would authorize nonresident property owners to vote on municipal budgets. LD 463 would essentially change the definition of a voter from a resident to a property owner, but only with respect to municipal elections. Under this proposed definition, people fortunate enough to own property in multiple communities would be authorized to vote on the budgets in each municipality. The Committee unanimously voted to oppose LD 463. Municipal officials support the Committee's decision.

*(continued on page 3)*

# County Seeks to Justify Increase in Jail Tax Cap

On Wednesday this week, the Criminal Justice Committee held a work session on LD 748, *An Act to Adjust the Assessment for Correctional Services from Sagadahoc County*. Sponsored by Rep. Thom Watson of Bath, LD 748 would increase the capped property tax assessment for county jails operations in Sagadahoc County by 10%, from \$2.3 million to \$2.5 million.

The bill was presented to address an error created when the capped property assessment enacted into law in 2008 for Sagadahoc County excluded an expenditure line related to the County's "community corrections" efforts. As a result of the error, the capped amount underestimated the property tax revenue needed to fund county jail operations services by just over \$200,000.

The property tax cap issue being addressed in LD 748 is the result of the state prison/county jail consolidation law enacted by the Legislature in 2008. Included as part of the unified corrections system was the creation of a property tax cap for the provision of county jail services. As provided for in the 2008 legislation, property taxpayer exposure to county corrections costs was frozen at the 2008 level. In order to determine the property tax cap, several meetings were held, fiscal surveys were completed, and the Criminal Justice Committee had several opportunities to review the information used to develop the cap. It was a well-defined process; everyone, especially the counties, had a say in what elements of the county budget would be included in the cap.

As a result of that effort, it was determined that starting in 2009 property taxpayers statewide would be obligated to fund \$62.5 million in county jail expenditures, no more and no less. However, officials from Sagadahoc County maintain they were misinformed within that process with respect to the treatment of the "community corrections" line in their budget. As a result, that expense was excluded from the cap ultimately enacted into the law.

At the work session on the bill it was

clear that some members of the Criminal Justice Committee believe that the exclusion of the expenditure by Sagadahoc County officials was the result of bad information the County received and is therefore deserving of review and correction by the Committee. In other words, some members support making this proposed \$200,000 adjustment to the cap. These members believe that cap issues will need to be addressed on a case-by-case basis. Other members of the Committee believe that the State Board of Corrections, which was created to oversee the corrections system unification process, is the more appropriate entity for making recommendations regarding the amendments to the property cap assessment.

As a result of Wednesday's discussion on LD 748, the Criminal Justice Committee decided to table the bill and ask the State Board of Corrections for its opinion on the issue. Once the Board has provided its feedback, the Committee will resume discussions and vote on the bill.

Although the public hearing on the bill was held before MMA's Legislative Policy Committee (LPC) had an opportunity to take a position on the bill, at its March 12th meeting the LPC voted to oppose LD 748 for two reasons.

First, municipal officials are concerned that if the Committee supports this proposal, it will precipitate more requests from other counties seeking increases to the "frozen" tax assessment. If one county is allowed to adjust its assessment, it won't be long before others will make similar requests and receive legislative approval. Furthermore, municipal officials are concerned that if the cap is thawed for this one situation, the Legislature might feel less inhibited from making future increases to the cap, particularly in these financially trying times.

Municipal officials also believe that the State Board of Corrections should have an opportunity to address this issue. As provided in the law that created the unified corrections system, the Board has been charged with overseeing the process and

may have access to the resources necessary to ensure that Sagadahoc County receives the funds needed to continue to provide these services.

## SLG WRAP UP (cont'd)

**Authorizing Selectboard Vacancies Through Appointment.** Finally, the State and Local Government Committee took action on LD 587, *An Act to Allow a Board of Selectman to Fill a Vacancy on That Board*. As proposed by Rep. John Robinson of Raymond, a board of selectman would be authorized to fill a board vacancy by appointment provided that the vacancy occurred more than 60 days before the next town meeting. This proposed change was intended to provide municipalities with a third option for filling a vacancy. Under existing law, without an ordinance or charter dictating otherwise, a Board of Selectmen has two choices for filling the vacancy. The Board can schedule a special town meeting or it can choose to do nothing and wait until the next regularly scheduled election to hold an election to fill the vacancy. The Committee unanimously voted to oppose LD 587.

## CREDIT CARDS (cont'd)

to clarify that any debit card charges may be similarly passed through to the consumer.

There was no testimony in opposition to the bill.

The Superintendent of the Bureau of Financial Institutions, Lloyed LaFountain testified "neither for nor against" the bill. He did note for the Committee that the state is already permitted to pass-through these costs and that consumers have grown accustomed to paying "convenience" fees. Superintendent LaFountain suggested an amendment to require any municipality which chooses to accept credit cards to also accept other forms of payment such as cash or check. These amendments would not appear to be objectionable. For example, cash is "legal tender" for debts and "public charges" and one would assume that municipal charges would be covered by the legal tender law (31 U.S.C. §5103). Nevertheless, even if it is redundant, there is certainly no objection to clarifying this issue with an amendment to the bill.

# Expanding Electronic Waste Recycling System

In 2004, the Maine Legislature enacted a bold new law for the management of electronic wastes. The “e-waste” products targeted were television and computer monitors. That law established a “producer responsibility” model for managing discarded e-waste. The model is one of shared responsibility where the public brings their e-waste to a municipal transfer station, the municipality transports the e-waste to a consolidation facility, and from there, producers are assigned the responsibility to cover the remaining transportation, dismantling and recycling costs.

This law has become a national model and is hailed as a resounding success. The Department of Environmental Protection reported that in the first 18-months of the e-waste program municipalities recycled almost 6 million pounds of e-waste consisting of over 53,000 monitors and over 64,000 televisions.

The environmental benefits of removing these products, filled with lead, mercury and other toxic materials are significant. Furthermore, many communities had already initiated a local ban on disposing of this e-waste in incinerators or landfills before the state e-waste law was enacted. Those local bans drove-up the local costs for disposal. In fact, municipal disposal fees of \$15-25 per television were not uncommon and often caused frustrated members of the public to dump their TVs in the woods to avoid paying the disposal cost.

The state law requiring producers to pick-up most of the tab has allowed many municipalities to reduce their costs. Accordingly, \$15-25 disposal fees are now rare. A 2008 DEP report noted that almost a third of Maine’s population has access to disposal options that include no disposal fee and another third have fees of \$1-5 per television. The DEP estimates that producers have had to pay approximately \$0.33 per pound of e-waste, or \$13 for an average 40-pound television under this program.

In 2004, the Maine Municipal Association supported the producer responsibility law.

It is with this background that Representative Jon Hinck (Portland) introduced LD 536, *An Act to Enhance Maine’s Electronic Waste Recycling Law*. The bill would expand the producer-responsibility model to more e-wastes: desktop printers, digital picture frames and video game consoles.

While these products don’t contain the same quantity of toxic materials as a traditional television with a cathode-ray tube, they do contain toxic materials and removing them from the waste stream, if possible, seems quite logical.

The question is whether the logical expansion of the existing e-waste law is also economical.

Testifying in favor of the bill were a number of groups. The Department of Environmental Protection, the Natural Resources Council of Maine, the City of Portland and Ecomaine (the regional waste facility in Portland) and others all supported the bill at the public hearing. The primary thrust of their testimony was the success of the existing law and how, in their various opinions and based upon their various experiences, expanding the law to more products will reduce the toxicity of the waste stream and reduce local costs.

There was no testimony in opposition.

Testifying neither for nor against the bill was David Thompson, a representative of both Panasonic and a consortium of industry e-waste recyclers. Mr. Thompson had no objection to expanding the existing Maine law to more products (Panasonic doesn’t manufacture any of them). However, he did note that Maine’s current e-waste law is more costly to producers than other laws across the country. Mr. Thompson suggested an amendment to the bill that would cap the producers’ costs. The exact amendment was not available but Mr. Thompson’s proposal appears to cap the producer costs at the average of the costs in other states – around \$0.20/pound rather than the Maine average of around \$0.33/pound.

Also testifying neither for nor against was MMA. MMA’s policy committee had not reviewed the bill prior to the

public hearing. However, MMA staff posed a series of questions and relayed some comments.

MMA noted that the bill will be potentially attractive to municipalities for two reasons. First, it removes toxic materials from the waste stream. This both protects the environment and helps local waste facilities meet their permit standards. Second, the producer-responsibility model has the potential to reduce waste management costs for many municipalities.

MMA’s questions dealt with both the mechanics of the proposed law and some policy issues. For example, MMA asked if municipalities will be able to co-mingle these new e-waste products with the televisions and computer monitors covered by the current law or will the various piles of e-waste have to be kept separate at transfer stations? (DEP staff related that they believe comingling will be allowed.) MMA also asked how the DEP decided to expand the e-waste list to the products it did, rather than other similar products that would not be covered, such as DVD players or VCRs. (The answer there is bit less clear at this point.)

This latter issue touches upon a potential municipal concern with expanding the current e-waste law. E-waste has to be managed as “universal waste.” In other words, it can’t just be dumped in a pile on the ground. Some large regional facilities, such as Ecomaine, have existing recycling facilities that can accommodate more e-waste without incurring additional capital costs. Other transfer stations have smaller, limited-space recycling sheds. These sheds can only accommodate so much waste before a hauler needs to be paid to come and take away its contents. Laws which add more products that have to go into the recycling shed could create an infrastructure problem for smaller facilities – or it could simply require more visits by the haulers (which can cost money).

In 2003 Maine voters had supported a bond that provided \$900,000 for the construction of municipal recycling sheds that can be used to store “universal

(continued on page 7)

## 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](http://www.memun.org).)*

### **Business, Research & Economic Development**

LD 937 - An Act To License Septic System Installers. (Sponsored by Rep. Finch of Fairfield.)

This building establishes a system of licensing all installers of septic systems.

### **Judiciary**

LD 898 - An Act To Amend the Law Pertaining to Permanently Restricted Funds of Municipal Public Libraries. (Sponsored by Rep. Giles of Belfast; additional cosponsors.)

This bill allows the governing board of a municipal public library to spend the dividend and interest income of a library endowment fund even if the fair value of the fund is less than its historic dollar value.

### **Labor**

LD 849 - An Act To Clarify the Application of the Public Works Minimum Wage Laws. (Sponsored by Rep. Tuttle of Sanford; additional cosponsors.)

This bill would expressly add school construction projects to the list of state "public works" in a law that deals with preference being given to Maine contractors.

LD 869 - An Act To Require the Development of Plans To Achieve the payment of Livable Wages by State and Local Government Employers. (Sponsored by Rep. Butterfield of Bangor; additional cosponsors.)

This bill requires the state, counties, municipalities, school systems and the public universities and colleges to submit reports to determine the extent to which they pay their employees "livable wages" as that term is defined by the Department of Labor. The bill also requires those entities to submit plans to the Department of Labor describing how they will achieve a requirement of paying livable wages to all employees by July 1, 2012.

LD 934 - An Act To Clarify Public Sector Employee Fair Choice in Collective Bargaining. (Sponsored by Sen. Jackson of Aroostook County; additional cosponsors.)

This bill repeals the right of a public employer to request an election to determine whether there exists majority support for unionization within a proposed new bargaining unit, and replaces the employer's right to request an election with a process to determine a neutral party to conduct a confidential inspection of the evidence presented by the proposed bargaining unit demonstrating majority support for unionization.

### **Legal & Veterans Affairs**

LD 903 - An Act To Allow an Election Clerk To Request Proof of Identity from a Voter. (Sponsored by Rep. Hill of York; additional cosponsors.)

This bill authorizes a municipal election clerk to request proof of identity from a voter before issuing a ballot. If the voter does not produce the proof of identity, the election clerk may mark the ballot as a challenged ballot.

### **Marine Resources**

LD 852 - An Act To Clarify the Public Ownership of Marine Organisms within the Intertidal Zone. (Sponsored by Sen. Trahan of Lincoln County.)

This bill declares that the state owns and controls the harvesting of seaweed, shellfish and other marine organisms on or under lands within the intertidal zone.

### **State & Local Government**

LD 918 - An Act To Amend the Informed Growth Act To Provide a Local Management Option. (Sponsored by Rep. Berry of Bowdoinham; additional cosponsors.)

This bill amends the Informed Growth Act (IGA) as enacted in 2007 to exempt a municipality from the mandatory big-box development evaluation procedures required by IGA if the municipality has adopted an ordinance that requires an independent evaluation of the impact of large scale retail development on existing retail establishments and municipal services for both the host municipality and abutting municipalities, and further requires findings of that evaluation to be considered when reviewing the big-box development's land use application.

### **Transportation**

LD 648 - An Act To Allow the Operation of Low-speed Vehicles on Higher-speed Roads. (Sponsored by Rep. Walsh Innes of Yarmouth; additional cosponsors.)

Under current law, a "low speed vehicle" may be operated only on roads with posted speeds of 35 miles per hour or less. This bill allows "low speed vehicles" to be operated on roads with posted speed limits of 45 miles per hour or less. The bill also removes the authority of the Department of Transportation to prohibit the operation of low speed vehicles on any road within its jurisdiction for reasons of public safety.

LD 745 - An Act To Allow the Operation of Modified Utility Vehicles on Public Ways. (Sponsored by Sen. Damon of Hancock County; additional cosponsors.)

This bill authorizes the operation of "modified utility vehicles" on Maine's roadways that have posted speed limits of 45 miles per hour or less. The bill defines the term "modified utility vehicles" as four-wheeled vehicles, commonly known as a utility vehicle, that has been modified to meet listed equipment requirements. The bill further provides how the owner of a modified utility vehicle can register the vehicle from the Secretary of State's Office.

LD 874 - An Act To Amend the Laws Governing Axle Weights. (Sponsored by Rep. Thomas of Ripley; additional cosponsors.)

This bill reduces the fine by 50% for a truck that exceeds the axle weight limits but does not exceed the maximum gross vehicle weight limit.

### **Utilities & Energy**

LD 850 - An Act To Ensure Local Broadband Coverage. (Sponsored by Rep. Pingree of North Haven; additional cosponsors.)

This bill authorizes the Public Utilities Commission to adopt rules to require a communications service provider to provide services to an entire municipality if the provider is currently providing services to at least 50% of the geographic area of that municipality.

## LEGISLATIVE HEARINGS

### *Monday, March 16*

**Criminal Justice & Public Safety**  
**Rm. 436, State House, 10:00 a.m.**  
**Tel: 287-1122**

LD 382 - An Act To Clarify the Meaning of Prudent Speed.  
LD 594 - An Act To Require That Police Reports Be Filed in All Automobile Accidents.  
LD 595 - An Act To Prevent High-speed Chases.

**Education & Cultural Affairs**  
**Room 202, Cross State Office Building, 1:00 p.m.**  
**Tel: 287-3125**

LD 610 - An Act To Add 10 Days to the School Year and To Require Daily Physical Exercise for All School Children.  
LD 857 - An Act To Validate Certain Proceedings Authorizing the Issuance of Bonds and Notes by School Administrative District No. 32.

**Health & Human Services**  
**Room 209, Cross State Office Building, 9:00 a.m.**  
**Tel: 287-1317**

LD 576 - Resolve, To Require the Department of Health and Human Services and the Maine State Housing Authority To Create Efficiencies in Existing Services for Persons Who Are Homeless.

**Legal & Veterans Affairs**  
**Room 437, State House, 10:00 a.m.**  
**Tel: 287-1310**

LD 682 - An Act Regarding Agency Liquor Stores.  
LD 5 - An Act To Amend the Laws Governing Liquor Licenses.  
LD 758 - An Act To Allow Municipalities and Counties To Require Bartender Training for Liquor Licenses.  
LD 831 - An Act To Enhance Fund-raising Opportunities by Certain Nonprofit and Fraternal Organizations.

**State & Local Government**  
**Room 216, Cross State Office Building, 10:00 a.m.**  
**Tel: 287-1330**

LD 279 - An Act To Amend the Laws Governing the Fund for the Efficient Delivery of Local and Regional Services.  
LD 680 - An Act To Hold Municipal Officers Harmless for a Determination That a Town Way or Public Easement Is Considered Abandoned.  
LD 739 - An Act To Provide That the Assessor and Treasurer Are Incompatible Municipal Offices.  
LD 761 - An Act To Abolish the Fund for the Efficient Delivery of Local and Regional Services.

### *Tuesday, March 17*

**Business, Research & Economic Development**  
**Room 208, Cross State Office Building, 1:00 p.m.**  
**Tel: 287-1331**

LD 91 - An Act To Fund the Maine Downtown Center.

**Natural Resources**  
**Room 214, Cross State Office Building, 1:00 p.m.**  
**Tel: 287-4149**

LD 722 - An Act To Manage Risks Associated with Surface Uses on Public Water Supplies.  
LD 476 - An Act To Amend Certain Laws Administered by the Department of Environmental Protection.  
LD 686 - An Act To Require Semiannual Testing in Certain Gravel Pits.

**Transportation**  
**Room 126, State House, 1:00 p.m.**  
**Tel: 287-4148**

LD 665 - An Act To Enhance Safety on Maine's Bridges.  
LD 706 - An Act To Impose a Maximum Speed Limit of 45 Miles Per Hour on Roads on Which a School Bus Stop Is Located.

### *Wednesday, March 18*

**Criminal Justice & Public Safety**  
**Rm. 436, State House, 10:00 a.m.**  
**Tel: 287-1122**

LD 633 - An Act To Amend the Laws Pertaining to Refusing To Submit to Arrest or Detention.  
LD 668 - An Act To Amend the Laws Concerning Disorderly Conduct.  
LD 713 - An Act Regarding Assault on a Firefighter.  
LD 601 - An Act To Require That the Proceeds from Property Seized through Drug Crime Forfeitures Go to the General Fund.

**Education & Cultural Affairs**  
**Room 202, Cross State Office Building, 3:00 p.m.**  
**Tel: 287-3125**

LD 857 - An Act To Validate Certain Proceedings Authorizing the Issuance of Bonds and Notes by School Administrative District No. 32.

**Taxation**  
**Room 127, State House, 10:00 a.m.**  
**Tel: 287-1552**

LD 740 - An Act To Validate the Property Tax Commitments in the Towns That are Members of Community School District No. 9.  
LD 839 - An Act To Authorize an Alternative Calculation of the Property Growth Factor for Municipalities with Exempt Personal Property.  
LD 808 - An Act To Capitalize the Municipal Investment Trust Fund with Municipal Revenue-sharing Resources.

### *Thursday, March 19*

**Judiciary**  
**Room 438, State House, 1:00 p.m.**  
**Tel: 287-1327**

LD 427 - An Act To Require School Bus Drivers and School Bus Attendants To Report Suspected Child Abuse.

**Labor**  
**Room 220, Cross State Office Building, 1:00 p.m.**  
**Tel: 287-1333**

LD 621 - An Act Allowing Workers' Compensation Benefits for Firefighters Who Contract Cancer.  
LD 658 - An Act To Require United States Occupational Safety and Health Administration Training for Government Construction Contracts.

**Natural Resources**  
**Room 214, Cross State Office Building, 9:00 a.m.**  
**Tel: 287-4149**

LD 199 - An Act To Facilitate Wind Power Siting.  
LD 645 - An Act To Provide for Municipal Oversight and Authority over Groundwater Extraction.  
LD 663 - An Act To Clarify A Municipality's Authority To Pass Ordinances That Govern the Extraction of Groundwater.

**Transportation**  
**Room 126, State House, 10:00 a.m.**  
**Tel: 287-4148**

LD 648 - An Act To Allow the Operation of Low-speed Vehicles on  
*(continued on page 7)*

## HEARINGS (cont'd)

Higher-speed Roads.

LD 649 - An Act To Reimburse Communities That Have Constructed Sand and Salt Sheds Rated Priority 3 and 4.

### Utilities & Energy

Room 211, Cross State Office Building, 10:00 a.m.

Tel: 287-4143

LD 764 - An Act To Allow Municipalities To Offer Access to the Internet through Digital Subscriber Lines.

1:00 p.m.

LD 555 - An Act To Promote Public Safety Answering Point Efficiency.

LD 597 - An Act To Amend the Laws Governing Public Safety Answering Points.

LD 264 - An Act to Amend the Surcharge for the E-9-1-1 System.

### Criminal Justice & Public Safety

Rm. 436, State House, 1:00 p.m.

Tel: 287-1122

LD 548 - An Act To Provide Information to Maine Voters About the Cost and Fiscal Impact of Citizens' Initiatives.

LD 530 - Resolution, Proposing an Amendment to the Constitution of Maine To Reduce the Number of Signatures Required and Prohibit Payment for Signatures in the Citizen's Initiative Process.

LD 547 - An Act To Amend the Laws Concerning Write-in Candidates for Elected Office To Increase Fairness.

LD 512 - An Act To Facilitate Voting by Maine Residents in the Military Who Are Deployed Overseas.

### Judiciary

Room 438, State House, 9:00 a.m.

Tel: 287-1327

LD 103 - An Act To Ensure Protection from Harassment for Purchasers of Real Property through Auction.

## E-WASTE (cont'd)

wastes” such as e-waste, compact-fluorescent light bulbs and other household hazardous waste. There haven't been any additional state funds available for the construction of municipal recycling infrastructure since 2003. Thus, the costs of any additional recycling infrastructure that may be needed will be borne by municipalities.

DEP provided a report to the Natural Resources Committee in January calling for a new state-imposed fee on municipalities and others who manage solid waste for the purpose of building needed recycling infrastructure. There is certainly an MMA staff concern that the e-waste bill, and the possible infrastructure needs it creates, will be used as a justification by DEP to impose a new fee on municipalities to build that infrastructure. This is a far different state-local partnership regarding recycling infrastructure than existed in 2003.

From the municipal perspective, a key to the attractiveness of an expansion to the current e-waste management system model is whether municipalities will face increase costs. In addition to the capital costs needed to build recycling infrastructure that satisfies the DEP's requirements for handling universal waste, municipalities *may* face transportation costs in a producer-responsibility model. Producers only become responsible for the costs once their products have been gathered at a consolidation facility.

The current law operates such that

some municipalities and regions generate enough TVs and computer monitors that waste haulers who collect the e-waste from the various local facilities will do so at no cost to the towns. This is probably reflected in the fact that many municipalities now charge their citizens no disposal fee for TVs. However, others regions do not generate enough e-waste and these municipalities have to pay to transport the TVs to a consolidation facility – from which point on the producers become responsible. Again, the existence of disposal fees in more than half of the municipalities surveyed by the DEP indicates that municipal costs continue to exist, even in a producer-responsibility model. The issue is whether these e-waste costs exceed the normal “tipping fees” a municipality would otherwise pay to dispose of the products as ordinary waste.

Modifications to the producer-responsibility model, such as the proposed amendment to cap producer fees, would undoubtedly cause the waste haulers to turn to municipalities for more money.

The original e-waste law for TVs was preceded by a disposal ban. That is, the Legislature had prohibited municipalities from disposing TVs and computer monitors in landfills and incinerators. That disposal ban mandated (in practical effect if not legal effect) that municipalities figure out how to provide alternative disposal options for their residents – regardless of cost. In that context, the state's producer responsibility program became a very attractive alternative method for almost all municipalities.

LD 536 does not include a disposal ban for video games and printers. The thinking, we believe, is that the producer responsibility model is so attractive to municipalities that they will be able to participate in its expansion.

DEP believes that for most municipalities and regions, the producer-responsibility model will prove to be an attractive option and they do not need to force the issue by enacting a disposal ban. It may be that municipalities and regional waste entities will adopt these bans voluntarily in order to be able to participate in the expanded e-waste law and benefit from more producer responsibility.

The municipal officials on MMA's Legislative Policy Committee agreed that a producer-responsibility model would likely be beneficial from both an environmental and financial basis.

However, they did note that there appears to be serious problem of a backlog or bottleneck somewhere in the TV recycling process and that many smaller transfer stations are having a difficult time getting any recycling operation to accept their discarded televisions. Several municipalities have had to increase their universal waste storage capacity to accommodate the large number of accumulating discarded televisions.

MMA's Policy Committee voted to support the bill but they would encourage the Natural Resources Committee to make sure that as they add even more waste to the e-waste stream, that there is a system to clear bottlenecks so that local recycling sheds which are already overwhelmed can function appropriately.

## BORROWING (cont'd)

facilities, alternative energy incentives, etc.), the municipalities would dedicate 8% of the bond issue, or over \$25 million. The Governor's bond package appears to dedicate about \$15 million for that purpose.

Setting aside the higher education infrastructure, the municipalities would

dedicate about 5% of the total bond package to retrofitting governmental facilities and downtown investments. The Governor's proposal would set aside about \$10 million for those purposes.

**Where the Governor's Priorities Exceed the Municipalities'.** The flip side of the debate is where the Governor is proposing more in the bonding package as a matter of priority than the municipi-

palities would propose if they were developing a borrowing plan.

The Governor is proposing \$23 million for the Land For Maine's Future program and other land conservation investments. In this economy, with a depressed pressure on private sector land investments, the municipalities would cut that element of the package in half.

The Governor is also proposing to invest about \$45 million in research and development, or about 15% of the total borrowing proposal. The municipalities support some R&D investment, but at a slightly scaled-back level - around 10% of the total package.

Although there was healthy debate on the subject of borrowing for capital investments in a negative economy, a strong majority of the municipal officials on MMA's Legislative Policy Committee believe a \$300 million bond package for this biennium represents a prudent investment, falls well within the "5%" rule regarding appropriate borrowing capacity, would be subject to very favorable interest rates, and would be a valuable public policy decision at this time.

<b>\$306 Million Borrowing Proposal</b>				
<b>Category</b>	<b>Governor</b>		<b>MMA</b>	
	<b>%</b>	<b>\$ (millions)</b>	<b>%</b>	<b>\$ (millions)</b>
Economic Development/ Jobs	7.2%	\$22	20%	\$61
Energy	5%	\$15.5	8.6%	\$26
Environment	6.7%	\$20.4	8%	\$24
Facilities/Downtown Revitalization	.65%	\$2	5.3%	\$16
Housing	0%	\$0	4%	\$12
Land for Maine's Future	6.9%	\$21	3.4%	\$10
Research and Development	15%	\$45	9.3%	\$28
Transportation	42%	\$127.8	38%	\$115
Higher Education Facilities	17.3%	\$52	4%	\$12