Tax Committee Drills Down into Governor’s Proposed Tax Reform

This week, the highlights of the Taxation Committee’s work on the Governor’s proposed FY 2016 – 2017 budget focused on two reports.

One of the those reports, the two-way telecommunications property list (http://goo.gl/XufBkH), provides the data municipal officials have been waiting for in order to calculate the impacts of the Governor’s proposal to shift the taxing jurisdiction over two-way telecommunications property (e.g., telephone cables, broadband infrastructure, etc.) from the state to the municipalities.

The second report, the Distributional Analysis of the Governor’s Tax Reform and Relief Proposal, prepared by Maine Revenue Services (MRS), provides an overall assessment of how the Governor’s tax relief plan will impact Maine resident income, sales and property taxpayers (http://goo.gl/pZThfp).

Two-way Telecommunications Property. According to the data provided by MRS, a total of $480.1 million in two-way telecommunications property is located within the boundaries of 489 municipalities. Although each Maine community has some of this property within its borders, the assessed values of the property range from a high of $41 million in Portland to a low of $48 in Mount Chase. Using the municipal mill rates published in the 2014 Municipal Valuation Return Statistical Summary, it is anticipated that municipalities statewide could raise $8.1 million from the expanded municipal taxing authority. The table found on page 2 shows that 50% of the revenue, $4 million, would be generated in just 25 of Maine’s 492 municipalities.

During discussions, a member of the Committee asked if the Administration would be inclined to move forward with shifting this taxing authority to the municipal level even if the Legislature rejected the Governor’s proposal to repeal the revenue sharing program. According to an Administration spokesperson, since the information the state needs to assess the tax is collected on a community-by-community basis, and taxed at the municipal mill rate, the Governor believes municipalities and not the state, should assess, collect and retain the tax revenue.

Distributional Analysis of Governor’s Tax Plan. The “Distributional Analysis” of the Governor’s tax plan was of even greater interest to the members of the Committee. That analysis is entirely focused on how the Governor’s proposed changes will impact resident income, sales and property taxpayers. Since the incident report is focused on the impacts to resident taxpayers, only about one-half of the $2 billion in property taxes currently collected is included in the analysis of the shifting tax burdens.

The MRS report finds that under current law 7.62% of resident income will be spent paying state income, sales and local property taxes in FY 2016. Under the Governor’s proposed change, the percentage of income needed to pay the three major taxes next year would be reduced to 7.09%. The report projects that three years out, in FY 2019, that same percent-of-resident-income tax burden would be reduced to 6.95% under the Governor’s proposal. If the Governor’s tax plan is not enacted, 7.53% of resident income would be needed to pay those three taxes in FY 2019.

Although the overall burden to resident taxpayers would be reduced, the reductions in income tax burden come at the expense of even greater interest to the members of the Committee. That analysis is entirely focused on how the Governor’s proposed changes will impact resident income, sales and property taxpayers. Since the incident report is focused on the impacts to resident taxpayers, only about one-half of the $2 billion in property taxes currently collected is included in the analysis of the shifting tax burdens.

Committee Supports Bill to Expand Municipal Tax Lien Procedures, Impose Liabilities

On Friday last week, the Insurance and Financial Services Committee voted 11-2 to support an amended version of LD 337, An Act To Require Lienholders To Remove Liens Once Satisfied, sponsored by Rep. Richard Campbell (Orrington).

As amended by the Committee, LD 337 would require all liens, including municipal tax liens, to be discharged within 60 days of being satisfied. The amended bill would also require a lien holder municipality, upon discharge of the lien, to formally notify by certified mail all parties who had received notice of the original lien filing. Failure to discharge in a timely fashion or formally notify all interested parties of the discharge would create a right of action for the taxpayer who paid off the property tax delinquencies to seek damages in court against the municipality and be provided attorney fees if successful.

At the public hearing on LD 337, the sponsor said the need for this legislation was based on an incident where a municipality’s failure to discharge the lien impacted an individual’s credit rating. In this case, the property owner contacted the municipality, the failure to discharge the lien was immediately discovered, the lien was discharged and apologies issued.
of the sales and property taxpayers. To illustrate, the MRS report provides data and projections regarding what percentages of Maine’s residents’ total tax payments will be devoted to each of the three major taxes, under both current law and the Governor’s tax plan.

Under the current tax code, in FY 2016 the percentage of resident income used to pay income, sales and property taxes is estimated to be 42%, 27% and 31% respectively.

Under the Governor’s proposal, in the same year residents would expend 29% on income taxes, 37% on sales taxes and 34% on property taxes (see chart on page 3).

Municipal officials have good reason to question how the property tax impacts are evaluated in the MRS report, which focuses on calendar year impacts for 2016 (when the Governor’s plan first takes effect) and 2019 (when its full impacts are implemented). The report finds that the resident property taxpayer burden will increase by $24 million in both FY 2016 and FY 2019 under the Governor’s proposal.

During the latter half of 2016, the towns and cities will cease receiving municipal revenue sharing under the Governor’s plan, and there would be zero revenue sharing distributed to the municipalities in all subsequent years, including 2019. Because the revenue sharing distribution has been a downward moving target over the last 6 years, it is not clear on what assumptions the Distributional Analysis bases its projections, but the choices are to use either the current distribution as a baseline or the amount that Maine law says should be the baseline, or, as may have been the case, not take into account the elimination of revenue sharing at all.

Using the current year as a baseline, the revenue sharing loss to the municipalities in calendar 2016 would be $31.25 million and the full $62.5 million in calendar 2019.

Using state law as the baseline, the revenue sharing loss to the municipalities in calendar 2016 would be approximately $79 million, and the reduction in calendar 2019 would easily exceed $160 million.

To translate these losses in municipal revenue sharing as a mere $24 million bump-up in property taxes is hard to explain. It is apparently the case that in this analysis MRS was using an entirely different model to evaluate property tax impacts. That model simply assumes that property taxes will increase by 3 to 4% without any specific assessment of how the elimination of municipal revenue sharing would also affect property taxpayer burden.

**Other Municipal Issues.** In addition to discussing the Distributional Analysis and the two-way telecommunications reports, the Taxation Committee continued to review other elements of the Governor’s proposals this week. Descriptions of the Committee’s discussion on four municipally significant tax policy issues follow.

**BETR to BETE.** As proposed in the Governor’s budget, over a period of four years the taxable property enrolled in the Business Equipment Tax Reimbursement

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### Telecommunications Taxing Authority Revenue Top 25 Communities

<table>
<thead>
<tr>
<th>Community</th>
<th>Population</th>
<th>Assess Value Two-way Telco Property</th>
<th>Revenue Two-way Telco Property</th>
<th>Cumulative % of Total Telco Rev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portland</td>
<td>66,194</td>
<td>40,984,223</td>
<td>795,504</td>
<td>10%</td>
</tr>
<tr>
<td>Bangor</td>
<td>33,039</td>
<td>21,812,183</td>
<td>453,693</td>
<td>15%</td>
</tr>
<tr>
<td>Lewiston</td>
<td>36,592</td>
<td>14,540,343</td>
<td>384,447</td>
<td>20%</td>
</tr>
<tr>
<td>Westbrook</td>
<td>17,494</td>
<td>15,094,687</td>
<td>259,629</td>
<td>23%</td>
</tr>
<tr>
<td>Augusta</td>
<td>19,136</td>
<td>13,036,795</td>
<td>236,618</td>
<td>26%</td>
</tr>
<tr>
<td>Brunswick</td>
<td>20,278</td>
<td>7,064,089</td>
<td>187,481</td>
<td>29%</td>
</tr>
<tr>
<td>Waterville</td>
<td>15,722</td>
<td>6,144,840</td>
<td>168,369</td>
<td>31%</td>
</tr>
<tr>
<td>SouthPortland</td>
<td>25,002</td>
<td>9,220,910</td>
<td>153,989</td>
<td>33%</td>
</tr>
<tr>
<td>Sanford</td>
<td>20,798</td>
<td>6,836,695</td>
<td>144,938</td>
<td>34%</td>
</tr>
<tr>
<td>Manchester</td>
<td>2,580</td>
<td>9,538,500</td>
<td>142,601</td>
<td>36%</td>
</tr>
<tr>
<td>Biddeford</td>
<td>21,277</td>
<td>7,702,009</td>
<td>135,016</td>
<td>38%</td>
</tr>
<tr>
<td>Auburn</td>
<td>23,055</td>
<td>5,477,964</td>
<td>111,915</td>
<td>39%</td>
</tr>
<tr>
<td>Presqueisle</td>
<td>9,692</td>
<td>4,437,609</td>
<td>109,609</td>
<td>41%</td>
</tr>
<tr>
<td>Rockland</td>
<td>7,297</td>
<td>4,726,031</td>
<td>92,252</td>
<td>42%</td>
</tr>
<tr>
<td>Ellsworth</td>
<td>7,741</td>
<td>5,738,098</td>
<td>92,096</td>
<td>43%</td>
</tr>
<tr>
<td>Brewer</td>
<td>9,482</td>
<td>3,042,827</td>
<td>63,656</td>
<td>44%</td>
</tr>
<tr>
<td>Scarborough</td>
<td>18,919</td>
<td>4,165,586</td>
<td>61,526</td>
<td>44%</td>
</tr>
<tr>
<td>Belfast</td>
<td>6,668</td>
<td>2,855,933</td>
<td>59,403</td>
<td>45%</td>
</tr>
<tr>
<td>Windham</td>
<td>17,001</td>
<td>3,745,591</td>
<td>54,124</td>
<td>46%</td>
</tr>
<tr>
<td>Rumford</td>
<td>5,841</td>
<td>2,254,200</td>
<td>54,101</td>
<td>46%</td>
</tr>
<tr>
<td>Skowhegan</td>
<td>8,589</td>
<td>3,237,200</td>
<td>53,090</td>
<td>47%</td>
</tr>
<tr>
<td>Orono</td>
<td>10,362</td>
<td>2,192,302</td>
<td>50,861</td>
<td>48%</td>
</tr>
<tr>
<td>Bath</td>
<td>8,514</td>
<td>2,532,495</td>
<td>49,738</td>
<td>48%</td>
</tr>
<tr>
<td>Yarmouth</td>
<td>8,349</td>
<td>2,235,975</td>
<td>49,191</td>
<td>49%</td>
</tr>
<tr>
<td>Saco</td>
<td>18,482</td>
<td>2,608,641</td>
<td>48,469</td>
<td>50%</td>
</tr>
</tbody>
</table>

*Source: Maine Revenue Services.*
(BETR) would be transferred to the Business Equipment Tax Exemption (BETE) program and made tax exempt. According to the information provided by MRS, the properties enrolled in the BETR program currently generate $38 million in revenue for communities statewide. As a result, because municipalities are generally reimbursed for just 50% of lost tax revenue associated with newly-created exemptions, approximately one-half of that tax revenue, something less than $19 million, will be lost to the municipality and shifted to the remaining property taxpayers in the communities where the BETR-enrolled property is located.

Although on its surface the change would appear to impact only those communities with large concentrations of taxable industrial and commercial property, the new exemptions would in a few years begin to impact the distribution of revenue sharing and school subsidy for all municipalities, as well as the county assessments levied in those counties with affected industrial municipalities. Each municipality’s tax base translates to its perceived “fiscal capacity” which, in turn, translates into the amount of state aid provided. Communities experiencing above average losses in taxable value due to the BETR-to-BETE conversion would receive additional state aid, pulling that aid away from all others.

The Committee has asked MRS to provide town-by-town impact data.

**Homestead Exemption.** As proposed by the Governor, effective April 1, 2015, only residents aged 65 and older would be eligible for a Homestead exemption and the value of those exemptions provided would increase to $20,000, with 50% reimbursed by the state. The Homestead exemption would be taken away from all others. The Committee was generally cool to the idea of providing an exemption to a certain class of property taxpayers based on age. The Committee seems committed to providing the benefit to all Maine resident property taxpayers without age discrimination. If a limited application is desired, the Committee would seem to prefer discrimination on a means-tested basis.

**Taxing Certain Nonprofits.** Based on an assessment of Committee level discussions, there appears to be little appetite to move forward with the Governor’s proposal to apply the property tax to privately owned, tax exempt non-profit corporations. Committee members raised concerns that the mandatory element of the proposal assumes that all entities have the same ability to pay property taxes. In response to the Committee level concerns, a spokesperson for the Administration said that the Governor believes that all entities should contribute toward the cost of providing local services, however he is open to suggestions that would make this proposal more palatable.

**Repealing Revenue Sharing.** Either due to the lateness of the day or the topic matter, the members of the Taxation Committee were subdued when the Governor’s proposal to repeal the revenue sharing program was discussed. Two members of the Committee took the lead in articulating the supporting and opposing arguments.

Rep. Stedman Seavey of Kennebunkport expressed support for the proposal to repeal the revenue sharing program, describing the repeal as sound tax policy. He is concerned that general revenue sharing not only helps resident property taxpayers, but also wealthy second home owners. He believes that decisions over property taxation, particularly the amount of revenue raised to provide desired local level services, should be decided by local legislative bodies.

Rep. Denise Tepler of Topsham expressed opposition to the proposal, relying on her six years of local budget committee experience to make the point. The frustration at the local level is that after accounting for county and school tax assessments, very little is left to fund mandated and locally supported municipal services. The way in which the current assessment system works, the priorities and interests of the counties and schools are satisfied at the expense of municipal government services. Rep. Tepler believes that the distribution of revenue sharing is the equalizer in the system that ensures that some revenues will be made available to help offset the cost of providing core municipal services, such as snow removal, public safety, trash disposal, etc.

Rep. Adam Goode of Bangor observed that for the first time in his tenure in the Legislature the testimony provided by municipal officials at the revenue sharing public hearing was more evenly divided between urban and rural communities. Although representatives from rural communities have participated in the revenue sharing hearings in the past, he observed, a majority of communities objecting to reductions have represented the state’s service center communities. This time around, there was a decided rural focus. When asked to respond to why this might be the case, a spokesperson for the Administration had no ready explanation.

**Next Steps.** The Taxation Committee has now completed its initial review. It is expected that early next week, the members will convene to take positions on the Governor’s proposals and submit its final recommendations to the Appropriations Committee, perhaps by week’s end.

### FY 2016 Maine Resident Tax Incidence Burden Analysis

<table>
<thead>
<tr>
<th>Current Burden vs. Governor’s Proposal</th>
<th>Distribution of Resident Tax Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current Tax Code</td>
</tr>
<tr>
<td>Income Tax</td>
<td>42%</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>27%</td>
</tr>
<tr>
<td>Resident Property Tax</td>
<td>31%</td>
</tr>
</tbody>
</table>

*Source: Maine Revenue Services, March 2015 Incidence Report.*

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**Legislative Bulletin**

A weekly publication of the Maine Municipal Association throughout sessions of the Maine State Legislature.

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**Editorial Staff:** Geoffrey Herman, Kate Dufour, Garrett Corbin and Laura Ellis of the State & Federal Relations staff.
Committee Responsive to Municipal Concerns about Election Bills

Four bills related to the administration of elections have been working their way through the Veterans and Legal Affairs Committee over the last several weeks. Three of the four were finally reported out of Committee on Wednesday this week. All four bills in this set were opposed by MMA’s Legislative Policy Committee, primarily on the grounds of mandating new activities and additional costs on the administration of elections without providing any substantial improvements to the elections process. Three of the four bills were opposed by the Maine Town and City Clerks’ Association. That the members of the Veterans and Legal Affairs Committee clearly heard the municipal concerns can be ascertained by the way they handled the bills during work session this week. Here’s the rundown.

LD 197 and Required Photo I.D. LD 197 would require all voters to show photographic identification to the election clerk before they could vote. Any aspiring voter without a photo i.d. would be given a special, provisional ballot and allowed 3 days to bring the required photographic proof of identity to the election clerk in order to have the provisional ballot converted into a countable ballot. Along with the MTCCA, MMA and the Secretary of State’s Office, a number of other advocacy groups opposed the bill at its public hearing, including the American Civil Liberties Union of Maine, Maine Transgender Network, Equality Maine, League of Women Voters, Maine Council on Aging, Maine Womens’ Lobby, and an advocacy group for the homeless. The concern of MMA’s Legislative Policy Committee was the added administration of elections, longer lines, frustrated voters, the post-election provisional balloting procedures, and all of this to protect us from the potential of fraudulent voting activities by an electorate the municipal personnel – the people who actually conduct the elections – either know perfectly well or, at the very least, are entirely comfortable with.

The Committee’s vote on LD 196 was 8-5 “ought not to pass”.

LD 413 and Voting Absentee even when the polls are open. Four years ago the Legislature enacted a bill that made two changes to election law. One change would have limited the voter registration process by eliminating the ability to register to vote on election day and requiring pre-registration at least two days in advance of an election.

The other change placed some limits on voting by absentee ballot on election day and immediately preceding election day for the purpose of relieving the administrative burden on election clerks during the most intensely busy time of their year. The changes prohibited the issuance of absentee ballots during the two business days preceding an election unless the voter can attest to one of four possible good-cause reasons for needing to vote absentee (unexpected absence, physical disability, coastal island travel obstacles, or incapacity or illness). Shortly after that bill was enacted, a “people’s veto” referendum was organized in opposition to the limitations on voter registration. The people’s veto measure, however, did not seek to repeal the changes made to the absentee ballot process. Accordingly, when Maine’s voters vetoed the law that would do away with election-day voter registration in November 2011, the modest restrictions on absentee voting during and immediately before election day were retained and unaffected by the people’s veto.

LD 413, however, would revisit the issue, repeal those changes, and allow voters unrestricted access to the absentee voting process up to the close of the polls on election day. The administrative burden on election clerks that was modestly relaxed by the 2011 law would be placed back upon them by LD 413.

In this case, the American Civil Liberties Union of Maine testified in support of the measure, the Maine League of Women Voters and the Secretary of State’s Office testified neither for nor against, and well over a dozen municipal clerks from all corners of the state testified or submitted testimony in opposition to the bill, along with MMA. From the perspective of MMA’s Legislative Policy Committee, the Legislature should not be allowed to simultaneously slash the distribution of municipal revenue sharing (more than $320 million over the last decade) and simultaneously impose new unfunded state mandates on the local governments.

At the work session on LD 413 this week an amendment was offered that completely replaced the bill with a comparatively modest, one-word amendment to absentee voting law. As mentioned above, one of the good-cause reasons for getting an absentee ballot within the two days before an election is “unexpected absence” during the time the polls will be open. The proposed amendment would simply strike the word “unexpected”, thus making any absence from the community during the hours of the election a suitable reason to get an absentee ballot. Because the application for an absentee ballot in these circumstances includes a signed affidavit, it is apparently the case that very truthful people have been known to admit that their absence was not unplanned, so they were self-restricted from signing the application asserting their absence to be “unexpected”, and therefore become unable to vote.

The Committee vote on LD 413 was 7-6 “ought to pass as amended”, with that slim majority supporting the bill that would strike the single word “unexpected”. The six members in the minority voted a straight “ought not to pass”.

LD 509. Absentee Ballots’ Return Postage Paid. LD 509 requires that the return envelopes for absentee ballots supplied to municipalities by the Secretary of State allow a voter to use the United States Postal Service to return the ballot to the municipal clerk at no cost to the voter. The printed bill further requires the municipalities to cover the cost of the return postage. The stated purpose of the bill was to remove any vestige of barrier that might exist between the polls and an aspiring voter who is unable to vote in person.

The thrust of the testimony presented at the public hearing was in opposition to the bill for the reasons that: (1) the cost (continued on page 5)
Bill Designed to Support Waste-to-Energy Facilities

Maine’s “solid waste hierarchy” prioritizes minimizing the disposal of solid waste. When waste must be disposed, municipalities have two options: waste-to-energy incineration systems (WTE) and landfilling. The state hierarchy supports the former option over the latter, and for decades subsidies from the federal government helped ensure the viability of Maine’s four WTE facilities. The federal subsidy recently expired for two of the three remaining WTE facilities and it is scheduled to expire for the third facility in 2018. The question now is whether the state should pick up the subsidization of some or all of the three facilities, and how.

A bill heard by the Energy, Utilities and Technology Committee on Thursday this week, LD 273, “An Act To Encourage and Enhance the Future of Waste-to-energy Facilities by Establishing a Portfolio Requirement for Electricity from Waste Energy Resources,” would add WTE-generated electricity to the statutory mix of renewable energy sources in Maine’s Renewable Resource Portfolio Requirement, also referred to as the Renewable Portfolio Standard. No matter what you call it, the portfolio obligates electricity providers to purchase at least forty percent of their electricity from renewable sources by 2017.

At its most recent meeting, MMA’s Legislative Policy Committee voted to support LD 273, although not unanimously. Policy Committee members saw this bill as positive overall in that it helps ensure WTE will remain viable in Maine. Municipalities by-and-large prefer to have an alternative disposal method to landfilling, and the general sense is that without some form of WTE subsidization, landfilling will become the only waste disposal option with cost consequences.

LD 273 received support at the hearing chiefly from the existing WTE facilities and a few members of the public interested in ensuring WTE remains an option. The legislation was opposed by a wide variety of interests, including the Governor’s Energy Office, the Municipal Review Committee or “MRC” (a company representing the 187 municipalities and inter-municipal entities that have contracted with the WTE facility in Orrington), landfill and environmental interests, electricity companies, and the Public Advocate.

While some opponents specifically targeted the WTE disposal method, the common thread of opposition was the subsidy method proposed in this bill. Opponents shared a strong belief that electricity rates are not the appropriate means of supporting WTE. One opponent argued that solid waste is not a renewable source of energy and therefore would not appropriately fit in the renewable portfolio. Another opponent claimed MMA supported this legislation because “municipalities obviously want someone else to foot the bill.”

An additional reason Policy Committee members supported the approach presented by LD 273 is that it ensures the burden of this statewide issue will be shared statewide, at a minimal cost. This electricity subsidy approach seemed much more fair than the approach of increased landfill tipping fees, a proposal submitted to the Legislature in past sessions. That approach was opposed by MMA because it simply took from some municipal solid waste disposal systems to support others.

Yet an increased electricity cost, even if only $1.44 annually for average ratepayers as reported by one proponent, is still of concern because municipalities would strongly prefer to see electricity costs come down for businesses and consumers. Moreover, some municipal officials believe that certain waste-to-energy facilities may be more deserving of this type of market-based subsidy than others. The energy generation technologies and their efficiencies differ among the facilities, as does the degree to which each facility has invested over time in more modern technologies to manage the waste stream. LD 273 would provide the subsidy without regard to those differences, and this was the source of some objection on our Policy Committee.

Overall, municipalities recognize that subsidizing waste-to-energy facilities through the purchase of energy is preferable to filling the federal subsidy gap through increased landfill tipping fees. At least some municipal officials believe there may be an even more targeted and fiscally prudent means of providing support for this solid waste management option. Judging by their body language and questioning, it appears several members of the Energy, Utilities and Technology Committee share that belief. The Committee’s position will become more clear at the work session on this legislation, which has not yet been scheduled.

Election Bills (cont’d)

of return postage for an absentee ballot was not any more of a barrier to voting than physical participation in the process, (2) the absentee voters themselves were not complaining about the cost of return postage, and (3) there is no evidence that paying for the postage would increase voter participation. MMA’s testimony, as might be expected, focused on the mandate implications and the costs to the local property taxpayers for footing the bill.

The Committee voted to table LD 509 so that proponents of the bill can explore the rules governing the distribution of absentee ballots by the U.S. Postal Service. There are some that believe those Postal rules may require absentee ballots to be delivered to the polling place regardless of the postage affixed, with all unpaid postage falling due to town receiving the ballots.

LD 626. When do the votes for write-in candidates have to be counted? The last bill in this mix was submitted on behalf of the Maine Town and City Clerks Association by Senator Garrett Mason (Androscoggin Cty.) and designed to remove burdensome requirements falling on election personnel to substantively review, evaluate and formally count (rather than merely “tally”) the votes cast for write-in candidates when it is clear that those votes were inconsequential to the final results. The clerks’ bill, LD 626, provides that write in votes would only be fully counted by election personnel in two circumstances: (1) when no named candidate is on the ballot, or (2) when the write-in candidate receives more votes than the named candidate on the ballot.

Despite the good intentions, MMA’s Legislative Policy Committee was concerned that the bill could create barriers for write-in candidates. It is not uncommon for municipalities to be scrambling (continued on page 6)
Election Bills (cont’d)

at the last minute to find people who are willing to assume a place on an elected board or committee serving the town. It is also not that uncommon for a candidate whose name has been placed on the ballot to decide before the election that he or she will not be able to serve. Under the printed version of LD 626, the counting of any votes for write-in replacements in that case would not be allowed.

With the help of the Secretary of State’s Office, the Committee’s legal analyst and many election clerks participating in the process, an amended version of LD 626 was quickly developed. The amended version provides municipalities several options with respect to counting votes for write-in candidates. The amended bill would also expressly allow the clerks to disregard votes for fictitious write-ins (e.g., Mickey Mouse), deceased write-ins (e.g., Jimi Hendrix), disqualified celebrity write-ins (e.g., Beyonce), and other clearly disqualified write-in candidates.

For qualified write-in candidates, the amended version of LD 626 would:

• Allow any municipality’s legislative body to vote to adopt for election purposes two specific statutory sections of state election law (in Title 21-A). Those sections of law require any write-in candidate to declare to the election clerk his or her intent in being a write-in candidate at least 45 days before the day of election in order to be a viable write-in candidate. This is one way for a town to control the degree election clerks need to manage the write-in ballot counting process.

• For towns not interested in adopting the Title 21-A standards requiring a pre-election declaration of write-in intentions, the amended bill offers an alternative. The bill would make it clear that although all write-in votes would be initially tallied (i.e., a determination of total votes cast for the aggregate of write-in candidates), the express requirement to formally review and record each countable write-in ballot would only kick-in when there is no properly nominated candidate on the ballot, the properly nominated candidate has withdrawn before or during the election, or the votes for the write-in candidate exceed the votes for the properly nominated candidate on the ballot. The bill is not restrictive; it would not prevent election clerks from fully counting all votes for all write-in candidates if they wished.

After discussion, the Committee gave the amended version of LD 626 a unanimous “ought to pass” report.

Tax Liens (cont’d)

That incident, a simple and uncommon municipal mistake, was the basis of the justification for the bill.

LD 337 should be of significant concern to municipalities. At any given time Maine’s municipalities are managing thousands of tax liens. The recorded discharge of a tax lien in the registry of deeds is the longstanding method of publicly notifying all interested parties of the discharge, but LD 337 requires even additional notification and adds another layer of complexity to the tax lien process, which is already extremely detailed. Under this new law, municipalities will now have to formally notify the multiple parties of interest when the lien is first filed, potentially repeat the formal notification as the lien gets close to maturation, and then repeat the formal notification yet again when the discharge is recorded in the registry of deeds. Although LD 337 was submitted with a focus on the municipal tax lien process, it was neither referred to nor considered by the Taxation Committee. To expose all municipalities to court action for damages and attorney fees for the plaintiff whose property tax delinquencies started the whole lien process in the first place is a little much, especially if the circumstances of municipal mistakes in this area are extremely infrequent.

Municipal officials understand the importance of discharging tax liens in a timely manner. For the thousands upon thousands of tax liens that municipalities manage over the years, instances of failing to discharge in a timely manner rarely occur and can always be immediately rectified with a simple phone call.

LD 337 now has a lopsided vote of support in the Insurance and Financial Services Committee. Municipal officials should contact their legislators and inform them about how rare it is for municipalities to be delinquent in discharging the tax liens under their management, and how exposing the towns and cities to more lawsuits and attorney fees is not a balanced solution.

LEGISLATIVE HEARINGS

Note: You should check your newspapers for Legal Notices as there may be changes in the hearing schedule. For the Legislative Events Calendar, see the Legislature’s web site at http://www.mainelegislature.org/legis/calendar/. If you wish to look up schedules by Committee, go to http://www.mainelegislature.org/legis/bills/phwkSched.html.

Monday, March 23

Criminal Justice & Public Safety
Rm. 436, State House, 10:00 a.m.
Tel: 287-1122
LD 549 – Resolve, To Create the Task Force on Disaster Resiliency.
1:00 p.m.
LD 186 – An Act To Reverse Jail Consolidation.
LD 195 – An Act Regarding County jails.

Environment & Natural Resources
Room 216, Cross State Office Building, 9:00 a.m.
Tel: 287-4149
LD 396 – An Act To Encourage the Use of Alternatives to Single-use Plastic Disposable Bags.
LD 659 – Resolve, To Increase Recycling in Maine through Increased Composting and Energy Recovery from Organic Wastes.
LD 680 – An Act To Reduce Waste from Disposable Bags.
LD 712 – An Act To Increase Organic Waste Recycling in the State.

Labor, Commerce, Research & Economic Development
Room 208, Cross State Office Building, 9:30 a.m.
Tel: 287-1331
LD 487 – An Act To Provide for an Increase in the Minimum Wage.

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LEGISLATIVE HEARINGS (cont.)

LD 843 – An Act To Raise the Minimum Wage and Index It to the National Average Wage.

State & Local Government
Room 214, Cross State Office Building, 1:00 p.m.
Tel: 287-1330
LD 564 – An Act To Establish Appropriate Parameters for County Borrowing Authority.

Taxation
Room 127, State House, 10:00 a.m.
Tel: 287-1552
LD 514 – An Act To Amend the Laws Governing the Location of Motor Vehicle Excise Tax Collection for Motor Vehicles Owned by Public Utilities.
LD 550 – An Act To Adjust the Calculation of Municipal Education Contributions for Communities Faces with Sudden and Sever Property Tax Valuation Reductions.
LD 614 – An Act Regarding the Excise Tax Levied on Used Motor Vehicles.

Tuesday, March 24
Energy, Utilities & Technology
Room 211, Cross State Office Building, 1:00 p.m.
Tel: 287-4143
LD 589 – An Act To Increase the Beneficial Reuse of Waste Materials and To Promote Community-based Renewable Energy.
LD 796 – An Act To Allow a Municipality To Choose Its Power Provider.
LD 797 – An Act To Ensure Reliable Power Supply to Homes and Businesses.

Inland Fisheries & Wildlife
Room 206, Cross State Office Building, 2:00 p.m.
Tel: 287-1338
LD 848 – An Act To Increase the Safety of Hunting.

Judiciary
Room 438, State House, 1:00 p.m.
Tel: 287-1327
LD 25 – An Act To Protect the Privacy of Citizens from Domestic Unmanned Aerial Vehicle Uses.
LD 482 – An Act To Prohibit Flying over Land with Drones without Written Permission from the Landowner.

Wednesday, March 25
Labor, Commerce, Research & Economic Development
Room 208, Cross State Office Building, 1:00 p.m.
Tel: 287-1331
LD 530 – An Act To Improve Public Sector Collective Bargaining Laws.
LD 612 – An Act To Require a Large Employer To Provide a Paper Paystub upon Request from an Employee.
LD 673 – An Act To Help Prevent Age Discrimination.

State & Local Government
Room 214, Cross State Office Building, 1:00 p.m.
Tel: 287-1330
LD 724 – An Act To Authorize Municipal Fire Districts To Impose Service Charges.

Thursday, March 26
Agriculture, Conservation & Forestry
Room 214, Cross State Office Building, 1:00 p.m.
Tel: 287-1312
LD 598 – An Act To Strengthen the Maine Agriculture Protection Act.
LD 653 – An Act To Increase Consumption of Maine Foods in All State Institutions.

Education & Cultural Affairs
Room 202, Cross State Office Building, 1:00 p.m.
Tel: 287-3125

Energy, Utilities & Technology
Room 211, Cross State Office Building, 1:00 p.m.
Tel: 287-4143
LD 827 – An Act To Amend the Fluoridation Laws To Provide for Customer Choice.

Inland Fisheries & Wildlife
Room 206, Cross State Office Building, 1:00 p.m.
Tel: 287-1338
LD 156 – An Act To Lower the Eligibility Age for a Junior Hunting License.

Transportation
Room 126, State House, 1:00 p.m.
Tel: 287-4148
LD 505 – An Act To Increase the Funding Level of the Local Road Assistance Program.
LD 529 – An Act To Amend the Law Concerning Motor Vehicles at Railroad Crossings.
LD 645 – An Act To Create a Transportation Planning Incentive for Communities Located on Peninsulas.
LD 676 – Resolve, Directing the Department of Transportation To Study the Use of Calcium Chloride on Roads and Its Effect on Vehicles.

Friday, March 27
Transportation
Room 126, State House, 9:00 a.m.
Tel: 287-4148
LD 591 – An Act To Allow Municipal and Volunteer Firefighters To Operate Motor Vehicles as Authorized Emergency Vehicles.
LD 634 – An Act To Allow Operation of Modified Utility Vehicles on a Public Way.
Appropriations & Financial Affairs
LD 995 – An Act To Amend the Laws Governing Participating Local Districts in the Maine Public Employees Retirement System. (Sponsored by Rep. Foley of Wells; additional cosponsors.)

This bill appears to be one of at least two bills introduced this session responding to a 2014 Law Court decision that held that the Board of Trustees of the Maine State Retirement System did not have statutory authority to make final administrative decisions regarding claims of certain participating local district (PLD) employees who believed they were eligible for retroactive retirement benefits from Kennebec County because the County allegedly failed to inform them of their rights to be provided benefits through the PLD when they were first hired two decades ago. The Law Court decision opened up the statute in this area for further clarification, and this bill clarifies the matter by expressly restricting the Board of Trustees’ jurisdiction in these PLD-related decisions. (See LD 1021 for the alternative clarification.)

Agriculture, Conservation & Forestry
LD 1023 – An Act To Revise the Animal Welfare Laws. (Sponsored by Rep. Marean of Hollis; additional cosponsors.)

This bill amends the animal welfare laws to: (1) expand the definition of “animal shelter” to include “animal rescue” or “animal rescue group”, (2) transfer the responsibility for the animal shelter costs associated with an animal taken from a home pursuant to the animal cruelty statutes from the Department of Agriculture, Conservation and Forestry to whichever person or entity seized the animal, (3) expands the allowance in current law for the euthanization of cats in certain circumstances to also include “small animals”, and (4) makes it unlawful under the animal cruelty statutes to dispose of a deceased animal in public or private property without permission from the landowner.

Criminal Justice & Public Safety
LD 944 – An Act Regarding Recovery of Emergency Response Costs Related to an OUI Offence. (Sponsored by Sen. Thibodeau of Waldo Cty; additional cosponsors.)

This bill makes a person liable for up to $2,500 in costs if the person causes an incident while committing the offense of operating a motor vehicle under the influence that requires an appropriate response by a private or public law enforcement agency, fire department or organization that provides emergency medical services.

Labor, Commerce, Research & Economic Development
LD 1010 – An Act To Afford Public Employers Flexibility To Achieve Efficiency and Quality in Management. (Sponsored by Sen. Cushing of Penobscot Cty; additional cosponsors.)

This bill provides that the use of private contractors by a public employer to perform services for the public employer is not subject to negotiation in collective bargaining.

LD 1015 – An Act To Require Large Employers To Report Compensation Information. (Sponsored by Sen. Patrick of Oxford Cty; additional cosponsors.)

This bill requires employers who employ over 100 workers to report annually to the Bureau of Labor Standards the total compensation of the chief executive officer of the employer and the total compensation of the full-time employee of the employer with the lowest rate of pay.