MEDEP Proposes Fees & Regulations on Wastewater Services

On Wednesday Jan. 15, the Environment and Natural Resource Committee held public hearings on two municipally relevant pieces of legislation. One of the bills (LD 1832) seeks to implement significant fee increases on the permits municipalities need to meet certain water quality standards, while the other bill (LD 1779) extends to the state regulatory authority over sewer treatment operations via routine and technical rulemaking.

Increased Fees. As drafted, LD 1832, An Act to Ensure Adequate Funding for the Maine Pollutant Discharge Elimination System and Water Discharge Licensing Program, increases the annual fees paid by all permit holders, including municipalities, for permitted activities associated with the Clean Water Act (e.g., stormwater management, snow dumps, salt and sand storage piles, publicly owned treatment works, etc.). The bill proposes a 40% increase to the fees held by existing permittees, and in some cases an up to 136% increase in fees assessed to new permittees.

At the hearing, Brian Kavanaugh, Director of the Department of Environmental Protection’s (MEDEP) Bureau of Water Quality, testified that without the fee increase proposed in the bill, the state agency would not remain solvent enough to carry out their delegated authority to administer the Clean Water Act. The fee, which was established in 2008 and adjusted annually for inflation, does not generate the revenues necessary to enable the department to perform assigned responsibilities. Increases in staff salaries and insurance premiums, reductions in federal revenue, and the loss of fee revenue associated with mill closures, were mentioned as contributing to MEDEP’s financial hardships. Even with the fee increases proposed in LD 1832, Kavanaugh testified that three long vacant positions in the program would not be filled this year.

One permittee, representing the Maine Auto Recyclers, opposed the fee increase and testified to the significant expenditures currently incurred by permittees who are obligated to hire environmental consultants in order to meet permit conditions. He further offered that the department should expand the list of permitted entities to include industries that pose similar threats to Maine water quality, rather than simply increasing fees on existing permit holders.

Although MMA’s Legislative Policy Committee (LPC) will establish an official position on LD 1832 later this month, at the public hearing the Association acknowledged that the department is facing financial shortfalls by pointing to current regulatory trends that seek to shift department duties onto municipalities through the permit acquisition process. MMA

The Jail Funding Saga

Along with the election of a new Legislature came the promise that 2019 would be the year when a statewide and systemic review of county jail operations would result in the implementation of initiatives that fairly apportion funding responsibilities between local and state taxpayers. From the municipal perspective, amending a funding system that is overly reliant on property tax revenues - currently funding 80% of total jail related expenditures - is vital, especially since county jail programs and services are dictated largely by state mandate.

However hope faded somewhat this week when the Criminal Justice and Public Safety Committee’s Study of Stabilization for Funding For The County and Regional Jails report was published.

One of the report’s recommendations authorizes counties to periodically increase property taxes used to fund county jail operations. Specifically, this recommendation directs the Department of Corrections, after consulting with a statewide association of county commissioners and a statewide association of county treasurers, managers and administrators, to develop the mechanisms enabling each county to adjust its base property tax assessment beginning July 1, 2024 and every four years thereafter. Under current law, the base property tax assessment can be adjusted annually by no more than the LD 1 growth factor or 4%, whichever is less. It is unclear from the recommendation whether increases will be finally authorized by a vote of the Legislature, or if the concerns of property taxpayers will be heard during the base setting process, or what, if any, provisions will be in place to ensure that a requested property tax assessment increase is justified.

All is not lost however, as the proposal sets the state’s share for county jail expenditures at either 20% of total operating costs or $50 per state sanctioned inmate, whichever is greater. Unlike the

(continued on page 2)
also provided the committee with data to consider when debating the merits of the proposal, including a list of program staffing to permits administered ratios and total program costs, exempted entities, and methods used in other states to fund similar programs.

Proponents of the bill included a brewer, Maine Audubon, Maine Water Environment Association, Natural Resources Council of Maine and Friends of Casco Bay, whose representatives all testified to the importance of supporting and protecting Maine water sources. Each saw the role of the department, including the assessment and collection of fees, as instrumental to achieving Clean Water Act goals.

**New Regulations.** The hearing for LD 1779, *An Act to Establish Standards for Operation and Maintenance and Asset Management for Publicly Owned Treatment Works and Municipal Satellite Collection Systems*, generated far more opposition than support. As proposed, the bill utilizes the routine and technical rulemaking process to grant MEDEP authority to establish statewide standards for the operation and maintenance, as well as asset management of satellite lines that flow into regulated treatment plants.

The department testified that under the current regulatory system, the state has very little authority to establish standards of operation, referencing a handful of problems could have been avoided if uniform asset management and operations standards had been in place. The department added that if the legislation was enacted it would seek to establish these guidelines with input from a group of impacted stakeholders and further offered an amendment to make the standards subject to the major and substantive rulemaking process, thereby requiring legislative review and adoption of the proposed rules.

Testifying in opposition to the proposed bill were the satellite treatment managers from Oakland and Winthrop who emphasized how a standardized, one size fits all, regulatory approach could result in shifting significant capital costs onto rate and property taxpayers if the department, for arbitrary reasons, decided the pipes and other functioning infrastructure had to be replaced or upgraded. The opponents also pointed out that the department already has authority through the Administrative Order process to address exempted entities, thereby requiring legislative review and adoption of the proposed rules.

Although MMA will have an official position on this bill when the LPC meets Jan. 30, Association staff took the opportunity at the public hearing to point out the irony of assigning MEDEP a new regulatory role, when during the testimony on the previous bill (LD 1832) the committee was advised that the department was struggling financially to meet its current obligations.

Work sessions on these bills have not yet been scheduled.

**Distributing $1.3 Billion of State Support**

How state aid is used locally

Each year the Maine State Legislature’s nonpartisan Office of Fiscal and Program Review publishes the Summary of Major State Funding Disbursed to Municipalities and Counties report. The document, as its title implies, provides a historic account of the state revenues distributed to schools, municipalities and counties.

A version of the report, published in November 2018, shows that between the fiscal years ending on June 1, 2010 and 2019, the state distributed an average of $1.3 billion each year to its local government partners. Not surprisingly, a lion’s share of those state revenues, an average of 84% ($1.1 billion), were distributed to schools as the state’s share of K-12 education expenditures. State funding for municipal programs and reimbursements accounted for 14% ($190 million) of the total, with counties receiving on average 2% ($24 million) of the total state aid distributed to local governments each year.

In 2019, municipalities received nearly $239 million in state revenue. Reimbursements for a portion of the lost property tax revenue associated with state authorized exemptions (e.g., Tree Growth Tax, veterans, homestead and business equipment property tax programs, etc.) accounted for $122 million, over one-half of total state reimbursement provided to municipalities. Communities also received reimbursement for 70% of the direct aid the state mandates municipalities provide under the General Assistance (GA) program, which in 2019 was $14.5 million.

Between revenue sharing and Local Road Assistance Program (LRAP) payments, municipalities received $94 million in state revenue last year. As required by state statute, $71 million in revenue sharing distributions were used to reduce the amount of property taxes raised, while $23 million in LRAP revenue was used to fund roughly 10% of $279 million in road and bridge maintenance and improvements made by municipalities statewide. An additional $8 million in parks fee sharing, investments in community development programs and emergency and disaster assistance was also distributed to municipalities in 2019.

To put the importance of this investment into context, if not for state support for municipal programs, on average an owner of property assessed at $150,000 would have paid an additional $225 in property taxes last year.
The Jail Funding Saga (cont’d)

base assessment adjustment, the new state funding process has clear benchmarks.

County jail administrators must: (1) participate in coordinated inmate transport; (2) offer substance use-addiction recovery treatment, including adding to the employee roster a licensed professional to assist inmates and provide medically-assisted treatment; (3) set aside 25% of the state funding for inmate “programs and services”; (4) enter financial and inmate information into a statewide data management system in a timely fashion; (5) provide mental health treatment to inmates; and (6) provide community corrections programs such as alternative sentencing, electronic monitoring, pretrial or conditional release or alternative sentencing and housing programs. Failure to do so results in a loss of state payments, which could potentially leave property taxpayers on the hook for the forfeited state aid.

Additionally, by January 2021 the department and sheriffs must establish the County Corrections Coordinating Council, which is directed to determine the mix of programs and services provided by jails. The manner in which the members of the commission are selected is left to the sheriffs and the department to determine.

While hopes of reducing the taxpayers burdens have been dashed, perhaps the disappointment will be short lived. There is ample time for the committee to review and amend these recommendations to ensure that property taxpayers are afforded a seat at the jail funding table.
**IN THE HOPPER**

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

**Criminal Justice and Public Safety**

LD 1873 – An Act To Improve Response to Sudden Cardiac Arrest by Requiring Training in the Delivery of Cardiopulmonary Resuscitation Methods by Telecommunications Technology. (Sponsored by Rep. Martin of Sinclair)

This bill requires an employee of a public safety answering point or public or private safety agency who responds to emergency medical calls to be trained to provide cardiopulmonary resuscitation instruction to a person at the scene of a cardiac arrest by means of telecommunications technology, also referred to as T-CPR. The bill directs the Department of Public Safety and the Emergency Service Communication Bureau within the Public Utilities Commission to establish a procedure to monitor compliance with the training mandate and further authorizes the department to sanction noncompliance by adjusting the funding distributed to public safety answering points.

LD 1890 – An Act To Improve Prisoner Transport Safety by Specifically Authorizing Transport of Prisoners by Transport Officers. (Sponsored by Rep. Farnsworth of Portland)

This bill amends the civil procedure laws to authorize the transport of a prisoner by a transport officer when a court has issued a writ of habeas corpus.

**Education and Cultural Affairs**

LD 1918 – An Act To Amend the Laws Regarding the Reserve Funds of Certain School Organizational Structures. (Sponsored by Rep. Cloutier of Lewiston)

The bill expands the purposes for which a reserve fund may be established to include funding for any direct instruction or instructional support purpose, provided the creation of the fund receives voter approval. The bill also allows school administrative district, regional school unit, community school district and career and technical education region boards to vote to expend reserve funds without voter approval when an emergency necessitating immediate expenditure makes obtaining voter permission cost-prohibitive or when expenditures are required by law.

LD 2024 – An Act To Remove from the Calculation of the Cost of Education the Maine Public Employees Retirement System Teacher Plan Unfunded Actuarial Liability. (Sponsored by Sen. Millett of Cumberland Cty.)

This bill repeals the provision of statute that includes state contributions to the unfunded actuarial liabilities of the Maine Public Employees Retirement System attributed to teachers and retired teachers’ health and life insurances in the calculation of state aid for education.

**Energy, Utilities and Technology**

LD 1563 – An Act To Encourage the Development of Broadband Coverage in Rural Maine. (Sponsored by Sen. Bellows of Kennebec Cty.)

This concept bill draft proposes to establish the Maine Broadband Initiative to encourage, promote, stimulate, invest in and support universal high-speed broadband service to unserved and underserved areas of the state. The bill also establishes the Maine Broadband Initiative Fund to provide ongoing funding for high-speed broadband through funding sources to be identified in the bill.

LD 1892 – An Act To Make Changes to the So-called Dig Safe Law. (Sponsored by Rep. Berry of Bowdoinham)

This bill increases the administrative penalties for violations of the so-called dig safe law from $500 to $1,000 for a first offense and from $5,000 to $10,000 for a subsequent violation occurring within 12 months of an earlier violation. The bill also specifies that underground liquefied propane gas distribution systems are subject to the dig safe law.

LD 2021 – An Act To Provide Funding for Broadband Internet Infrastructure in Unserved and Underserved Areas. (Sponsored by Sen. Herbig of Waldo Cty.)

Using a one-time FY 2021 General Fund appropriation, this bill allocates $15 million to the ConnectME Authority for providing broadband internet infrastructure in unserved and underserved areas of the state.

LD 2031 – An Act To Require a Cable System Operator To Provide a Pro Rata Credit When Service Is Cancelled by a Subscriber. (Sponsored by Rep. Berry of Bowdoinham)

This bill requires a cable system operator to grant a subscriber a pro rata credit or rebate if that subscriber requests service disconnection during the first two weeks of a monthly billing period.

**Environment and Natural Resources**

LD 1942 – An Act To Protect Water Quality by Prohibiting Consumer Fireworks in the Shoreland Zone. (Sponsored by Rep. Fay of Raymond)

This bill bans the use of consumer fireworks within the shoreland zone, expect during the week of July 4, New Year’s Eve, Labor Day, and Memorial Day and fireworks displays permitted by the Department of Public Safety.

**Health Coverage, Insurance and Financial Services**

LD 2025 – An Act To Authorize Emergency Medical Services Personnel To Provide Treatment within Their Scope of Practice in a Hospital Setting with the Permission of the Hospital. (Sponsored by Sen. Jackson of Aroostook Cty.)

This bill allows a hospital to authorize an emergency medical services person to provide to a patient of the hospital in a hospital setting treatment that is within the scope of practice of the emergency medical services person.

**Judiciary**

LD 1960 – An Act To Protect Communications between Bargaining Agents and Bargaining Unit Members. (Sponsored by Rep. Sylvester of Portland)

This bill makes communications between a bargaining unit and a state or other public employee, including municipal, county and school employees, confidential in proceedings before the Maine Labor...
LD 1963 – An Act To Preserve the Value of Abandoned Properties by Allowing Entry by Mortgagees. (Sponsored by Rep. Martin of Eagle Lake)

This bill amends the abandonment of residential properties in foreclosure law in the following ways: (1) Assumes that the property is abandoned by either determination of a code enforcement officer or other public official or if three of more conditions are present, including, but not limited to: (a) boarded or broken doors or windows; (b) termination or low use of utility services; (c) presence of rubbish, trash or debris on the premises; (d) accumulation of newspapers, flyers or mail; (e) absence of furnishings and personal property; (e) provision of one of more written statements signed by the homeowner indicating an intent to abandon the property; and (d) when a law enforcement agency has received reports of at least two separate incidents of trespass, vandalism or other illegals acts 180 days prior to seeking a determination of abandonment; (2) Requires that an affidavit attesting to the conditions of abandonment is signed and based on personal knowledge and the basis of that knowledge; (3) Authorizes, upon receipt of an order of abandonment, a mortgagee or designee to enter the property for the limited purpose of conducting inspections, repairs and maintenance required by statute or court order; (4) Protects residents lawfully residing in abandoned property from being forced, intimidated, harassed or coerced into vacating the property in order to render the property vacant and abandoned; (5) Provided that notice is issued prior to entry, allows a mortgage servicer or designee to enter property that is abandoned in mid-foreclosure in order to remedy identified nuisances, preserve the property or prevent waste, and secure the property; and (6) Provides immunity from liability to a municipality or county for damages caused by the mortgage servicer.

State and Local Government

LD 1973 – An Act To Amend the Laws Regarding Municipal Conservation Commissions. (Sponsored by Sen. Carson of Cumberland Cty.)

This bill amends the laws regarding the appointment of municipal conservation commissions in the following ways: (1) Authorizes the members of the commission, rather than the municipal officers, to appoint nonvoting associate members; (2) Requires the members of the commission to elect a chair and secretary among its members to serve one year terms; (3) Authorizes, at the recommendation of the commissioners, the municipal officers to appoint alternate commissioners; (4) Authorizes commissioners to appoint ad hoc committees to perform specific tasks as defined by the commission; and (5) Amends the duties and powers of the commission to include developing an open area plan for review and approval by the local legislative body, assisting in drafting or updating the natural resource provisions in the comprehensive plan, advising the planning board or other review authority on impacts on the environment and natural resources, educating community members, developing and recommending programs to better protect open areas, including the acquisition of conservation easements, and collaborating with other conservation entities.

LD 1989 – An Act To Amend the Laws Governing Recounts in Municipal Elections. (Sponsored by Sen. Libby of Androscoggin Cty.)

This bill amends the laws governing recounts in elections for municipal office to clarify that those laws apply to elections for all municipal offices.

Taxation


This bill directs the State Tax Assessor to determine and apportion the value of an energy generation project property that is located in both the unorganized territory and organized areas. The valuation of an energy generation asset determined by the tax assessor may not be considered captured assessed value for tax increment financing purposes, and an appeal of a valuation may be made to the State Board of Property Tax Review.


This emergency bill establishes an 11-member Commission To Study Fair, Equitable and Competitive Tax policy for Maine’s Working Families and Small Businesses, which includes members of the Maine House and Senate and representatives of the Governor’s Office, small business community and working families. The commission is tasked with developing recommendations designed to ensure that Maine’s tax policy is fair and equitable, while ensuring the state remains competitive. The commission is also directed to examine measures to level the playing field for small businesses, provide aid to entrepreneurs, adequately fund important government services (e.g., aid for local services, education, infrastructure, affordable health care, etc.), and evaluate the impact of any proposed tax changes. The commission is required to submit its report and findings no later than Nov. 4, 2020, including legislation for presentation to the members of the 130th Legislature when convened in 2021.

LD 1958 – An Act To Expand Tax Increment Financing To Include Adult Care Facilities and Services and Certain Child Care Facilities. (Sponsored by Rep. Meyer of Eliot)

In an effort to promote workforce development and retention, this bill expands the use of Tax Increment Financing (TIF) to include qualifying adult and child care facilities.

Transportation


Current law authorizes a vehicle with a disability placard or registration plate to park at a parking meter at no charge. This bill extends that authorization to public ways and other parking areas administered by municipalities.

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LD 1981 – An Act Regarding the Regulation of Tiny Homes.  
(Sponsored by Sen. Carpenter of Aroostook Cty.)

This concept draft bill proposes to define what a tiny house is and to allow for the titling of a tiny house as a camp trailer or a trailer.

**Veterans and Legal Affairs**

LD 1432 – An Act To Improve the Adult Use Marijuana Laws.  
(Sponsored by Rep. Pierce of Falmouth)

This bill amends the adult use marijuana law in several ways.  
First, it repeals all residency requirements regarding licensure and operations as of June 1, 2021.  
Second, the bill clarifies that, during the first two years after the first active cultivation facility license is issued, a dispensary or caregiver may transfer both harvested marijuana and marijuana products to an adult use marijuana establishment controlled by that dispensary or caregiver during the first year of that marijuana establishment’s operation.  Third, this bill allows a marijuana store licensee that is also a registered caregiver or a registered dispensary to sell or offer for sale both adult use marijuana and adult use marijuana products within the same facility or building in which the licensee also sells or offers for sale marijuana or marijuana products to qualifying patients.

LD 1621 – An Act To Allow Delivery of Adult Use Marijuana and Adult Use Marijuana Products by an Approved Marijuana Store.  
(Emergency) (Sponsored by Sen. Jackson of Aroostook Cty.)

This bill amends the Marijuana Legalization Act to allow for the delivery of adult use marijuana products by a marijuana store if the municipality, town, plantation or township authorizes the operation of delivery services and the establishment’s owner receives Department of Administrative and Financial Services approval to operate the delivery service.  A marijuana store is allowed to maintain a separate storage facility, approved by the department to store the product or to conduct delivery service operations, which may be located in the same municipality as the retail facility or another municipality subject to the approval of the other municipality.  Delivery services are subject to the same testing, tracking, labelling and packaging requirements as retail sales of adult use marijuana and marijuana products.  Delivery service drivers are subject to the same requirements as the employees of a marijuana store.  Delivery recipients are subject to the same customer restrictions regarding age and state of intoxication as marijuana store customers and delivery service vehicles are subject to the same inspection requirements as the marijuana store’s licensed premises and may not have an occupant under 21 years of age during the course of a delivery.

LD 1444 – An Act To Make the Distance to Schools for Marijuana Establishments Consistent with the Liquor Laws.  
(Sponsored by Rep. Madigan of Waterville)

Under current law, a marijuana establishment must be 1,000 feet from a preexisting public or private school.  This bill reduces that distance to 300 feet and makes the method by which the distance is measured consistent with liquor law requirements.