



60 Community Drive | Augusta, ME 04330-9486  
1-800-452-8786 (in state) | (t) 207-623-8428  
(f) 207-624-0129

# LEGISLATIVE UPDATE

---

MAINE MUNICIPAL ASSOCIATION

KATE DUFOUR, DIRECTOR, ADVOCACY & COMMUNICATIONS

# SESSION OVERVIEW

---

- 2,010 bills printed in the first session
  - MMA is tracking nearly 700 bills
- Legislature adjourned on July 26, 2023 @ 5 a.m.
  - Effective date of nonemergency legislation....Oct. 25
- July or August/September Edition of Town & City
  - Full review of the session, including descriptions of new laws, carryover bills and studies

# 2022-2024 MMA LEGISLATIVE PLATFORM

---

- LD 88, Share of Adult Use Cannabis Sales & Excise Tax Revenue (**Tabled in House**)
- LD 665, Housing Mandate (LD 2003) Implementation Delay (**Dead**)
- LD 673, Non-residential Law Enforcement Training Program (**Committee of Conference**)
- LD 1022, Timing of School Budget Validation Referendum (**Passed to be Enacted**)
- LD 1493, TIF/Workforce Housing Evergreen Zones (**Passed to be Engrossed**)
- LD 1664, 90% State Reimbursement for General Assistance (**Appropriations Table**)

## 2022-2024 MMA LEGISLATIVE PLATFORM, CONT.

---

- LD 1650, Property Tax Stabilization Program Amendments (**Dead**)
- LD 1685, Tree Growth Program Acreage Increase & Management Plans (**Carryover**)
- LD 1732, General Assistance Program Reform (**Carryover**)
- LD 1857, First Responder Health & Wellness Grant Program (**Appropriations Table**)
- LD 1859, Shared Training Cost for Dispatch & EMS (**Dead**)

# PROPERTY TAX STABILIZATION – LD 290

---

- Part S of LD 258, Eliminate Senior Citizen Property Tax Stabilization & Increase Homestead Repeals
  - Increases eligibility requirements for the State funded and implemented Senior Property Tax Deferral Program
  - Increases the benefits for seniors under the Property Tax Fairness Credit from \$1,500 to \$2,000
  - Makes seniors eligible for deferral and property tax fairness credit
  - **Does not** increase homestead exemption. The title of the bill will be amended.
  - Caps homestead exemption reimbursement at **76%**.

# EXCESS TAX FORECLOSURE REVENUE

---

- LD 101, Return of Excess Funds from the Sale of Tax Acquired Property
  - Response to U.S. Supreme Court's decision on *Tyler v. Hennepin County, MN*
    - Found that retaining proceeds in excess of related municipal expenses is a taking
  - Amends existing statute for selling property formerly owned by qualifying seniors
    - Title 36, section 943-C
  - Applies a streamlined version of the law to all former owners, regardless of age or means

# EXCESS TAX FORECLOSURE REVENUE, CONT.

---

- Municipality must
  - Notify the former owner, via 1<sup>st</sup> class & certified mail, of intent to sell the acquired property
  - List the property with a licensed broker at price that is anticipated to sell in six months
- Former owner must
  - Within 90 days of municipal notice, provide a written demand of excess sales proceeds
- If former owner fails to file a demand or the broker cannot sell the property
  - Municipality can dispose of the property using the process approved by the legislative body
  - Must return excess proceeds

# EXCESS TAX FORECLOSURE REVENUE, CONT.

---

- Excess revenue is calculated as sales proceeds less:
  - Taxes owed, including taxes that would have been assessed while in possession of the municipality
  - Cost of lien and foreclosure process, including reasonable attorney's fees
  - Unpaid sewer, water and other utility assessments
  - Fees, including broker's fees
  - Any other related expenses, including an administrative fee equal to 10% of taxes owed
- Includes a study to address unresolved issues, with a focus on the interests of mortgagees



# OTHER TAX RELATED BILLS

---

- LD 286, TIF for Municipal Buildings (PL 2023, c. 142)
  - Use TIF revenues for up to 50% of capital cost for renovations or construction of municipal buildings
  - Services housed in the facility must be related to general economic development
- LD 996, Local Option Sales Tax (Carryover)
  - Allows 1% local option sales tax on short-term rentals, adopted by voters via referendum
  - Wording on ballot must indicate how generated revenue will be used
- LD 1153, Allow Municipalities to Tax Solar Equipment (Carryover)
  - Repeals personal property tax exemption for solar energy equipment
  - The intent is to target projects over five megawatts

## OTHER TAX RELATED BILLS, CONT.

---

- LD 1258, Increase Personal Property Tax Exemption on Farm Equipment (**Carryover**)
  - Increases value of the exemption from \$10,000 to \$40,000 on April 1, 2024
- LD 1381, Motor Vehicle Excise Tax Based on Sale (**Dead**)
- LD 1298, Local Option Sales Tax on Short-term Lodging (**Carryover**)
  - Up to 1%, provided approved by the voters at referendum
  - Revenues must be used to fund affordable housing programs

## OTHER TAX RELATED BILLS, CONT.

---

- LD 1538, Provide Tax Benefits to Persons Constructing ADU (**Carryover**)
  - State reimbursement for portion of the property taxes assessed on the ADU
  - Benefit is 100% in first five years and reduced gradually until it expires in the 11<sup>th</sup> year
- LD 1644, Use of Accumulated TIF Revenue (**PL 2023, c. 203**)
  - Upon expiration of a TIF district, remaining funds can be used
    - Pay debt service on bonds and notes issued under the plan
    - Up to 3 years after expiration, on approved project costs included in the plan
    - Returned to the municipal general fund, with a corresponding tax shift adjustment

## OTHER TAX RELATED BILLS, CONT.

---

- LD 1739, Extend TIF Districts (**Not Reported Out**)
  - Allows district to be extended by 30 years
  - Provided 51% of the revenues are used for affordable housing or transit-oriented development
- LD 1743, Repeal the Personal Property Tax (**DEAD**)
- LD 1737, Provide up to \$5,000 Property Tax Relief to Veterans (**Carryover**)
  - Provide all disabled veterans a property break rather than a reduction in taxable value

# HOUSING LEGISLATION

---

- LD 1706, Clarify Laws Regarding Affordable Housing & ADUs (PL 2023, c. 192)
  - Two-tier implementation of the housing mandate enacted in 2022
    - January 1, 2024 in communities where the council adopts ordinances
    - July 1, 2024 in all other communities (e.g., town meeting municipalities)
  - Clarifies for purposes of density bonus 51% units must be affordable
- LD 2005, Eliminate the Aircraft Excise Tax (Carryover)

# PREEMPTION OF LOCAL CONTROL

---

- Prohibits municipalities from:
  - LD 620, Prohibiting the Sale of a Legal Product or Service (**Dead**)
  - LD 629, Assessing a Tax or Fee on Firearms or Ammunition (**Carryover**)
  - LD 662: Prohibiting Sale of Flavored Tobacco Products (**Dead**)
  - LD 894: Prohibiting the Installation of a Heating or Energy System (**Dead**)
  - LD 1027: Imposing a Local Sales Tax (**Carryover**)

## OF GENERAL INTEREST

---

- LD 853, Constitutional Amendment to Right to Housing (**Carryover**)
- LD 928, Constitutional Amendment to Right a Healthy Environment (**Tabled in House**)
- LD 1181, Recall of an Elected Municipal Official for Any Reason (**Dead**)
- LD 1914, Create the Maine Psilocybin Services Act (**Carryover**)
- LD 1949, Homelessness as an Affirmative Defense for Criminal Trespassing (**Withdrawn**)
- LD 1952, On-site Consumption of Adult Use Cannabis (**Carryover**)

# FY 2024 – FY 2025 GENERAL FUND BUDGET

---

- **LD 258**

- 55% of K-12 Education (\$1.40 billion)
- Increased Homestead Exemption Reimbursement
  - FY 24 = 76% (\$103.5 Million)
  - ~~FY 25 = 79% (\$108.5 Million)~~

- 100% Stabilization Act Reimbursement/Mandate Reimbursement
  - FY 24 = \$15 million & \$500K
  - FY 25 = \$31 million & \$550K
- Revenue Sharing @ 5%
  - FY 24 = \$252 million
  - FY 25 = \$259 million



# FOR MORE INFORMATION

---

- **Connect with...**
  - Kate Dufour ([kdufour@memun.org](mailto:kdufour@memun.org))
  - Rebecca Graham ([rgraham@memun.org](mailto:rgraham@memun.org))
  - Rebecca Lambert ([rlambert@memun.org](mailto:rlambert@memun.org))
  - Laura Ellis ([lellis@memun.org](mailto:lellis@memun.org))
  - Or at 1-800-452-8786