Budget Update: “BETR-to-BETE” Conversion

“Part K” is one of the many elements of Governor LePage’s proposed state budget generating concern in the municipal community. As proposed, Part K would convert the non-retail taxable personal property in the Business Equipment Reimbursement Program (BETR) to exempt status by enrolling it by force of statute into the Business Equipment Tax Exemption (BETE) program. As constructed, Part K delivered negative impacts to both the municipal and business communities, with Maine’s service center and industrial municipalities most significantly affected. At the public hearing on this proposal that was held in mid-March, both the business and municipal communities raised serious objections to the proposal.

On Monday this week, the Appropriations Committee moved “in” to the budget an amendment to Part K in the Governor’s budget. The Committee’s action removes all the language regarding the “BETR-to-BETE” conversion and replaces it with a two-pronged alternative.

First, a working group is created to study in greater detail the issue of converting property from the BETR to the BETE program. The working group’s recommendations must be reported back to the Appropriations Committee in December 2013.

Second, the level of BETR reimbursements is reduced for each of the next two fiscal years. For FY 2014, the BETR reimbursements are reduced to 90% of the reimbursement that would otherwise be provided under current law. For FY 2015, those reimbursements are reduced to the 80% level.

Reminder: Highway Fund Budget Hearing

The Transportation Committee has scheduled a public hearing on Governor LePage’s proposed $1.06 billion FY 2014-15 biennial Highway Fund budget on Tuesday, May 14 at 1 p.m. in room 126 of the State House. The emergency bill is printed as LD 1480.

Of municipal significance is Part I of the proposed budget, which requires municipalities to give over to the state’s Highway Fund the motor vehicle excise taxes collected for truck tractors, which is estimated to generate approximately $4 million per year. The initiative was originally (but incorrectly) included as part of the Governor’s General Fund budget.

Although municipal officials testified in opposition to the proposal during the General Fund budget hearing process in mid-March, those municipal officials are strongly urged to attend and participate in the Highway Fund budget hearing process.

If you have any questions about LD 1480 or the hearing, please contact Kate Dufour at kdufour@memun.org or 1-800-452-8786.

Dig Safe Related Mandates Pushed By Public Advocate

As well as excavators, for-profit utilities

On Monday this week, the Energy, Utilities and Technology (EUT) Committee held a public hearing on LD 965, An Act To Improve Maine’s Underground Facility Damage Prevention Program. Most municipal officials are familiar with the Dig Safe system by which utilities are notified when excavation is being proposed in the municipal right of way and other areas where underground infrastructure is located. MMA’s Legislative Policy Committee voted to oppose this legislation at its meeting in late March.

Background

In 2012, the Legislature passed LD 1803, An Act to Implement the Recommendations of the Dig Safe Work Group. This bill charged the Public Advocate with establishing and convening the Dig Safe working group, consisting of 22 members representing contractors, the Dig Safe system, private utility companies, public utilities and municipalities. A two-thirds “super majority” vote of the working group members was necessary to recommend changes to the existing system, and the recommendations receiving such support were to be included in a report submitted to the EUT Committee by Jan. 15, 2013.

The working group was charged with examining ways to facilitate the creation of a “one-call system” in order to notify the operators of underground facilities of pending excavations. Those facility owners are already notified through the operation of the existing Dig Safe system as well as normal municipal or water utility
operations. Because the municipalities, which actually manage the entire right of way for the use of the for-profit utilities (gas, electricity, cable, telephone), are currently not required to be members of Dig Safe, the demand from the excavators for a “one-call” system is essentially a call for mandatory municipal membership in Dig Safe. Currently, there is no mandatory municipal membership in Dig Safe throughout New England, although municipalities are always able join Dig Safe voluntarily if they believe membership offers advantages to them.

Additionally, some of the “incentives” that the group was asked to consider were:

• Creating a new apportionment of the costs of Dig Safe membership so that members could pay a flat fee for each notification of pending excavation.

• Subjecting municipalities and publicly owned utilities to financial penalties for failing to mark the location of the underground water/sewer line in a timely manner or making those markings negligently.

• And, requiring municipalities that are not Dig Safe members (and other publicly owned water/sewer utilities) to maintain special insurance when excavating within the municipal right of ways.

Ultimately, the Dig Safe working group supported two proposals, a set of principal recommendations and another set of fallback recommendations (described below). Despite the concerns expressed from representatives of municipal officials and public utilities, the make-up of the working group (see sidebar) resulted in the necessary two-thirds vote to advance these proposals.

The Legislation At Hand

As written, LD 965 represents the working group’s “fall back” proposal. Maine’s Public Utilities Commission (PUC) has an Underground Facility Damage Prevention Rule enabling the Commission to develop and maintain a reference database, called “OK-TO-DIG,” listing persons who own underground facilities but who are not members of the underground facility damage prevention system. LD 965 codifies this rule, directing the PUC to maintain the database, as well as a website of contact information, while expanding the database to include owners of underground facilities who are currently exempt from participating. This includes municipalities, water utilities, sewer utilities, and persons owning underground facilities on their own property for commercial or residential purposes.

Mandatory participation in OK-TO-DIG would require:

1. Registering underground facilities with OK-to-Dig.

2. Providing the PUC with the names of each community in which the underground facilities are located.

3. Providing the PUC with current twenty-four hour personnel contact information to enable anyone planning to excavate in a community to notify that entity on a “24/7” basis of the need to mark its facilities.

4. Updating contact information within five business days when necessary.

5. And, responding to any notices received regarding their facilities by marking those facilities within seventy-two hours, unless it is an emergency excavation.

LD 965 directs the PUC to adopt rules necessary to implement these requirements. According to the “fall back” recommendation, such rules may very well require municipalities or public utilities to bear full responsibility for the costs of repairing its underground facilities, as well as any associated costs, if the excavation results in damage.

Furthermore, this legislation also creates a permanent Dig Safe Advisory Board, which would work with the Public Utilities Commission to identify issues with underground facilities and develop recommendations for the Legislature to address such issues.

The Amendment to LD 965

As described by Public Advocate Richard Davies, the Dig Safe Work Group Chair, a mistaken understanding on the part of the PUC resulted in the legislation which reflected the working group’s primary set of recommendations not being submitted in time to become printed legislation. Chair Davies therefore offered an amendment to conform LD 965 to the group’s principal recommendations. The primary thrust of the amendment would be to create a “One-Call” system; namely, that excavators need only call Dig Safe prior to beginning their underground work.

The last-minute amendment of the Public Advocate also seeks to change the bill by:

• Mandating underground facility owners and operators to join Dig Safe if they are not currently members, with a charge of $1 per “ticket.”

• Adding non-statutory language regarding enforcement procedures and administrative penalties directing the Advisory Board and the PUC to work together to develop “a decision tree” based on industry best management practices for determining how to address actions that resulted in violations of the Dig Safe statute, using either consultation, training or penalties.

• And, imposing a two-year moratorium on the assessment of fines against mandated municipal and public water and sewer utilities.

The Hearing

After the sponsor, Rep. Beaulieu of Auburn, introduced LD 965, Jeff McNelly of the Maine Water Utilities Association and Daniel Wells of the Winthrop Utilities District spoke in favor of the bill as drafted. Public Advocate and Work Group Chair Richard Davies, Ben Sanborn of the Telecommunications Association of Maine, Matthew Marks of the Associated
General Contractors of Maine (AGC), and Chip Late of the AGC’s Sight Works Committee all spoke in favor of the amendment. MMA stood alone in its opposition to the legislation and amendment. Paulina Collins of the PUC and Steve Cox of Maine Water Company testified Neither For Nor Against.

**MMA’s Concerns**

Municipal officials do not believe the current system is broken. Excavators have a regular and appropriate communication relationship with the municipal managers of the municipal right of ways. Concerns among excavators regarding timely access to the appropriate municipal officials to guide them through the road excavation process are rarely brought to the attention of Maine’s municipal leaders or managers.

Municipalities are entirely competent to determine for themselves whether Dig Safe membership makes sense if access issues need to be addressed.

The safety issues associated with the close-to-the-surface electric and gas utility infrastructure do not exist, by comparison, with the deeply installed water and wastewater infrastructure.

And municipal officials are opposed to newly enacted unfunded state mandates.

No other state in New England imposes mandates of this kind on the municipal managers of their own easements.

There are cost concerns associated with Dig Safe, especially over the long term as the dominant for profit utilities seek public membership resources to mitigate their exposure to the program. Mandating additional municipal expenditures to the management of the municipal right of way, which is currently maintained to the tune of $250 million a year in municipal expenditures, certainly benefits the Dig Safe system and could reduce the financial exposure to Dig Safe expenses for the for-profit utilities.

MMA is not convinced that excavators’ desire for a “one-call” system ought to outweigh municipalities’ desire to avoid an unnecessary administrative workload expansion. Especially when municipalities are the right-of-way owner and, as such, they are already burdened by the need to invest in their underground infrastructure as well as the necessary incursion of liabilities. Further, there is hardly an advantage to the towns and cities that do choose to voluntarily participate. At least one municipality that chose to join the Dig Safe system subsequently chose to withdraw its membership because the Dig Safe protocols served to actually disconnect the relationship between the excavators and the municipality rather than encourage it.

No one is more interested in protecting utility distribution systems from damage than the municipal officials entrusted with their maintenance and upkeep. The OK-TO-DIG system and the Dig Safe system are currently in place and working well. Under such circumstances, the required municipal participation in a Dig Safe-like system is regarded by MMA’s Legislative Policy Committee as an unwelcome state mandate.

The sidebar to this article shows the make-up of the Dig Safe working group that developed these recommendations.

The Committee has scheduled the work session on LD 965 for Wednesday, May 15, at 1:00 pm.

### Appointees Who Served on 2012 Dig Safe Working Group

<table>
<thead>
<tr>
<th>Appointee Category</th>
<th>Appointee Name</th>
<th>Affiliation</th>
<th>Vote</th>
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<tbody>
<tr>
<td>1. Municipal public works officials</td>
<td>Dana Wardwell</td>
<td>City of Bangor</td>
<td>Approved both</td>
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<td></td>
<td>Bob Burns, Town of Gorham</td>
<td>Approved Mandatory Dig Safe, Opposed Fallback</td>
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<td>2. Persons who are builders or contractors</td>
<td>Kevin Murphy, NJ Grondin and Sons</td>
<td>Approved both</td>
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<td></td>
<td>Marc Levesque, Director of Risk Management</td>
<td>Approved both</td>
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<td></td>
<td>Bruce Hubbard, ETTI</td>
<td>Approved both</td>
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<td>3. Persons who are general contractors</td>
<td>Bruce Brown, Shaw Brothers Construction</td>
<td>Approved both</td>
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<tr>
<td></td>
<td>Randy Gardner, Gardner Construction</td>
<td>Approved both</td>
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<td></td>
<td>Carl Wallace, Maine Drilling and Blasting</td>
<td>Approved both</td>
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<td>4. Person with expertise in underground facility damage prevention (not an excavator or operator)</td>
<td>Stan Graver, Ex-CMP employee</td>
<td>Approved both</td>
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<td></td>
<td><strong>Prior Executive Committee Member of Dig Safe</strong></td>
<td>Approved both</td>
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<td>5. Persons representing quasi-municipal water or sewer utilities</td>
<td>Kevin Ishihara, Portland Water District</td>
<td>Approved both</td>
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<td></td>
<td>Dan Wells, Winthrop Utilities District</td>
<td>Approved both</td>
<td></td>
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<tr>
<td>6. Persons who represent telephone utilities</td>
<td>Ben Sanborn, Telephone Association of Maine</td>
<td>Approved both</td>
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<td></td>
<td>Kathleen Dumaime, Fairpoint Communications</td>
<td><strong>Executive Committee Member of Dig Safe</strong></td>
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<td>7. Person representing cable television service providers in Maine</td>
<td>Don Johnson, Time Warner Cable</td>
<td>Approved both</td>
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<tr>
<td>8. Persons representing owners or operators of underground fuel facilities</td>
<td>Alan Dow, Champagne’s Energy</td>
<td>Approved both</td>
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<td></td>
<td>Carl Bisson, Inergy Propane</td>
<td>Approved both</td>
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<td>9. Person representing owner or operator of a natural gas pipeline</td>
<td>Sam Murray, Unitil (Northern Utilities)</td>
<td>Approved both</td>
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<td></td>
<td><strong>“Rick Bellemare of Unitil is an Executive Committee Member”</strong></td>
<td>Approved both</td>
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<tr>
<td>10. Person representing investor-owned transmission and distribution utility</td>
<td>Arthur Brown, Central Maine Power Co.</td>
<td>Approved both</td>
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<td></td>
<td><strong>“Executive Committee Member of Dig Safe”</strong></td>
<td>Approved both</td>
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<tr>
<td>11. Person representing consumer-owned transmission and distribution utilities</td>
<td>Sharon Staz, Kennebunk Light and Power District</td>
<td>Approved both</td>
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<td>12. Person representing Dig Safe System</td>
<td>Robert Finelli, Dig Safe System Inc.</td>
<td>Approved both</td>
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<td></td>
<td><strong>“Executive Committee Member of Dig Safe”</strong></td>
<td>Approved both</td>
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<tr>
<td>13. Municipal officials, or persons representing municipal official</td>
<td>Mark Turner, City of Waterville</td>
<td>Opposed both</td>
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<td></td>
<td>Greg Connors, Maine Municipal Association</td>
<td>Opposed both</td>
<td></td>
</tr>
<tr>
<td>14. Chair of Dig Safe Work Group</td>
<td>Richard Davies, Public Advocate</td>
<td>Approved both</td>
<td></td>
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</tbody>
</table>
Mandating The Management of Former Owner’s Acquired Property

On Wednesday this week the Judiciary Committee was presented with LD 851, An Act To Require the Return of Excess Funds by a Municipality That Forecloses on Real Estate. MMA’s Legislative Policy Committee voted to oppose this legislation at a meeting in early March.

LD 851 requires a municipality, upon acquiring and selling real estate due to a maturing tax lien, to provide to the former owner all “excess funds” derived by the disposition. The excess funds are defined as all revenue obtained by disposing of the property, less all taxes, administrative costs, court costs, and property disposition costs. Within 30 days of the disposition of the real estate or 180 days of foreclosure, whichever is earlier, the municipality must mail by certified mail to the former owner’s last known address a notice that includes the calculation of the “excess funds” and instructions about how the former owner can redeem those funds. The municipality must escrow those excess funds for a period of 90 days or the conclusion of a negotiation between the municipality or the former owner with respect to the calculation of the “excess fees”. If requested by the former owner, a required binding arbitration between the municipality and the former owner must take place. If the municipality does not dispose of real estate within 180 days of foreclosure, the bill provides a way to calculate the “excess funds” through the required use of an independent appraisal.

The sponsor of LD 851, Rep. Elizabeth Dickerson of Rockland, testified she introduced this legislation in part because she was informed that only state-level legislation could direct the City of Rockland to return excess funds. MMA explained this is not the case and provided ample samples of municipal policies that demonstrate the lengths to which various towns and cities go to accommodate delinquent property owners and allow them to keep what is theirs.

Three attorneys spoke in favor of the bill based on its perceived benefits for low-income residents. MMA was joined by David Little in opposition. Mr. Little is the Tax Collector for the City of Bangor and President of the Maine Municipal Tax Collectors’ and Treasurers’ Association, and he cited specific examples that bolstered the broad arguments made by the MMA. One argument is that LD 851 replaces the judgment of each municipality’s legislative body with the judgment of the Maine Legislature. The disposition of foreclosed property is controlled by the legislative body of the municipality, which is entrusted by law to make the appropriate decision on behalf of that community.

Another argument is that Maine’s municipalities take foreclosed property disposition very seriously, as is evidenced by the numerous detailed local policies governing this process at the local level. Probably the most common element of all these policies is an opportunity for the former owner of the acquired property to redeem the property long after the point of tax acquisition. Under these municipal policies, the period of redemption for owner-occupied property extends far past the lengthy period of redemption established in statute. LD 851, in contrast, would effectively require the disposition of all tax acquired property within 6 months of the point of foreclosure.

Furthermore, LD 851 mandates municipalities to conduct property management tasks not currently required and generally puts municipalities into the position of managing the former owner’s assets. Municipalities stretch themselves into many impressive positions, but no amount of yoga will make that position comfortable. This position invites additional complaint and litigation over claims that the asset was damaged, its management was improperly or inexpertly conducted, the purchase price was below market, etc.

Finally, municipalities typically dispose of acquired property at a loss. The type of property that is left for acquisition is generally low value property, properties with dilapidated or dangerous buildings, and property with environmental liabilities. As a general rule, municipalities do not recover what they are owed in back taxes and costs when they dispose of these types of property. Some municipalities place any proceeds received over costs in a special fund to help cover the unanticipated costs associated with disposing the high-liability properties.

Property taxes support common protection and common services for the benefit of all property owners. In addition to stripping from the municipal voters a decision-making authority that is entrusted to them under current law with respect to tax acquired property, LD 851 provides no benefit or recognition to the hundreds of thousands of Maine households and small businesses that make it a priority to pay their property taxes in a timely manner.

The Judiciary Committee has scheduled its work session on LD 851 for Monday, May 13 at 9:00 a.m.

MMA’s Website Tracking the 2014-15 State Budget

MMA is tracking the progress of the proposed 2014-15 state budget through our website, www.memun.org. The link to that information is found at the top of the home page of that website, identified as “Tracking the 2014-15 State Budget.” The information on that website will be updated throughout the legislative session. Currently, the website contains a great deal of information about the impact of the Governor’s proposals on Maine’s towns and cities and the state’s property taxpayers (both statewide and town-by-town), municipal resolutions that have been adopted in opposition to this massive tax shift, news articles and editorials on the subject, etc. The recommendations of the various legislative committees of jurisdiction (Taxation, Education, Health and Human Services) are now posted on the website as well.
Taking on Takings, Again

The Judiciary Committee held a public hearing on two “regulatory takings” bills on Tuesday this week, LD’s 1039 and 1450. Both bills garnered a vote of opposition from the Association’s Legislative Policy Committee.

LD 1039, An Act To Promote Regulatory Fairness, establishes a “regulatory takings” system that creates a right for a landowner to be compensated whenever a person’s right to use, divide, sell, occupy or use property is reduced by enactment or application of a state regulation or a municipal regulation that is imposed by state mandate. When a regulatory takings claim is made, the state is afforded the option of either waiving the offensive regulation or paying compensation to the landowner.

LD 1450, An Act To Connect the Citizens of the State to the State’s Natural Resources by Establishing Standards for Relief from Regulatory Burdens, is essentially the “regulatory takings” bill that was developed over the 2011-2012 biennium but ultimately rejected by the Legislature. LD 1450 is a more developed version of LD 1039, which bends over backwards to remove direct municipal impacts to avoid the “mandate tag.”

MMA focused its testimony on how the primary purpose of land use regulation at the local level is to protect, preserve and enhance property values and community quality of life. The primary claim of property devaluation on the municipal level emanates from situations of incompatible use, which municipal land use regulation attempts to mitigate.

MMA also cited how, following passage of either LD 1039 or 1450, enacting significant environmental legislation would be nearly impossible. Any such bill’s fiscal note would necessarily include the potential costs to the state for litigating and potentially paying takings claims, and a remarkable uphill slog is required to pass legislation requiring significant appropriations. If we flash back to 1972 and assume one of these versions of “regulatory takings” law was in place prior to the enactment of the Shoreland Zoning Act, it is very safe to further assume that the Shoreland Zoning Act would never have been enacted.

Municipal officials have struggled with the implementation of the Shoreland Zoning Act as have many of the affected landowners. It was, in itself, a big state mandate. Ordinances needed to be adopted, code enforcement officers needed to be hired and trained, planning boards and board of appeals needed to be created in every town of the state, and the details and complexities of shoreland zoning management continue to this day. The waterfowl wading habitat protection elements of the shoreland zoning law (prior to their being corrected) triggered much of the concern about regulatory takings in recent years. That said, municipal officials are of the general belief that the shoreland zoning law has effectively protected the water quality of Maine’s lakes, ponds and waterbodies and significantly enhanced property values around those waterbodies compared to what would have been the case had the Shoreland Zoning Act never been enacted.

LD 1039 deserves credit for attempting to create a bright line between state and municipal land use regulation. The LPC believes, however, that a bright line between local and state land use regulation rarely exists. Municipalities are deeply intertwined with state-level environmental regulations and will necessarily be entangled in the litigation to determine if any actual “takings” occurred.

Because municipalities directly administer land use regulation throughout the organized areas of Maine, they administer state-directed land use regulation (e.g., the minimum versions of the shoreland zoning law) which becomes seamlessly incorporated into the body of the municipality’s own land use regulations. It could only be after a very careful reading of any typical municipality’s land use ordinance that the “state-mandated” regulation could be completely parsed-out and separated from the voluntarily adopted local regulation.

Moreover, the municipal exemption should only be viewed as temporary. Generally speaking, the municipal focus in the area of land use regulation is to encourage coherent neighborhood organization, the segregation of land use incompatibilities, and the general protection of property values. The state’s focus is on environmental protection. In the act of attempting to balance community and individual interests with respect to both of these endeavors, the legislative/regulatory process will frustrate and anger some landowners who believe the use of their property has been limited in ways that are financially disadvantageous. Many local officials are concerned the municipal exemption is being advanced for reasons of political expediency and is merely temporary.

The Judiciary Committee holds its work session on 1039 and 1450 today, May 10, at 9:00 am.
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/lio/.

Monday, May 13

Health & Human Services
Room 209, Cross State Office Building, 1:00 p.m.
Tel: 287-1317
LD 908 – An Act To Limit MaineCare Reimbursement for Suboxone and Methadone Treatment.
LD 1014 – An Act To Improve Law Enforcement Access to Prescription Monitoring Program Data.
4:00 p.m.
LD 1215 – An Act To Protect Public Health by Regulating Excessive Wood Smoke as a Nuisance.

Judiciary
Room 438, State House, 12:00 p.m.
Tel: 287-1327
LD 1428 – An Act To Implement the Recommendations of the Right To Know Advisory Committee Concerning Public Access to Records Relating to Public-private Partnerships.
LD 258 – An Act To Implement the Recommendations of the Right To Know Advisory Committee Concerning Meetings of Public Bodies.
LD 619 – An act To Prohibit the Sharing of Personal Information by State Agencies.

Labor, Commerce, Research & Economic Development
Room 208, Cross State Office Building, 9:30 a.m.
Tel: 287-1331
LD 1476 – An Act To Protect Local Input in Economic Development and Redevelopment Efforts.
LD 1498 – An Act To Amend the Labor Laws as They Relate to Payment for Required Medical Examinations.

Tuesday, May 14

Health & Human Services
Room 209, Cross State Office Building, 1:00 p.m.
Tel: 287-1317
LD 1161 – An Act To Ensure Regulated Safe Access to Medical Marijuana.

Judiciary
Room 438, State House, 1:00 p.m.
Tel: 287-1327
LD 217 – An Act To Implement the Recommendations of the Right To Know Advisory Committee Concerning Public Access to Records Relating to Public-private Partnerships.
LD 258 – An Act To Implement the Recommendations of the Right To Know Advisory Committee Concerning Meetings of Public Bodies.
LD 619 – An act To Prohibit the Sharing of Personal Information by State Agencies.

Labor, Commerce, Research & Economic Development
Room 208, Cross State Office Building, 1:00 p.m.
Tel: 287-1331
LD 1091 – An Act To Require Nonprofit Corporations To Disclose the Salaries of Their Employees.

Transportation
Room 126, State House, 1:00 p.m.
Tel: 287-4148
**Criminal Justice & Public Safety**

**LD 1429 – An Act To Allow School Administrative Units To Establish Rules, Procedures and Guidelines for Properly Trained Staff To Carry a Concealed Handgun on School Property while Acting in Their Official Capacities. (Sponsored by Sen. Burns of Washington Cty; additional cosponsors.)**

This bill enables a school board to establish rules, procedures and guidelines to allow a trained school employee to carry a concealed handgun on school property. The bill establishes the various standards that have to be met before these policies can be effected.

**Taxation**

**LD 1477 – An Act To Impose a Temporary One Percent Sales Tax for Education and Revenue Sharing. (Sponsored by Rep. Gideon of Freeport; additional cosponsors.)**

This bill increases the sales tax rate that applies to general merchandise sold at retail from 5% to 6%. The bill requires 70% of the revenue generated by this increase to be distributed as General Purpose Aid to local schools and 30% of the revenue generated by this increase to be distributed as municipal revenue sharing. In a two-step process, the 1% increase would be automatically discontinued if General Fund revenue from one year to the next exceeds 8% over the previous year.

**LD 1478 – An Act To Avoid Potential Loss of Revenue by Municipalities and the Unorganized Territory from Donated Property. (Sponsored by Rep. Johnson of Eddington; additional cosponsors.)**

When public property that is exempt from taxation is donated to a municipality or other public entity, the tax exempt status of the property is not changed. This bill would remove the exempt status of that abandoned property unless the property is accepted by the municipality’s legislative body or the donor of the property establishes a payments-in-lieu-of-taxes agreement (PILOT).

**Transportation**


This bill is the Governor’s proposed $1.06 billion Highway Fund budget for the FY 2014-15 biennium. Among other provisions, the bill: (1) requires municipalities to give over to the state’s Highway Fund the motor vehicle excise taxes collected for truck tractors, approximately $4 million per year; (2) provides $23.3 million each year for the Local Road Assistance program, which represents flat funding; (3) provides $1.2 million to nine municipalities as the state share of the construction of sand-salt facilities; (4) shifts the funding system for the Maine State Police from 49% Highway Fund /51% General Fund to 33% Highway Fund/ 67% General Fund; and (5) for reasons that do not appear to be relevant to the Highway Fund, the bill caps the state contribution to the retired teachers health insurance account at the 2011 premium level for the next two-year period and then caps future premium increases at no more than 3%.

**LD 1484 – An Act To Amend the Laws Governing Weight Tolerance for Certain Vehicles. (Sponsored by Rep. Willette of Mapleton; additional cosponsors.)**

Current law allows a 4 axle single unit vehicle registered as a farm truck and hauling potatoes a tolerance weight of 64,000 lbs until October 1, 2013. This bill removes the date restriction, making the weight allowance permanent.