

April 15 is Tax Reform Day!

The Legislature's Taxation Committee has picked the afternoon of Tuesday, April 15 to hold public hearings on the several comprehensive tax reform proposals that are on the table.

As the day associated with taxation throughout the country, the Ides of April is a most appropriate day to formally unveil all the major tax reform packages that have been in the stewpot for nearly a year, since the Legislature rejected the comprehensive tax reform proposal written by Rep. Barney McGowan (Pittsfield) in April, 2002.

Among the several proposals that will be submitted to the Committee for public comment will be the citizen initiative calling for tax reform that received nearly 100,000 signatures from registered voters last November in a single day of petitioning – *The School Finance and Tax Reform Act of 2003* – which is now formally organized as LD 1372. The initiative was initially developed through MMA by a group of municipal officials interested in turning the rhetoric of tax reform into reality.

Along with the citizen initiative, the Tax Committee will be taking public comment on:

- The revamped, 2003 version of the McGowan plan. The package comes in two bills, one to cover constitutional changes and one to implement those changes in statute (LD 784 and LD 1141);

- The so-called "Eco-Eco" plan, sponsored by Rep. Peter Mills (Cornville), and a similar proposal sponsored by Rep. Ben Dudley (Port-

land) [LDs 1395 and 1394];

- A property tax relief plan sponsored by Sen. Mike Brennan (Cumberland Cty.) that would increase the general sales tax rate one percentage point (from 5% to 6%) and split the additional revenue two ways: (1) 50% to increase state education funding and 50% to increase municipal revenue sharing (LD 1421).

- The "Chebeague Island" plan, which promotes a different assessing methodology but is not comprehensive tax reform. This plan also is packaged as two bills, one to effect constitutional changes and one to implement

those changes in statute (LDs 938 and 951);

- A tax reform plan sponsored by Rep. Matt Dunlap (Old Town) that would allow municipalities by local option to adopt either the state's sales tax or income tax, or both. If adopted, the state's tax revenue would go to the municipality but be deducted from all subsidy the municipality receives (LD 1338); and

- LD 1299, which would merely change the current legislative "intention" to fund K-12 education at 55% of the total allocation to a new "intention" to fund public schools at 100%.

Municipal and school officials committed to the tax reform effort should mark their calendars for April 15th, which will be "tax day" in Maine in more ways than one!

Economic Stimulus Bond Proposal

With the basic, two-year state budget under its belt, the Appropriations Committee turned its attention this week to the raft of bond proposals submitted by legislators.

On Monday, the Committee will seek public input on Governor Baldacci's \$175 million bond package that is designed to stimulate the state's economy.

The Governor's overall package is divided into four separate proposals, some of which would be scheduled for the June 10th election day, with the rest scheduled for the November 4, 2003 election.

A \$70 million economic stimulus bond that would provide:

- \$6 million to further capitalize the Municipal Investment Trust Fund for the purpose of providing municipal infrastructure grants

- \$25 million in biomedical research and development funding

- \$19 million for the University of Maine to construct technology centers, expand the Science Building, provide technology improvements and capitalize the Maine Economic Improvement Fund

- \$4 million for research investments in non-profit marine laboratories

- \$13 million for the Maine State Housing Authority to development affordable "workforce" and multifamily housing projects in downtowns and "pedestrian scale" neighborhoods

- \$2 million for the Farms for Maine's Future program

- \$1 million for the state's 7 Advanced Technology Development Cen-

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BONDS (cont'd)

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A \$16.8 million environmental bond proposal that would provide:

- \$2.5 million for loans to construct and upgrade water pollution control facilities
- \$10 million for grants to construct water pollution control facilities
- \$2.15 million to clean up uncontrolled hazardous substance sites
- \$350,000 to remediate solid waste landfills

A \$75 million transportation bond proposal (\$13 million in Highway Fund borrowing, \$62 million in General Fund borrowing) that would provide:

- \$42 million for highways and bridges
- \$15.76 million for 6 freight-related improvements
- \$17.24 million for passenger-related improvements

A \$13.3 University of Maine/Community College, State Park and Court System bond proposal that would provide:

- \$4 million for University of Maine campuses
- \$2 million for Community College campuses
- \$2 million for state parks
- \$4 million for arts and cultural improvements
- \$1.3 million for the state court system

The Legislative wish-list. This sizable gubernatorial package compares with a long list of legislative bond priorities, including:

- \$50 million for research and development
- \$50 million for “service center

community” infrastructure

- \$50 million for civic centers
- \$30 million for school renovation
- \$20 million for state and municipal parks
- \$20 million for the technical colleges
- \$15 million for energy conservation in state buildings
- \$15 million for economic development
- \$10 million for affordable housing
- \$8.2 million for geographic information systems
- \$6 million for “Lifelight” air medical rescue
- \$5.8 million for applied technology
- \$2 million for the Gulf of Maine
- \$1.2 million for economic development in Western Maine
- \$1 million for riverfront cultural centers

MMA’s Priorities

At its March 17th meeting, MMA’s Legislative Policy Committee (LPC)

reviewed all the bond proposals on the table, and identified the following priorities. The LPC expressed an interest in the context of this prioritization that the value of the overall bond package should not be excessive, falling somewhere between the minimal “90%” (of retired debt) rule of the 1990s and the maximum “5%” rule more recently developed, which would cap the state’s annual General Fund and Highway Fund debt service at no more than 5% of all annual General Fund and Highway Fund revenue. Apparently even a package the size of the Governor’s proposal falls easily within the “5% rule”.

Top General Fund municipal priorities:

- Research and Development
- Municipal construction projects and environmental priorities
- School Renovation and Revolving Loan Fund
- Civic Centers
- Affordable Housing
- Geographic Information Systems (GIS)

Legislative Bulletin

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

Arsenic Update

The Natural Resources Committee heard extensive testimony this week on LD 1309, *An Act to Protect Public Health by Reducing Human Exposure to Arsenic*. At issue is that pressure-treated wood, heavy and somewhat green in appearance when first purchased, that is used to build decks and other outside wooden structures. Although the treatment is now being phased-out, that wood was often treated with an arsenic-containing product. There were several advocates for the bill, many realtors and industry representatives against the bill and two state agencies, Department of Environmental Protection (DEP) and the Department of Health Human Services who were “neither for nor against” the bill.

The bill has essentially three provisions: a mandate to home sellers regarding notice to potential buyers about any outdoor wooden structures that were coated with an arsenic based treatment; a prohibition of future sales of arsenic treated wood except for limited purposes, and, a mandate that disposal of any such wood may only be done by means of a lined landfill. It was this last provision that caused the greatest concern among municipalities.

At the hearing, the DEP representative indicated that DEP had been looking at this issue for a little while and wanted more time to continue its study. At the work session, DEP offered an amendment to the bill that would replace the bill’s disposal provisions and insert instead a directive that DEP establish rules for disposal of arsenic treated wood no later than January 1, 2005. The bill’s sponsor, Rep. Scott Cowger (Hallowell) indicated he had met with several concerned parties following the hearing. He further expressed his desire that the bill be tabled until further work with these various interests could be done. The Committee agreed and the arsenic issue was tabled.

Affordable Housing Sticks and Invisible Carrots

On Tuesday, April 1, the Natural Resources Committee heard testimony on two bills regarding affordable housing.

The first bill, LD 853, creates a state board that would be given the power to override local planning, growth and zoning rules in over 100 municipalities. The bill is a resubmission of LD 2099 from last session. LD 853 was described by its sponsor, Rep. Ed Suslovic (Portland), as the “stick” approach.

The second bill, LD 1084, takes a more positive approach and avoids the provisions that strip local government of home rule authority. Instead, the bill chooses a framework for collaboration between the state and municipalities rather than the top-down mandates. The bill further provides a financial incentive to those municipalities that agree to meet the statewide burden of affordable housing by hosting such a development. Host communities would be eligible under the bill for grants from the state to help defray the many costs associated with dense, multiunit affordable housing projects. LD 1084 was described by its sponsor, Rep. Ted Koffman (Bar Harbor) as the “carrot” approach. In an amendment filed shortly before the hearing, Rep. Koffman switched the funding source for the incentives from the real estate transfer tax to the state’s General Fund. Either way, with the state’s finances as tight as they are, Rep. Koffman pointed out that incentive would undoubtedly be more of an “invisible carrot.”

Several groups appeared in support of both bills. The Maine State Housing Authority (MSHA), the State Planning Office and the Department of Economic and Community Development each sent representatives. In addition, the Realtors Association spoke on behalf of both bills. Lastly, a Topsham developer, who recently completed the approval process in Topsham for an approximately 60-plot develop-

ment project spoke on behalf of both bills, and emphasized the need to be able to override local officials who often ‘stand in the way’.

It was not pointed out that this developer, who’s project is being subsidized by MSHA, was able to get a very large, commuter-friendly project approved without the help of LD 853. He did make clear that he would like his project expanded to include 40 more units that would be located on additional property he owns in Topsham.

While the speakers were long on the need for housing and the ways more housing could be built, they were, not surprisingly, short on ideas as to how the municipalities who bear the brunt of schools, traffic, water & sewer and other services, would be able to meet the added demand. Nor was much at-

tention given to the work local officials have frequently given to the growth planning process and how LD 853 would work completely independent of that process. MMA understandably opposed LD 853 and supported LD 1084.

Fortunately, a third way was devised at the work session held Thursday, April 3. The above two bills were tabled so that a proposed alternative could be developed. This third way is neither stick nor carrot. This proposal, spearheaded by Rep. David Tobin (Windham) assigns to the MSHA the responsibility to determine when a particular development project should qualify as “affordable.” It then provides that the municipalities have the ability to create districts where the affordable housing could be located.

It appears that this bill may be combined with the TIF proposal for Affordable Housing currently before the Taxation Committee.

In the end it was neither “stick” nor “carrot” that carried the day, but instead compromise.

Indexing Linked to Highway Budget

In 2002 the Legislature adopted a fuel tax indexing proposal to establish financial stability for the state’s Highway Fund. As enacted, a one-time inflation-based adjustment would be made to the fuel tax rate to increase the per-gallon rate from 22 cents to 24.6 cents beginning on July 1, 2003. After the initial adjustment, the fuel tax rate would be increased or adjusted annually based on the consumer price index in that year. As part of that law, the Department of Transportation (DOT) is required to submit in every odd-numbered year a bill to repeal the indexing mechanism to ensure ongoing legislative support for the indexing mechanism.

On Thursday this week the Transportation Committee held public hearings on two bills, LD 33, *An Act To Repeal the Annual Indexing of Motor Fuel Taxes* (sponsored by Rep. Rosita Gagne-Friel of Buckfield) and LD 1375,

An Act To Delay the Fiscal Sustainability of the Highway Fund (the bill that must be submitted as part of the indexing law).

Representatives from the Maine Motor Transport Association, Maine Oil Dealers Association and American Automobile Association supported the repeal of the indexing formula. These interest groups said they oppose the indexing law because it automatically increases the fuel tax rates without a proper impact analysis or need assessment.

Opponents of the bills included the Maine Better Transportation Association, Associated Constructors of Maine, Maine Municipal Association and several public works directors. Most of these interests championed the fuel tax-indexing law as a vital, long-term solution for ensuring the sustainability of Highway Fund rev-

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Appropriations Looks At Tax Burden Management Ideas

On Monday this week three bills were given their public hearing before the Appropriations Committee that would in various ways limit the growth of state spending or state and local spending. Two of the bills would create constitution-based spending growth limits; the other bill would establish state and local restrictions in statute.

Sponsored by Rep. Mary Black Andrews (York), LD 749 would amend the Constitution to create an expenditure cap on state spending that would be the rate of inflation plus an adjustment for change in state population.

LD 1167 is a similar resolution sponsored by Rep. Jeff Kaelin (Winterport). This bill would amend the Constitution to limit the growth in state spending to 75% of the rate of growth in Maine's "total personal income" for the previous fiscal year. The Legislature could exceed the limitation by a two-thirds vote in both the Senate and the House, but the revenue generated by that "supermajority" vote would have to be dedicated to the unfunded liability in the Maine State Retirement System, the state Budget Stabilization Fund, or otherwise returned to taxpayers.

The statutory approach was submitted by Senator Karl Turner (Cumberland Cty.). LD 1383, *An Act to Limit the Growth of Government Spending*, would establish an expenditure cap on state, county and local governments that would allow year-to-year expenditure increases to be no more than the previous year's expenditures indexed for inflation and the percentage change in state population in the prior year. The Legislature or the legislative body of the county or local governments could exceed that limit by a 2/3 vote of the governing body. If the state, county or local governments collect revenue that exceeds the expenditure limits (unless approved by the super-majority vote), that excess revenue would have to be placed in a

specially-created emergency reserve fund, which could only be accessed by a 2/3 vote of the governing body. The maximum capacity of the emergency reserve fund would be 3 month's worth of operating revenue. Any captured revenue that exceeds the emergency reserve fund limit would have to be returned to the taxpayers. According to the bill, the entire proposal would be sent out to the statewide voters for ratification.

The thrust of the sponsors' and supporters' testimony was that something has to be done to control the state's overall tax burden, that the people of Maine are looking to the Legislature to address the problem of high taxes, and that these proposals could not be characterized as tax or spending "caps" because they allow for a controlled level of growth.

In addition to the sponsors of the bills, the Maine State Chamber of Commerce and the Maine Forest Products Council spoke in support for all three measures.

Among the bills' opponents were the Maine Center for Economic Policy (MECEP), MMA and a representative from the Baldacci administration.

Kit St. John of MECEP pointed out that the largest elements of this or any state's budget are the costs of education, and medical and behavioral services for low-income people. Those costs, St. John pointed out, are growing at rates greater than inflation for many reasons, many of which are not within the state's control. St. John argued that the first legislative priority is to determine the *adequate* level of revenue necessary to provide the services that the Legislature feels compelled to provide, rather than predetermine the revenue level and then squeeze state services into that number.

MMA testified that the Legislature should tackle the issue of tax burden management, but with some more forethought and planning than pro-

vided by the Legislature. Consensus should be rendered on how to measure tax burden. Objective analysis (with front-end input from all sectors) should be conducted on the experience of other states similarly situated to Maine. The state's enforceable contribution to the big costly systems such as education, corrections, transportation, public safety, and social services should be clearly established. And then a discussion of what tax reduction strategies would work in this state could be fruitful. In short, MMA argued, the Legislature should develop and adopt a comprehensive tax burden management plan, which is exactly what is called for in the citizen initiated School Finance and Tax Reform Act of 2003, which received nearly 100,000 signatures on a petition last November and is now before the Legislature as LD 1372.

A representative of Governor Baldacci's administration from the Department of Administration and Financial Services, Ed Karass, testified in opposition to the several proposals. In accordance with a directive in the biennial state budget adopted by the Legislature last week, the Governor will be submitting a proposal this legislative session for a new state budget stabilization system, and the Administration asked the Appropriations Committee to set aside the several legislative proposals in order to consider the Governor's stabilization proposal when it's presented. Karass also pointed out the many unintended consequences of jumping to a constitutional spending cap without thinking it through, including the forced shifting of costs to the local level, and the possible elimination of important tax relief and economic development programs that benefit the business community. Karass concluded that fiscal discipline was a legislative responsibility that should not have to be controlled constitutionally.

The exact text of the directive to the Governor that was embedded in the biennial budget just enacted reads as follows:

Sec. YY-1. Maine Budget Reserve and Stabilization Fund. The Commissioner of Administrative and Financial Ser-

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County Government in Legislative Spotlight

It sometimes surprises legislators when the Maine Municipal Association takes positions on bills that exclusively impact county government. Municipal officials get involved in these issues to protect local resources. In 2002, municipalities raised \$76 million statewide through local property tax assessments to fund county government. Municipal government must tax its citizens in order to fund the lion's share of county government. That's why MMA monitors county issues so closely.

Over the last two months there have been several hearings and work sessions on bills of county significance. Between the State and Local Government and Criminal Justice and Public Safety Committees over twenty bills and resolves have been submitted that would address the functions of county government in some way. Bills have been submitted to change the way in which counties spend surplus revenue, establish appointed rather than elected county officials in several offices, and require the state to provide a higher level of funding to counties for the provision of state mandated services.

Many bills have been submitted this session that acknowledge the fact that the state relies too heavily on property taxpayers to fund some of the elements of county government. An example is LD 683, *An Act to Require the State to Assume All Costs for Corrections Currently Paid by Local Taxpayers*. Sponsored by Rep. Patricia Blanchette (Bangor), LD 683 would have required the state to assume all the costs of county corrections. Due to the large fiscal note, the bill was killed in Committee.

Several other bills were submitted to shift some of the costs of county services from the counties to the state. Because the state would take on a bigger financial burden, most of the bills have received "ought not to pass" recommendations from the committees of jurisdiction.

As an exception to that rule, one of the bills seeking to provide additional state funds for county corrections services (and redesign the distribution formula) did receive a unanimous "ought to pass as amended" vote from the Criminal Justice and Public Safety Committee. LD 1186, *An Act To Revise the Reimbursement by the County Jail Prisoner Support and Community Corrections Fund and To Provide Additional Support To County Jails* sponsored by Sen. Ethan Strimling (Cumberland Cty.), proposes to change the formula used to provide state financial assistance to counties for the provision of county jail and community corrections services. The existing formula reimburses each county a prorated amount based on a county's share of the 1997 state appropriation for community corrections. This bill would change that formula by reimbursing each county a percentage of the total actual costs. In FY 2006 the share would be 10% of a county's actual community corrections costs and would increase in increments of 5% each year until FY 2010, when the state's share would level off at 30%.

In 2001 the cost to counties for providing jail and correctional services was \$42 million statewide. Of the total corrections costs, the state reimbursed counties \$4.8 million (11%), leaving the local property taxpayers responsible for funding most of the cost of corrections (89%). If the state had been obligated to pay 30% of the cost of community corrections in 2001, the state would have more equitably participated in the cost of enforcing state laws and saved property taxpayers \$7.8 million.

Municipal officials support LD 1186 because it would more fairly reimburse counties for the provision of jail and community correction services and ultimately provide some property tax relief. The revenue to pay for the increased state support, according to the amended bill, would be provided

by applying a 10% surcharge on the civil and criminal fines. Even strong legislative support for this bill doesn't ensure its passage. Because it is a bill involving state revenue, it will be placed on the "Special Appropriations Table" before final enactment, and would have to survive that end-of-the-session competition for support among many other bills with revenue impacts.

MMA has also been tracking the following bills that have county focus.

LD 48, *An Act To Reduce Jail Overcrowding* (sponsored by Rep. Thomas Watson of Bath). This bill would require that a person whose probation is revoked must be re-sentenced to that person's original place of imprisonment. Currently, a person sentenced to serve less than 12 months in prison is housed in a county facility. Sentences of greater than one year are served in a state facility. The sentence associated with a "probation revocation" is generally less than one year, which typically results in the prisoner being sent to the county jails. The sentence that is being served, however, is the underlying sentence for which the person was originally incarcerated, and the municipalities believe the state should pay for that incarceration, not the property tax.

The Criminal Justice and Public Safety Committee voted to support LD 48. As was mentioned above, this bill would also increase state costs of corrections and even if widely supported by the Legislature, the bill would be assigned to the Special Appropriations Table before final enactment and would have to compete there for support among many other revenue-demanding bills before it could become law.

LD 418, *An Act To Limit the Undesignated Surplus of Counties To a 15% of the Annual Operating Budget* (Sponsored by Rep. Janet McLaughlin of Cape Elizabeth). In 2001 the law was changed to require the county commissioners to use any surplus funds in excess of 15% in 2002, 18% in 2003 and 20% in 2004 and every year thereafter of the amount to be raised by taxation in the next fiscal year for property tax relief. For example, if a county's tax revenue need in the next fiscal year

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LEGISLATIVE HEARINGS

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

Monday, April 7

Appropriations & Financial Affairs

Room 228, State House, 1:00 p.m.

Tel: 287-1635

Governor Baldacci's proposed bond package (see related article in this issue of the Bulletin)

Health & Human Services

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

Tel: 287-1317

LD 896 – Resolve, To Establish a System for Electronic Filing of Death Certificates. (Sponsored by Sen. Mayo of Sagadahoc County; additional cosponsors)

Judiciary

Room 438, Cross State Office Building, 1:00 p.m.

Tel: 287-1327

LD 1454 – An Act To Clarify that the Unauthorized Sale of Public Records Is a Crime. (Sponsored by Rep. Dunlap of Old Town; additional cosponsors)

Utilities & Energy

Room 209, Cross State Office Building, 1:00 p.m.

Tel: 287-4143

LD 1157 – An Act To Promote Clean and Efficient Energy. (Sponsored by Sen. Brennan of Cumberland County; additional cosponsors)

Tuesday, April 8

Health & Human Services

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

Tel: 287-1317

LD 1301 – Resolve, To Establish the Maine Public Health Commission. (Sponsored by Rep. Cowger of Hallowell; additional cosponsors)

Inland Fisheries & Wildlife

Room 206, Cross State Office Building, 1:00 p.m.

Tel: 287-1338

LD 867 – An Act To Waive the Fee for Fishing Licenses for Disabled Persons. (Sponsored by Rep. Glynn of South Portland)

Judiciary

Room 438, Cross State Office Building, 1:00 p.m.

Tel: 287-1327

LD 1425 – An Act Relating to the Protection of Whistleblowers. (Sponsored by Rep. Simpson of Auburn; additional cosponsors)

Legal & Veterans Affairs

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

Tel: 287-1310

LD 1486 – An Act To Comply with Federal Election Laws Including the Help America Vote Act of 2002. (Sponsored by Sen. Gagnon of Kennebec County)

Natural Resources

Room 437, State House, 2:00 p.m.

Tel: 287-4149

(Work Sessions to immediately follow hearing)

LD 1493 – An Act To Expedite the Removal of Overboard Discharge. (Sponsored by Rep. Daigle of Arundel; additional cosponsors)

LD 1276 – An Act To Amend the Sand Dune Laws. (Sponsored by Rep. Lemoine of Old Orchard Beach; additional cosponsor)

Taxation

Room 127, State House, 1:00 p.m.

Tel: 287-1552

LD 1418 – An Act To Make Changes in Maine's Tax Laws. (Sponsored by Rep. Perry of Bangor)

LD 773 – An Act To Expand the Revenue-generating Authority of Municipalities. (Sponsored by Rep. Lemoine of Old Orchard Beach)

LD 996 – An Act Allowing Municipalities To Retain a Percentage of Any Increase in the Sales and Use Tax. (Sponsored by Sen. Lemont of York County; additional cosponsors)

LD 1313 – An Act To Permit a Limited Local Option Sales Tax. (Sponsored by Rep. Mills of Cornville; additional cosponsors)

LD 1333 – An Act To Allow Municipalities To Provide Property Tax Relief through a Local Option Sales Tax. (Sponsored by Sen. Strimling of Cumberland County; additional cosponsors)

LD 855 – An Act To Establish Minimum Standards of Eligibility for the Property Tax Exemption for Benevolent and Charitable Institutions. (Sponsored by Rep. Cressey of Baldwin)

LD 1080 – An Act To Impose a Municipal Services Fee on Tax-exempt Property. (Sponsored by Rep. Pellon of Machias; additional cosponsors)

SP 381 – Joint Study Order To Establish the Blue Ribbon Commission on Cooperation, Communication and Tax Equity among State, County and Local Governments. (Sponsored by Sen. Blais of Kennebec County; additional cosponsors)

Transportation

Room 126, State House, 1:30 p.m.

Tel: 287-4148

LD 1322 – An Act To Make Supplemental Highway Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2004 and June 30, 2005. (Emergency)(Governor's Bill) (Sponsored by Rep. Usher of Westbrook; additional cosponsors)

LD 691 – An Act To Amend the Distribution of the General Highway Fund. (Sponsored by Rep. McKenney of Cumberland; additional cosponsors)

LD 832 – An Act Clarifying State Financial Responsibility over State and State Aid Highways. (Sponsored by Rep. Crosthwaite of Ellsworth; additional cosponsors)

Wednesday, April 9

Appropriations & Financial Affairs

Room 228, Cross State Office Building, 9:00 a.m.

Tel: 287-1635

LD 503 – An Act To Stimulate Economic Recovery and Growth. (Sponsored by Rep. Cressey of Baldwin)

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HEARINGS (cont'd)

Education & Cultural Affairs

Room 214, Cross State Office Building, 9:30 a.m.

Tel: 287-3125

LD 1422 – An Act To Promote Student and Taxpayer Equity in the School Funding Formula. (Emergency) (Sponsored by Sen. Brennan of Cumberland; additional cosponsors)

LD 1432 – An Act Regarding the Factors Used for General Purpose Aid in the Essential Programs and Services Model for “English as a 2nd Language” Students. (Sponsored by Rep. Adams of Portland; additional cosponsors)

LD 1484 – An Act To Amend the School Construction Program. (Sponsored by Sen. Brennan of Cumberland County; additional cosponsors)

Labor

Room 220, Cross State Office Building, 9:00 a.m.

Tel: 287-1122

LD 1435 – An Act To Clarify Immunity and Workers’ Compensation for Search and Rescue Volunteers. (Sponsored by Rep. Duplessie of Westbrook; additional cosponsors)

Marine Resources

Augusta Civic Center, North Wing, 9:00 a.m.

Tel: 287-1337

Seven bills will be heard relating to aquaculture siting (LDs 271, 272, 648, 1001, 1008, 1396 and 1417)

State & Local Government

Room 216, Cross State Office Building, 9:00 a.m.

Tel: 287-1330

LD 1199 – An Act To Establish the Lincoln and Sagadahoc Multicounty Jail Authority. (Emergency) (Sponsored by Sen. Mayo of Sagadahoc County; additional cosponsors)

LD 1448 – An Act To Clarify the Administration of State-municipal Revenue Sharing. (Sponsored by Rep. Pineau of Jay; additional cosponsors)

LD 1304 – An Act To Provide a Municipal Process for an Initiative To Impose a Property Tax Cap. (Sponsored by Rep. Lemoine of Old Orchard Beach)

LD 1431 – An Act To Update the Requirements of Counties’ and Municipalities’ Audit Reports. (Sponsored by Rep. McLaughlin of Cape Elizabeth)

Taxation

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

Tel: 287-1552

Eleven bills related to property tax relief for senior citizens and long-term Maine residents (LDs 107, 218, 573, 916, 940, 1124, 1171, 1178, 1208, 1330, and 1331).

Transportation

Room 126, State House, 9:30 a.m.

Tel: 287-4148

LD 1452 – An Act To Provide Incentives for Development and To Amend Traffic Movement Permit Standards. (Sponsored by Sen. Hatch of Somerset County; additional cosponsor)

Utilities & Energy

Room 209, Cross State Office Building, 9:30 a.m.

Tel: 287-4143

LD 1053 – An Act To Enhance Renewable Power. (Sponsored by Rep. Mills of Cornville; additional cosponsors)

LD 1312 – An Act To Ensure and Encourage the Generation of Electricity from Renewable Resources. (Sponsored by Rep. Colwell of Gardiner; additional cosponsors)

Thursday, April 10

Inland Fisheries & Wildlife

Room 206, Cross State Office Building, 1:00 p.m.

Tel: 287-1338

LD 1083 – An Act To Encourage Hunting by Simplifying Hunting Laws. (Sponsored by Rep. Dunlap of Old Town; additional cosponsors)

Taxation

Room 127, State House, 1:00 p.m.

Tel: 287-1552

LD 17 – An Act to Increase the Homestead Property Exemption from \$7,000 to \$20,000. (Sponsored by Rep. Davis of Falmouth; cosponsors)

LD 266 – An Act To Provide Meaningful Property Tax Relief. (Sponsored by Sen. Bromley of Cumberland County; additional cosponsors)

LD 1235 – An Act To Provide Property Tax Relief to Maine Resident Homeowners. (Sponsored by Rep. Woodbury of Yarmouth)

LD 801 – Resolution, Proposing an Amendment to the Constitution of Maine To Require a Vote of 2/3 of Each House of the Legislature To Enact or Increase a Tax. (Sponsored by Sen. Blais of Kennebec County; additional cosponsors)

Utilities & Energy

Room 209, Cross State Office Building, 1:00 p.m.

Tel: 287-4143

LD 540 – Resolve, To Ensure Optimal Energy Efficiency in State-funded Construction. (Sponsored by Sen. Hall of Lincoln County; additional cosponsors)

LD 799 – Resolve, To Improve Energy Efficiency in New School Buildings. (Sponsored by Sen. Hall of Lincoln County; additional cosponsor)

Friday, April 11

Judiciary

Augusta Civic Center, North Wing, 1st Fl., 9:30 a.m.

Tel: 287-1327

LD 1370 – An Act To Enact the Maine Tribal Gaming Act. (Transmitted to the Clerk of the 121st Maine Legislature by the Secretary of State on February 26, 2003 and ordered printed)

Legal & Veterans Affairs

Augusta Civic Center, North Wing, 1st Fl., 1:00 p.m.

Tel: 287-1310

LD 486 – An Act To Protect Communities Affected by Casino Gambling Operations. (Sponsored by Rep. Lemoine of Old Orchard Beach)

LD 1242 – An Act To Recognize the Regional Impact of Casino-style Gambling Facilities. (Sponsored by Rep. Lemoine of Old Orchard Beach)

LD 1371 – An Act To Allow Slot Machines at Commercial Horse Racing Tracks. (Transmitted to the Clerk of the 121st Maine Legislature by the Secretary of State on February 26, 2003 and ordered printed)

Transportation

Room 126, State House, 9:00 a.m.

Tel: 287-4148

LD 1070 – An Act To Increase Traffic Fines and Apportion a Part of the Increase to the Issuing Jurisdiction. (Sponsored by Rep. Suslovic of Portland; additional cosponsors)

LD 1081 – An Act To Allow the Use of Cameras for Enforcement of Traffic Light Violations. (Sponsored by Rep. Suslovic of Portland; additional cosponsors)

LD 1213 – An Act To Establish a Modern Transportation Policy. (Sponsored by Rep. Faircloth of Bangor; additional cosponsors)

INDEXING (cont'd)

enue. Some speakers from both groups, proponents and opponents, raised concerns with the use of Highway Fund revenues to support the recently enacted FY 04–05 state budget. Testimony on this issue was that fuel tax revenues should be used exclusively for highways and bridges, regardless of size of the General Fund deficit.

The Commissioner of the Department of Transportation, David Cole, also provided testimony in opposition to the bills. Cole underscored the relationship between the additional revenue generated by the indexing mechanism and the two-year Highway Fund budget that is now awaiting final endorsement in the Senate. Specifically \$47.5 million of the \$592 million Highway Fund Part I budget is available because of the increase in fuel tax rates.

Of municipal interest in the Highway Fund budget is a \$44 million allocation for the Urban/Rural Initiative

Program (URIP) and approximately \$213 million in state revenue that matches \$409 million in federal funds to implement the state's Biennial Transportation Improvement Program (BTIP). The BTIP describes in detail DOT's highway construction plans. MMA has obtained a copy of the Department's FY 04-05 BTIP, which outlines projects to be funded by the \$622 million program over the next two years. If you are interested in receiving a copy, please contact SFR's Laura Veilleux at 1-800-452-8786.

TAX BURDEN (cont'd)

vices shall submit legislation to the First Regular Session of the 121st Legislature to address the stabilization of the General Fund by limiting the growth of appropriations to an appropriate measure and by creating a reserve fund to offset revenue shortfalls and address other priorities including the reduction of the unfunded liability of the Maine State Retirement System

as it relates to state employees and teachers.

COUNTY (cont'd)

is \$1,000,000 and the county's surplus revenue, is \$300,000, the formula would have required the county commissioners to use \$150,000 in 2002, \$120,000 in 2003 and \$100,000 in 2004 for property tax relief. The higher percentage entitles the counties to greater amounts of revenue for targeted purposes but less direct relief for the property taxpayer.

LD 418 would change the tax relief formula by requiring county commissioners to use a flat rate of 15% of the unencumbered surplus, after the restoration of the county's contingent account, to reduce the tax levy. Municipal officials support this provision because it allows the county commissioners to have access to surplus revenues, while at the same time provides a more appropriate level of property tax relief.