

# Legislative BULLETIN

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## Tax Reform Stage II

On Monday and Tuesday this week, the Taxation Committee took in an ample amount of testimony the issue of comprehensive tax reform. Two dozen legislators presented their various ideas, as well as former legislators, municipal officials, local tax activists, and lobbyists. The Committee was warmly praised by all for the protocols and principles it published to guide the development of its tax reform plan, and many of those testifying strongly encouraged the Committee to craft a bold proposal, grounded in a strong spending limitation system applying to all levels of government, that would allow for a long-awaited modernization and rebalancing of Maine's tax code.

Others were more reserved, however, with respect to the scope of the tax reform package the Committee should consider.

If the entire range of tax reform ideas were written on sheets of paper and pasted up on the walls of the Tax Committee room, and all the people giving testimony were given four or five stickers to put on their favorite ideas, here are the ideas that would have gathered the most stickers.

**Control spending.** Many speakers spoke for the need to kick the LD 1 spending limitation override procedures up a notch. MMA presented for the Committee's consideration a detailed proposal to do just that which is contained in LD 804, *An Act to Ensure Responsible Government Spending, Investment and Educational Efficiency*. LD 804 was developed by a broad coalition of interest groups, including MMA, the Maine Education Association, the Maine State Chamber of Commerce, the Maine Hospital Association and the Maine Service Center Coalition, as a responsible alternative to the Taxpayers Bill of Rights proposal. The real issue before

the Committee, however, is not how to stiffen-up the LD 1 spending limitation system for local governments. That is easily done. The issue is how to establish an enforceable spending limitation on the state. The Legislature may not be

willing to do that.

**Cut state expenses.** A number of people testifying spoke for the need to cut state expenses as part of tax reform, at the same time recognizing that this was not a charge falling squarely under the jurisdiction of the Taxation Committee.

**Income tax.** Three changes to the

*(continued on page 2)*

## Final School Reform Plan Next Week

Thursday, March 8 is the deadline that has been given to the Education Committee to finalize its plan to reform the delivery of school administrative services.

The development of the Committee's plan, in response to Governor Baldacci's proposal to abolish all existing school systems and school boards and recreate 26 large regional districts, has come about in fits and starts.

There was the flush of activity in early February, including a massive public hearing on seven separate school reform proposals at the Augusta Civic Center. The public hearing was followed almost immediately by an intensive week or two of Committee work sessions.

The Committee then entered into something of a "Tower of Babel" phenomenon. It is as though a higher authority was intent on scrambling the process so all language was suddenly made indefinite as to meaning. The words "district" and "union" and "consolidation" and "regionalization" and "alliances" and "collaboratives" and many other terms had no fixed definitions anymore. In one conversation an "alliance" and a "collaborative" were the same things and in another conversation they were sharply different. Sometimes "to consolidate" and "to regionalize" were synonyms, sometimes they were almost antonyms. Sometimes a "school district" and a "school union" were effectively the same species, sometimes they didn't share the same genus.

The Committee took school vacation week off and came back to its task slowly after the break. The meaning of language has seemed to return to at least a working English, and the elements of the plan are beginning to gel...maybe.

The planning alliance approach to oversee the regionalization efforts within relatively large geographic regions is beginning to catch hold, with the planning alliances made up of school officials, municipal officials and appointed members of the general public. Hundreds of details still need to be worked out regarding the specific charges given to those planning alliances, the time frames within which they must complete their work, the resources that will be provided to them, the administrative cost savings they will be expected to generate and the level of pressure applied to either encourage or compel the consolidation of two or more school administrative units into a larger district.

Next week's *Legislative Bulletin* should be able to describe the Education Committee's plan in greater detail.

# The Clam After The Storm

On Monday, the Marine Resources Committee unanimously adopted a compromise version of LD 403, *An Act to Encourage Municipalities to Abate Coastal Pollution* filed by Rep. Stan Gerzofsky (Brunswick). As reported in last week's *Legislative Bulletin*, many municipalities are actively managing their coastal flats pursuant to local shellfish ordinances. The primary motivation for local management is to make the flats available to local diggers.

However, when the flats have been closed to local diggers because of a water quality issue, a depuration digger (dep-digger), which washes its harvest by a depuration process, is allowed to continue harvesting the site. This current state of affairs has created a disincentive to municipalities to continue spending local resources on flat management.

The bill as drafted would have simply given all municipalities with shellfish committees the authority to prevent a dep-digger from harvesting a local flat. This bill brought out over two-dozen supporters and a lively public hearing.

This broad language concerned the state's single dep-digger, Spinney Creek, and the Department of Marine Resources.

Representatives of local shellfish ordinances, DMR and Spinney Creek worked for two hours on Monday and hammered out compromise language that would allow municipalities some ability to regulate the actions of dep-digging. The Committee commended the parties for reaching such a quick and amicable solution.

First, the compromise language specifically authorizes the DMR to institute

a moratorium on dep-digging in any flat for a period up to two years "to allow the municipality to develop a Pollution Abatement Plan". This authority may arguably exist under current law, but the change makes that authority clear.

The amendment does not outline the process to be used by DMR for the adoption of such a temporary moratorium. The assumption is that a municipality or municipal shellfish commission would make the request and the request would presumably need to contain some evidence that the municipality will in fact be developing a pollution abatement plan.

In addition, the amendment also gives municipalities the opportunity to gain some control over its plan beyond the two-year period after it develops a pollution abatement plan and a depuration management plan. The amendment details the minimum contents that these two plans must contain. The bill does not specifically state that DMR must approve these plans, but the plans must be submitted to DMR. If two such plans are created, the municipality may regulate dep-digging in its flats.

Lastly, it obligates any dep-digger to file a plan outlining how it will conduct its harvesting operations with the DMR.

The amendment satisfied the Committee's interest in empowering municipalities, but only if the municipalities that are actively managing their flats. The workability of this compromise will only be understood with the passage of some time.

million cut in state revenue by cutting that amount of spending from the state budget.

**Property Tax.** Any number of inside and outside-the-box ideas were generated about the best way to deliver property tax relief. The ideas that were repeated the most often were:

- Increase Circuit Breaker benefits/ make the program more accessible
- Fully fund the existing \$13,000 Homestead Exemption
- Increase the value of the Homestead Exemption and fully fund the increase
- Tackle the issue of property tax exemptions
- Require town-wide revaluations to be conducted more often

**Sales Tax.** That the sales tax is the area to go in order to pay for income and property tax relief is a given. Many ideas were offered as to how to expand those sales tax revenues. The most often repeated were:

- Expand the sales tax base in the areas of personal and amusement/recreational services
- Authorize local option sales taxes dedicated to property tax reduction
- Increase the hotel/motel (lodging) sales tax rate

Although the two-days of open testimony were cast in a glow of optimism and encouragement, there was a disconcerting edginess in the background. Decided partisan differences have emerged with respect to the meaning of "tax reform".

One political party is very enthusiastic with respect to a bold rebalancing of the state's tax system, but has yet to identify the state-level spending limitation system that would create the environment that would allow for that boldness.

Another political party is strong on ideas for state-level spending limits, but offers only tepid support – if that — to structural tax reform, at least as municipal officials understand that term.

We have spending limits in one hand, and a fundamental rebalancing of the tax code in the other. It is well understood that without the first, you can't have the second.

It might also be the case that even with the first, you can't have the second.

## Legislative Bulletin

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## TAX REFORM (cont'd)

income tax code were repeatedly suggested.

- Reduce top income tax rate
- Significantly expand the income tax brackets
- Expand the Earned Income Tax Credit

Perhaps the most aggressive recommendation in this area was to cut the highest income tax rate of 8.5% exactly in half, and deal with the resulting \$500

# Homeland Security Mandates Are Top Down

LD 676, *An Act to Implement the Recommendations of the Task Force to Study Maine's Homeland Security Needs*, gives those municipal officials concerned about unfunded state mandates a good deal to be concerned about. Of the possible types of state mandates that might be proposed, LD 676 belongs in the category of the "classic" mandate.

**Local Health Officer Education and Training.** LD 676 requires all local health officers (who by statute must be employed by municipalities) to meet mandatory levels of training and education. Specifically, all local health officers hired after January 1, 2008 will have to meet certain education standards that have not yet been determined. Local health officers who are currently employed will have until June 1, 2008 to comply. The bill also directs the Director of the Maine Center for Disease Control and Prevention and other stakeholders to "study and specify standards for local health officer qualifications, including redefining the role of the local health officer and updating related statutes to clarify that role."

**School Crisis Plans.** All school boards are required by LD 676 to include as part of their crisis response plans an "all-hazards" emergency plan component that must be approved by a local public safety official or agency. The school boards are further mandated to implement regular training, education and drills for staff, students and parents.

**Local Disaster Plans.** LD 676 requires local and county officials to amend existing disaster plans by January 1, 2008 to include: 1) at least one shelter capable to handling pets; 2) a plan for ensuring that persons transferred from hospitals and nursing homes continue to receive necessary medical care during a disaster; and 3) a process for identifying persons who will need transportation in an emergency.

**Dam Safety Fund.** LD 676 establishes a Dam Safety Fund to be used to support dam inspections, maintenance and repair. Revenue for the Dam Safety Fund would be raised through assessments of annual fees on public and private dam owners. As proposed, municipalities would be assessed \$1,000 per year for each significant and high hazard potential dam and \$40 per year for each low hazard potential dam. A private owner would be assessed \$250 per year for each significant and high hazard potential dam and \$40 per year or each low hazard potential dam.

At its February 15<sup>th</sup> meeting, MMA's Legislative Policy Committee voted to oppose LD 676. While municipal officials understand the need

for ensuring public safety, they oppose the command-and-control approach proposed by the members of the Task Force. As proposed, local levels of government, and ultimately the property taxpayers, will be required to absorb the costs of many of the Task Force's recommendations. One reason for the disconnect between LD 676 and the municipal perspective might be the fact that no town or city officials of any kind were appointed to serve on the Task Force that developed the municipal and school mandates contained in the bill.

The Criminal Justice Committee has scheduled a public hearing for LD 676 on Wednesday, March 7<sup>th</sup> at 9:00 a.m. in room 436 of the State House. All public hearings are open to the public. For your information, a listing of the Criminal Justice Committee members can be found online at [http://janus.state.me.us/house/jt\\_com/crj.htm](http://janus.state.me.us/house/jt_com/crj.htm) or by contacting MMA's Laura Veilleux at 1-800-452-8786.

## Special GA Poster Audit

MMA staff have learned that a special audit of municipal General Assistance (GA) offices is currently being conducted. Dee Clark, an advocate from Preble Street Resource Center in Portland, has been visiting local GA offices. Ms. Clark explains that she is representing the Baldacci administration and the Maine State House Authority's Director of Homeless Initiatives. Her stated purpose for the visit is to see if the town or city is posting the signs that the Department of Health and Human Services (DHHS) recently mailed out to each municipality.

The package mailed out by DHHS on January 23, 2007 included: 1) a version of the existing GA notice required to be posted in each municipal office, amended to draw attention to the fact that individuals cannot be denied the right to apply for assistance; 2) a bolded and brightly colored sign informing individuals who are denied a right to apply for assistance to call the DHHS hotline; and 3) a letter from

DHHS's Cindy Boyd explaining that the posting of the specially-developed signs by the municipality is voluntary. The idea for the posters came from the plan developed by the Homelessness Prevention Task Force and adopted by the Statewide Homeless Council, which was created in 2005 for the purpose of providing leadership in the efforts to end homelessness.

MMA would like to emphasize that the new poster effort is voluntary. Every General Assistance Office must still maintain the statutorily-required posted notice, obviously, but the decision whether or not to post the recently-issued and specially-developed GA posters is to be made by each municipality and GA administrator. MMA staff is interested in learning how representatives of state agencies are interacting and treating municipal officials. If you have been subject to this special audit or have any questions about this issue, please contact MMA's Kate Dufour at 1-800-452-8786 or [kdufour@memun.org](mailto:kdufour@memun.org).

# 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, March 5*

### **Agriculture, Conservation & Forestry**

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

**Tel: 287-1312**

LD 406 – An Act To Prohibit Aerial Spraying of Pesticides near Buildings, Roads and Bodies of Water.

LD 875 – An Act To Continue the Protection of Marine Waters and Organisms from the Risks Posed by the Applications of Pesticides.

### **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 Judiciary.

### **Legal & Veterans Affairs**

**Room 437, State House, 1:00 p.m.**

**Tel: 287-1310**

LD 663 – An Act To Update Absentee Ballot Procedures.

LD 683 – An Act To Limit the Activities of Political Candidates at Polling Places to Voting.

LD 699 – Resolve, Establishing the Commission To Improve Certain Aspects of the Citizen Initiative Process.

LD 563 – An Act To Move the Primary Election from June to September.

LD 731 – An Act To Preserve The Integrity of Elections by Removing the Requirement for a Challenge Affidavit.

### **Taxation**

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

**Tel: 287-1552**

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.

LD 566 – An Act To Increase the Property Tax Exemption for Certain Veterans and Surviving Spouses.

## *Tuesday, March 6*

### **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 Utilities & Energy.

**2:00 p.m.** With the Joint Standing Committee on Taxation.

### **Natural Resources**

**Room 214, Cross State Office Building, 1:00 p.m.**

**Tel: 287-4149**

LD 537 – An Act To Protect the Machiasport Clam Flats along the

Machias River from Effluent Contamination.

LD 692 – An Act To Eradicate Invasive Aquatic Plants and Nuisance Species.

### **Transportation**

**Room 126, State House, 1:00 p.m.**

**Tel: 287-4148**

LD 532 – Resolve, To Create a Plan for the Downeast Airport Authority.

LD 781 – An Act Making Unified Highway Fund and Other Funds Allocations for the Expenditures of State Government 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.

## *Wednesday, March 7*

### **Agriculture, Conservation & Forestry**

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

**Tel: 287-1312**

LD 21 – Resolve, To Provide Access for Persons with Disabilities to Great Ponds.

LD 277 – An Act To Require Mapping of Conservation Easements, Purchases and Gifts.

### **Criminal Justice & Public Safety**

**Rm. 436, State House, 9:00 p.m.**

**Tel: 287-1122**

LD 676 – An Act To Implement the Recommendations of the Task Force To Study Maine's Homeland Security Needs.

LD 696 – An Act To Require Credentials for Amateur Radio Emergency Communications Volunteers.

### **Judiciary**

**Room 438, State House, 1:00 p.m.**

**Tel: 287-1327**

LD 584 – An Act Concerning Animal Control Officers as Mandated Reporters of Abuse.

LD 583 – An Act To Permit Medical and Social Service Professionals To Report Animal Cruelty.

## *Thursday, March 8*

### **Inland Fisheries & Wildlife**

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

**Tel: 287-1338**

LD 618 – An Act To Increase the Amount Retained by Agents Who Issue Hunting and Fishing Licenses.

## *Friday, March 9*

### **Appropriations & Financial Affairs**

**Room 228, State House, 9:00 a.m.**

**Tel: 287-1316**

LD 499 – Governor's Budget Bill. With the Legislative Council.

### **State & Local Government**

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

**Tel: 287-1330**

LD 205 – An Act To Require Regulatory Impact Estimates on Private Property.

LD 638 – An Act To Require Joint Planning and Development Board Review for Proposed Developments That Abut Municipal Boundaries.

## IN THE HOPPER

(The bill summaries are written by MMA staff and are not necessarily the bill's summary statement or an excerpt from that summary statement. During the course of the legislative session, many more bills of municipal interest will be printed than there is space in the *Legislative Bulletin* to describe. Our attempt is to provide a description of what would appear to be the bills of most significance to local government, but we would advise municipal officials to also review the comprehensive list of LDs of municipal interest that can be found on MMA's website, [www.memun.org](http://www.memun.org).)

### Appropriations & Financial Affairs

LD 674 – An Act To Restore Funding to the Maine Joint Environmental Training Coordinating Committee. (Sponsored by Sen. Martin of Aroostook Cty; additional cosponsors.)

This bill appropriates \$20,500 for both FY 08 and FY 09 to fund the Maine Joint Environmental Training Coordinating Committee program (JETCC), which provides training and education programs to wastewater facility operators.

LD 874 – An Act To Provide Funding for the Low-income Home Energy Assistance Program. (Emergency) (Sponsored by Rep. Bryant of Windham; additional cosponsors.)

This bill appropriates \$5 million in FY 08 to supplement the federal appropriation for the Low Income Home Energy Assistance Program.

### Criminal Justice & Public Safety

LD 676 – An Act To Implement the Recommendations of the Task Force To Study Maine's Homeland Security Needs. (Emergency) (Reported by Sen. Strimling of Cumberland County for the Task Force to Study Maine's Homeland Security Needs.)

This emergency bill makes several changes to laws regarding public emergencies. Of direct municipal interest, this bill requires all local health officers to be qualified to serve in the position according to standards that would be developed by the state no later than January 1, 2008. All current local health officers will be obligated to meet these standards within 6 months or lose their jobs.

The bill also requires municipalities to amend their disaster emergency management plans to: (1) identify a shelter within their counties that is equipped to handle pets; (2) identify methods to ensure the continued medical care of those individuals receiving medical care who may be forced to be relocated; and (3) identify persons who require transportation in an emergency.

The bill also requires municipalities to pay "safety fees" for any municipally-owned dam.

The bill also mandates schools to expand their current "crisis response plan" to include "all-hazards emergency" issues. Local school boards are further mandated to implement training for staff, students and parents.

LD 778 – An Act To Enhance the Qualifications for a Concealed Firearms Permit. (Sponsored by Sen. Turner of Cumberland Cty; additional cosponsors.)

This bill requires all new and renewing applicants for a concealed weapons permit to show documentation they have completed a firearms safety course that meets certain standards. The bill removes the exemptions in current law for meeting training course requirements.

LD 864 – An Act To Protect Local Police Departments. (Sponsored by Rep. Annis of Dover-Foxcroft; additional cosponsors.)

This bill requires every law enforcement officer completing the

basic training requirement and entering into an employment contract as a law enforcement officer to commit to perform at least one year of employment with the municipality, county, state or other non-federal employer.

LD 886 – An Act To Clarify Certain Laws Related to Fire Safety. (Sponsored by Rep. Rines of Wiscasset; additional cosponsors.)

This bill makes three changes to the laws governing fire safety issues. One of those changes requires all incident reports filed by municipal fire officials to be consistent with a national fire incident reporting system.

### Education & Cultural Affairs

LD 791 – An Act To Ensure Equitable Geographic Representation on the State Board of Education. (Sponsored by Sen. Raye of Washington Cty; additional cosponsors.)

This bill changes the composition of the State Board of Education by requiring that membership of the Board be broadly representative of Maine both geographically and in terms the size of the municipalities where the Board members reside.

LD 834 – Resolve, To Create a Study Commission to Review and Report on the Possibility of Making All Public School Teachers in Maine Employees of the State. (Sponsored by Rep. Hotham of Dixfield; additional cosponsors.)

This resolve establishes a 13-member working group, including eight legislators, two teachers, one school administrator, one school board member and the Commissioner of Education, to review the possibility of making all public school teachers employees of the state.

### Health & Human Services

LD 899 – Resolve, To Establish a Committee To Examine the Impacts of the 1993 Amendments to General Assistance Program Eligibility. (Sponsored by Sen. Mitchell of Kennebec Cty; additional cosponsors.)

This resolve directs the Commissioner of Health and Human Services to convene the 8-member General Assistance Program Committee, including municipal officials and low-income advocates, to examine the impact that creating a standard of income eligibility for general assistance of 110% of the United States Department of Housing and Urban Development Fair Market Rent values has had on homelessness and poverty in Maine.

### Legal & Veterans Affairs

LD 890 – An Act To Allow the Awarding of Prize Money from Gambling Machines Run by Nonprofit Organizations. (Sponsored by Rep. Patrick of Rumford; additional cosponsors.)

This bill provides that nonprofit organizations eligible for a license to conduct beano are also eligible to be licensed to operate up to 5 slot machines per nonprofit organization location. The slot machines operated by the nonprofit organization are subject to the same oversight and regulation as slot machines operated by the operator of a commercial track.

The distribution of funds from slot machines operated by nonprofit organizations required by this bill is: (1) one percent of gross slot machine income to the General Fund for administrative costs of the Gambling Control Board; (2) twenty-four percent of net slot machine income to the General Fund for administrative costs of the Gambling Control Board and \$200,000 for the Citizen Trade Policy Commission; (3) one percent of net slot machine income for gambling addiction services; and (4) ten percent of net slot machine

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## **HOPPER (cont'd)**

income directly to the municipality where the slot machines are located.

### **Natural Resources**

LD 810 – An Act To Improve Solid Waste Management. (Sponsored by Rep. Duchesne of Hudson; additional cosponsors.)

This “concept draft” bill proposes to amend the laws governing the duties and responsibilities for managing solid waste by revising the respective duties of the Department of Environmental Protection and the State Planning Office in order to eliminate redundancy as well as gaps in oversight.

### **State & Local Government**

LD 523 – An Act To Provide for Enforcement of Land Use Limitations Relating to Cemeteries. (Sponsored by Rep. Hanley of Gardiner; additional cosponsor.)

This bill amends the laws governing the statutory limitations on construction and excavation near burial sites. One amendment would add the enforcement of violations of the minimum statutory setbacks from cemeteries to the list of laws that are enforceable by local code enforcement officers.

LD 601 – Resolve, To Direct the Bureau of General Services To Develop a Purchasing Pool for Political Subdivisions of the State and School Administrative Units. (Sponsored by Sen. Perry of Penobscot County.)

This resolve directs the state’s Bureau of General Services to develop a purchasing pool for municipalities, counties and other political subdivisions of the state to buy motor vehicles.

LD 638 – An Act To Require Joint Planning and Development Board Review for Proposed Developments That Abut Municipal Boundaries. (Sponsored by Rep. Eberle of South Portland; additional cosponsors.)

This bill requires a joint review by each municipality of proposals for subdivisions that share a common boundary with another municipality. Current law requires a joint review only for subdivisions that cross municipal boundaries.

LD 702 – An Act To Allow Municipalities To Establish Foundations To Support Education. (Sponsored by Rep. Holman of Fayette; additional cosponsors.)

This bill authorizes the establishment of municipal education foundations that would be designed to hold and invest gifts and other financial contributions to the foundation for the purpose of supporting the public education program. The bill directs the State Planning

Office to establish a template for municipalities to use when establishing these foundations.

### **Taxation**

LD 566 – An Act To Increase the Property Tax Exemption for Certain Veterans and Surviving Spouses. (Sponsored by Sen. Raye of Washington Cty; additional cosponsors.)

This bill increases the property tax exemption for veterans who served in specified federally recognized war periods from \$5,000 to \$15,000.

LD 690 – An Act Regarding the Sales Tax. (Sponsored by Rep. Pieh of Bremen.)

This “concept draft” bill proposes to repeal all statutory sales tax exemptions, reduce the sales tax rate to 3%, allow the vendors to retain a portion of the sales tax to cover administrative costs, allow for adjustments to the sales tax rate to control for surpluses or shortfalls, and apply any surpluses of state tax revenue toward property tax relief.

LD 850 – An Act To Reduce Taxes. (Sponsored by Rep. Watson of Bath; additional cosponsors.)

This bill lays out a comprehensive tax reform strategy, including sweeping expansions to the sales tax base, amendments to sales tax rates, changes to the income tax brackets and rates, a graduation of the real estate transfer tax rates, a soft drink and syrup tax, etc. The bill also requires full reimbursement funding for the property tax homestead exemption and prohibits the tax lien foreclosure of the residence of a person 65 years old or older who has resided in the property for at least 10 years, with the unencumbered lien accruing until satisfied.

LD 877 – An Act Regarding the Homestead Exemption as It Applies to Certain Housing Cooperatives. (Sponsored by Rep. Tardy of Newport.)

This bill applies to a municipality that: (1) is receiving homestead exemption reimbursements associated with persons living in cooperative housing arrangements; and (2) has entered into a “credit enhancement” tax increment financing arrangement with the cooperative housing corporation that requires rebating a certain percentage of the coop’s tax payments back to the coop. The bill requires that municipality to treat the homestead exemption reimbursement funds as though they were the coop’s tax payments.

LD 879 – An Act To Authorize a Local Option Homestead Exemption. (Sponsored by Sen. Rotundo of Androscoggin County.) (By Request)

This bill would create a statutorily authorized local option homestead exemption not to exceed 20% of the homestead’s just value.