

Proposal to Repeal Personal Property Taxes

Governor Baldacci's proposal to repeal the personal property tax on business personal property has just been printed as LD 1660, *An Act to Reduce Income Taxes and Encourage Economic Growth in Maine*.

Municipal officials are going to have to pay very close attention to this legislation. Ultimately, over 10% of the entire municipal tax base will become exempt from taxation, and the impacts will be felt far beyond the boundaries of the communities in Maine that have personal property in their local tax base. If enacted by the Legislature, LD 1660 will not reduce the tax burden for Maine's industries and big businesses by a single penny, but it will increase the property tax burden for Maine residential homeowners, small businesses, farmland, in all communities throughout the state.

The bill is divided into two parts. The first part deals with a proposed change to the income tax code, which is not the subject of this article. The second section proposes to repeal the tax on business personal property.

The first version of this phased-in repeal of personal property taxes was introduced by Governor Baldacci in 2003 as part of his proposed "competing measure" against Question 1A, the citizen-initiated *School Finance and Tax Reform Act of 2003*. At that time, the Legislature developed an alternative competing measure that did not include the repeal of the personal property tax.

The second version was reintroduced by Governor Baldacci in 2004 as part of a bill that would both repeal the personal property tax and place a cap on municipal and county spending. That bill was also rejected by the Legislature.

This new version, LD 1660, would

do the following:

- All business property that currently qualifies for the Business Equipment Tax Reimbursement program (BETR) that has been introduced into the municipality and would be subject to taxation for the first time on or after April 1, 2007 would be exempt from local property taxation.
- The definition of qualifying property would appear to track the definition of BETR-qualified property. BETR-qualified property includes all business personal property (and certain types of real property) except for such incidentals as office furniture and lamps and lighting fixtures. (Other long-term exclusions from the BETR program include the personal property of public utilities, cable television companies, and companies that provide radio paging services, mobile telecommunications services, satellite-based direct television services

or certain television services. Additional recent exclusions include gambling machines, gas pipeline property, and the personal property of big-box retail stores.)

- Generally, with two exceptions, the state would meet its minimum constitutional obligation to reimburse municipalities for just 50% of the lost tax revenue associated with the newly-created exemption. For the first two tax years after this exemption goes into effect, the statutory reimbursement rate would be 75% instead of 50%. Also, in the future, the property currently enrolled in the BETR program which comes out of the program after its 12 years of BETR eligibility would be exempt from property taxation for the remainder of its taxable life, but the statutory reimbursement to cover the lost tax revenue would be 100% rather than 50%.

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County Fee Authority Granted

On Wednesday of this week, the State and Local Government Committee voted "ought to pass as amended" on LD 44, *An Act to Reform County Government*, by a margin of 8-4. The bill would give a very open authority to county government to establish new fees.

Rep. Chris Barstow of Gorham first submitted LD 44 as a concept draft bill with no details explaining the intent or purpose of the bill. Hours before the bill's March 27th public hearing the details of the proposal were finally made public. This first version of the amended bill would have granted county government the authority to assess a fee where no fee

currently existed and to increase existing fees provided that the increase did not exceed a growth cap of 25% every five years. Apparently, this open fee authority is considered to be a "reform" of county government.

On Wednesday, at a Committee work session, MMA explained its opposition to the bill. MMA's Legislative Policy Committee (LPC) understands that the intent of the bill was to provide county commissioners with the flexibility to enact fees to cover county costs and potentially reduce the counties' reliance on the property tax, but the LPC believes the bill could easily result in a different

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PROPOSAL (cont'd)

- The municipality would apply for its reimbursement by November 1 of the year in which the exemption applies, and the reimbursement would be provided by the state by December 15th of that year.
- Although the business personal property would be entirely exempt from taxation, a percentage of the value of the exempt property would still have to be included in the municipality's total taxable value as well as the municipality's state valuation. The percentage of value of this exempt property that would remain part of the municipality's total valuation is the percentage by which the state is reimbursing the municipality for its lost tax revenue. For example, if a \$5 million industrial boiler is installed in a paper mill on April 1, 2007, the state reimbursement is pegged at 75% of the lost tax revenue, so the municipality would show the property on the tax rolls at a value of \$3.75 million. Two years later, when the reimbursement rate drops down to 50%, a \$5 million boiler would be valued in the municipal assessment at \$2.5 million.

As of this writing, the date of the public hearing on LD 1660 has not been published. Municipal officials who may be evaluating this proposal may want to consider the following points:

- Industrial property creates a demand for municipal services, and the industrial owners should be making some contribution to the public charge.
- Business personal property represents over 10% of the municipal tax base. Narrowing the tax base by exempting personal property will guarantee increases to the tax rate applied to residen-

tial, small business and agricultural property.

- The statutory reimbursement rates that exceed 50% of the lost tax revenue are subject to change at any time by the Legislature. Who remembers the inventory tax reimbursement commitment, the Tree Growth reimbursement commitment, the sand-salt shed reimbursement commitment, the revenue sharing distribution agreement, etc.?
- Assuming the Legislature will be forced to provide at least 50% of the lost tax revenue to comply with the Constitution, it should be remembered by the communities reliant on that reimbursement that there is no constitutional right to education subsidy, revenue sharing, homestead reimbursement, local road assistance, General Assistance reimbursement, etc. All of those formulas can be easily redesigned in a way that effectively wipes out the benefit of the constitutionally required 50% reimbursement.
- The system of subsidy distribution in Maine will spread the negative impacts of this property tax exemption to all communities in Maine. As the state

COUNTY FEE (cont'd)

outcome. Municipal officials believe LD 44 effectively provides county government with home rule authority, while avoiding the discussion as to whether county government, as it is currently structured, should have home rule authority. The exercise of "home rule" presupposes the existence of an active and responsive legislative body to exercise that authority, and municipal officials do not believe that an active and responsive legislative body exists at the county level. In the opinion of municipal officials, in order for home rule authority to exist, and the right to raise or increase fees, the residents and businesses within the county need to have direct access to the decision-making process that could significantly impact their lives. Municipal officials do not believe that a direct relationship has been created between the county commissioners and the residents of the counties.

After the MMA presentation, Committee discussion ensued on the merits of the amended bill and a motion was

valuation of Maine's industrial and service center communities declines, the county assessments, education subsidy and revenue sharing distribution will change in ways that will force property tax increases in municipalities that have no personal property. The negative impact of this new exemption will be felt by all municipalities.

- The Business Equipment Tax Reimbursement program (BETR), which provides an effective 12 year exemption for business personal property, creates an incentive for industrial facilities to periodically reinvest in new equipment. The reinvestment incentive is lost with a permanent exemption. The proponents of the industrial exemption claim that Maine is one of the few states that tax personal property. That claim is incorrect. According to the most recent research conducted by MMA, only 11 state exempt personal property from taxation, and one of those (Hawaii) simply defines industrial machinery as real estate. The most common approach employed by the other states is to create incentive systems similar to the BETR program to stimulate investment, rather than exempting the tax altogether.

made that LD 44 "ought not to pass". While some members of the State and Local Government Committee expressed concerns with moving forward with the bill, other Committee members felt that the time was right to grant fee authority to the counties. There seems to be an interest among many members of the Committee to provide counties with some level of autonomy, and they believe that the open authority to establish fees was a step toward that goal. The opponents of the amendment felt that more careful consideration and structuring of the bill was necessary to ensure that the rights of the residents in the county were taken into consideration.

Robert Devlin, Kennebec County Administrator, was asked to comment on the concerns raised by municipal officials. Devlin challenged the Committee's initial decision to move to oppose the bill without the benefit of hearing about his proposed amendment to the amend-

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Mandating Improvements to the Election Process

In the spirit of the college entrance exams being taken by high school juniors and seniors across the state, we offer the following question.

What happens when thirty attorneys gather to audit the municipal election process: A) legislation is submitted to address perceived problems with the election process; B) the proposed legislation seeks to resolve problems that were witnessed in a few polling places with statewide solutions; C) the proposed changes shift significant financial and administrative burdens onto municipalities in the conduct of elections; or D) all of the above? If your answer was D, then you win the prize. Unfortunately the prize offered in LD 1266, *An Act to Ensure Integrity in the Voting Process*, is increased costs and administrative burdens on municipalities for conducting elections.

In November of 2004, several members of the consortium for Maine Lawyers for Democracy, including former state senator Sharon Treat (Kennebec County), volunteered their time to monitor the election process and provide assistance to voters as necessary. Although the attorneys admitted that many municipalities ran efficient and proper elections, they claimed there were other municipalities that had difficulty implementing Maine election laws. The attorneys who presented testimony in favor of LD 1266 based that support, in part, on the election problems they heard about from their colleagues auditing the November election.

The courts bar the use of hearsay statements because that process does not allow the opponents to review the facts and provide their side of a story. While a public hearing is not a court proceeding, statements made about the actions of municipal election officials should not be taken as truth without verifying the source of the information as well as getting the other side of the story. MMA was unaware of the problems that occurred in the November election, but if the witnesses to these problems provide information, we are more than happy to research the issue and get the other side of the story. It is difficult for municipal officials to support a bill that seeks to address perceived problems by shifting significant costs and burden onto

municipalities without first getting all the facts.

As proposed, LD 1266 makes four significant changes to the election laws. Each of these changes in one way or another will shift additional costs and burdens onto municipalities and for that reason municipal officials oppose these provisions of LD 1266.

Election Day Registration. Current law requires every municipality to allow for election-day voter registration. As proposed in LD 1266, every polling place would be required to handle election-day registrations. During statewide elections, 28 of Maine's largest communities operate a total of 103 polling places. In some municipalities with multiple polling places, one polling place is deemed the central voting place where same day registrations are processed. The central polling place designation enables municipalities to pool resources and have one group of staff available to register new voters.

The proponents believe that this change is necessary to avoid the unnecessary roadblocks that potential voters face when they choose to register to vote on the day of the election. The proponents are concerned that requiring voters to leave the polling place location to get to the central polling place to register could disenfranchise voters. People with families and busy lives want to get in and out of the polling place and avoid the hassle of bouncing from one location to the next.

Training Requirements. There are two training issues addressed in LD 1266. Under existing law, municipal election officials are required to attend an election training session approved by the Secretary of State at least once every two years. In addition to the mandatory training requirement, municipalities are further encouraged to provide supplemental training, as they deem necessary. The Maine Town and City Clerks' Association and the Maine Municipal Association offer a variety of training programs throughout the year, in which many municipal officials participate.

As proposed in the bill, municipalities would be mandated to provide training to all election officials, in addition to the Secretary of State required training. Ad-

ditionally, the proponents believe that election-day volunteers and employees should be prohibited from working at the polls if they have not received any training prior to the elections.

The proponents of the bill believe additional training is critical and the assessment of penalties or consequences is necessary if the training does not occur. One proponent stated that her election clerk has never attended a training session. The proponents believe that additional mandatory training is necessary to avoid both small and egregious mistakes.

Municipal officials oppose both of the proposed training requirements. First, it shifts additional costs onto municipalities. Second it shifts some supervisory responsibility from municipal officials to the state. The municipal officials who interact daily with their employees know best what type and level of training is necessary for their employees.

Polling Place Hours. Under existing law, polls must open between 6 and 9 a.m., except that municipalities with populations less than 4,000 may open their polls no later than 10 a.m. LD 1266 proposes to limit that 10 a.m. poll-opening exception to municipalities with a population less than 500. This change would have an impact on the 284 communities that can currently choose to open polls by 10 a.m.

The proponents believe that earlier opening times are necessary because people have to get to work. Polling hours should reflect modern life. While the bill would require the 9 a.m. poll opening time in municipalities with populations over 499, some proponents see this change as a first step. Proponents believe that the polls should actually open at 7 a.m. during a presidential election and at 8 a.m. in all other elections.

Ongoing Absentee Voter Status. Finally, LD 1266 creates the ongoing absentee voter status program. As proposed, municipalities would have to incur the administrative cost to manage and monitor a list of voters who would automatically have absentee ballots mailed to them for each election.

While the proponents of the bill did not weigh-in on this issue, municipalities did. Municipal officials strongly oppose this provision because it would create another election program that municipal election officials would have to implement, fund and monitor.

The work session on LD 1266 is scheduled for May 11th.

Tax Reform?

It is hard to know how much ink should be spilled on the Legislature's new "comprehensive tax reform" effort. Perhaps not very much. MMA has long-supported true, comprehensive tax reform, particularly after the recession of 1991 and its deep impacts on the ability of the state to finance public education, which drove up the property tax burden. MMA submitted testimony in support of the current effort. This time around, however, the stars are certainly out of alignment, and the prospects of true tax reform appear as dim as ever.

Partisan divide. The two major political parties are sharply divided over the recently enacted state budget, which included \$450 million in borrowed resources essentially for operational purposes. The dispute has spilled over into a "peoples' veto" effort, organized by the Republicans, which if successful will petition the Legislature to allow the voters to decide on the borrowing plan by referendum. Both sides are calling the actions of the other side "irresponsible", which hardly bodes well for reform.

Uncertainty. LD 1, the "property tax reform" legislation enacted on January 20th, is not without its own controversies and uncertainties. There are lingering concerns about: (1) the way educational subsidy will be distributed throughout the state; (2) the public policy driving the new "essential services and programs" school funding model; (3) the internal cost distribution changes within school districts; and (4) the impact of providing a \$13,000 homestead property tax exemption when only 50% of the lost property tax revenue is reimbursed by the state. There are very few people who can predict with any certainty what level of broad-based property tax relief will be provided through LD 1, although it is certain that no broad-based property tax relief will be provided in large geographic areas of Maine under LD 1, at least in FY 06.

Timing. The tax reform effort has cropped up very late in the legislative session. With just six weeks left to the scheduled date of adjournment, there is very little time left to work through the

extensive analysis and calculate the dynamic impacts of sweeping changes to the tax code. December 1 would have been the time to initiate this task, not May 1. Most committees' work sessions are scheduled to come to a close so the full Legislature can convene every day for floor debates. The opportunity to dig into tax reform at the Committee level is fast diminishing.

Motive. The municipal vision, endorsed by the voters with the adoption of Question 1A on June 8, 2004, was to get the Legislature to engage in revenue-neutral comprehensive reform to the extent necessary in the process of fully funding K-12 education at the 55% level. With the enactment of LD 1 and the subsequent financing of LD 1 in the budget bill through the borrowing plan, comprehensive reform has been de-linked from property tax relief. Without the ultimate result of significant, sustained and immediate property tax relief, the entire tax reform effort has lost a big piece of its "why".

Trust. Republican legislators are particularly interested in linking any comprehensive tax reform effort to a strictly accountable state spending limit system. There is already a dispute regarding the state's compliance with the spending limit system established in LD 1. The mathematics of the state's spending limit system provided that appropriations from the General Fund for FY 06 should not exceed the FY 05 appropriations by more than 3.11%. According to the final documents prepared by the non-partisan Office of Fiscal and Program Review, the FY 05-to-FY 06 increase in state appropriations was actually a negative (-3.4%), except that if certain accounting changes are recognized that change the way traditional appropriations are defined, the year-to-year increase was actually 5.6%. Examples of the accounting changes include the Business Equipment Tax Reimbursement program (BETR), which will now be funded "off line" rather than as an appropriation. Benefit payouts for the circuit breaker property tax and rent rebate program were increased in the budget, but those payments are also made "off line". At least some Republicans on the Tax Committee have made it clear that for them to fully engage in comprehensive tax reform, the state's spending

limit system needs to be tightened up.

Against that backdrop, the Tax Committee is staging what appears to be a comprehensive tax reform effort. On Friday last week the Committee held a pre-meeting with the sponsors of a half-dozen sweeping reform bills. On Monday, it held a briefing session with "experts and leaders" on the issue of tax reform.

On Tuesday this week the Committee held a marathon public hearing on the sweeping reform bills. For those municipal officials who remember the public hearing on MMA's comprehensive tax reform proposal in April 1997, it was déjà vu all over again. Dozens of restaurateurs, convenience store owners, accountants, lawyers, engineers, architects, innkeepers, brewers, and paper mill representatives along with Central Maine Power Company and the Unum Insurance Company spoke in opposition to the bills. Many of the opponents had legitimate complaints about the effect of the sweeping tax reform proposals on their businesses. There was also a strong dose of "just don't tax me" testimony. The Bangor Daily News testified that the Legislature needs to enact comprehensive tax reform – it's long overdue – but the tax reform package should not include any changes to the sales tax exemptions that currently apply to the newspaper sales and advertising services. According to BDN, there are way too many sales tax exemptions, but the exemptions that apply to the newspaper are good exemptions and should be retained.

On Wednesday, the Committee's briefing was with folks who have conducted tax reform studies and made comprehensive tax reform recommendations in the past. Now the Committee is beginning to wade through the 100-plus sales tax exemptions and making preliminary decisions about what will be "in" the tax reform package and what will be "out".

It's all very reminiscent of previous efforts, but a very essential ingredient is missing. There is a conspicuous absence of buy-in, enthusiasm, will, desire, commitment. There is no fire in the belly. There is something surreal about this tax reform effort; it is being conducted within a dream state. It's from the lyrics of a Pink Floyd song. Their lips are moving but you can't hear a word they are saying.

Action on Rate of Growth Delayed

Municipalities that are awaiting guidance from the state on how rate of growth ordinances will be reviewed are going to have to wait some more. The Natural Resources Committee decided to request a “carry-over” into 2006 for LD 1535, *An Act To Amend the Law Governing Rate of Growth Ordinances*. LD 1535 is a deeply flawed proposal and not enacting it is a good step. However, municipalities do need legislative clarification of what State Planning Office is doing when it reviews municipal comprehensive plans.

Rate of growth ordinances have been adopted by 5% of Maine’s towns. These are Maine’s fastest growing towns, primarily in York and Cumberland County. The ordinances are an attempt to moderate the rapid pace of development that is occurring in these areas. Current law requires that growth ordinances be “consistent” with municipal comprehensive plans. That would normally not present a problem. However, the actions of the State Planning Office in implementing this law are causing many challenges for municipalities.

Without legislative direction and apparently without compliance with the Administrative Procedures Act, SPO is subjecting comprehensive plans to a stringent review if the plan recommends the use of a rate of growth ordinance. SPO feels these ordinances have too many negative implications and should only be used on a temporary basis. If the town wants to have the ordinance last a longer period, SPO believes the towns should prove they “need” the ordinance.

Four years ago, SPO sought to have the Legislature approve a 6-part “need” test they developed. The Legislature rejected SPO’s test. Despite that decision, SPO implemented its 6-part test anyway. Consequently, many communities can not satisfy SPO’s stringent review and are seeing their comprehensive plans held “inconsistent” by the SPO. Although this practice was brought to the Committee’s attention, the activities of SPO in its review of municipal rate of growth ordinances did not draw a single comment from the Committee during the work session.

Representatives Joanne Twomey (Biddeford), Henry Joy (Crystal) and Jim Annis (Dover-Foxcroft), each of whom at-

tended the full public hearing, felt the bill was fundamentally flawed and supported a straight “ought not to pass” motion. Most of the comments from the opponents of the “ought not to pass” motion were from Representatives Ted Koffman (Bar Harbor), sponsor of the bill, and Bob Daigle (Arundel).

Representative Daigle felt that rate of growth ordinances “pull up the drawbridge” and prevent people from fulfilling “the American dream” of homeownership. Therefore, towns really can’t be trusted to make decisions regarding these ordinances. However, Representative Daigle is not supportive of having “Augusta” make the decisions either. So, he believes more work on the issue is needed.

In the course of that work, it may be good for the review to look at what is happening in Representative Daigle’s district. Arundel passed a rate of growth ordinance more than 25 years ago. For most of that period, the number of building permits actually requested in Arundel was below the limit. Thus, for most of the past 25 years no one was denied the American dream of building a home in Arundel.

COUNTY FEE (cont'd)

ment to LD 44.

As proposed by Kennebec County, the new amendment to LD 44 would achieve the following. First, it authorizes county commissioners, upon a majority vote, to establish fees for services provided by the county. Second, it requires that the fees established reasonably reflect the cost of the service for which the fees are being charged. Third, the bill enables the counties to increase existing fees by no more than 25% every five years. Fourth, it requires that the fee revenue be used to reduce the county assessment. Fifth, it requires that the recording fees and surcharges of the Register of Deeds and Probate are consistent in all counties. If at least eleven counties vote to raise the deeds and probate fees, then the fees are to be raised in all counties. Finally, the bill sunsets the fee provisions in four years in order to study the impact.

In the previous few years, during the height of the construction boom in Southern Maine, Arundel’s building permit limit has been reached. However, according to Census Data which is available on SPO’s website, Arundel’s population grew by more than 9% from 2000 to 2003. Arundel is located in York County. According to the Census, York was Maine’s fastest growing county from 2000-2003, increasing its population by 6%.

Thus, even though Arundel has a growth ordinance, and even though the building cap has been hit during the past few years, Arundel is still growing 50% *faster* than its county, which is the fastest growing county in Maine. Either the “draw-bridge” is not being pulled-up, as was asserted, or a lot of people know how to swim.

Representative Daigle also indicated that “simple economics” would show that rate of growth ordinances drive up housing prices. One would think that if it were so simple, someone could provide data that proves this to the Committee. No one has. Anecdotal, the affordability of housing in Arundel during the past few years while the permit cap has been reached has actu-

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Devlin believes the changes are necessary to clarify that counties have the clear right to assess fees. He contends that counties can in some cases raise fees and in other cases cannot. This lack of clarity allegedly makes the administration of county government more difficult. In a conversation after the public hearing, Devlin gave the specific example of the communications center fee. According to Devlin, the county commissioners can assess a fee on certain municipalities that use the county public safety communication centers rather than assessing tax on all the municipalities in the county. The counties want to establish an open authority to assess those types of fees on other services.

The municipal concern with the new amendment is not with what the bill does, but with what the bill fails to do.

First, home rule issue described above still exists.

Second, the bill does not place any

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GROWTH (cont'd)

ally improved. This is according to the Maine State Housing Authority affordability index. There has been no showing of a correlation between the existence of rate of growth ordinances and affordability problems in Maine.

Yet, affordability remained a key focus of the Committee discussion. Representative Koffman informed the Committee of the housing problems in his district of Mount Desert Island. He discussed the fact that there is no more room in their designated growth area for new development and that so-called "workforce" housing is very difficult to come-by. While this appears to be true and important, this information confused rather than clarified the issue.

There is no rate of growth ordinance on Mount Desert Island; there is no rate of growth ordinance in all of Hancock County; in fact, there are no rate of growth ordinances in any of the counties which border Hancock County. Someone on Mount Desert Island would need to travel over 100 miles and across 3 county boundaries before one could find a town with a rate of growth ordinance. Rate of growth ordinances would appear to have no implication for the housing problems on Mount Desert Island.

Representatives Daigle and Koffman recommended that the Community Preservation Advisory Committee be given the assignment to work on this issue further and make recommendations. This does not bode well for municipalities. CPAC has discussed this issue for years without progress. In fact, the House Chair of CPAC, Representative Koffman, sponsored LD 1535, and the Senate Chair, Senator Bromley, also filed a bill on rate of growth ordinances. Senator Bromley's bill was LD 577, a "concept" bill which the Committee killed in light of the action on LD 1535. Since these two 'CPAC' bills were not attractive to the Committee, one wonders if a viable solution from that group is possible.

Given this state of affairs, municipalities may want to approach this issue from a different angle. The State Planning Office has no authority to review either comprehensive plans or municipal ordinances unless the town has accepted a financial planning grant from SPO. If the town has

not accepted any financial assistance from SPO, the town is under no obligation to subject itself to SPO review. The aggregate amount of these grants from the state has plummeted over the past decade. One analysis a town may want to consider is a cost-benefit analysis weighing the benefit of the grant versus the cost of enduring SPO's review.

COUNTY FEE (cont'd)

limits on the types of fees the counties can assess. While "booking" fees charged to people when initially locked-up in jail were mentioned as one possibility, no real specifics were provided. It is possible that the counties could assess fees on municipal services in addition to the property tax assessments. There is nothing in this amendment that prevents the county from effectively double taxing municipalities or residents in that municipality.

Representative Jim Schatz of Blue Hill raised this precise concern during the discussions on LD 44. Rep. Schatz questioned if the amendment as structured would allow a county to assess a fee and then assess municipalities for the cost of the program being funded with fees. Rep. Barstow quickly challenged Rep. Schatz by stating there was nothing in existing law that prevented municipal officials from raising fees and taxing residents for the same service. Rep. Schatz responded by insisting that the active local legislative body was able to ensure that the double taxing issue did not occur at the municipal level.

Third, while the bill would require the new fee revenue to be used to reduce property taxes, there is no guarantee that goal would be achieved. If the Committee is committed to this element of the proposal and the counties are truly interested in using fees to reduce the property tax assessment, then the supporters should have no objections to incorporate a provision in LD 44 that would require counties to account for the new fee revenue in the calculation of its growth limit under LD 1. As provided for in LD 1, municipalities must use any increases in revenue sharing and other resources to reduce the amount by which the local property tax revenue can increase in any given year. This new opportunity to

increase county revenues should be placed under the LD 1 spending limitation process.

Fourth, although over the past fifteen years the counties have failed to garner legislative support for increasing registry of deeds recording fees, this amendment would authorize county commissioners to increase those fees if at least eleven counties voted to increase the fee. If this process had been in existence when the Legislature last approved an increase to the fee for recording the first page of a deed fifteen years ago, the counties could have increased the cost for recording fees from \$8 in 1991 to \$12.50 in 2005 and could potentially increase the fee to \$15.60 in 2006. Under the LD 44 approach, these increases would have occurred without obtaining legislative approval.

We encourage municipal officials to contact the members of the State and Local Government Committee and their own legislators to share their opinion on the amended version of LD 44. The members of the State and Local Government Committee who opposed the bill included Sen. Andrews and Reps. Crosthwaite, Moulton and Schatz. At this time it is unknown as to how Senators Andrews and Rotundo will vote on the issue.

The members of the State and Local Government Committee include:

Senate Chair Elizabeth Schneider (Penobscot Cty.);
Sen. Margaret Rotundo (Androscoggin Cty.);
Sen. Mary Black Andrews (York Cty.)
House Chair Chris Barstow (Gorham)
Rep. Sonya Sampson (Auburn)
Rep. Richard Blanchard (Old Town)
Rep. Charles Harlow (Portland)
Rep. Jim Schatz (Blue Hill)
Rep. Robert Crosthwaite (Ellsworth)
Rep. George Bishop (Boothbay)
Rep. Howard McFadden (Dennysville)
Rep. Bradley Moulton (York)
Rep. Roberta Muse (Fryeburg)

The members of the House can be reached at 1-800-423-2900. Members of the Senate can be reached at 1-800-423-6900.

LEGISLATIVE HEARINGS

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

Monday, May 9

Legal & Veterans Affairs
Room 437, State House, 1:15 p.m.
Tel: 287-1310

LD 1598 – An Act To Prevent Campaigning at Polling Places. (After Deadline) (Sponsored by Sen. Gagnon of Kennebec Cty; additional cosponsor.)

LD 1602 – An Act Regarding Voter Registration Cards. (After Deadline) (Sponsored by Sen. Mitchell of Kennebec Cty; additional cosponsor.)

LD 1608 – Resolve, To Establish a Study Commission To Study Methods To Improve Ballot Access. (After Deadline) (Emergency) (Sponsored by Sen. Gagnon of Kennebec Cty; additional cosponsor.)

Marine Resources
Room 214, Cross State Office Building, 1:00 p.m.
Tel: 287-1337

LD 1603 – An Act To Establish Harbor Master Standards and Training Requirements. (After Deadline) (Sponsored by Sen. Damon of Hancock Cty; additional cosponsors.)

LD 1619 – Resolve, Regarding Legislative Review of Portions of Chapter 2: Aquaculture Lease Regulations – Lighting Standards and Noise Standards, a Major Substantive Rule of the Department of Marine Resources. (Emergency) (Reported by Rep. Percy of Phippsburg for the Department of Marine Resources.)

LD 1635 – An Act To Authorize the Assessment and Collection of Harbor Fees. (After Deadline) (Sponsored by Rep. Duplessie of Westbrook; additional cosponsors.)

State & Local Government
Room 216, Cross State Office Building, 2:00 p.m.
Tel: 287-1330

LD 1626 – An Act To Authorize the Deorganization of the Town of Cooper. (Sponsored by Sen. Raye of Washington Cty; additional cosponsor.)

LD 1637 – An Act To Implement the Fund for the Efficient Delivery of Local and Regional Services. (Sponsored by Rep. Barstow of Gorham; additional cosponsors.) (Governor's Bill)

Tuesday, May 10

Criminal Justice & Public Safety
Room 436, State House, 1:00 p.m.
Tel: 287-1122

LD 1645 – Resolve, To Establish a Blue Ribbon Commission To Study Maine's Homeland Security Needs. (After Deadline) (Sponsored by Sen. Edmonds of Cumberland Cty; additional cosponsors.)

Labor
Room 220, Cross State Office Building, 2:00 p.m.
Tel: 287-1333

LD 1628 – An Act Regarding Occupational Safety and Health Training for Workers on State-funded Construction Projects. (Sponsored by Rep. Patrick of Rumford; additional cosponsors.)

Wednesday, May 11

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

LD 385 – An Act To Limit the Liability of Ambulance Services in Maine. (Sponsored by Rep. Tuttle of Sanford; additional cosponsors.)

LD 539 – An Act Authorizing Municipalities To Establish Walking Trails. (Sponsored by Sen. Gagnon of Kennebec Cty; additional cosponsors.)

LD 910 – An Act To Include Regional Transportation Systems under the Maine Tort Claims Act. (Sponsored by Rep. Saviello of Wilton; additional cosponsors.)

LD 936 – An Act To Amend the Maine Tort Claims Act. (Sponsored by Rep. Mills of Farmington; additional cosponsors.)

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

LD 1612 – An Act To Mandate E-9-1-1 TDD Testing and Training. (Sponsored by Sen. Edmonds of Cumberland County.)

Thursday, May 12

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

LD 1633 – An Act To Prohibit the Disposal of Dangerous and Unsafe Material in Solid Waste Facilities. (After Deadline) (Emergency) (Sponsored by Rep. Daigle of Arundel; additional cosponsors.)

Friday, May 13

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

LD 1616 – An Act To Delay the Implementation of the Increase in the Homestead Exemption. (After Deadline) (Sponsored by Rep. Saviello of Wilton; additional cosponsors.)

LD 1625 – An Act To Fully Fund the Homestead Exemption. (After Deadline) (Sponsored by Sen. Cowger of Kennebec Cty; additional cosponsors.)

LD 1634 – An Act To Impose a Real Estate Transfer Tax Based on the Value of the Property. (After Deadline) (Sponsored by Rep. Koffman of Bar Harbor; additional cosponsors.)

IN THE HOPPER

Please review the comprehensive list of LDs of municipal interest that can be found on MMA's website, www.memun.org.

Judiciary

LD 385 – An Act To Limit the Liability of Ambulance Services in Maine. (Sponsored by Rep. Tuttle of Sanford; additional cosponsors.)

This bill would limit the liability of an ambulance service to the limits on liability established by the Maine Tort Claims Act, and it would further limit insurance companies that provide ambulance liability insurance protection from requiring coverage that exceeds the limits on liability established by the Maine Tort Claims Act.

LD 936 – An Act To Amend the Maine Tort Claims Act. (Sponsored by Rep. Mills of Farmington; additional cosponsors.)

This bill would amend the Maine Tort Claims Act (MTCA) to establish that the negligent operation of a motor vehicle does not fall under the definition of “performing a discretionary function”, and therefore would not trigger the limitations on liability provided by the MTCA for injuries or damage associated with a governmental employee’s “performance of a discretionary function”.

Labor

LD 1628 – An Act Regarding Occupational Safety and Health Training for Workers on State-funded Construction Projects. (Sponsored by Rep. Patrick of Rumford; additional cosponsors.)

This bill would require that any contractor or subcontractor entering into a contract for a “public work” provide documentation demonstrating that all employees working on that project have completed a construction safety training course approved by OSHA.

Legal & Veterans Affairs

LD 1598 – An Act To Prevent Campaigning at Polling Places. (After Deadline) (Sponsored by Sen. Gagnon of Kennebec Cty; additional cosponsor.)

This bill would limit the activities of candidates at the polling place during an election. Under current law, candidates are allowed to loiter within

250 feet of the polling place provided they do not actively solicit votes within that space. This bill would limit a candidate’s presence in the polling place for just the purposes of voting.

LD 1602 – An Act Regarding Voter Registration Cards. (After Deadline) (Sponsored by Sen. Mitchell of Kennebec Cty; additional cosponsor.)

This bill would require the local registrar of voters to place any voter’s registration application in the municipality’s voter registration file within five days after receipt of the application.

Marine Resources

LD 1603 – An Act To Establish Harbor Master Standards and Training Requirements. (After Deadline) (Sponsored by Sen. Damon of Hancock Cty; additional cosponsors.)

This bill would require the municipal officers to conduct a background check on any person who is going to be appointed to the position of harbor master. The bill would also require that a person serving as harbor master or deputy harbor master must complete: (1) a basic harbor master course offered by the Maine Harbor Master Association within one year of appointment; (2) an advanced harbor master course as soon as one is offered after completing the basic harbor master course; and (3) a harbor master refresher course every two years.

Taxation

LD 1616 – An Act To Delay the Implementation of the Increase in the Homestead Exemption. (After Deadline) (Sponsored by Rep. Saviello of Wilton; additional cosponsors.)

This bill would delay the implementation of the recently enacted \$13,000 / 50% reimbursed homestead exemption until April 1, 2006.

LD 1625 – An Act To Fully Fund the Homestead Exemption. (After Deadline) (Sponsored by Sen. Cowger of Kennebec Cty; additional cosponsors.)

This bill would appropriate \$35 million each year of the biennium for the purpose of fully reimbursing the recently enacted \$13,000 homestead exemption, rather than reimbursing just 50% of the new exemption as enacted in LD 1.