



LEGISLATIVE BULLETIN

A publication of the Maine Municipal Association • Vol. XLVI No. 7 • FEB. 16, 2024

Supplemental General Fund Budget

In case February 14 was not sweet enough, Governor Mills released her FY 2024-FY 2025 supplemental General Fund budget, also on Wednesday. It is likely the bill will find its home in LD 2214, *An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2024 and June 30, 2025*, an emergency bill, presented on the governor's behalf by Rep. Sachs of Freeport. Once the Appropriations and Financial Affairs Committee receives the bill, it will be subject to their review and amendment.

However, for now the initiatives of municipal significance proposed in the budget honor the financial commitments offered to Maine's property taxpayers, invest in programs designed to help municipalities build more resilient communities, and provide much desired technical support to towns, cities, and regional entities. To that end, the proposed supplemental budget includes:

K-12 School Funding (Part C). Establishes the cost of funding K-12 education as calculated by the Essential Programs and Services model at \$2.622 billion and appropriates \$1.442 billion (55% of the total) as the state's share. Additionally, the budget includes \$272 million to cover the state's share of the unfunded actuarial liabilities of the Maine Public Employees Retirement System and sets the minimum mil rate expectation at 6.62.

Property Tax Stabilization (Part E). As discussed in previous editions of the Legislative Bulletin, the budget honors the promise to fund 100% of the property tax revenues lost due to the now repealed Property Tax Stabilization for Seniors law by transferring \$15 million from unappropriated General Fund surplus to finalize payments to municipalities. The original \$15 million appropriation, funded in 2024, fell short of the actual need of \$26.5 million. The gap funding is also included in an amended version of LD 646, *An Act to Fully Reimburse Municipalities for Lost Revenue Under the Property Tax Stabilization for Senior Citizens Program*, which received unanimous support from the Appropriations and Financial Affairs Committee on February 13. If LD 646 is enacted as an emergency initiative, this transfer will not be needed, as the aid will be available for distribution once the bill is signed by Governor Mills. For more information

on LD 646, please see a related update in this bulletin.

General Assistance (GA) Reimbursement (Part OO). Continuing in the vein of honoring commitments, the budget proposal also transfers \$5 million in unappropriated General Fund surplus revenue to the Department of Health and Human Services to reimburse municipalities for 70% of the direct aid provided under the GA program. The current appropriation of \$10.4 million falls short of actual statewide expenditures, signaling an increasing reliance on GA to help Maine residents acquire basic necessities, including housing.

Maine Office of Community Affairs (Part DD). The budget also establishes the Maine Office of Community Affairs (MOCA), which will be housed in the Governor's Office of

(continued on page 4)

Finally, a Win

On Tuesday, the Appropriations and Financial Affairs Committee held a public hearing for a bill that started as a concept draft in the first session and ended by closing the final chapter on the property tax stabilization program. LD 646, renamed *An Act to Fully Reimburse Municipalities for Lost Revenue Under the Property Tax Stabilization for Senior Citizens Program*, sponsored by Rep. Melanie Sachs of Freeport, proposed to honor the reimbursement promises made to municipalities by the infamous and now repealed LD 290 (PL 2021, c. 751, amended by PL 2023, c.412).

In January, Maine Revenue Services informed municipalities that the reimbursement for lost revenue as a result of LD 290, would equal only 56% of the total due. Without an additional appropriation, communities would not be made whole for their substantial efforts to deliver the program for its single year of existence.

Scrambling to fill the revenue void, LD 646 would provide a one-time, \$15 million appropriation to complete the reimbursement and, with an additional committee amendment, a \$50,000 transfer from the general fund, "for the purposes of funding the reimbursements to municipalities for the state mandated costs related to implementation and administration of the program."

(continued on page 5)

The GA Package - Unwrapped

At the start of the 131st Legislative session, the Legislative Policy Committee (LPC) established MMA's advocacy platform which included much needed reforms to the General Assistance (GA) program. Two bills resulted from that work and sponsors were secured to advance the LPC's initiatives.

LD 1664, *An Act to Increase Reimbursement Under the General Assistance Program*, sponsored by Sen. Marianne Moore of Washington County, proposed an increase in state reimbursement from 70% to 90% for the direct aid provided to eligible applicants. LD 1732, *An Act to Expand the General Assistance Program*, sponsored by Rep. Michele Meyer of Eliot, also provided for an increase in reimbursement plus increased department responsibility and training; creation of a statewide GA database; increased responsibility for assisting residents receiving long term care services in another community; and, increased reimbursements for municipal spending over the state established maximums for specific services. Senator Moore's bill was voted out of committee in the first session and carried over on the appropriations table, where it now sits with an \$8 million fiscal note.

To address the reformative issues, the Health and Human Services Committee held several interim meetings between September and December to review results from department listening sessions, which engaged community client advocates, gathered relevant housing information, addressed portions of additional GA proposals, and attempted to cobble together a bill that addressed all the interested parties' concerns.

An amendment to LD 1732 proposed on January 30 was the result of that work and certainly addressed the needs of the clients being served by the GA program by including a directive requiring communities to provide "trauma-informed" and "culturally and linguistically appropriate" services. However, the

carefully crafted requests from GA administrators for additional administrative support, both financially and technically, were stripped. Instead, the committee proposed that the changes to LD 1732, be combined with the increased funding in LD 1664 and the new program under LD 1540, *Resolve, to Establish an Eviction Prevention Pilot Program*, sponsored by Rep. Rebecca Millett of Cape Elizabeth. The hope for the sweeping combined vote would be to solve multiple GA problems using a bang-for-your-buck styled approach. With this plan, the amended version of LD 1732 was unanimously supported by the committee on a prayer that all three separately supported initiatives would be enacted to achieve the intended outcome.

In a small administrative win, LD 1732 maintained the requirement for the creation of a statewide database, as well as the proposal to increase the timeline in which municipalities must assist residents receiving long term care services in another community.

While the committee's intentions were good, the amendments barely reflect the original intent, and the LPC and municipal officials face the uncomfortable position of opposing a bill of their own creation. Plus, there is the very real possibility that LD 1732 and its new service requirements will be enacted, but that LD 1664 and the increased funding, will not. This disconnect between reforms and supporting finances could ultimately provide for a completely opposite result of the original intent and create additional municipal burdens without the additional support.

The time is now for municipal officials to be their own best advocates. Your representatives and senators need to hear why the GA package, as advanced, does little to address the needs of municipal officials, which were well prescribed in MMA's original bill.

Be on the lookout, in the coming days, for helpful talking points to help facilitate those conversations.



"Potholes & Politics: Local Maine Issues from A to Z" is a podcast about municipalities in Maine and the people and policies that bring local government to your doorstep. Check out our episodes:

MMA: <https://www.memun.org/Media-Publications/MMA-Podcast>

Spotify: <https://open.spotify.com/show/1LR5eRGG1gS2gu5NRoCUS1>

Apple Podcasts: <https://podcasts.apple.com/us/podcast/potholes-politics-local-maine-issues-from-a-to-z/id1634403397>

LEGISLATIVE BULLETIN

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

Subscriptions to the *Bulletin* are available at a rate of \$20 per calendar year. Inquiries regarding subscriptions or opinions expressed in this publication should be addressed to:

Legislative Bulletin
Maine Municipal Association
60 Community Drive, Augusta, ME 04330
207-623-8428 Website: www.memun.org

Editorial Staff: Kate Dufour, Rebecca Graham, Rebecca Lambert, Amanda Campbell and Laura Ellis of Advocacy & Communications.
Layout: Sue Bourdon, Advocacy & Communications

HEARING SCHEDULE

For the week of February 19, 2024

Note: What follows is a schedule of public hearings which were known to us at the time of this publication. To sign up for direct committee notifications of meetings, hearings and work sessions, you can choose which committees you would like to hear from at this link: <https://lists.legislature.maine.gov/sympa>. Also, 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 also be found on the Legislature's website at: <http://legislature.maine.gov/calendar/#Weekly/>.

MONDAY, FEBRUARY 19 – HOLIDAY

TUESDAY, FEBRUARY 20

Energy, Utilities & Technology
Room 211, Cross Building, 1:00 p.m.
Tel: 287-4143

LD 2205 – Resolve, to Require the Public Utilities Commission to Initiate a Feasibility Study to Evaluate Transmission Technologies and Siting Locations for Any Future Electric Transmission Line Proposed Pursuant to the Northern Maine Renewable Energy Development Program

Health & Human Services
Room 209, Cross Building, 1:00 p.m.
Tel: 287-1317

LD 2200 – Resolve, to Attract and Retain Behavioral Health Clinicians

State & Local Government
Room 214, Cross Building, 1:00 p.m.
Tel: 287-1330

LD 2102 – An Act to Support Municipalities by Repealing the Law Limiting the Municipal Property Tax Levy

LD 2201 – An Act Regarding the Approval for the Placement of Portable Toilets

Taxation
Room 127, State House, 1:00 p.m.
Tel: 287-1552

LD 457 – An Act to Amend Maine's Tax Laws

WEDNESDAY, FEBRUARY 21

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

LD 2204 – An Act to Combat Racketeering in Scheduled Drugs by Certain Organizations

THURSDAY, FEBRUARY 22

Taxation
Room 127, State House, 1:00 p.m.
Tel: 287-1552

LD 2207 – An Act to Establish Municipal Cost Components for Unorganized Territory Services to Be Rendered in Fiscal Year 2024-25

HOPPER

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

Agriculture, Conservation & Forestry

LD 1823 – *An Act to Respect and Protect the Right to Food* (Sponsored by Sen. Hickman of Kennebec Cty.)

Of municipal significance, the bill amends the statutes regulating food and food sovereignty by: (1) applying the provisions of the Maine Food Sovereignty Act to all local food ordinances, including those in place before the Act was enacted; (2) establishes the Maine Vegetable Garden Protection Act to allow a person to cultivate vegetable gardens on the person's own property or with permission on the private property of another and prohibits interference by the State or a political subdivision; (3) provides that local ordinances may be adopted

to regulate matters related to the cultivation of vegetable gardens, including height, setback, water use, fertilizer use or the control of invasive or unlawful species, as long as the ordinance does not have the effect of prohibiting the cultivation of vegetable gardens; and (4) authorizes municipalities to develop and implement programs to establish edible landscaping, food forests and community gardens in public spaces, including municipally owned properties, rights-of-way, school grounds, parks and parking lots.

Criminal Justice & Public Safety

LD 2204 – *An Act to Combat Racketeering in Scheduled Drugs by Certain Organizations* (Sponsored by Rep. Andrews of Paris)

This bill establishes the crime of racketeering and provides that a person is guilty of racketeering if the person is employed by or associated with an enterprise and intentionally conducts or participates in the affairs of the enterprise by participating in a pattern of criminal activity; acquires or maintains an interest in or control of an enterprise, or an interest in real property, by

Supplemental General Fund Budget cont'd

Policy Innovation and the Future (GOPIF). Seeking to fill the state-municipal partnership void that occurred after the 2012 dismantling of the State Planning Office, the office is directed to provide the technical assistance and access to resources municipalities need to advance and implement state and local policy priorities. As a first step, it is envisioned that the office will provide municipalities with one-stop shopping for technical and financial assistance on housing, MUBEC, land use, and climate resiliency planning.

Community Resilience Partnership (Part EE). On that note, the budget proposal also transfers \$5 million from unappropriated General Fund surplus revenue to the Community Resilience Partnership program to finance grants and provide technical assistance to municipalities engaging in climate planning efforts, including adaptation and resilience projects, emissions reduction initiatives and energy efficiency improvements.

Affordable Homeownership & Emergency Housing Relief Fund (Parts GG & HH). The budget proposal supports efforts to address Maine's housing inventory crisis, as well as the hardships facing the state's unhoused population by transferring \$10 million in unappropriated General Fund surplus revenue to MaineHousing for the Affordable Homeownership Program to expand affordable, energy-efficient housing options. An additional \$16 million is transferred to MaineHousing to support privately-operated low barrier shelters, winter warming shelters, legal services, and other wraparound settlement services intended to help individuals integrate into the workforce and communities.

While many of the municipally relevant initiatives found in the supplemental budget are supported by municipal officials, at least two proposals have raised questions.

Maximum Levels of General Assistance (Part II). One of the concerning measures limits municipal authority to exceed maximum levels of assistance under the General Assistance (GA) program to no more than 30 days in a 12-month period. While municipal officials understand the need to build greater predictability in the cost of this program, they believe that adjustments to maximum levels of assistance, which are far too low, would be preferable to setting arbitrary limits. The \$850 calculated as the limit to assist a household of two in Somerset County, for example, is not enough to cover the cost of rent, leaving nothing to pay for utilities and food.

Crisis Receiving Center (Part KKK). Municipal officials are also leery of a proposal that authorizes the Department of Health and Human Services to develop a plan for a network of community-based crisis receiving centers that provide immediate and short-term, walk-in access to an array of clinical and non-clinical mental health and substance use disorder stabilization services. While municipal officials believe access to these services is necessary, they question whether local feedback will be considered when determining where to locate these service providers. However, it may be the case that the concern is addressed, as the department is further directed to establish guidelines in consultation with law enforcement agencies, municipalities, public health experts, and behavioral health providers. Only time will tell if this provision will be enough to foster mutually beneficial state-municipal partnerships.

It is expected that the Appropriations and Financial Affairs Committee will begin the public hearing process on these initiatives the week of February 26. Please look to future editions of the bulletin for opportunities to inform the Legislature as to how these budget proposals will impact your communities.

HOPPER cont'd

participating in a pattern of criminal activity; or participates in a pattern of criminal activity and knowingly invests any proceeds derived from that conduct, or any proceeds derived from the investment or use of those proceeds, in an enterprise or in real property. In addition to establishing the activity as a class A crime, punishable by 20 years in prison and/or a fine of not more than \$1,000,000, of municipal interest is the seizure and forfeiture process of real estate involved in the criminal activity with disposal proceeds from the real estate or the tangible property to be sent to the Maine State Housing Authority. The act also requires: (1) an investigating agency to notify the Attorney General of a potential investigation that may result in the charges; (2) provides the Attorney General with authority to designate a prosecutorial power for the resulting charges; (3) prohibits ownership or partial interest in real estate to non-legal permanent residents from The Republic of China, including Hong Kong, Cuba, Iran, Korea and the Russia; (4)

requires a consumer-owned or investor owned transmission and distribution utility to report suspicious power usage to the Department of Public Safety, Maine State Police when 400 ampere or more is requested at a residential property, a transformer malfunctions, power consumption at the residence exceeds 500% of a normal residential customer or a transformer larger than 25 kilovolt amperes is installed or required for a residential customer, and; (5) requires a municipal electrical inspection and permit when the residential building reaches the threshold of 400 amps and is located in a municipality that provides for electrical inspections. If the building is not in a municipality that has provided for electrical inspections, the person performing the work must apply to a state electrical inspector in writing. A municipal or state electrical inspector must also notify the transmission and distribution utility that serves the residential building of an application.

Finally, a Win cont'd

Testimony submitted by over twenty municipal officials and additional municipal stakeholders overwhelmingly supported the bill and no opposition was heard by the committee. Local leaders expressed their dismay with the program, from implementation to incomplete reimbursement, and illustrated the specific ways the loss of revenue could impact their own communities.

In the end, the committee closed the public hearing and went directly into a work session to uphold “a promise made” by unanimously voting the bill as “ought to pass as amended.” In addition, the committee voted unanimously to exempt the bill from the appropriations table, effectively moving it directly to Governor Mills’ desk when enacted by both chambers. As an emergency bill, it will become effective law once signed by the

governor, paving the way to meet the bill’s fund transfer date of March 1, 2024. If the Legislature fails to enact LD 646, the governor’s supplemental budget also allows for the one-time appropriation.

While this legislation is a win for municipalities and “a promise kept,” it is no secret that some senior taxpayers will continue to struggle. While providing tax advice is certainly not in the municipal wheelhouse, it is important to remember that the assistance provided under the state’s Property Tax Fairness and State Property Tax Deferral programs is available. For more information on these programs, municipal officials are encouraged to visit Maine Revenue Services’ website at www.maine.gov/revenue.

HOPPER cont'd

Education & Cultural Affairs

LD 2170 – *An Act to Prioritize School Construction Projects for Schools Affected by Disasters* (Sponsored by Sen. Vitelli of Sagadahoc Cty.)

This bill requires the State Board of Education to prioritize approval of emergency school construction projects, which are defined as projects requiring the full replacement or a significant portion of a school facility that is declared uninhabitable by an authorized individual or local, state, or federal agency as a result of an unanticipated and sudden natural or human-made disaster.

Judiciary

LD 2086 – *An Act to Amend the Law Governing the Disposition of Forfeited Firearms* (Sponsored by Sen. Carney of Cumberland Cty.)

This bill would expand the law that currently directs the state to destroy all firearms that have been forfeited to a law enforcement agency used in the commission of a murder or unlawful homicide to all firearms that have been forfeited as mandated by the general sentencing provisions of the Maine Criminal Code. The bill also eliminates one of the exceptions to mandatory forfeiture, applying to cases in which the firearm subject to forfeiture is rightfully owned by another person and amends the law governing forfeiture of firearms within the Maine Juvenile Code.

Joint Select Committee on Housing

LD 772 – *An Act to Establish a Process to Vest Rights for Land Use Permit Applicants* (Sponsored by Sen. Pouliot of Kennebec Cty.)

This bill gives an applicant for a land use permit the right to have

a municipality or the Maine Land Use Planning Commission review the application solely based on any orders, regulations, ordinances, rules, expiration dates, fees or other requirements in effect at the time the original application for the land use permit is filed for review.

State & Local Government

LD 2102 – *An Act to Support Municipalities by Repealing the Law Limiting the Municipal Property Tax Levy* (Emergency) (Sponsored by Rep. Pierce of Cumberland Cty.)

This emergency bill repeals the law limiting municipal property tax levy, also known as LD 1.

LD 2201 – *An Act Regarding the Approval for the Placement of Portable Toilets* (Sponsored by Sen. Libby of Cumberland Cty.) (After Deadline)

This bill exempts a temporary portable toilet from the requirement to obtain a permit from a local plumbing inspector for placement. A temporary portable toilet is defined as one that is placed for less than seven days and is regulated by the Maine Centers for Disease Control under the Subsurface Wastewater Disposal Rule (Chapter 241) Section 5(I)(6): Temporary Portable Toilets.

Taxation

LD 2076 – *An Act to Exempt from Excise Tax Vehicles of Active Duty Service Members Stationed Out-of-state* (Sponsored by Rep. Lemelin of Chelsea)

This bill expands eligibility for an exemption from payment of motor vehicle excise taxes to include a person on active duty stationed outside the State or who is deployed for more than 180 days. It further amends the exemption to include members of the National Guard and the Reserves of the United



HOPPER cont'd

States Armed Forces. Finally, the bill repeals the provision of law that establishes a local option for municipalities to pass an ordinance offering the exemption established by the bill.

Transportation

LD 2098 – An Act Regarding Multiple Special Designating Plates for Certain Disabled Veterans (Sponsored by Sen. LaFountain of Kennebec Cty.)

This bill clarifies that the Secretary of State may issue a registration certificate exempt from excise tax and special designating plates for more than one vehicle owned by certain disabled veterans.

Veterans & Legal Affairs

LD 1914 – An Act to Enact the Maine Psilocybin Health Access 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. 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. 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.