



LEGISLATIVE BULLETIN



Vol. XLIII No. 18 MAY 14, 2021

Sharing the Wealth

A Preview of the Governor's Change Package

Although it may be old news by now, good news bears repeating.

Governor Janet Mills' FY 22 – FY 23 General Fund budget change package includes significant revenue for communities, which will have the impact of reducing the burdens placed on property taxpayers. The change package, which is also being referred to as the Part II budget, includes spending for above baseline expenditures, which is now possible due to the economy's better than anticipated performance.

According to the data in the Revenue Forecasting Committee's May 2021 report, the state's total general fund revenues are anticipated to increase by an additional \$241 million in FY 22 and by \$219 million in FY 23.

Because the revenue sharing program is designed to ebb and flow proportionately with the generation of state sales and income taxes, the amount of revenue distributed to municipalities will automatically increase.

In addition, the governor's proposal includes recommendations to increase the amount of state revenue shared with municipalities from 3.75% to 4.5% as of July 1, 2021 and to 5% as of July 1, 2022. As a result, funding for the state/municipal revenue sharing program will increase from \$152 million to \$182 million in FY 22 and from \$158 million to \$210 million in FY 23. Over the course of the biennium, municipalities will receive an additional \$80 million in revenue sharing.

Finally, responding to the 2004 citizen initiated directive to do so, the governor's change package increases the state's share of K-12 public education to 55%. This increase will relieve Maine property taxpayers of \$187 million in related burden.

These changes bode well for the future of

the state/municipal relationship, which has improved significantly over the last three years. Local leaders appreciate Governor Mills', as well as the Legislature's, recognition of the importance of local government. Municipal government is being seen as a valued partner in the provision of a comprehensive package of services to Maine people.

The Association understands that other provisions in the governor's supplemental

budget will benefit communities and will keep municipal leaders informed as details become available.

In the meantime, for those among us who just cannot wait, the members of the Appropriations and Finance Committee are scheduled to meet at 1 p.m. today (May 14) to receive a change package briefing from the Department of Administrative and Financial Services.

Overhaul of Recycling Policy

Big or Small, As Long As Something Changes

In the last two weeks, the Environment and Natural Resources Committee heard testimony on five waste-related bills of municipal interest. When deliberated in a vacuum, the bills indicate needed tweaks to waste management practices, but when considered together it seems as if an overhaul is coming.

The best forewarning of big change to waste management is in the area of packaging material. The committee held a joint public hearing on two packaging material stewardship bills that claim to accomplish the same goal with different approaches. During the hearing testimony was presented simultaneously, blurring the lines of who was in which cheering section, but by the end it was clear that nearly everyone felt something must be done.

The two bills are LD 1471, *An Act to Establish a Stewardship Program for Packaging*, sponsored by Sen. James Dill of Penobscot County, and LD 1541, *An Act to Support and Improve Municipal Recycling Programs and Save Taxpayer*

Money, sponsored by Rep. Nicole Grohoski of Ellsworth. The length and detail of the bills' names characterizes the thoughtfulness and precision of each piece of legislation. Asking a few basic questions gets to the core differences.

Does the bill incentivize less packaging waste?

LD 1471: Maybe. This bill uses multiple stewardship organizations, spearheaded by producers, to create a hodgepodge of programs that may reduce packaging waste. Its success will depend on the state's ability to regulate all of the programs and a reliance that producers will incentivize themselves to reduce packaging waste.

LD 1541: Yes. This bill uses a stewardship organization, contracted by the state, to pass the actual cost of managing packaging waste on to the producers. Over time, profit incentives will propel producers to reduce the amount of packaging they create in order to pay less for the collection and handling of their waste. The advantages of the central

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HEARING SCHEDULE

For the week of May 17, 2021

MONDAY, MAY 17

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

LD 1699 – An Act To Establish the Southern Aroostook County Emergency Medical Services Authority.

Environment & Natural Resources
Room 216, Cross Building, 9:00 a.m.
Tel: 287-4149

LD 1429 – An Act To Implement the Most Time-sensitive Recommendations of the Maine Climate Council.

LD 1639 – An Act To Protect the Health and Welfare of Maine Communities and Reduce Harmful Solid Waste.

LD 1662 – An Act To Update Maine's Sales Prohibition on Upholstered Furniture Treated with Flame-retardant Chemicals.

Labor & Housing
Room 202, Cross Building, 10:00 a.m.
Tel: 287-1331

LD 677 – An Act To Improve Public Sector Labor Relations by Amending the Laws Governing Arbitration under Certain Public Employees Labor Relations Laws.

TUESDAY, MAY 18

Appropriations & Financial Affairs
Room 228, State House, 10:00 a.m.
Tel: 287-1635

LD 1637 – An Act To Authorize a General Fund Bond Issue To Provide Funds for Maine To Meet the State's Carbon Reduction Goals by Supporting the Use of Biofuels.

LD 1647 – An Act To Authorize a General Fund Bond Issue To Provide Funds for Infrastructure Projects across the State and To Direct the Department of Environmental Protection To Establish a State Infrastructure Adaptation Fund and Predevelopment Assistance Program.

LD 1698 – An Act To Authorize a General Fund Bond Issue To Create a Public-Private Partnership To Create Biomass Energy Facilities in Aroostook County and To Connect Aroostook County to ISO New England.

LD 1702 – An Act To Authorize General Fund Bond Issues To Improve Transportation and National Guard Infrastructure and To Promote the Conservation of Land, Working Waterfronts, Water Access and Outdoor Recreation.

Taxation
Room 127, State House, 9:00 a.m.
Tel: 287-1552

LD 1569 – An Act Regarding an Excise Tax on Water Extracted for Commercial Bottling.

LD 1689 – An Act To Ensure Equity in the Clean Energy Economy by Providing a Limited Tax Exemption for Certain Clean Energy Infrastructure Projects.

Transportation
Room 126, State House, 1:00 p.m.
Tel: 287-4148

LD 1456 – An Act To Invest in Passenger Rail Expansion.

LD 1534 – An Act To Preserve and Protect the State's Rail Corridors.

LD 1370 – An Act To Establish Trail until Rail Corridors.

LD 991 – Resolve, Directing the Department of Transportation To Complete a Feasibility Analysis To Initiate a Commuter and Passenger Train Service between Portland and the Lewiston and Auburn Area.

THURSDAY, MAY 20

Transportation
Room 126, State House, 1:00 p.m.
Tel: 287-4148

LD 227 – An Act To Conduct a Feasibility Study for Extending Passenger Rail Service from Brunswick through Augusta and Waterville to Bangor.

LD 1562 – An Act To Strengthen the Northern New England Passenger Rail Authority.

LD 672 – Resolve, To Study the Feasibility of Building a Trail on the Mountain Division Rail Line.

NOTE: You should check your newspapers for Legal Notices as there may be changes in the hearing schedule. Weekly schedules for hearings and work sessions can be found on the Legislature's website at: <http://legislature.maine.gov/calendar/#Weekly/>.

Due to COVID-19 related restrictions (and until further notice), all public hearings and work sessions will be conducted remotely. Municipal officials interested in providing live remote testimony will need to email lio@legislature.maine.gov or call (207) 287-1692 no later than 5 p.m. the day before the hearing for information on how to participate. Comments on bills can be submitted in advance of a public hearing using the Legislature's testimony submission form ([Online Testimony Submission \(mainelegislature.org\)](https://www.mainelegislature.org/OnlineTestimonySubmission)) and interested parties can view committee proceedings, both live and recorded, on the Legislature's YouTube channel ([News | Maine State Legislature](#).)

Please note that there is no longer a two-week requirement for advertising public hearings. Going forward, public hearing notices will only be required to advertise one week prior to the hearing.

MMA Is In On “Justice Counts”

Emotion may often drive action, but perhaps it should equally drive inquiry. Sound public policy generally needs to be informed, include all affected parties, and enacted in fiscal balance with clear objectives. A review of the proposed legislation in the realm of criminal justice reforms this session begs the question, “Where is the data?”

From the Association’s view there are two constant questions at hand: (1) how do we convince legislators to direct investment in outcome-focused local and state efforts if the information used for policy decisions is national or anecdotal; and (2) how do we get better at highlighting local policing needs, efforts, community desire, and daily reality without data?

A new national initiative led by The Council of State Governments Justice Center seeks to help state and local leaders answer those questions by developing usable, timely metrics to make informed decisions that balance justice and safety. The project, [Justice Counts \(justicecounts.csgjusticecenter.org\)](http://JusticeCounts.justicecounts.csgjusticecenter.org), is funded by the U.S. Department of Justice’s Bureau of Justice Assistance and involves 21 national partner organizations, including the International Association of Chiefs of Police, National Sheriffs’ Association, National Governors Association and National District Attorneys Association.

The project recognizes that state and local leaders are facing significant challenges and fiscal pressures, often making significant policy decisions with limited or stale criminal justice data. Complexities of policing, funding streams and regional demographics need better data to be presented in a digestible way to make far better decisions on justice policy. Initiatives shaped without a local understanding can adversely impact criminal justice processes and lead to misplaced investments, often at the expense of cheaper responses with better social outcomes.

The project will focus on four points of action: (1) broadly scan for public, aggregate-level criminal justice data in all 50 states to provide policymakers with timely information about their criminal justice systems, existing gaps in data collection, and opportunities for improvement; (2) develop and build consensus around a set of key criminal justice metrics that drive budget and policy decisions; (3) create a range of tools and resources that will enable policymakers and criminal justice practitioners to examine current practices and adopt the data metrics; and (4) encourage states and localities to make the new data metrics part of their day-to-day operations and provide selected states with technical assistance.

Justice Counts will develop metrics for policymakers, system leaders and stakeholders in consultation with national experts from a variety of different backgrounds under subject matter subcommittees. These subcommittees will consider factors such as available and missing data as well as future data needs and capabilities for law enforcement agencies, prosecutors, defense counsel, courts and pretrial operations, jails, prisons, and community supervision agencies.

MMA’s State and Federal Relations staff member, Rebecca Graham, will serve on the law enforcement subcommittee, and will bring the local lens of geographic disparities

in community supports, creative municipal police responses to statewide issues, and the impacts of funding and recruitment policy to the data discussion.

The data discussed by the law enforcement subcommittee during the first meeting hit on points that would be timely to have for the bank of reforms that have been introduced by Maine’s Legislature this session. The discussion also highlighted the ways in which Maine may be an outlier in justice approaches that a conversation with any municipal police chief would anecdotally provide.

For instance, at the municipal level, civilians are often involved in the hiring process for law enforcement because in many communities the final hiring authority is often an elected select board or council. Similarly, when a candidate has been decertified by the Maine Criminal Justice Academy, the employing agency is often involved and fully aware. Neither of these approaches are standard nationally.

Collecting actionable data points across such diverse communities and agencies will be no small task. The project is expected to take at least a couple of years to fully develop. However, police, local officials, and the legislature can start thinking about data now in their every activity. Municipal police should think about what data they collect now and how it helps tell the stories of non-arrest contacts with community members and how community members are involved in shaping policy and priorities. Local officials should start to think about how service center and tourism communities impact the local policing budget and staffing needs, without revenue from those users. Finally, the legislature should always be asking for proof that a proposed bill is necessary to address an actual locally evidence-based problem and informed by all impacted parties before proposing a solution or voting it out of a committee.

On this last data point, surely, we can all agree.

LEGISLATIVE BULLETIN

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Overhaul of Recycling Policy (cont'd)

stewardship organization, rather than the multiple ones created in LD 1471, is that equal pressure will be put on all producers, making the race to reduce waste more profitable for innovators. Maine's bottle tax is proof that shifting economic responsibility can modify our waste management behaviors.

Does the bill incentivize use of recycled materials in packaging?

LD 1471: Maybe, eventually. In the fifth year of the program, stewardship organizations will be able to consider fee adjustments paid by producers that may have increased the use of post-consumer recycled content in packaging material. No incentive exists for the first five years and an undetermined incentive exists after that.

LD 1541: Yes, from day one. The stewardship organization will make adjustments to a producer's payment responsibility to encourage the use of post-consumer recycled material over virgin material and the reduction of the toxicity of packaging material. The bill even makes considerations for producers who create less litter.

How big is the state's role?

LD 1471: BIG. The Department of Environmental Protection (DEP) is gaining a lot of oversight responsibility under this bill. There will be numerous stewardship organizations and different programs that DEP must keep tabs on. DEP will not have a third-party ally to assist in regulation.

LD 1541: Oversight of one stewardship organization. The department has final authority while only having to oversee one stewardship organization that will be entrusted to regulate a central program. There is still a chance numerous programs are created by producers, but DEP will not have to manage them directly. LD 1541 places a stewardship organization between the producers and state. This avoids any fear that producers will be able to interfere with the intent of this bill in any manner.

What is the municipal responsibility?

About the same on both bills. Eligible municipalities will be expected to conduct administrative reporting and facilitate collection and handling of packaging waste. Both bills are clear about *what* must be done, but LD 1471 leaves the question of *how much* to the imagination. Under LD 1471 numer-

ous stewardship programs could demand different reporting procedures, increasing the amount administrative work on the local level. A municipal opt-in is provided in both pieces of legislation.

Do eligible municipalities get reimbursed?

LD 1471: Yes, for some packaging material recycled. The metrics used to determine the reimbursement rates are still fuzzy. Of note, this bill primarily reimburses for packaging material that is recycled by the municipality and omits reimbursement for non-recyclable packaging material that ends up in landfills. This omission is an exemption for producers of flexible packaging material which is not typically recyclable.

LD 1541: Yes, for all packaging material handled. The bill's sponsor gave consideration for criteria that impact the costs of managing packaging material including, the type of packaging material, readily available recycling options, collection and transportation costs, and litter abatement. It deserves noting that municipalities will not profit from LD 1541, they are merely receiving reimbursement for continuing to manage packaging material on behalf of producers. To the extent that producers are interested in relieving municipalities of this duty through alternate collection programs, municipalities will not receive reimbursement.

Does this improve recycling rates and infrastructure in Maine?

LD 1471: Maybe. The laissez-faire approach to stewardship may induce healthy payments from producers that supersede the actual costs associated with managing packaging. If this happens, municipalities will be able to apply for grants to make improvements to local recycling infrastructure.

LD 1541: Maybe. This legislation will at least cover the actual costs of packaging waste management. Steady reimbursement from the stewardship program would give municipalities confidence that recycling programs can remain solvent. LD 1541 also provides for state investment in recycling education and infrastructure from the packaging stewardship fund. Local and state recycling programs, combined with alternative collection programs approved by the stewardship organization, will greatly increase recycling capacity and

rates in Maine.

Where does everybody stand?

Although the chart below is not an exhaustive list of all those who testified during the public hearing, it does give a sense of where stakeholders stand. "NP" indicates that the entity took "no position" on the bill, while "NFNA" means the organization took a "neither for nor against" stance on the measure.

Organization	LD 1471	LD 1541
Maine Municipal Assc.	Oppose	Support
Allagash Brewing Co.	NP	Support
American Forest & Paper	Oppose	Oppose
American Packaging Corp.	Support	Oppose
AMERIPEN	Support	Oppose
Casella	NFNA	NFNA
City of South Portland	NP	Support
Defend Our Health	NP	Support
Ecomaine	NP	Support
Environmental Priorities Coalition	Oppose	Support
Flexible Packaging Assc.	Support	Oppose
Maine Forests Product Council	Oppose	Oppose
Maine DEP	Oppose	NFNA
Natural Resources Council	Oppose	Support
Plastics Industry Assc.	NP	Oppose
Retail Association of Maine	NFNA	Oppose
Scotts Miracle-Gro	Support	Oppose

Stewardship programs taking aim at the packaging problem are long overdue, but LD 1595, *An Act to Address Waste Associated with Solar Energy Equipment*, sponsored by Rep. Beth O'Connor of Berwick, aims to get ahead of the game in regard to solar equipment waste.

Solar equipment waste is beginning to pile up in landfills as they become more affordable and as new technology starts replacing outdated equipment. Solar panels are a known hazardous waste and ensuring they are properly disposed of is a wise undertaking.

LD 1595 requires that all property where solar panels are installed must carry insurance that covers the cost of recycling solar panels in the event of a catastrophe, places a \$125 fee on purchasers for tracking and recycling, and imposes penalties for improper disposal, failure to register, or refusal to permit inspection of solar equipment.

The Association provided provisional testimony neither for nor against the legislation on the grounds it gets the ball rolling on important stewardship guidelines even though it makes obtaining solar equipment slightly more expensive, especially for private citizens. Testimony also highlighted

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the lack of recycling facilities capable of processing solar equipment waste.

By shifting financial responsibility where it belongs, packaging material and solar equipment stewardship programs would be new useful additions to the waste management landscape.

The committee also heard testimony on a bill that would equitably shift financial responsibility for landfilling onto all municipalities. LD 57, *An Act to Reduce the Landfilling of Municipal Solid Waste*, sponsored by Rep. Ralph Tucker of Brunswick, removes the exemption for the \$2 per ton tipping fee on municipal solid waste that many communities enjoy. The bill then sets a \$1 per ton fee for all.

From the municipal perspective, LD 57 cuts both ways. Some communities will pay more for landfilling and some will pay less. From the state perspective, this corrects a set of circumstances that long favored landfilling over disposal practices higher on the solid waste management hierarchy, specifically waste-to-energy. For the benefit

of the state and the parity it creates, the Association submitted neither for nor against testimony.

If LD 57 is a step toward incentivizing waste-to-energy, then LD 359, *An Act to Promote Energy Production from Recyclable Plastics*, sponsored by Rep. Billy Bob Faulkingham of Winter Harbor, is a giant leap forward. The bill, as amended by the committee, promotes energy generation by elevating incineration for energy as a true recycling practice and dismisses the DEP from determining if an available market for recycling waste exists. This is all in the name of meeting the state's recycling goals.

The Association's neither for nor against position was established before LD 359's concept language was revealed and hoped the bill would promote using recyclable plastics for waste-to-energy over landfilling until a profitable market for such material exists. The amendment put forth however, is contrary to the Association's expectation that recycling and recycled product markets, not waste-to-energy production, remain the

state's top priorities. Achieving the state recycling goals should not involve changing the standards mid-course.

LD 359's attempt to amend the state's recycling goals on the same day as the committee heard testimony on ambitious packaging stewardship and fair-handed fee schedule changes to meaningfully promote waste-to-energy over landfilling seemed fitting. No matter what, legislators are clearly ready to make changes to the current waste management practices.

And by the way, Sen. Anne Carney of Cumberland County is putting forward LD 1639, *An Act to Protect the Health and Welfare of Maine Communities and Reduce Harmful Solid Waste*, which will receive a public hearing on Monday, May 17 at 9 a.m. This bill amends the definition of "waste generated within the state" to limit the amount of residue that may be disposed of at a solid waste landfill by an incineration, recycling and processing facility to the weight of the solid waste initially received by that facility.

IN THE HOPPER

Criminal Justice & Public Safety

LD 1446 – An Act To Aid Municipalities in the Issuance of Concealed Handgun Permits. (Sponsored by Rep. Pluecker of Warren)

This bill requires the Department of Public Safety, Chief of the State Police upon request to provide assistance in conducting a background check for a concealed handgun permit for a municipality that has not designated the Chief of the State Police as the issuing authority for concealed handgun permits.

LD 1454 – An Act To Prohibit Untraceable and Undetectable Firearms. (Sponsored by Rep. Zager of Portland)

This bill regulates the manufacture, distribution and possession of undetectable and untraceable firearms and prohibits the possession of undetectable firearms in a courthouse, school, voting place or place of municipal, county or state business.

LD 1604 – An Act to Reclassify Certain Offenses under the Inland Fisheries and Wildlife Laws and Motor Vehicle Laws and Increase the Efficiency of the Criminal Justice System. (Sponsored by Rep. Warren of Hallowell)

In part, this bill: (1) reduces from Class E crimes to civil violations the following infractions: (A) failure to register a vehicle or having a registration that has been expired for 150 days or more; (B) operating a motor vehicle on a public way or parking area without being licensed or in violation of a condition or restriction on the license; (C) failure to obtain a license after establishing residency for more than 90 days; (D) operating a vehicle not included in the class of the person's license; (E) with regard to suspension of a license or registration, failure of the person to surrender to the Secretary of State every license, registration certificate and registration plate; (F) with regard to a motor vehicle that is abandoned, removal of the vehicle or any part or accessory thereof without written consent; (G) with regard to a motor vehicle illegally abandoned on an island, failure to remove the vehicle within the designated time frame; (H) displaying or possessing a revoked, mutilated, fictitious or fraudulently altered driver's license or identification card; (I) attaching or permitting attachment to a motor vehicle a registration plate assigned to another vehicle or not currently assigned to the vehicle; (J) obscuring identification numbers or letters, the state name, the validation sticker or a mark distinguishing the type of plate attached to the vehicle; and (K) operating or permitting another person to operate a motor vehicle when the registration has been suspended or revoked; (2) reduces from a Class D crime to a civil violation

(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.)

for which a fine of \$225 may be adjudged, operating a motor vehicle without proof of financial responsibility; and (3) changes the definition of "habitual offender" in the laws governing motor vehicles and traffic to exclude a person who accumulates within five years three or more convictions of operating while license suspended or revoked when the suspensions were for failure to pay a fine or a license reinstatement fee or for dishonored checks. The bill also amends the Maine Criminal Code under the provision governing civil violations to explicitly provide that evidence obtained pursuant to an unlawful search and seizure is not admissible in any civil violation proceeding, not just those arising from marijuana possession by a person under 21 years of age or possession of butyl nitrite or isobutyl nitrite, and permits a law enforcement officer who has probable cause to believe that a violation of the law has taken place or is taking place to make application for a search warrant.

LD 1654 – An Act To Stabilize State Funding for County Corrections. (Emergency) (Sponsored by Rep. Warren of Hallowell)

This bill stabilizes the state funding of county jails by establishing funding levels calculated with reference to either the total jail operating costs or \$50 per day per state sanctioned prisoner, whichever is greater. The bill requires that at least 25% of state funding be used for community corrections. The bill requires standardized reporting by the jails regarding jail revenues, expenses and populations. The bill establishes the County Corrections Professional Standards Council to adopt rules to determine the makeup of required programs and services, for required reporting and for standards and penalties for failure to report as required by rule. The bill provides a mechanism for adjusting the

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Homestead Exemption

Finding the Right Balance Between Relief & Shift

On the basis of the Taxation Committee’s discussion, it appears that increasing the value of the homestead exemption is a bipartisan priority. While committee members understand that in the absence of 100% reimbursement for lost property tax revenue a portion of the burden is shifted to the beneficiaries of the exemption, the fact that a lion’s share of that burden is shouldered by second homeowners and other property owners presents an attractive alternative.

Although municipal officials would prefer a fully reimbursed exemption, in areas of the state where the real estate market is booming with escalating home sale prices, and subsequently increasing assessed values, an expanded homestead exemption will provide necessary relief at just the right time.

Via votes on three bills, the committee will advance to the Legislature for its consideration four options for increasing the value of the exemption and changing the level of reimbursement provided to municipalities.

LD 708 – Minority Report. Seven members of the committee support an amended version of LD 708, *An Act To Increase the Homestead Exemption to \$50,000*, sponsored by Rep. Billy Bob Faulkingham of Winter Harbor. As amended, the bill increases the value of the homestead exemption to \$50,000 and reimbursement to communities to 85% in order to cover 100% the cost of the \$25,000 exemption increase.

LD 1071 – Majority Report. Nine members of the committee support an amended version of LD 1071, *An Act To Reduce Property Taxes for Maine Residents*, sponsored by Sen. Matthew Pouliot of Kennebec County. As amended, the bill increases the value of the homestead exemption to \$30,000 and increases reimbursement for lost property tax revenue by 3% each year, until the reimbursement rate is 100%.

LD 1071 – Minority Report. One member of the committee supports an amended version of LD 1071, which seeks to increase the value of the exemption to \$30,000 and reduce the reimbursement rate from the current 70% to 60%. This change avoids the need for a large fiscal note, as the amount of reimbursement provided by the state remains roughly the same.

LD 1448 – Majority Report. Finally, by a margin of 8 to 1, the committee also supports an amended version of LD 1448, *An Act to Increase State Reimbursement to Municipalities for Revenue Lost Due to the Homestead Property Tax Exemption*, sponsored by Rep. Rachel Talbot Ross of Portland. As amended, this bill increases the value of the exemption to \$30,000 and leaves municipal reimbursement at the 70% level.

To help keep score of the proposals in play, the accompanying homestead exemption matrix shows the value of the exemption, percentage of state reimbursement

to cover lost property tax revenues and an MMA calculated ballpark estimate of the fiscal note to the state and the shift to the property taxpayers for the unreimbursed portion of the benefit.

The committee also unanimously supported an amended version of LD 1482, *An Act To Improve Access to Property Tax Exemptions for New Homeowners*, sponsored by Rep. Nicole Grohoski of Ellsworth. As amended by the committee, the bill repeals the requirement that an applicant must have owned a home in Maine for at least 12 months in order to qualify for the exemption. As a result, all new homeowners will benefit from the exemption without delay.

If enacted, any of the proposed changes to the value of the homestead exemption coupled with increases to revenue sharing and state aid for K-12 education will provide meaningful property tax relief to Maine residents.

	Value of Exemption	Percent Reimbursed	Est. State Reimbursement	Est. Shift to Property Taxpayers
Current Law	\$25,000	70%	\$90 Million	\$38 Million
LD 708 Minority Report	\$50,000	85%	\$217 Million	\$38 Million
LD 1071 Majority Report	\$30,000	3% increase each year until 100%	\$112 to \$153 Million	\$41 Million to \$0
LD 1071 Minority Report	\$30,000	60%	\$92 Million	\$61 Million
LD 1448 Majority Report	\$30,000	70%	\$107 Million	\$ 46 Million

IN THE HOPPER *cont'd*

base tax assessment for correctional services for each county. The bill provides rule-making requirements for the coordination of inmate transportation, substance use disorder treatment, medication-assisted treatment and recovery services, mental health treatment and community programs and services, including but not limited to pretrial or conditional release, alternative sentencing or housing programs and electronic monitoring. The bill requires annual reporting to the committee of the Legislature having jurisdiction over criminal justice and public safety matters by the Maine County Commissioners' Association and the Maine Sheriffs' Association regarding the operation of the county jails.

Energy, Utilities & Technology

LD 695 – An Act To Allow Municipal Utility Expansion under Certain Conditions. (Sponsored by Rep. Berry of Bowdoinham)

This bill limits the approval by the Public Utilities Commission of a municipal power district's proposal to furnish service in a municipality or municipalities in which another utility is already furnishing service to the determination that: (1) there is no proven net harm to other ratepayers associated with the loss of customers by the transmission and distribution utility; and (2) the municipal power district was created in conformance with existing laws, which includes a favorable municipal vote to create the district. The bill also specifies that the transmission and distribution utility furnishing service in the municipality or municipalities where a municipal power district is created and approved by the commission must facilitate the transfer of property and be provided just compensation, as determined by the commission, for that property.

LD 1659 – An Act To Create the Maine Clean Energy and Sustainability Accelerator. (Sponsored by Rep. Zeigler of Montville)

This bill creates the Maine Clean Energy and Sustainability Accelerator to support the development of clean energy and sustainability projects and infrastructure through providing financing support, including loans, loan guarantees and other financial and risk mitigation products. The accelerator is administered by the Efficiency Maine Trust.

LD 1708 – An Act To Create the Pine Tree Power Company, a Nonprofit Utility, To Deliver Lower Rates, Reliability and Local Control for Maine Energy Independence. (Sponsored by Rep. Berry of Bowdoinham)

This bill creates the Pine Tree Power Company, a privately operated, nonprofit, consumer-owned utility controlled by an elected board with the mission to provide affordable, reliable electric transmission and distribution services. The company will purchase or acquire all investor-owned electric utility facilities in the state based on fair market values determined by an arbitrated process. The company will contract nongovernmental operators and must retain all workers during acquisitions. The company shall not use general obligation bonds or tax dollars and will be financed by issuing debt against future revenues. Property of the company is exempt from taxation. The company will make payments in lieu of taxes in the same amount as those taxes would have been if the investor-owned utility had continued to own the facilities or utility property and timely payments in lieu of taxes on all facilities and property procured or improved after the company has commenced operations. The company is governed by a board of seven voting members, each elected to represent five senate districts, and advised by four expert advisory members appointed by the board. Before the bill becomes effective it must be approved by the voters of the state at a statewide election.

Environment & Natural Resources

LD 735 – An Act To Establish a Funding Mechanism To Protect Private Roads Endangered by Climate Action Impacts. (Sponsored by Rep. Blume of York)

This concept draft bill proposes to provide financial support for privately developed roads and areas that have infrastructure that needs to be protected from climate action effects in order that residents may continue to live there and contribute to the local tax base.

Health & Human Services

LD 1582 – An Act To Enact the Maine Psilocybin Services Act. (Sponsored by Sen. Bailey of York Cty.)

This bill creates the Maine Psilocybin Services Act regulating the use, licensure, possession, manufacture, administration, tracking and testing of various species

of mushrooms. The bill provides for state level licensing of four related psilocybin activities including: (1) service center, where a client participates in a preparation, administration and integration session; (2) service facilitator; (3) manufacturing facility; and (4) testing facility. As part of the state licensing process, the applicant must present a land use compatibility statement from the municipality, demonstrating that the required licensed activity is allowable as a permitted or conditional use on that land. Municipal authority to regulate the industry is limited. While communities may adopt an ordinance that imposes reasonable regulations, municipalities may not require a local license, impose a tax or fee or prohibit more than one service center from operating within municipal boundaries, as long as the distance between centers is greater than 1,000 feet. Reasonable regulations are defined as: (1) conditions on the manner in which products are manufactured; (2) conditions on the manner in which centers provide services; (3) limits on the hours of operation; (4) requirements related to public's access; and (5) limits on where licensed premises may be located. Municipalities may prohibit the establishment and operation of a manufacturing facility, service center or both, provided the prohibition is adopted by the voters at statewide general election and the municipality provides the Department of Health and Human Services with a copy of the ordinance. In addition, service centers are prohibited from locating: (1) in unorganized territories; (2) in areas zoned exclusively for residential use; or (3) within 1,000 feet of a public or private elementary or secondary school unless there is a physical or geographic barrier preventing students from reaching the premises or the abutting property had not been previously used as an active school.

LD 1695 – An Act To Improve Housing Security by Improving Access to General Assistance. (Sponsored by Rep. Morales of South Portland)

This bill makes the following changes to the municipal general assistance program: (1) provides that a person receiving housing assistance that meets or exceeds the maximum level in a municipal ordinance is eligible for assistance for other basic necessities; (2) extends presumed eligibility for general assistance for a person who is experiencing or facing homelessness but is unable to be housed in an emergency shelter because the shelter is full or because the municipality does not operate a shelter; (3) requires the Department of Health and Human Services to reimburse municipalities for 100% of the costs of providing emergency shelter to a person eligible for general assistance residing in a homeless shelter or to the shelter directly, if a municipality does not reimburse the emergency shelter for general assistance costs; (4) requires a person who is receiving rental assistance under the general assistance program for more than 30 days to be prioritized for housing vouchers administered by the Maine State Housing Authority and requires the state to reimburse municipalities for 90% of the rental assistance provided.

Innovation, Development, Economic Advancement & Business

LD 1694 – An Act To Create the Maine Redevelopment Land Bank Authority. (Sponsored by Rep. Sachs of Freeport)

This bill establishes the Community Redevelopment Land Bank Authority to coordinate the acquisition of blighted, abandoned and environmentally hazardous or functionally obsolete property for redevelopment, including property identified as historic but not including real property owned by a federally recognized Indian tribe, unimproved land or an active or former military facility. The bill establishes a fund to support the purpose of the authority, which includes as a source of revenue a fee on the disposal of construction and demolition debris. The bill also authorizes the creation of municipal redevelopment authorities to work with the Community Redevelopment Land Bank Authority for the purpose of transferring property and coordinating redevelopment. The Community Redevelopment Land Bank Authority is required to establish a Development Ready Community Planning Committee for the purposes of establishing statewide community redevelopment guidelines.

Labor & Housing

LD 1673 – An act To Create a Comprehensive Permit Process for the Construction of Affordable Housing. (Sponsored by Rep. Talbot Ross of Portland)

This bill establishes a comprehensive permit process to streamline the building construction permitting system and promote the creation of additional affordable housing applications which are reviewed and decided by the local board of appeals, rather than the planning board. The bill also establishes a five member Affordable Housing Committee, which includes three members with substantive

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Maine Municipal Association

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experience in affordable housing and two members with expertise in municipal government to decide appeals of comprehensive low-income or moderate-income housing applications that are denied at the local level.

Taxation

LD 1382 – An Act To Invest in Maine’s Roads and Bridges. (Sponsored by Rep. Collings of Portland)

This bill increases fuel taxes by 4¢ per gallon beginning Oct. 1, 2021, an additional 3¢ per gallon beginning Oct. 1, 2022, an additional 3¢ per gallon beginning Oct. 1, 2023 and an additional 2¢ per gallon beginning Oct. 1, 2024. The bill also establishes a refundable income tax credit for individuals with adjusted gross income that is lower than the federal poverty level.

LD 1638 – An Act To Help Seniors and Certain Persons with Disabilities Remain in Their Homes by Providing for the Deferral of Property Taxes. (Sponsored by Sen. Bailey of York Cty.)

This bill reinstates the state’s property tax deferral program and modifies the program to include households with at least one individual who is 65 years of age or older or who is unable to continue employment due to disability and to surviving spouses who are unable to continue employment due to disability and provides that income must be less than \$40,000. The bill adds a maximum liquid asset standard for eligibility of property owners and provides that property may not be subject to deferral under both the state and a municipal deferral program. The bill requires transfers from the Property Tax Relief Fund for Maine Residents in case there are not sufficient funds to pay for the property tax deferral program and in the event that there are not sufficient funds in the Property Tax Relief Fund for Maine Residents, the bill requires that additional transfers be made from the Housing Opportunities for Maine Fund to cover the shortfall. This bill requires repayment of those transfers, with interest, first to the Housing Opportunities

Maine Fund and then to the Property Tax Relief Fund when there are sufficient funds available for those reimbursements.

Transportation

LD 1356 – An Act Regarding the Placement of Temporary Signs. (Sponsored by Sen. Moore of Washington Cty.)

This bill reduces the number of days a temporary road sign may be placed within the public right-of-way from no more than six weeks to no more than 30 days between Jan. 1 and June 30 and from no more than six weeks to no more than 30 days between July 1 and Dec. 31.

Veterans & Legal Affairs

LD 1642 – An Act To Allow Affirmation of a Local Option Referendum by the Municipal Officers or County Commissioners. (Emergency) (Sponsored by Sen. Luchini of Hancock Cty.)

Current law requires a municipality through a local option election to affirmatively authorize the licensing of businesses to sell liquor in that municipality. Since a municipality or unincorporated place may not be able to provide proof that the sale of liquor was authorized in that municipality, Public Law 38 2019, chapter 672 was enacted to provide a window, until July 1, 2022, for a municipality to either provide the bureau with proof of an affirmative vote or decision or to conduct a new local option election. Due to the COVID-19 pandemic, however, many municipalities were unable to conduct the new local option election required to affirm the authorization of the sale of liquor. This bill allows a municipality to authorize the sale of liquor by allowing the municipal officers to vote to affirm the results of a prior local option election held for that purpose. This bill specifies that such authorization constitutes proof for purposes of approving the sale of liquor by all types of establishments that may be licensed by that municipality.