

Hope Springs Eternal for Tax Reform

There is a lot of noise in the Legislature regarding the various proposals to restructure K-12 education. On the same afternoon as the Appropriations Committee and Education Committee were conducting an all-day public hearing in the Augusta Civic Center regarding school reform, the Taxation Committee was quietly convened back at the State House developing the ground rules and guiding principles to govern this year's effort at comprehensive tax reform.

The ground rules include broad rules of behavior that any committee might develop before undertaking a large and potentially controversial project. The list includes agreements to "show respect for all ideas", "allow all ideas to be put on the table", "participate in good faith...no hanging back", and "communicate regularly to the partisan caucuses and leadership".

The guiding principles developed by the Committee include such common tax reform goals as:

- revenue neutrality
- reducing the tax burden for state residents
- enhancing exportability
- increasing revenue stability
- improving equity and fairness
- increasing progressivity
- build broader bases, lower rates
- boldness and timeliness

The Committee chairs, Sen. Joe Perry (Penobscot Cty.) and Rep. John Piotti (Unity) are proposing that the Committee set aside at least a couple of days each week in order to craft this tax reform bill, and to expedite the delivery to the Committee of all tax reform-related legislative proposals to create a pool of ideas from which to draw.

By the tone and frankness of the

discussions around its guiding rules and principles, there is no question that this freshly-formed Taxation Committee is genuinely committed to undertaking a tax reform project. The question mark,

expressed openly by several of the Committee members, is whether the effort is supported by either legislative leadership or the administration of Governor Baldacci.

State Reports \$3.3 Billion Health Care Liability

The State has promised to fund 100% of the health care premiums of retired state workers. There are 16,100 current state employees and 9,100 retirees. The State has also promised to fund 45% of the health care premiums of retired teachers. There are 27,500 active teachers and 8,300 retirees. A big question has been: Is the State setting aside enough money today to cover the future costs of their promises?

The answer is clearly no.

The Government Accounting Standards Board (GASB) regulates the financial reports of governments. GASB, for

the first time, is requiring all levels of government to account for these future costs. GASB does not require that governments fund this liability, only that they account for it.

The Maine State Controller reported this week that the estimated gap between what has been promised and the amount of funding set aside is approximately \$4.5 billion. The previous estimate made three years ago was that the liability was approximately \$1.2 billion. The increase is alarming.

This amount is known as the unfunded actuarial liability (UAL). The \$4.5 billion UAL is based upon all current assumptions; foremost among these being an assumed rate of investment return of 4.5%.

The Baldacci administration is apparently going to offer legislation that would enable health care funds to be invested in a manner similar to the pension system. This proposal would allow the assumed rate of investment return to increase to 7.5%. The estimated UAL would thereby decrease to \$3.3 billion.

This estimate does not include the costs associated with the University system or the new benefit for public safety

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Local Government

Local Governments are also obligated by GASB to report their estimated liabilities based on a sliding scale as follows:

- CY 2007 / FY 2008 – Municipalities with revenues >\$100 million;
- CY 2008 / FY 2009 – Municipalities with revenues = \$50 to \$100 million;
- CY 2009 / FY 2010 – Municipalities with revenues <\$100 million.

HEALTH CARE (cont'd)

officials that was enacted by the Legislature last year.

The \$3.3 billion unfunded liability due to promised health care benefits for retired state workers and teachers coincidentally mirrors a \$3.0 billion unfunded liability due to promised but unfunded pension benefits for retired state workers and teachers.

However, the UAL for pensions is governed by a Maine Constitutional amendment that was adopted in 1995. This amendment requires the state to fully fund this debt by 2028. To that end, the state is appropriating additional funds every year in order to cover the unfunded liability.

Even more importantly, the Constitution prohibits the creation of any additional unfunded pension liabilities. When the state grants pension benefits now, they must fully fund those promises.

There are no such similar obligations or prohibitions with respect to retiree health care benefits. Thus, the Legislature is free to continue promising benefits and creating more unfunded liabilities.

The Controller is proposing a 20-year funding schedule in order to eliminate the liability. If the Controller's plan is accepted, the first payment (approximately \$62 million) would begin not in this biennium but in FY 2010. The Controller is also urging that from now on the Legislature make a full accounting of the costs of these promises, whenever they are enacted.

A piece of legislation offered by Senator Beth Edmonds on behalf of a coalition including MMA, the Maine State Chamber of Commerce, the Maine

Education Association, the Maine Service Centers Coalition and the Maine Hospital Association also touches on the issue of the UAL for retiree health care costs by directing the State Treasurer to report how Maine's UAL for pensions and health care compares to that of other states.

Ironically, less than 24 hours after the Appropriations Committee received the Controller's report, the Labor Committee took testimony on LD 201, *An Act to Increase the State's Share of Retired Teacher's Insurance*. The bill, as the title suggests, would require the state to increase its share of health insurance premiums for retired teachers from 45% to 50% this year and then to 55% in 2008.

Interestingly, there is no fiscal note yet for this bill although one should be quite easy to calculate. None of the sponsors provided an estimate. The fiscal note would only include the annual cost to the state for increasing its share of the premiums. The additional unfunded liability created by this promise would not be included in the fiscal note.

Public testimony in support for this

bill came from seven teachers, including representatives of the Maine Education Association, a representative of the Maine School Management Association (who is a retired administrator), a representative of the Maine Principals Association (who is a retired principal), and a representative from the Maine Association of Retirees. There was no other public testimony in support.

There was no public opposition.

As the administrator for several municipal health care plans the Maine Municipal Employees Health Trust has begun assembling information from local governments. This preliminary research indicates that around 40 local governments cover some portion of their retiree's health care costs. However, 33 of these local governments only provide this benefit to 9 or fewer employees (19 provide the benefit to a single employee). Seven local governments (2 municipalities, 3 counties, 1 housing authority and 1 water utility) cover a portion of their retirees' health care for 10 or more retirees. Accordingly, the aggregate municipal UAL is going to be relatively small.

Ballot Inspection Bill Clarifies Clerk's Authority

On Wednesday of this week, the State and Local Government Committee held a public hearing on LD 202, *An Act Requiring the Municipal Clerk to Inspect Municipal Election Ballots*. The bill, sponsored by Rep. Richard Blanchard of Old Town, copies provisions of Title 21-A (Maine election law) that require the municipal clerk to inspect ballots before a state election, and places them in Title 30-A, which regulates municipal elections.

Municipal officials support the housekeeping measure because they believe the clerk should be provided with the authority necessary to ensure the municipal election runs as smoothly as possible. LD 202 aids in that effort by clarifying that municipal clerks are authorized to inspect municipal ballots prior to the election to ensure that the correct ballots have been received and the information on the ballot is accurate.

At the public hearing, the Committee was made aware that the Office of Fiscal and Program Review (OFPR) has identified the provision in LD 202 that requires the municipal clerks to inspect the ballots as a mandate. As provided by Maine's Constitution (Article IX, section 21), the Legislature is prohibited from requiring municipalities to expend additional resources to modify or expand its activities unless the Legislature meets one of two requirements. The Legislature can pay for 90% of the costs of the new or expanded activity or vote by two-thirds in both the House and Senate to shift the additional expenditures to municipalities without paying for the increased costs.

The mandate concern can easily be addressed. The important result of LD 202 is to clarify what should be an obvious authority; that is, municipal election clerks have the right to inspect the printed election ballots for accuracy.

Legislative Bulletin

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County Reform – Same Approaches, Different Session

The annual quest to reform and restructure county government began in earnest this week before the State and Local Government Committee. Although it is early in the session, several bills seeking to change the operations of county government were reviewed at public hearings and work sessions held by the Committee on Wednesday.

The various bills propose many reform measures to provide county officials with the tools necessary to become efficient and effective providers of regional services. However, the bills seeking to mandate county charters, professionalize county officials, or strip county budget committee authority all seem to be dancing around the real problem... county jails.

According to the best estimates available, in 2006 county governments collectively raised nearly \$120 million in property taxes to fund operations, nearly \$60 million of which was used to fund county jails. While the expense of operating county jails is largely driven by the decisions made by the Legislature, the state's contribution to this county service is just \$5.5 million. This burden, in MMA's opinion, is the biggest hurdle to expanding and creating new municipal/county partnerships. The financial tension that jail costs create makes focusing on other partnering endeavors very difficult. There is no room for additional expenditures. If the state is truly interested in restructuring county government, then it should directly address the issue of funding county jails.

Last year, the municipal community presented the Legislature with a "cost neutral" plan for funding county jail expenditures. In a trade that included state reimbursement for the newly adopted personal property tax exemption, as well as some Revenue Sharing funding, MMA developed a plan to shift the cost of county jail operations to the state. Unfortunately, the Legislature rejected that plan. However, MMA believes that there are other opportunities for shifting, in a cost neutral way, county jails to the state, which should be ex-

plored by the Intergovernmental Advisory Commission (IAC). Until this funding tension is addressed, all of the efforts being proposed will have difficulty succeeding.

What follows is a description of the county-related bills heard and worked this week by the State and Local Government Committee.

Appointing Registrars of Deeds.

The Committee voted by a margin of 9 to 2, that LD 130, *An Act to Allow County Commissioners to Appoint Registers of Deeds*, "ought not to pass". The bill would have allowed the residents of a county, through referendum, to determine whether the registrar would be appointed by the commissioners or elected by the voters of the county. Some Committee members said they supported the idea but preferred it be addressed as part of a comprehensive reform package. Chairman, Rep. Chris Barstow (Gorham), informed the members that the Committee would have opportunities to vote on other proposals that seek comprehensive county reforms. Other members of the Committee rejected the bill because they believe that the existing charter system provides the residents of any county with the necessary tools to require the appointment of the registrars, should the voters deem the appointment process appropriate.

Professional Development. LD 142, *Resolve, to Improve the Professional Development of County Officials*, was sponsored by Rep. Chris Barstow of Gorham, on behalf of the Intergovernmental Advisory Commission (IAC). The IAC is a 19-member Commission represented (at least by its charter) by municipal, county, school and state officials for the purpose of developing mechanisms for providing government services more effectively and efficiently. Of the three municipal seats on the IAC, two of those seats have been left vacant by the appointing authority for at least a year.

LD 142 directs the IAC to create a working group responsible for making recommendations on how to improve the professional development opportunities

available to county officials. The bill also requires the working group to examine the appointment-versus-election of certain officials. The working group members include several county officials, the Maine Municipal Association and the State Planning Office.

The Maine County Commissioners Association, Kennebec County Administrator Robert Devlin, and Cumberland County Commissioner Malory Shaughnessy provided testimony in support of LD 142. Both Administrator Devlin and Commissioner Shaughnessy recommended that the bill be amended to include studying the professionalism of municipal officials as well as county officials.

Waldo County Treasurer, David Parkman, provided testimony in opposition to LD 142. Treasurer Parkman does not believe the Legislature needs to invest resources to fix a system that isn't broken.

MMA provided testimony "neither for nor against" LD 142. While municipal officials believe the goals of the resolve are important, they are beginning to question whether they are politically achievable. Big investments have been put into past endeavors, only to see good plans shelved rather than implemented. Municipal officials stress the importance of creating an environment that supports appropriate change rather than top-down mandates.

County Budget Committee Authority. As originally printed, LD 214, *An Act to Initiate the Intergovernmental Advisory Commission's Blueprint for Government*, proposed to strip decision-making authority from all county budget advisory committees. Another element of the printed bill would have mandated county-wide referenda to increase the number of county commissioners from three to either five or seven.

After meeting with county and municipal officials and discussing LD 214, the sponsor of the bill, Rep. Chris Barstow of Gorham, decided to amend the IAC's original proposal. As amended by Rep. Barstow, the bill would mandate all counties to adopt a charter. Currently, only Aroostook and Knox counties have adopted charters. The introduction of the amendment at the public hearing

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COUNTY (cont'd)

caused some level of confusion among the members of the Committee and the general public in the audience. In the end, some people testified on the printed bill, others the amendment, and some participants testified on both the printed and amended versions of the bill.

The Maine County Commissioners Association; Knox County Commissioner, Anne Beebe-Center; and Cumberland County Commissioner, Richard Feeney, provided testimony in support of LD 214. The proponents of the bill believe that the amended bill will give people an opportunity to get directly involved with county government through the mandated charter requirement.

Several municipal and state representatives from York County provided testimony in opposition of LD 214, including Rep. James Campbell of Newfield, Rep. Sarah Lewin of Eliot, Alfred Selectman John Sylvester, Buxton Selectman Cliff Emery, and Willis Lord of the York County Budget Committee. These opponents generally focused on the printed version of the bill and the impact on the people of York County of shifting final budget adoption authority from the budget committee to the commissioners. These opponents believe that the existing relationship between the budget committee and commissioners provides an appropriate system of checks and balances.

Waldo County treasurer, David Parkman and the Maine Municipal Association also provided testimony in opposition to LD 214. Treasurer Parkman believes that the members of the budget committee are the people's representatives and the existing system allows the people of Waldo County a direct say in how the government will be run. LD 214, as printed, takes the people out of the process at a time when the citizens need to step up to the plate.

MMA provided testimony in opposition to both the printed and amended version of the bill. Although the two versions differ, both strip the residents of the county of their ability to determine how county government will be run. As printed, the bill would determine how the budget committees would operate

and the number of commissioner elected, regardless of the wants and needs of the voters. As amended, the bill mandates the creation of a charter commission, whether or not the people of the county think a charter is necessary. Municipal

officials generally do not support top-down approaches to achieving reform initiatives.

Work sessions for LD 142 and LD 214 have been scheduled for next Monday, February 12th.

Taxation Committee Roundup

As the Taxation Committee saddles up for the task of comprehensive tax reform on one track (see related article), it is simultaneously responsible for dealing with the many hundreds of taxation-related bills that have been submitted this session. On Thursday this week the Committee held a public hearing on a number of bills that would carry a direct municipal impact.

LD 208, *An Act to Eliminate Tax Increment Financing for Retail Businesses*. Sponsored by Rep. Deborah Simpson (Auburn), this bill would prohibit a town meeting or town or city council from approving a tax increment financing agreement (TIF) with any retail business. Somewhat redundantly, LD 208 would also prohibit the Department of Economic and Community Development from approving any such agreement.

Rep. Simpson and Sen. Ethan Strimling (Portland) made essentially three cases for the bill. First, TIFs for retail are not needed because retail development is not the kind of development that can relocate to another state. Second, TIFs cause competition between municipalities and that competition does not serve the state's interests. Third, a TIF for a retail development in one town could cause retail establishments in a neighboring town to suffer. Additionally, Chairman of the Taxation Committee, Sen. Joe Perry (Bangor) wondered whether TIFs in one town had any negative impact on the education aid received in another town.

No specific retail TIFs were identified as causing any of the problems listed, and no one from the public testified in favor of the bill.

The Maine Merchants Association, along with other retail business interests, took the lead in opposition to LD 208. The merchants argued that Maine retail-

ers face serious competition from New Hampshire retailers. In addition, they noted that taxes do matter. The business decisions of retailers (such as whether to move into the Maine market, whether to stay in the Maine market or whether to expand in Maine) are influenced by the tax code, according to the merchants.

Other testimony in opposition came from municipal officials from the Lewiston-Auburn area and Augusta. They explained in detail how these communities use TIFs. They emphasized that while TIFs for retail are infrequent they are nevertheless an important local economic development tool. Also, they clarified that many TIFs are of the non-“credit enhancement” variety that appropriate the tax revenue generated by the new business and dedicate it for public infrastructure investments. They object to the characterization of these TIFs as a “tax break” since the developer is paying for roads, traffic lights and sewer lines.

MMA also opposed LD 208 for its direct assault on the rights of the local legislative body to make what is essentially a decision about how to appropriate and spend certain property tax revenues. The town meeting or the town or city council has all the necessary information and intelligence and knowledge about the positive and negative impacts of the TIF decision such that its authority doesn't have to be rolled over by the state. If the state has a clear interest in banning TIF's, that interest was not articulated.

LD 261, *An Act to Define More Clearly Procedures by Which a Municipality Assesses Property*. Sponsored by Rep. John Tuttle (Sanford), LD 261 would prohibit a municipal assessor from “reviewing” the assessments of one area of

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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.)

Criminal Justice & Public Safety

LD 362 – An Act To Effect the Seizure and Disposal of Contraband Fireworks. (Emergency) (Sponsored by Rep. Gerzofsky of Brunswick; additional cosponsors.)

This emergency bill defines all fireworks lawfully seized as contraband and forfeited to the state, and provides a procedure for their disposal by law enforcement agencies.

LD 380 – An Act To Protect the Public from Dangerous Dogs. (Sponsored by Sen. Nutting of Androscoggin Cty; additional cosponsors.)

This bill establishes standard for a secure enclosure in which to confine a dangerous dog. The bill also authorizes a court to prohibit a person convicted of violating a court order pertaining to a dangerous dog from possessing or keeping a dog.

LD 518 – An Act To Protect Children in Public Schools by Notifying all School Personnel of Sex Offenders Residing, Working or Attending School in the School District. (Sponsored by Rep. Cebra of Naples; additional cosponsors.)

This bill requires law enforcement agencies to notify school superintendents wherever a convicted sexual offender is residing, working or attending school. The bill also requires school superintendents to notify all parents and guardians of students in a school of any adjudication for a juvenile crime committed by a student in that school which would be gross sexual assault if committed by an adult.

LD 576 – Resolve, To Investigate Cellular Telephone Use and Driver Safety. (Sponsored by Rep. Babbidge of Kennebunk; additional cosponsors.)

This resolve requires law enforcement agencies to inform the Department of Public Safety of motor vehicle incidents, accidents, violations and warnings from October 1, 2007 to September 30, 2008 in which cellular telephones were involved. The resolve further directs the Department of Public Safety to use this information to study the role that cellular telephones may have played in contributing to motor vehicle accidents and report its findings and recommendations back to the Legislature by January 15, 2009.

Judiciary

LD 397 – An Act To Limit Liability for the Performance of Community Service. (Sponsored by Rep. Cleary of Houlton; additional cosponsors.)

This bill limits the liability of charitable organizations and local governments with respect to damage, injury or death caused by a juvenile or adult participating in a court-ordered or required supervised work or service program or performing community service.

LD 583 – An Act To Permit Medical and Social Service Professionals To Report Animal Cruelty. (Sponsored by Rep. Simpson of Auburn; additional cosponsors.)

This bill permits the employees of certain social service agencies — as well as those professionals who are already mandated reporters of adult or child abuse, neglect or exploitation — to provide confidential information to local animal control officers and state animal welfare employees related to suspicion of animal cruelty,

abuse or neglect.

LD 584 – An Act Concerning Animal Control Officers as Mandated Reporters of Abuse. (Sponsored by Rep. Simpson of Auburn; additional cosponsors.)

This bill adds animal control officers to the list of professionals who are mandated to report to law enforcement agencies suspected cases of abuse of children and incapacitated or dependent results.

Legal & Veterans Affairs

LD 563 – An Act To Move the Primary Election from June to September. (Sponsored by Sen. Courtney of York; additional cosponsors.)

This bill changes the date of the primary election from the second Tuesday in June to the second Tuesday in September.

LD 585 – An Act To Establish Instant Run-off Voting for Gubernatorial Races. (Sponsored by Rep. Hinck of Portland; additional cosponsors.)

This bill creates the “instant run-off” method of determining winners in elections for Governor, beginning in 2014.

Marine Resources

LD 403 – An Act to Encourage Municipalities To Abate Coastal Pollution. (Sponsored by Rep. Gerzofsky of Brunswick; additional cosponsors.)

This bill requires the Commissioner of Marine Resources to obtain the approval of the municipal shellfish conservation committee before opening a previously-closed area for the “depuration” digging of shellfish. Under current law, the Commissioner need only consult with the local committee.

Natural Resources

LD 333 – An Act To Reward Cooperation in Comprehensive Planning. (Reported by Rep. Koffman of Bar Harbor for the Community Preservation Advisory Committee.)

This bill requires that a grant for comprehensive planning issued by the State Planning Office to any multi-municipal region must be greater than any grant provided to an individual municipality.

LD 409 – Resolve, To Study Alternative Fuel Use by Schools and Public Buildings. (Sponsored by Rep. Saviello of Wilton; additional cosponsors.)

This “concept draft” resolve proposes to study methods of encouraging the use of alternative fuels, including wood chips, as an energy source in public buildings and schools.

State & Local Government

LD 277 – An Act To Require Mapping of Conservation Easements, Purchases and Gifts. (Sponsored by Sen. Raye of Washington Cty; additional cosponsors.)

This bill directs the State Planning Office to develop and maintain a database containing information on all public and private lands which prohibit or restrict development for conservation or recreation purposes.

LD 430 – An Act To Enable Unorganized Territory Townships To Become a Municipality. (Sponsored by Rep. Barstow of Gorham; additional cosponsors.)

This bill establishes a procedure for up to three townships in the Unorganized Territory to organize as a municipality provided the township or multi-township region has at least 200 inhabitants.

Taxation

LD 422 – An Act To Increase the State Income Tax Exemption for Retired Employees in the Maine State

Retirement System and Other Pension Systems to the Same Level as That of Retirees under the Social Security System. (Sponsored by Rep. Mazurek of Rockland; additional cosponsors.)

This bill increases the amount of the allowed pension income deduction under the state's income tax code from the current deduction limit of \$6,000 to the amount of the maximum social security benefit reduced by any social security benefits and railroad retirement benefits actually received by the taxpayer.

LD 425 – An Act Regarding the Accounting Procedure for Certain State Programs. (Sponsored by Rep. Holman of Fayette; additional cosponsors.)

This bill returns the state's funding mechanism for the Circuit Breaker property tax and rent rebate program and the Business Equipment Tax Rebate program (BETR) to General Fund appropriations. Over the last several years, both programs have been shifted to so-called "off line" programs where the tax rebates are provided directly from income tax revenues before that revenue is allocated to the state's General Fund.

LD 459 – An Act To Reduce the Excise Tax on New Vehicles. (Sponsored by Jackson of Allagash; additional cosponsors.)

This bill would subtract \$3,000 from the "maker's list price" in the calculation of the excise tax base for all motor vehicles being registered in their first year.

LD 460 – An Act To Amend the Municipal Excise Tax Reimbursement Fund Law. (Sponsored by Rep. Fisher of Brewer; additional cosponsors.)

This bill amends the Municipal Excise Tax Reimbursement Fund Law by discontinuing the reimbursement system for trucks in their sixth and subsequent year of registration but simultaneously reverting the excise tax base for those trucks to the maker's list base instead of the sales price base.

LD 527 – An Act To Expand Property Tax Benefits for Retired Citizens. (Sponsored by Rep. Richardson of Warren; additional cosponsors.)

This bill would create a special homestead property tax exemption for state residents who: (1) have been Maine residents for at least the previous five years; (2) have owned their residential property for at least the last 12 months; (3) is at least 65 years of age; (4) is employed fewer than 20 hours per week; and (5) who has an adjusted Maine income of less than \$50,000. The special exemption is valued at 50% of the just value of that "retired senior's" homestead property. The bill requires the state to reimburse that exemption at the rate of 100%.

LD 528 – An Act To Improve the Business Equipment Tax Exemption. (Sponsored by Rep. Smith of Monmouth; additional cosponsors.)

This bill would allow used equipment to gain the going-forward exemption for non-retail, business-related personal property provided the primary purpose of the acquisition of the property was not to obtain eligibility for the exemption.

LD 530 – An Act To Encourage Open Space through Current Use Taxation of Open Space Land Set Aside for Long-term Protection from Development. (Sponsored by Rep. Hill of York; additional cosponsors.)

This bill establishes under the "Open Space" tax valuation statutes a category of "open space land set aside for long-term protection". The definition of land in that category is land protected from development for a minimum of 20 years in a manner that is legally enforceable by the municipality. According to the bill, land meeting that standard in a "municipality with a critical need for open space land" would be assessed at an 85% reduction in its just value. In order to be a "municipality with a critical need for open space land", the voters of the municipality must have approved by referendum a local finding that the protection of open space is vital to maintaining the municipality's character.

LD 543 – Resolve, To Establish the Maine Tree Growth Tax Law Review Committee. (Sponsored by Rep. Saviello of Wilton; additional cosponsors.)

This resolve establishes the Maine Tree Growth Tax Law Review Committee, made up of municipal officials and owners of land enrolled in the Tree Growth program, to examine and make recommendations regarding a number of administrative issues related to the Maine Tree Growth tax law. The Committee's report and recommendations must be submitted back to the Legislature's Taxation Committee by December 15, 2007.

LD 558 – An Act To Create Fairness in the Motor Vehicle Excise Tax by Implementing the Recommendations of the Secretary of State's Task Force on Registration Fees. (Sponsored by Rep. Pendleton of Scarborough.)

This "concept draft" bill would flatten the current motor vehicle excise tax rate schedule to provide for a lower top rate (currently 24 mills) coupled with a more gradual decrease throughout the rest of the rate structure. The bill would also require municipalities to include in their town reports an explanation of the implementation and distribution of the excise taxes.

Transportation

LD 299 – An Act To Aid Municipalities Concerning Plowing Efficiency. (Sponsored by Rep. Richardson of Warren.)

This bill exempts a vehicle modified for the purpose of plowing snow on municipal or state roads from weight limits that apply to public ways.

LD 350 – An Act To Protect Citizens from Physical Injury Due to Obstructed Driveways. (Sponsored by Rep. Hill of York; additional cosponsors.)

This bill requires that a bar, cable or similar obstruction, not including a gate, that is blocking a driveway leading onto public and private land from a public highway be marked with reflective material that is highly visible and not more than 3 feet high.

LD 533 – An Act To Establish "Clean Air – No Idling" Zones. (Sponsored by Rep. Bliss of South Portland; additional cosponsors.)

This bill establishes "clean air – no idling zones" where the operator of a motor vehicle may not allow the vehicle's engine to idle for more than five consecutive minutes. The three required zones would be within 100 feet of: (1) Maine Ferry Service loading areas; (2) state-controlled drawbridges; and (3) public buildings that are designated as areas where smoking is prohibited. Emergency vehicles and vehicles with refrigeration units would be exempted from the no-idling requirement.

Utilities & Energy

LD 240 – An Act To Establish a Discounted Cable Rate for Senior Citizens and Assisted Living Facilities. (Sponsored by Sen. Mitchell of Kennebec Cty; additional cosponsors.)

This bill is a concept draft relating to cable television service. It seeks to establish a discounted rate for cable service for senior citizens and persons who reside in assisted living facilities.

LD 420 – An Act Providing for Regulation of the Cable Television Industry by the Public Utilities Commission. (Sponsored by Rep. Gerzofsky of Brunswick; additional cosponsors.)

This bill subjects basic tier service rates and the services of cable television systems to regulation by the Public Utilities Commission (PUC). The bill establishes hearing and complaint procedures for proposed rate increases or product or service changes by cable television system operators. The bill also establishes the Cable Regulation Reimbursement Fund to pay the costs incurred by the PUC and municipalities in regulating the rates, products and services of cable television systems.

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://www.state.me.us/legis/>.

Monday, February 12

Appropriations & Financial Affairs
Room 228, State House, 9:00 a.m.
Tel: 287-1316

LD 499 – An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2008 and June 30, 2009. (Emergency) (Governor's Bill) (Sponsored by Rep. Fischer of Presque Isle; additional cosponsors.)

With the Joint Standing Committee on Agriculture, Conservation & Forestry

Legal & Veterans Affairs
Room 437, State House, 1:00 p.m.
Tel: 287-1310

LD 434 – An Act To Allow a Voter To Preserve the Confidentiality of That Voter's Presence at the Polls. (Sponsored by Sen. Plowman of Penobscot Cty; additional cosponsor.)

LD 176 – An Act To Provide Notice to the General Public about Proposed Initiative Questions. (Emergency) (Sponsored by Sen. Strimling of Cumberland Cty.)

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

LD 312 – An Act To Allow Residents of a Township in the Unorganized Territory To Enact a Noise Ordinance for That Township. (Sponsored by Rep. Jackson of Allagash; additional cosponsors.)

LD 336 – An Act To Reauthorize the Community Preservation Advisory Committee. (Reported by Sen. Dow of Lincoln Cty. for the Community Preservation Advisory Committee.)

LD 344 – An Act To Modify the Membership of the Franklin County Budget Advisory Committee. (Sponsored by Rep. Pineau of Jay; additional cosponsor.)

Tuesday, February 13

Appropriations & Financial Affairs
Room 228, State House, 1:00 p.m.
Tel: 287-1316

LD 499 – Governor's Budget Bill.

With the Joint Standing Committee on Legal & Veterans Affairs

Judiciary
Room 438, State House, 2:00 p.m.
Tel: 287-1327

LD 296 – An Act To Amend the Laws Governing Indemnification Agreements. (Sponsored by Rep. Wheeler of Kittery; additional cosponsors.)

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

LD 340 – An Act To Require the Replacement of Trees Cut in

Shoreland Areas. (Sponsored by Rep. Hill of York; additional cosponsors.)

LD 301 – An Act Relating to Alternate Directors for Public Waste Disposal Corporations. (Sponsored by Rep. Austin of Gray; additional cosponsors.)

Taxation
Room 127, State House, 1:00 p.m.
Tel: 287-1552

LD 355 – Resolve, To Establish a Committee to Examine Issues Relating to the Administration and Distribution of Municipal Revenue Sharing. (Emergency) (Sponsored by Rep. Browne of Vassalboro; additional cosponsors.)

LD 395 – An Act To Use National Standards To Determine Maine's Relative Tax Burden for Purposes of Budget Caps. (Sponsored by Rep. Holman of Fayette; additional cosponsors.)

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

LD 160 – An Act To Provide Safe All-Terrain Vehicle Access on Public Ways. (Sponsored by Rep. Marley of Portland; additional cosponsors.)

LD 299 – An Act To Aid Municipalities Concerning Plowing Efficiency. (Sponsored by Rep. Richardson of Warren.)

Utilities & Energy
Room 211, Cross State Office Building, 1:00 p.m.
Tel: 287-4143

LD 352 – An Act To Provide an Appeal Process Regarding Rate Increases of Certain Quasi-municipal Districts and Corporations. (Sponsored by Rep. Tuttle of Sanford; additional cosponsors.)

LD 369 – An Act To Require High-speed Internet Access for All Maine Residents. (Sponsored by Rep. Knight of Livermore Falls; additional cosponsors.)

Wednesday, February 14

Appropriations & Financial Affairs
Room 228, State House, 1:00 p.m.
Tel: 287-1316

LD 499 – Governor's Budget Bill.

With the Joint Standing Committee on Taxation

Thursday, February 15

Appropriations & Financial Affairs
Room 228, State House, 1:00 p.m.
Tel: 287-1316

LD 499 – Governor's Budget Bill.

With the Joint Standing Committee on Education & Cultural Affairs

Friday, February 16

Appropriations & Financial Affairs
Room 228, State House, 9:00 a.m.
Tel: 287-1316

LD 499 – Governor's Budget Bill.

With the Joint Standing Committee on Education & Cultural Affairs

TAXATION (cont'd)

a community or one classification of property without “reviewing” all the property in the municipality. As printed, it is entirely unclear what the word “reviewing” is supposed to mean, but as the bill was presented it became clear that the bill is intended to prohibit the legitimate practice of statistical revaluation, sometimes called “factoring”.

According to Rep. Tuttle, LD 261 is needed to prohibit municipal assessors from performing statistical revaluations, where the valuation of a class of properties is adjusted by a factor, based on sales data, in order to bring that classification of property in line with the valuation of the rest of the municipality. Rep. Tuttle said that this was done in Biddeford (with respect to some coastal property) and Sanford (with respect to older homes) in order to balance the local budgets and should be prohibited as a practice.

Falmouth Assessor Anne Gregory, representing an association of Maine assessors, spoke in support of LD 261. Anne explained to the Committee that the practice of statistical revaluation was a legitimate and oftentimes legally required part of the municipal assessing function, so she did not support the bill as it might prohibit a “factoring” conducted by a professional assessor. Her support of LD 261 was to correct the elected municipal assessors who might not be performing their duties up to the professional assessors’ standards.

Bill Van Tuinen, a private-sector assessor who contracts with a number of municipalities for both complete assessing services and revaluations, testified in opposition to LD 261 because it would prohibit the legally and ethically required assessor function of correcting the municipality’s assessing schedule when the pricing schedule gets off-market with certain types of property. As

Van Tuinen pointed out, the bill would prohibit the act of correcting overvaluations as well as undervaluations.

MMA testified similarly, pointing out that if any property owner was singled out by an assessing discrimination as described by Rep. Tuttle, the appeal of that assessment before the local Board of Assessment Review would be a slam-dunk.

Work sessions on these tax bills are scheduled for February 15th.