

REP. RYAN M. FECTEAU
CHAIR

SEN. TROY D. JACKSON
VICE- CHAIR

EXECUTIVE DIRECTOR
SUZANNE M. GRESSER



130TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

SEN. ELOISE A. VITELLI
SEN. MATTHEA DAUGHTRY
SEN. JEFFREY L. TIMBERLAKE
SEN. MATTHEW POULIOT
REP. MICHELLE DUNPHY
REP. RACHEL TALBOT ROSS
REP. KATHLEEN R.J. DILLINGHAM
REP. JOEL STETKIS

**130th Legislature
Legislative Council
January 27, 2022**

REVISED AGENDA

<u>Page</u>	<u>Item</u>	<u>Action</u>
	CALL TO ORDER	
	ROLL CALL	
1	SUMMARY OF THE NOVEMBER 18, 2021 MEETING OF THE LEGISLATIVE COUNCIL	Decision
	REPORTS FROM EXECUTIVE DIRECTOR AND STAFF OFFICE DIRECTORS	
6	<ul style="list-style-type: none">Fiscal Report (Mr. Nolan)	Information
❖10	<ul style="list-style-type: none">Legislative Studies Report (Ms. Fox)	Information
	REPORTS FROM COUNCIL COMMITTEES	
	<ul style="list-style-type: none">Personnel Committee	
	OLD BUSINESS	
13	Item #1: Council Actions Taken by Ballot (No Action Required)	Information
16	Item #2: Consideration of Tabled Bill Requests for Introduction in the Second Regular Session of the 130 th Legislature--from October 25 th and November 18 th Legislative Council meetings	Roll Call Vote
	NEW BUSINESS	
17	Item #1: Consideration of After Deadline Bill Requests	Roll Call Vote

22	Item #2:	Acceptance of the Sixteenth Annual Report of the Right to Know Advisory Committee (January 2022)	Acceptance
27	Item #3:	Acceptance of the Report of the Committee To Study the Feasibility of Creating Basic Income Security (December 2021)	Acceptance
30	Item #4:	Acceptance of the Report of the Tax Expenditure Review Working Group (December 2021)	Acceptance
59	Item #5:	Acceptance of the Report of the Commission To Create a Plan To Incorporate the Probate Courts into the Judicial Branch (December 2021)	Acceptance
66	Item #6:	Acceptance of the Report of the Commission to Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions (December 2021)	Acceptance
72	Item #7:	Acceptance of the Report of the Criminal Records Review Committee (December 2021)	Acceptance
78	Item #8:	Acceptance of the Report of the Legislative Council Subcommittee to Implement a Racial Impact Statement Process Pilot (December 2021)	Acceptance
83	Item #9:	Acceptance of the Annual Report of the Midcoast Regional Redevelopment Authority	Acceptance
	Item #10:	Introduction and remarks from Matthew Clancy, Chief of the Bureau of Capitol Police	Information
	Item #11:	Executive Session – Security Briefing	

ANNOUNCEMENTS AND REMARKS

ADJOURNMENT

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**LEGISLATIVE COUNCIL
MEETING SUMMARY
November 18, 2021**

CALL TO ORDER

Speaker Fecteau called the November 18, 2021 meeting of the 130th Legislative Council to order at 10:28 a.m. in State House Room 228.

ROLL CALL

Senators: President Jackson, Senator Vitelli, Senator Daughtry, Senator Timberlake and Senator Pouliot

Representatives: Speaker Fecteau, Representative Dunphy, Representative Talbot Ross,

Absent: Representative Dillingham, Representative Stetkis

Legislative Officers: Darek Grant, Secretary of the Senate
Robert Hunt, Clerk of the House
Suzanne M. Gresser, Executive Director
Edward Charbonneau, Revisor of Statutes
Christopher Nolan, Director, Office of Fiscal and Program Review
Nik Rende, Director, Office of Legislative Information Technology

Speaker Fecteau convened the meeting at 10:28 a.m. with a quorum of members present.

Speaker Fecteau expressed his intention to take items on the agenda out of order, without objection. The Speaker then moved to New Business, Item #2.

NEW BUSINESS

Item #2: Procedures for Deciding Appeals of Legislative Bill Requests and Consideration of Appeals of Bill Requests for the Second Regular Session.

Ms. Gresser reviewed the procedures for the review of Legislative Bill Requests and the proposed protocol for deciding those requests.

Motion: That the Legislative Council approves the proposed protocol for deciding Appeals of Legislative Bill Requests. Motion by Senator Timberlake. Second by Rep. Talbot Ross. **Motion passed unanimously (8-0-0-2,** with Representative Dillingham and Representative Stetkis absent).

The Legislative Council proceeded to consider and vote on a number of appealed bill requests. During the consideration of appeals, Speaker Fecteau briefly turned the gavel over to President Jackson, who paused consideration of appeals and returned to the printed agenda to take up the summary of the October 25, 2021 meeting and reports of office directors.

SUMMARY OF OCTOBER 25, 2021 MEETING OF LEGISLATIVE COUNCIL

Motion: That the Meeting Summary for October 25, 2021 be accepted and placed on file. Motion by Senator Vitelli. Second by Senator Daughtry. **Motion passed unanimously (7-0-0-3,** with Speaker Fecteau, Representative Dillingham and Representative Stetkis absent).

REPORTS FROM EXECUTIVE DIRECTOR AND COUNCIL OFFICES

Fiscal Report

Chris Nolan, Director of the Office of Fiscal and Program Review, presented the following report.

1. General Fund Revenue Update

Total General Fund Revenue - FY 2022 (\$'s in Millions)						
	Budget	Actual	Var.	% Var.	Prior Year	% Change
October	\$357.5	\$421.8	\$64.2	18.0%	\$366.4	15.1%
FYTD	\$1,515.4	\$1,708.7	\$193.3	12.8%	\$1,387.0	23.2%

General Fund revenue was over budget by \$64.2 million (18.0%) for the month of October and over budget by \$193.3 million (12.8%) for the fiscal year to date.

Individual income tax revenue was over budget by \$24.8 million (16.2%) for the month and by \$53.1 million (7.9%) for the fiscal year to date. For the month of October, a negative variance in individual income tax withholding was offset by positive variances in the other individual income tax lines, and for the fiscal year to date, only individual income tax refunds (more refunds paid than budgeted) was experiencing a negative variance. Corporate income tax revenue was over budget by \$15.1 million (151.3%) for the month and by \$50.4 million (73.4%) for the fiscal year to date. Sales and use tax revenue for October (September sales) was over budget by \$21.9 million (13.3%) for the month and by \$91.6 million (13.2%) for the fiscal year to date.

2. Highway Fund Revenue Update (see attached)

Total Highway Fund Revenue - FY 2022 (\$'s in Millions)						
	Budget	Actual	Var.	% Var.	Prior Year	% Change
October	\$30.6	\$29.6	(\$0.9)	-3.1%	\$29.9	-1.0%
FYTD	\$117.9	\$121.4	\$3.5	3.0%	\$116.2	4.5%

Highway Fund revenue was under budget by \$0.9 million (-3.1%) for the month of October but over budget by \$3.5 million (3.0%) for the fiscal year to date.

Fuel taxes were under budget by \$1.1 million for the month but over budget by \$1.4 million (1.8%) for the fiscal year to date. Motor vehicle registrations and fees were slightly below budget for the month but over budget by \$1.4 million (4.1%) for the fiscal year to date.

3. Cash Balances Update

The average balance in the cash pool for October was \$3,800.1 million, an increase from September's average of \$3,758.8 million. The increase was largely the result of increases in the General Fund and Independent Agency Funds balances partially offset by a decrease in Highway Fund balances. The average Highway Fund balance in October was \$38.2 million, a decrease from September's average of \$52.4 million, largely reflecting construction season spending.

4. Economic and Revenue Forecast Meetings

The Consensus Economic Forecasting Commission (CEFC) met on Friday, October 29th to review and update the economic forecast for its November 1st report. The CEFC made relatively minor changes to its April 2021 forecast. Of particular note, the CEFC forecast for personal income was revised up in all years - from 5.0% to 5.2% in 2021, from 0.2% to 0.5% in 2022, from 4.1% to 4.6% in 2023, from 4.3% to 4.8% in 2024 and from 4.5% to 4.6% in 2025. These revisions reflect stronger assumed wage growth for 2021 through 2024. The CEFC also revised its forecast for the Consumer Price Index (CPI) up for 2021 and 2022, from 2.4% to 4.4% in 2021 and from 2.2% to 3.5% in 2022, leaving 2022 through 2025 unchanged at 2.1% annually. This change reflects higher inflation in recent months due to several forces that the CEFC expects will continue through early 2022, including an uptick in consumer spending due to pent-up demand, supply bottlenecks and rising energy prices.

The CEFC summary of the major changes follows. The Revenue Forecasting Committee (RFC) is scheduled to meet November 23rd to review and update the revenue forecast to comply with its statutory reporting date of December 1st.

November 2021 vs. April 21 CEFC Forecast

Calendar Years	2020	2021	2022	2023	2024	2025
Wage & Salary Employment (Annual Percentage Change)						
CEFC Forecast 02/2020	0.5%	0.2%	0.1%	0.0%	0.0%	0.0%
CEFC Forecast 04/2021	-6.4%	4.0%	2.3%	0.7%	0.1%	0.1%
CEFC Forecast 11/2021	-6.4%	3.7%	2.3%	1.0%	0.7%	0.7%
Difference 11/21 vs. 4/21	0.0%	-0.3%	0.0%	0.3%	0.6%	0.6%
Personal Income (Annual Percentage Change)						
CEFC Forecast 02/2020	4.1%	4.0%	3.7%	3.5%	3.5%	3.5%
CEFC Forecast 04/2021	7.6%	5.0%	0.2%	4.1%	4.3%	4.5%
CEFC Forecast 11/2021	7.9%	5.2%	0.5%	4.6%	4.8%	4.6%
Difference 11/21 vs. 4/21	0.3%	0.2%	0.3%	0.5%	0.5%	0.1%
Wage and Salary Income (Annual Percentage Change)						
CEFC Forecast 02/2020	4.1%	3.7%	3.4%	3.2%	3.2%	3.2%
CEFC Forecast 04/2021	1.4%	5.0%	4.0%	4.0%	4.0%	4.0%
CEFC Forecast 11/2021	2.9%	5.5%	5.0%	5.0%	5.0%	4.0%
Difference 11/21 vs. 4/21	1.5%	0.5%	1.0%	1.0%	1.0%	0.0%
CPI (Annual Percentage Change)						
CEFC Forecast 02/2020	1.9%	2.0%	2.0%	2.0%	2.0%	2.0%
CEFC Forecast 04/2021	1.2%	2.4%	2.2%	2.1%	2.1%	2.1%
CEFC Forecast 11/2021	1.2%	4.4%	3.5%	2.1%	2.1%	2.1%
Difference 11/21 vs. 4/21	0.0%	2.0%	1.3%	0.0%	0.0%	0.0%

From CEFC October 29, 2021 Meeting

Studies Report

Danielle Fox, Director, Office of Policy and Legal Analysis, submitted the written studies report found in the agenda packet.

Following the reports of the Office Directors, President Jackson turned the gavel over to Speaker Fecteau, who returned to complete **New Business, Item #2, Consideration of Appeals for Bill Requests for the Second Regular Session.**

The Legislative Council proceeded to consider and vote on one hundred five (105) appealed bill requests in accordance with the adopted protocol, and using an electronic voting system. The Legislative Council authorized forty-six (46) bills for introduction in the Second Regular Session, tabled one (1) request, and declined to authorize fifty-three (53) bill requests. Five requests (5) bill requests were withdrawn by the sponsor. The Legislative Council's action on the bill requests is attached.

Speaker Fecteau moved to Old Business, Item #1.

OLD BUSINESS

Item #1: Consideration of Tabled Bill Requests from the October 25, 2021 Legislative Council meeting

The Legislative Council proceeded to consider and vote on several of the bill requests that were tabled at its October 25, 2021 meeting. The Council authorized introduction of one (1) bill request, declined to authorize two (2) bill requests, and took no action on one (1) tabled bill request. The Legislative Council's action on the requests is attached.

NEW BUSINESS

Item #3: Acceptance of the Annual Report of the Loring Development Authority of Maine

The Loring Development Authority of Maine submitted its annual report for acceptance by the Legislative Council.

Motion: That the Legislative Council accepts the Annual Report of the Loring Development Authority of Maine and will place it on file. Motion by President Jackson. Second by Representative Dun. **Motion passed unanimously (8-0-2)** with Representative Dillingham and Representative Stetkis absent.

ANNOUNCEMENTS AND REMARKS

With no other business to consider or further announcements, the Legislative Council meeting was adjourned at 2:36 p.m.

Fiscal Briefing

January 27, 2022

Prepared by the Office of Fiscal & Program Review

1. General Fund Revenue Update (see attached)

Total General Fund Revenue - FY 2022 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Change
December	\$295.4	\$380.0	\$84.6	28.6%	\$319.0	19.1%
FYTD	\$2,367.6	\$2,458.0	\$90.4	3.8%	\$2,043.8	20.3%

General Fund revenue was over budget by \$84.6 million for the month of December and over budget by \$90.4 million (3.8%) for the fiscal year to date. **These positive variances now reflect the December 2021 revenue forecast, which increased budgeted General Fund revenue by \$443.2 million for FY 2022.**

Individual income tax revenue was over budget by \$38.3 million for the month and by \$38.3 million (3.7%) for the fiscal year to date. This positive variance for the month was largely the result of a positive variance in individual income tax withholding. Corporate income tax revenue was over budget by \$36.2 million for the month and by \$36.2 million (23.2%) for the fiscal year to date. Sales and use tax revenue for December (November sales) was over budget by \$7.3 million for the month and by \$7.3 million (0.7%) for the fiscal year to date.

2. Highway Fund Revenue Update (see attached)

Total Highway Fund Revenue - FY 2022 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Change
December	\$23.8	\$24.9	\$1.0	4.3%	\$23.9	3.9%
FYTD	\$178.0	\$180.4	\$2.3	1.3%	\$172.8	4.4%

Highway Fund revenue was over budget by \$1.0 million for the month of December and by \$2.3 million (1.3%) for the fiscal year to date. **These positive variances now reflect the December 2021 revenue forecast, which increased budgeted Highway Fund revenue by \$4.0 million for FY 2022.**

Fuel taxes were over budget by \$0.8 million for the month and over budget by \$0.8 million (0.7%) for the fiscal year to date. Motor vehicle registrations and fees were above budget by \$0.1 million for the month and over budget by \$0.5 million (1.1%) for the fiscal year to date.

3. Cash Balances Update

The average balance in the cash pool for December was 3,642.2 million, a decrease from November's average of \$3,832.3 million. The net decrease was largely the result of decreases in Other Special Revenue Funds balances partially offset by increases in General Fund balances. The average Highway Fund balance in December was \$20.8 million, a decrease from November's average of \$45.1 million, the result of the annual payment to the Local Road Assistance program being made in December.

4. Economic and Revenue Forecast Meetings

The Consensus Economic Forecasting Commission (CEFC) is scheduled to meet on Friday, January 28th to review and update the economic forecast for its February 1st report. The Revenue Forecasting Committee (RFC) will then meet in late February to review and update the revenue forecast for its March 1st report.

General Fund Revenue
Fiscal Year Ending June 30, 2022 (FY 2022)

Updated 1/21/22

December 2021 Revenue Variance Report

Revenue Category	December '21 Budget	December '21 Actual	December '21 Variance	Fiscal Year-To-Date				FY 2022 Budgeted Totals	
				Budget	Actual	Variance	Variance %		% Change from Prior Year
Sales and Use Tax ¹	144,062,468	151,399,239	7,336,771	1,095,008,853	1,102,345,623	7,336,770	0.7%	22.7%	2,014,656,922
Service Provider Tax	4,188,559	8,203,899	4,015,340	25,131,356	25,330,429	199,073	0.8%	-6.7%	51,000,000
Individual Income Tax	146,931,297	185,264,159	38,332,862	1,038,513,169	1,076,846,025	38,332,856	3.7%	17.0%	2,048,250,000
Corporate Income Tax	26,751,535	62,905,708	36,154,173	156,118,088	192,272,260	36,154,172	23.2%	61.9%	255,033,737
Cigarette and Tobacco Tax ²	14,401,471	14,145,123	(256,348)	78,414,007	78,396,876	(17,131)	0.0%	-1.8%	150,745,000
Insurance Companies Tax	20,076	21,138	1,062	14,002,210	15,831,688	1,829,478	13.1%	7.9%	88,250,000
Estate Tax	10,000,000	12,607,140	2,607,140	22,595,156	25,202,296	2,607,140	11.5%	72.5%	31,950,000
Other Taxes and Fees *	10,190,084	10,101,185	(88,899)	73,289,733	73,299,639	9,906	0.0%	2.4%	150,101,084
Fines, Forfeits and Penalties	751,633	588,840	(162,793)	3,349,448	3,022,469	(326,979)	-9.8%	-27.1%	9,889,346
Income from Investments	422,905	578,356	155,451	2,745,200	2,898,939	153,739	5.6%	24.9%	5,227,906
Transfer from Lottery Commission	6,235,267	7,560,351	1,325,084	33,663,456	35,956,380	2,292,924	6.8%	4.6%	65,000,000
Transfers to Tax Relief Programs *	(56,716,587)	(58,142,091)	(1,425,504)	(58,043,636)	(59,463,619)	(1,419,983)	-2.4%	-2.9%	(76,150,000)
Transfers for Municipal Revenue Sharing	(15,721,333)	(15,532,891)	188,442	(112,469,970)	(112,218,653)	251,317	0.2%	-52.3%	(203,301,782)
Other Revenue *	3,893,830	341,380	(3,552,450)	(4,685,861)	(1,716,524)	2,969,337	63.4%	84.2%	31,675,053
Totals	295,411,205	380,041,535	84,630,330	2,367,631,209	2,458,003,829	90,372,620	3.8%	20.3%	4,622,327,266

* Additional detail by subcategory for these categories is presented on the following page.

1 / Includes revenue from adult-use marijuana sales taxes of \$0.8 million for December and \$5.3 million for the fiscal year to date.

2 / Includes revenue from adult-use marijuana excise taxes of \$0.8 million for December and \$3.3 million for the fiscal year to date.

General Fund Revenue
Fiscal Year Ending June 30, 2022 (FY 2022)

Updated 1/21/22

December 2021 Revenue Variance Report

Revenue Category	Fiscal Year-To-Date								FY 2022 Budgeted Totals
	December '21 Budget	December '21 Actual	December '21 Variance	Budget	Actual	Variance	Variance %	% Change from Prior Year	
Detail of Other Taxes and Fees:									
- Property Tax - Unorganized Territory	0	0	0	13,331,852	12,528,743	(803,109)	-6.0%	-0.2%	14,813,169
- Real Estate Transfer Tax	2,694,729	2,670,792	(23,937)	13,550,049	13,526,113	(23,936)	-0.2%	39.7%	26,407,356
- Liquor Taxes and Fees	1,757,358	1,515,689	(241,669)	11,652,552	11,953,260	300,708	2.6%	-2.3%	22,093,824
- Corporation Fees and Licenses	269,277	280,237	10,960	1,911,882	2,497,842	585,960	30.6%	-33.6%	10,438,649
- Telecommunication Excise Tax	0	0	0	0	0	0	N/A	100.0%	6,200,000
- Finance Industry Fees	2,198,915	2,307,900	108,985	13,193,486	12,533,480	(660,006)	-5.0%	0.1%	26,916,990
- Milk Handling Fee	79,202	79,202	(0)	810,368	810,368	0	0.0%	-64.1%	1,251,059
- Racino Revenue	512,510	671,588	159,078	3,721,398	5,262,789	1,541,391	41.4%	75.9%	8,344,985
- Boat, ATV and Snowmobile Fees	203,860	155,947	(47,913)	1,636,422	1,526,493	(109,929)	-6.7%	-10.0%	4,523,561
- Hunting and Fishing License Fees	1,075,837	1,667,816	591,979	7,977,706	8,183,095	205,389	2.6%	-8.8%	15,994,284
- Other Miscellaneous Taxes and Fees	1,398,396	752,013	(646,383)	5,504,018	4,477,456	(1,026,562)	-18.7%	-9.2%	13,117,207
Subtotal - Other Taxes and Fees	10,190,084	10,101,185	(88,899)	73,289,733	73,299,639	9,906	0.0%	2.4%	150,101,084
Detail of Other Revenue:									
- Liquor Sales and Operations	1,898	9,054	7,156	12,019	15,882	3,863	32.1%	-48.1%	28,500
- Targeted Case Management (DHHS)	0	0	0	0	0	0	N/A	-100.0%	0
- State Cost Allocation Program	2,006,653	2,428,569	421,916	13,092,877	15,431,521	2,338,644	17.9%	8.1%	25,918,434
- Unclaimed Property Transfer	0	0	0	0	0	0	N/A	N/A	9,200,000
- Tourism Transfer	0	0	0	(15,473,162)	(15,473,162)	0	0.0%	9.4%	(15,476,762)
- Transfer to Maine Milk Pool	(73,827)	(133,332)	(59,505)	(3,978,098)	(4,335,131)	(357,033)	-9.0%	36.1%	(4,673,418)
- Transfer to STAR Transportation Fund	0	0	0	(7,391,785)	(7,391,785)	0	0.0%	25.4%	(7,391,785)
- Other Miscellaneous Revenue	1,959,106	(1,962,911)	(3,922,017)	9,052,288	10,036,151	983,863	10.9%	17.1%	24,070,084
Subtotal - Other Revenue	3,893,830	341,380	(3,552,450)	(4,685,861)	(1,716,524)	2,969,337	63.4%	84.2%	31,675,053
Detail of Transfers to Tax Relief Programs:									
- Me. Resident Prop. Tax Program (Circuitbreak)	0	0	0	0	601	601	N/A	-54.0%	0
- BETR - Business Equipment Tax Reimb.	(2,604,587)	(718,357)	1,886,230	(3,971,636)	(1,532,623)	2,439,013	61.4%	62.1%	(19,100,000)
- BETE - Municipal Bus. Equip. Tax Reimb.	(54,112,000)	(57,423,734)	(3,311,734)	(54,072,000)	(57,931,597)	(3,859,597)	-7.1%	-7.7%	(57,050,000)
Subtotal - Tax Relief Transfers	(56,716,587)	(58,142,091)	(1,425,504)	(58,043,636)	(59,463,619)	(1,419,983)	-2.4%	-2.9%	(76,150,000)
Inland Fisheries and Wildlife Revenue - Total	1,346,311	1,908,343	562,032	10,052,444	10,113,147	60,703	0.6%	-8.1%	21,476,288

Highway Fund Revenue
Fiscal Year Ending June 30, 2022 (FY 2022)

Updated 1/21/22

December 2021 Revenue Variance Report

Revenue Category	December '21 Budget	December '21 Actual	December '21 Variance	Fiscal Year-To-Date				FY 2022 Budgeted Totals	
				Budget	Actual	Variance	% Variance		% Change from Prior Year
Fuel Taxes:									
- Gasoline Tax	15,650,080	15,210,690	(439,390)	105,704,109	104,952,220	(751,889)	-0.7%	7.7%	200,950,000
- Special Fuel and Road Use Taxes	3,921,285	5,171,365	1,250,080	24,516,827	26,127,847	1,611,020	6.6%	0.8%	46,898,199
- Transcap Transfers - Fuel Taxes	(1,459,070)	(1,501,624)	(42,554)	(9,570,454)	(9,599,663)	(29,209)	-0.3%	-5.8%	(18,211,727)
- Other Fund Gasoline Tax Distributions	(391,361)	(380,886)	10,475	(2,643,341)	(2,625,053)	18,288	0.7%	-7.2%	(5,025,156)
Subtotal - Fuel Taxes	17,720,934	18,499,544	778,610	118,007,141	118,855,352	848,211	0.7%	6.3%	224,611,316
Motor Vehicle Registration and Fees:									
- Motor Vehicle Registration Fees	4,668,285	4,805,846	137,561	34,938,258	34,706,477	(231,781)	-0.7%	-5.8%	69,162,203
- License Plate Fees	282,119	380,303	98,184	1,956,399	2,275,388	318,989	16.3%	7.7%	3,652,523
- Long-term Trailer Registration Fees	1,353,292	1,353,292	0	6,201,825	6,201,825	0	0.0%	7.5%	11,384,523
- Title Fees	1,194,248	1,297,932	103,684	7,267,343	7,709,291	441,948	6.1%	-5.6%	14,325,795
- Motor Vehicle Operator License Fees	972,129	945,549	(26,580)	5,969,735	5,908,142	(61,594)	-1.0%	8.2%	10,191,878
- Transcap Transfers - Motor Vehicle Fees	(3,559,232)	(3,752,210)	(192,978)	(8,600,837)	(8,522,460)	78,377	0.9%	5.8%	(16,518,054)
Subtotal - Motor Vehicle Reg. & Fees	4,910,841	5,030,712	119,871	47,732,723	48,278,663	545,940	1.1%	-2.1%	92,198,868
Motor Vehicle Inspection Fees	473,706	618,617	144,911	1,697,106	1,649,080	(48,026)	-2.8%	30.8%	3,015,291
Other Highway Fund Taxes and Fees	114,683	119,874	5,191	677,650	828,485	150,835	22.3%	1.5%	1,267,454
Fines, Forfeits and Penalties	50,534	90,673	40,139	303,204	644,651	341,447	112.6%	15.5%	606,412
Interest Earnings	9,312	17,234	7,922	80,152	102,557	22,405	28.0%	-9.6%	146,248
Other Highway Fund Revenue	549,198	475,116	(74,082)	9,536,869	9,994,365	457,496	4.8%	11.9%	12,908,725
Totals	23,829,208	24,851,769	1,022,561	178,034,845	180,353,152	2,318,307	1.3%	4.4%	334,754,314

130th MAINE LEGISLATURE/FIRST REGULAR SESSION
AUTHORIZED INTERIM COMMITTEE MEETINGS
Legislative Council Meeting – January 27, 2022

Study Commission/Committee Study	Assigned Staff	Number of authorized meetings held to date	Report Date	Chairs	Status or comment
Legislative Council Study Establishing And Implementing a System of Using Racial Impact Statements for Legislation LD 2, P.L. 2021, c. 21	Danielle Fox Suzanne Gresser Darlene Shores Lynch	Four of 4 meetings held	Initial 11/1/21 Report on Pilot 12/15/22	Rep. Talbot Ross	Report is complete. Guidance memos sent to 4 pilot committees. Seven bills included in pilot. Pilot committees submit reports to Council within 30 days of adjournment.
College Affordability and Completion Commission to Study College Affordability and Completion LD 247, Resolve 2021, c. 103	Drafting assistance only Karen Nadeau Rachel Olson	Two of 4 authorized meetings held	1/22/22	Sen. Daughtry Rep. Crockett	Two meetings have been held. Extension has been requested.
Criminal Records Review Committee LD 563, Resolve 2021, c. 121	Peggy Reinsch Jane Orbeton Darlene Shores Lynch	Five of 5 authorized meetings held	12/15/2021	Rep. Talbot Ross, Sen. Bailey	Report recommending continuation of the committee is complete.
Increase Housing Opportunities Commission to Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions (LD 609, Resolve 2021, c. 59)	Hillary Risler Samuel Prawer Kristin Brawn	Seven of 7 authorized meetings held	12/15/21	Speaker Fecteau, Sen. Hickman	Report is complete.
Probate Courts into Judicial Branch Resolve, To Establish the Commission to Create a Plan to Incorporate the Probate Courts into the Judicial Branch LD 719, Resolve 2021, c. 104	Janet Stocco Samuel Senft Darlene Shores Lynch	Four of 4 authorized meetings held	12/15/21	Rep. Cardone, Sen. Carney	Report is complete.
Paid Family and Medical Leave Commission to Develop a Paid Family and Medical Leave Benefits Program LD 1559, Resolve 2021, c. 122	Anna Broome Colleen McCarthy Reid Kristin Brawn	Six of 6 authorized meetings held	2/1/22	Sen. Daughtry, Rep. Cloutier	Report recommending continuation of the Commission is being drafted. Plans for contracted actuarial study included in duties moving forward and will inform future work.

**130th MAINE LEGISLATURE/FIRST REGULAR SESSION
 AUTHORIZED INTERIM COMMITTEE MEETINGS
 Legislative Council Meeting – January 27, 2022**

Creating Basic Income Security Committee to Study the Feasibility of Creating Basic Income Security LD 1603, P.L. 2021, c. 405	Steve Langlin Lynne Caswell (Anna Broome) Kristin Brawn	Two of 4 authorized meetings held	12/1/21	Sen. Chipman, Rep. Madigan	Report is complete.
Review of Tax Expenditures by the Legislature Working Group to Review the Process of Ongoing Review of Tax Expenditures by the Legislature JO, SP #578	Julie Jones	Four of 4 authorized meetings held	12/1/21	Sen. Libby, Rep. Terry	Report is complete.
Replace Certain Stigmatizing Language Resolve, to Replace Certain Stigmatizing Language in the Maine Revised Statutes with Respectful Language LD 1588, Resolve 2021, c. 120	Revisor of Statutes	N/A	1/15/22	N/A	Complete and submitted to committee.
Ongoing statutory studies					
Right to Know (Advisory Committee) 010-30A-3327-01 T 1 §411	Peggy Reinsch Colleen McCarthy Reid Anna Broome Rachel Olson Darlene Shores Lynch	5 meetings of full Advisory Committee - 8 subcommittee meetings	1/15 annually	Rep. Thom Harnett	Report is complete.
Marijuana Advisory Commission T 28-B c. 1 sub c. 9	Samuel Prawer Dan Tartakoff Kirstin Brawn	One meeting held (no further meetings planned)	1/15 annually	Sen. Miramant, Rep. Pierce	Report (memo) is complete.
Education and Employment Outcomes Task Force T. 20-A c. 437	Lynne Caswell Rachel Olson Kristin Brawn	Up to 4 meetings annually	11/1 annually		Appointed seats are vacant or terms expired.
State Compensation Commission T 3, § 2-B	Lauren Metayer		1/15 even- numbered years		Appointed seats are vacant.
Citizen Trade Policy Commission T. 10, §11	Contract staff - unfilled	One meeting held	Trade agreement impact assessment	Sen. Hickman, Rep. Gere	

**130th MAINE LEGISLATURE/FIRST REGULAR SESSION
 AUTHORIZED INTERIM COMMITTEE MEETINGS
 Legislative Council Meeting – January 27, 2022**

			every 2 years		
Other Legislative Council-approved studies (staffed by department/agency)					
Registration Plate Working Group Resolve 2021, c. 108	Secretary of State, BMV	4 meetings	2/1/2022	none specified in authorizing legislation	Report pending.
Task Force To Study the Coordination of Services and Expansion of Educational Programs for Young Adults with Intellectual or Developmental Disabilities or Acquired Brain Injury Resolve 2021, c. 116	Dept. of Educ.	Minimum of 4 meetings	Within one year of convening	Named by DOE Commissioner	Report pending – due within one year of convening
Maine Health Data Organization Health Information Advisory Committee Resolve 2021, c. 423	MHDO staff	At least 4 per year	2/1/2022	Chosen by members annually	Report pending.

**Legislative Council Actions
Taken by Ballot Since the
November 18, 2021 Council Meeting**

Legislative Council Decisions:

Motion: That the Legislative Council accept the funds contributed for the Committee To Study the Feasibility of Creating Basic Income Security, authorize the Committee to convene and extend its reporting deadline to December 15, 2021, in accordance with Joint Rule 353(7).

Motion by: Speaker Ryan Fecteau Second: President Troy Jackson
Date: November 19, 2021
Vote: 6-0-0-4 Passed (with President Jackson, Senator Timberlake, Senator Pouliot and Representative Stetkis recorded as absent)

Motion: That, in accordance with the Maine Revised Statutes, Title 3, section 162-A , The Legislative Council establish the initial salary of the State Auditor at Step E (Step 5) within Salary Grade 89.

Motion by: Speaker Ryan Fecteau Second: President Troy Jackson
Date: January 11, 2022
Vote: 9-0-0-1 Passed (with Representative Dillingham recorded as absent)

Requests for Introduction of Legislation:

LR 2524 Resolve, To Name A Bridge in the Town of Unity the Alton “Mac” McCormick Memorial Bridge

Submitted by: Senator Chip Curry
Date: November 19, 2021
Vote: 6-0-0-4 Passed (with Senator Daughtry, Representative Talbot Ross, Representative Dillingham and Representative Joel Stetkis recorded as absent)

LR 2528 An Act To Amend the Definition of “Oversized ATV” To Increase the Minimum Weight Requirement

Submitted by: President Troy Jackson
Date: November 19, 2021
Vote: 7-0-0-3 Passed (with Senator Daughtry, Representative Dillingham and Representative Joel Stetkis recorded as absent)

LR 2534 An Act To Clarify the Reporting Responsibilities and Extend the Reporting Deadlines for the Identification of Places in the State with Offensive Names

Submitted by: Representative Rachel Talbot Ross
Date: November 19, 2021
Vote: 6-1-0-3 Passed (with Senator Timberlake opposed and Senator Pouliot, Representative Dillingham and Representative Stetkis recorded as absent)

LR 2535 An Act To Amend the Franklin County Commissioner Districts

Submitted by: Senator Baldacci
Date: November 19, 2021
Vote: 6-0-0-4 Passed (with Senator Pouliot, Representative Talbot Ross, Representative Dillingham and Representative Stetkis recorded as absent)

LR 2525 Resolve, To Rename 3 Bridges in Brownfield and Brownfield Junction

Submitted by: Senator Davis
Date: December 15, 2021
Vote: 8-0-0-2 Passed (with Senator Daughtry and Representative Talbot Ross recorded as absent)

LR 2554 An Act To Create Strong Standards for Deer Yards on State-managed Land

Submitted by: President Jackson
Date: December 20, 2021
Vote: 7-1-0-2 Passed (with Senator Pouliot opposed and Senator Timberlake and Representative Stetkis recorded as absent)

LR 2563 An Act To Create Support Frontline Health Care Workers

Submitted by: President Jackson
Date: December 29, 2021
Vote: 7-0-0-3 Passed (with Senator Pouliot, Representative Dillingham and Representative Stetkis recorded as absent)

LR 2572 An Act To Amend the Statutes Regarding Confidentiality for Victims of Certain Child-related Crimes

Submitted by: Senator Bill Diamond
Date: January 6, 2022
Vote: 8-0-0-2 Passed (with Representative Dillingham and Representative Stetkis recorded as absent)

LR 2573 An Act To Create The General Purpose Aid for Education Fund

Submitted by: Representative Raegan LaRochelle
Date: January 6, 2022
Vote: 6-2-0-2 Passed (with Senator Pouliot and Senator Timberlake opposed, Representative Dillingham and Representative Stetkis recorded as absent)

LR 2577 An Act To Provide State Harness Racing Commission Greater Efficiency in Rules Enforcement

Submitted by: Representative Michelle Dunphy

Date: January 7, 2022

Vote: 7-0-0-3 Passed (with Senator Timberlake, Senator Pouliot and Representative Stetkis recorded as absent)

LR 2581 Resolve, To Extend the Commission To Develop a Paid Family and Medical Leave Benefits Program

Submitted by: Senator Matthea Daughtry

Date: January 11, 2022

Vote: 7-2-0-1 Passed (with Senator Pouliot and Representative Stetkis opposed and Senator Timberlake recorded as absent.)

LR 2596 An Act To Facilitate Access to Heating Assistance

Submitted by: Senator Chip Curry

Date: January 19, 2022

Vote: 6-0-0-4 Passed (with Senator Timberlake, Senator Pouliot, Representative Dillingham and Representative Stetkis recorded as absent.)

**Legislative Council
Tabled Bill Requests
From October 25, 2021 and November 18, 2021**

SPONSOR: Rep. Sherm H. Hutchins

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2338	An Act To Ensure the Participation of Parents and Taxpayers at Local School Board Meetings	Tabled 11/18/21

SPONSOR: Rep. Rachel Talbot Ross

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2353	An Act Regarding Disciplinary and Grievance Policy Procedures and Outcomes in State Correctional Facilities	Tabled 10/25/21

**130th Maine State Legislature
Legislative Council
Requests to Introduce Legislation**

As of: 1/21/2022

Session(s): R2

AFTER DEADLINE BILL REQUESTS

SPONSOR:

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2523	An Act To Allow Electric-powered School Buses To Have Distinctively Colored Bumpers, Wheels and Rub Rails	
2560	An Act To Impose Certain Restrictions on the Participation in Net Energy Billing by Certain Customers	
2571	An Act To Ensure Release of Relevant Background Investigation Material to Current Employers of Law Enforcement and Corrections Officers	

SPONSOR: Rep. John Andrews

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2550	An Act To Amend the School Bus Driver Qualification Requirements	

SPONSOR: Sen. Richard A. Bennett

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2574	An Act To Retroactively Approve by a Two-thirds Vote of the Legislature the Lease of Certain Public Lands by the Department of Agriculture, Conservation and Forestry, Bureau of Public Lands	

SPONSOR: Sen. Russell Black

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2580	Resolve, Directing the Bureau of Parks and Lands To Approve the Construction of an Extension of a Telecommunications Tower on Bald Mountain in the Town of Rangeley	

SPONSOR: **Rep. Chris Caiazzo**

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2579	An Act To Improve Testing Requirements for Adult Use Marijuana	In Ballot Process

SPONSOR: **Rep. Nathan Michael Carlow**

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2533	Resolve, Authorizing Maine School Administrative District 6 To Lease a Former Administrative Office Building in the Town of Buxton	

SPONSOR: **Sen. Ned Claxton**

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2590	An Act To Require Suicide Prevention Barriers on the Penobscot Narrows Bridge	

SPONSOR: **Sen. Scott Wynn Cyrway**

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2540	An Act To Combat Violence, Disorder and Looting and Protect Law Enforcement Officers	

SPONSOR: **Sen. Paul Davis**

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2543	An Act To Require the Payment of Child Support by Intoxicated Drivers Who Cause the Death of a Parent	

2549	An Act To Create a Graduated Civil Penalty Scale for Cultivating and Selling Medical and Adult Use Marijuana without a License	
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SPONSOR: **Rep. Jeffrey Evangelos**

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2566	An Act To Place a Moratorium on Revaluations of Property by Municipalities	

SPONSOR: Sen. Brad Farrin

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2583	Resolve, To Authorize the Bureau of Parks and Lands To Enter into a Lease with Christian Camps and Conferences for a Parcel of Property Located in Somerset County	

SPONSOR: Spkr. Ryan Michael Fecteau

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2567	An Act To Prevent Discovery in Connection with a Protection from Abuse Action	

SPONSOR: Rep. Raegan French LaRochelle

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2548	An Act To Provide Additional Funding for the Low-income Home Energy Assistance Program	

SPONSOR: Rep. Colleen M. Madigan

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2589	An Act To Establish a Court Process for Involuntary Substance Use Disorder Treatment	

SPONSOR: Rep. John L. Martin

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2542	An Act To Ensure Fairness of Representation in Insurance Disputes	

SPONSOR: Rep. David H. McCrea

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2539	Resolve, Authorizing the Director of the Bureau of Parks and Lands To Renew a Lease of Certain Lands in Aroostook State Park to the Federal Aviation Administration	

SPONSOR: Rep. Stephen W. Moriarty

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2564	An Act To Exempt from Sales Tax Testing Kits for COVID-19	

SPONSOR: Rep. Tim Roche

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2544	An Act To Exempt Permanently Disabled Veterans from Payment of Property Tax	

SPONSOR: Rep. Shelley Rudnicki

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2541	An Act To Provide Alternative Meat To Compensate Hunters Who Have Tagged Deer from the "Do Not Eat" Advisory Area	

SPONSOR: Sen. Trey Stewart

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2531	An Act To Require Certain Public Health Rules To Be Adopted as Major Substantive Rules	

SPONSOR: Rep. James E. Thorne

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2522	An Act To Eliminate the State Income Tax Paid on Social Security Benefits	

SPONSOR: Rep. Joseph F. Underwood

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2526	An Act To Increase the Property Tax Exemption	
2545	An Act To Allow Movement of Overlimit Vehicles on Any Day of the Week	

SPONSOR: Rep. Dustin Michael White

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2529	An Act To Allow Side-by-side All-terrain Vehicles To Use All-terrain Vehicle Trails	
2532	An Act To Keep Children in School	

JOINT RESOLUTIONS

SPONSOR: **Rep. John Andrews**

<u>LR #</u>	<u>Title</u>	<u>Action</u>
2321	Joint Resolution, Urging Congress and Maine's Delegation to Congress To Oppose Changes to Tax Compliance Policies Proposed at the Federal Level and the Potential Invasion of Privacy Caused by Those Changes	



State of Maine
130th Legislature, First Regular/Special Session

**Sixteenth Annual Report
of the
Right to Know Advisory Committee**

January 2022

Partial report. To view the entire report go to
<https://legislature.maine.gov/opla/completed-study-reports/9289>

Office of Policy and Legal Analysis



**STATE OF MAINE
130th LEGISLATURE
FIRST REGULAR/SPECIAL SESSION**

**Sixteenth Annual Report
of the
Right to Know Advisory Committee**

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Linda Cohen
Julia Finn
Suzanne Goucher
Keven Martin
Judith Meyer
Christopher Parr
Eric Stout
Victoria Wallack**

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- A. Authorizing legislation: 1 MRSA §411
- B. Membership list
- C. Letters to Public Access Ombudsman and Maine Municipal Association requesting data on recent statutory change related to fees charged for public records requests
- D. Recommended legislation to amend previously-enacted public records exceptions
- E. Public records exceptions reviewed in 2021 for which no statutory change is recommended
- F. Recommended legislation to amend the remote participation law to provide for the adoption of a remote participation policy in a remote meeting when an emergency or urgent issue exists

EXECUTIVE SUMMARY

This is the sixteenth annual report of the Right to Know Advisory Committee. The Right to Know Advisory Committee was created by Public Law 2005, chapter 631 as a permanent advisory council with oversight authority and responsibility for a broad range of activities associated with the purposes and principles underlying Maine's freedom of access laws. The members are appointed by the Governor, the Chief Justice of the Supreme Judicial Court, the Attorney General, the President of the Senate and the Speaker of the House of Representatives.

As in previous annual reports, this report includes a brief summary of the legislative actions taken in response to the Advisory Committee's January 2021 recommendations and a summary of relevant Maine court decisions from 2021 on the freedom of access laws. This report also summarizes several topics discussed by the Advisory Committee that did not result in a recommendation or further action.

For its sixteenth annual report, the Advisory Committee makes the following recommendations:

- Request that the Public Access Ombudsman and Maine Municipal Association gather data to assess the changes made by Public Law 2021, chapter 375 related to fees charged for public records requests and report back to the Advisory Committee no later than November 1, 2022;**
- Request that a revised matrix be adopted for use by legislative committees, the Joint Standing Committee on Judiciary and the Right To Know Advisory Committee when considering and reviewing proposed or existing public records exceptions to increase awareness of the Archives law which removes confidentiality protection for records after 75 years;**
- Enact legislation to amend the public records exception in Title 12, section 6072, subsection 10 related to certain data reports submitted by holders of aquaculture leases;**
- Recommend the use of standardized language in drafting legislation for confidential records by using the term "confidential" to designate records that would not be subject to disclosure under Freedom of Access Act;**
- Enact legislation to amend the remote participation law to address situations when a public body has not adopted a remote participation policy but the public body needs to meet;**
- Recommend that the Judiciary Committee convene an informal working group to study participation in the legislative process by residents of correctional facilities and the issues that must be resolved to allow participation;**
- Encourage the Maine Municipal Association and the Maine County Commissioners Association to consider sending out annual reminders to their members about record retention schedules and available training resources; and**
- Encourage legislative committees to add to committee orientation additional freedom of access training, conducted by the Public Access Ombudsman or the State Archivist,**

that is specific to records management and includes a focus on digital record retention, including social media platforms.

In 2022, the Right to Know Advisory Committee will continue to discuss the ongoing issues identified in this report, including a review of the data requested related to the impact of legislative changes in 2021 on fee waiver requests, reports of a significant increase in freedom of access requests to school districts and other state agencies from outside the state, concerns about remote meeting security including so-called “Zoom-bombing” of public meetings, an update from the Maine State Archives’ pilot project to archive social media, and ways to increase public access for those with technology and broadband limitations. The Advisory Committee will also continue to provide assistance to the Joint Standing Committee on Judiciary relating to proposed legislation affecting public access. The Advisory Committee looks forward to another year of activities working with the Public Access Ombudsman, the State Archivist, the Judicial Branch and the Legislature to implement the recommendations included in this report.



State of Maine
130th Legislature, First Regular/Special Session

Committee To Study the Feasibility of Creating Basic Income Security

December 2021

Partial report. To view the entire report go to
<https://legislature.maine.gov/opla/completed-study-reports/9289>

Office of Policy and Legal Analysis



**STATE OF MAINE
130th LEGISLATURE
FIRST REGULAR/SPECIAL SESSION**

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Rep. Colleen Madigan, Chair
Sen. Marianne Moore
Sen. David M. Miramant
Rep. Amy Roeder
Rep. Susan Barnard
Sass Linneken
Crystal Fawn Gamet
Michael Howard
Lori Moses
Tracie Bellinger**

Executive Summary

The 130th Maine Legislature established the Committee To Study the Feasibility of Creating Basic Income Security (referred to in this report as the “study committee”) with the passage of Resolve 2021, chapter 405. Pursuant to the resolve, 11 members were appointed to the study committee.

The resolve sets forth the following duties for the study committee:

- Examine and assess the feasibility, economic impact and poverty reduction effect of providing basic income security through a direct cash payment system and other programs that are designed to help individuals and families become more economically secure;
- Consider what the State can do to further the goal of helping individuals and families to become more economically secure and to move state residents towards improved economic security; and
- Make recommendations about what the Federal Government can do to help achieve this goal.

Over the course of two meetings, the study committee (of those members present) unanimously developed the following recommendations to further explore the feasibility of creating a basic income program and to address issues with current safety net programs:

1. Reestablish the Committee to Study the Feasibility of Creating Basic Income Security as an Emergency Measure for a two-year period with the same membership so that the study committee can contract for a feasibility study, analyze the results and then make draft recommendations to the Second Regular Session of the 131st Legislature. The reestablished study committee should include the ability to raise additional funds if necessary. The draft recommendations to the Second Regular Session of the 131st Legislature report shall go to the joint standing committee with jurisdiction over labor matters and the joint standing committee with jurisdiction over health and human services matters, and each joint standing committee may report out legislation to the Second Regular Session of the 131st Legislature; and
2. Create a permanent group through legislation, that includes members from agencies and municipalities who administer safety net programs, impacted individuals who access safety net programs and other stakeholders in order to examine current programs to: increase the coordination of these programs; streamline the process for applying for benefits; make eligibility requirements clear and easy to understand; and if possible, create a one-stop resource that highlights what benefits may be available and how to access them.

State of Maine - 130th Legislature

TAX EXPENDITURE REVIEW WORKING GROUP Report

December 2021

Staff:

Kari Hojara, Lucia Nixon, Ariel Ricci, Office of
Program Evaluation and Government
Accountability
Julie Jones, Office of Fiscal and Program Review

Members:

Senator Nathan Libby, Chair
Representative Maureen Terry, Chair
Senator Donna Bailey
Senator Matthew Pouliot
Senator Richard Bennett
Representative Holly Stover
Representative Theodore Kryzak
Representative Sawin Millett

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EXECUTIVE SUMMARY

The Tax Expenditure Review Working Group was established by the 130th Legislature pursuant to S.P. 578, a Joint Study Order “To Create a Working Group To Review the Process for Ongoing Review of Tax Expenditures by the Legislature.”¹ The Working Group is composed of eight members, including four members from the Government Oversight Committee (GOC) and four from the Joint Standing Committee on Taxation. The Working Group met four times during the interim between legislative sessions in 2021 and submits this report to the Second Regular Session of the 130th Legislature.

The Maine Legislature has taken a role in tax expenditure review since 1977, when legislation assigned that task to the Taxation Committee. In 1985, the statutes were amended to require Maine Revenue Services, the executive branch agency administering tax laws, to provide specific information about tax expenditures to the Taxation Committee and require the Committee to review that information. In 2015, the current process of tax expenditure review was enacted to provide for a comprehensive ongoing review of tax expenditures with roles for the Office of Program Evaluation and Government Accountability (OPEGA), the GOC and the Taxation Committee. In addition, the Department of Economic Development and Community Development (DECD) is required to oversee the evaluation of certain economic development related tax expenditures.

In its work, the Working Group identified several themes including that tax expenditure reviews continue to have value for legislative oversight and also that the process presents challenges for many of the entities involved. The challenges identified include resource demands on legislative committees, legislative staff, and affected agencies; data availability for the tax expenditures being reviewed; and unmet needs for information on tax expenditures during the legislative session. The Working Group makes the following recommendations to address these challenges.

Table 1. Recommendations	
A. Overall Coordination of Legislative Committees in Tax Expenditure Review	
A.1	Amend the composition of the GOC to improve coordination between and engagement of relevant Legislative committees in the tax expenditure review planning and process. Specifically Amend Joint Rule 371 to include among the GOC's 12 members: <ul style="list-style-type: none"> • Two members of the Taxation Committee. • One member of Joint Standing Committee on Innovation, Development, Economic Advancement and Business (IDEAB).
A.2	Authorize the Taxation Committee to meet year-round to meet its tax expenditure review responsibilities.

¹ The Joint Order created “The Working Group to Review the Process for Ongoing Review of Tax Expenditures by the Legislature.” This report refers to the working group as “The Tax Expenditure Review Working Group” for ease of reference.

Table 1. Recommendations	
B. Expedited Review Process	
B.1	Continue the 6-year cycle for expedited review conducted by the Taxation Committee using information available from Maine Revenue Services' Maine State Tax Expenditure Reports and OPEGA's annual process to update the categorization of tax expenditures.
B.2	Amend statute to repeal the requirement that OPEGA provide information to the Taxation Committee for the expedited review process under 3 MRSA §1000 sub§2.
C. Full Evaluation Process	
C.1	Prioritize business incentive tax expenditures for full review ahead of tax expenditures that are directed primarily to individual tax relief in establishing the schedule for full evaluations.
C.2	Take into consideration statutory sunset dates in prioritizing full evaluations to attempt to complete a full review in time for the Legislature to have the review available in time for its consideration of an extension of the tax expenditure beyond the sunset date.
C.3	Improve coordination and communication between the committees in the annual review of the schedule for full evaluation pursuant to statute (see also recommendations A.1-A.2).
C.4	The Director of OPEGA, in consultation with the GOC and the Taxation Committee, should review the current statutes governing full evaluations of tax expenditures and identify and recommend potential changes to the statutory framework to enhance the efficiency and effectiveness of the full evaluation process going forward, with particular attention to: evaluation parameters, and the schedule and pace of full evaluation reports.
D. Preparing Existing Expenditures for Future Evaluation	
D.1	Establish a one-time Legislative task force to meet during the 2022 interim with the primary purpose of reviewing the statutes relating to the tax expenditures categorized for full evaluation to identify whether existing statutes include elements needed for evaluation and to recommend changes.
D.2	Establish a process under which the Taxation Committee would review proposed legislation, including bills referred to other policy committees to: <ul style="list-style-type: none"> a. Identify if the proposed or amended tax expenditure is likely to receive a full evaluation and b. If so, identify whether the legislation includes elements needed for full evaluation, including policy goals, intended outcomes and provisions for data collection
E. Limited Analysis Projects	
E.1	Authorize the Taxation Committee to request two tax expenditure "limited analysis projects" per year based on existing data and information to be completed by OPEGA for the purpose of providing additional research and analytical support to the Taxation Committee in its consideration of tax expenditure legislation before the committee.
F. Enhancements to Maine State Tax Expenditure Report	
F.1	Amend the MRS tax expenditure reporting requirements to require that the biennial Maine State Tax Expenditure Report (MSTER) provide six years of forgone revenue for each tax expenditure (actual figures for the previous four years and two years of projections for the biennium in which the report is submitted).
F.2	Enhance the information provided by MRS in the MSTER to include, to the extent possible, the estimated "take-up rate" (participation rate) for tax expenditures relating to the economic security of low-income people and other economic assistance to individual taxpayers (e.g. the Property Tax Fairness Credit, the Sales Tax Fairness Credit, the Earned Income Credit, the Credit for Educational Opportunity).

Table 1. Recommendations	
G. Staff Resources	
G.1	Provide at least one additional full-time staff position to OPEGA, with the appropriate number of additional positions to be determined based on any actions taken as a result of this report.
G.2	Consider whether additional staffing is required by the Taxation Committee based on how the recommendations of the Working Group are implemented (particularly, recommendations A-2, B-2 and D-2).
H. Relationship to DECD Evaluation Responsibilities	
H.1	Refer for consideration by the IDEAB Committee the possible repeal of 5 MRSA §13070-O regarding DECD analysis of legislation containing economic development proposals.
H.2	Refer for consideration by the IDEAB Committee the possible amendment of 5 MRSA §13070-P, the independent third-party review every four years of all economic development incentives, to include an emphasis from a macro perspective of the State's economic incentives and their interactions and relationships.

I. Background

A. Creation of the Working Group

The Tax Expenditure Review Working Group (‘the Working Group’) was established by the 130th Maine Legislature pursuant to S.P. 578, a Joint Study Order “To Create a Working Group To Review the Process for Ongoing Review of Tax Expenditures by the Legislature.”² The Working Group was directed to examine and make recommendations regarding the process for the ongoing review of tax expenditures by the Legislature. In its work, the Working Group was directed to consider:

- A. The provisions of the Maine Revised Statutes under Title 3 and Title 36 governing tax expenditure reviews;*
- B. The experiences of key entities involved in tax expenditure reviews under the Maine Revised Statutes, Title 3 since 2015, including the Government Oversight Committee, the Office of Program Evaluation and Government Accountability, the Joint Standing Committee on Taxation and the Department of Administrative and Financial Services, Bureau of Revenue Services;*
- C. Tax expenditure review policies, approaches and processes in other states; and*
- D. Input from stakeholders engaged in the administration of tax expenditures, including but not limited to the Department of Administrative and Financial Services, Bureau of*

² See Appendix A for the text of the Joint Study Order establishing the Working Group. Text in italics is quoted from the Joint Study Order

Revenue Services, the Department of Economic and Community Development and other state agencies.

The Working Group was directed to: *“make recommendations, including any appropriate changes to the Maine Revised Statutes, for improvements to the tax expenditure review process to ensure it meets the needs of the Legislature for oversight, evaluation and improvement of tax expenditure policies for the State.”*

The Working Group submits this report to the Second Regular Session of the 130th Legislature pursuant to its charge.

B. Membership

The Working Group was composed of 8 members, appointed as follows:

A. Four members of the Senate appointed by the President of the Senate, including members from each of the 2 parties holding the largest number of seats in the Legislature. Of these 4 members, 2 members must be members of the Government Oversight Committee and 2 members must be members of the Joint Standing Committee on Taxation; and

B. Four members of the House of Representatives appointed by the Speaker of the House, including members from each of the 2 parties holding the largest number of seats in the Legislature. Of these 4 members, 2 members must be members of the Government Oversight Committee and 2 members must be members of the Joint Standing Committee on Taxation.

The members of the Working Group were:

- Senator Nathan Libby, Chair (Taxation & GOC)
- Representative Maureen Terry, Chair (Taxation)
- Senator Donna Bailey (GOC)
- Senator Matthew Pouliot (Taxation)
- Senator Richard Bennett (GOC)
- Representative Holly Stover (GOC)
- Representative Theodore Kryzak (Taxation)
- Representative Sawin Millett (GOC)

The Working Group received staff assistance from legislative staff in the Office of Fiscal and Program Review and the Office of Program Evaluation and Government Accountability.

II. Framework of Tax Expenditure Reviews in the Maine Legislature

A. History of Tax Expenditure Reviews

The Maine Legislature's involvement in tax expenditure review began with PL 1977, c. 490 which enacted a tax expenditure review process requiring the Joint Standing Committee on Taxation to review property tax exemptions and sales tax exemptions on a 4-year rotating cycle. In PL 1985, c. 430, income tax expenditures were added and property tax exemptions were removed. In 2002, the tax expenditure review process was changed again to require Maine Revenue Services to submit a report to the Taxation Committee during each First Regular Session of the Legislature containing information relating to each tax expenditure.³ The Taxation Committee was directed to review the MRS report during odd-numbered years and authorized to submit a report and recommended legislation to the full Legislature. During even-numbered years the committee was authorized to review current issues of tax policy. This process is still part of current law.⁴

In 2013, legislation was enacted as part of the biennial budget bill requiring the establishment of a Tax Expenditure Review Task Force to review tax expenditure review process and make recommendations for improvements to the process.⁵ In December 2013, the Tax Expenditure Review Task Force provided its final report and recommendations. The Task Force recommended that the Joint Standing Committee on Appropriations and Financial Affairs continue to work with OPEGA, the GOC and the Joint Standing Committee on Taxation on developing an ongoing process for tax expenditure evaluation and report out legislation to the 2nd Regular Session of the 126th Legislature.

To this end, in the 2nd Regular Session the 126th Maine Legislature passed Resolve 2013, c.115, which directed OPEGA to develop and submit to the Legislature a proposal for a process to provide ongoing legislative review of the State's tax expenditures. In March, 2015, OPEGA submitted to the GOC and Taxation Committee its "Proposal for Legislative Review of Maine State Tax Expenditures," which defined and described elements to be considered in implementing an ongoing legislative tax review process.

After considering that proposal, the 127th Legislature enacted PL 2015, c. 344 ('An Act to Improve Tax Expenditure Transparency and Accountability') which established a statutory framework and provisions, within the OPEGA statutes, for the ongoing review of tax expenditures. The new statute included:

- A process for the GOC, in consultation with the Taxation Committee, to assign each tax expenditure to a review category: full evaluation, expedited review, or no review and to

³ PL 2001, c. 652.

⁴ 36 MRSA c. 10.

⁵ PL 2013, c. 368, Part S.

establish a schedule of ongoing review of those assigned for full or expedited review. It also established an annual process for the GOC and the Taxation Committee to review and make any adjustments to the review category assignments and schedule.

- A process for OPEGA to conduct full evaluations of tax expenditures, with the GOC approving the purpose, intent or goals of the expenditure, the intended beneficiaries, the evaluation objectives, and appropriate performance measures (with input from the Taxation Committee and others). It also required that evaluation reports be considered by the GOC and the Taxation Committee, with the Taxation Committee submitting to the Legislature a report documenting its activities and recommendations.
- A process for the Taxation Committee to conduct expedited reviews of tax expenditures, including assessment of the tax policy and each tax expenditure, and submit a report to the Legislature. In order to support the Taxation Committee's role in conducting expedited reviews, it required OPEGA to gather and submit specified information to the Taxation Committee annually.

PL 2017, c. 266 ("An Act to Implement Recommendations of the Government Oversight Committee to Improve the Efficiency and Effectiveness of Legislative Reviews of Tax Expenditures") removed statutory deadlines to provide more flexibility in scheduling, completion and reporting on full evaluations. The reason for this change was to allow for a better fit with legislative schedules and to ensure OPEGA could complete a comprehensive and quality review of each tax expenditure within available capacity. PL 2019, c.161 ("An Act to Amend the Tax Expenditure Review Process") adjusted the dates by which the Taxation Committee is required to submit to the Legislature its reports on evaluation activities, and adjusted the date by which OPEGA is required to provide information to the Taxation Committee to support their expedited reviews of tax expenditures.

B. Government Oversight Committee and OPEGA - Current Statutory Processes

Title 3, chapter 37 of the Maine Revised Statutes (see Appendix B) governs the process for tax expenditure reviews in Maine. The GOC is charged with identifying the universe of tax expenditures in Maine and determining the level of review each should receive. The three levels of review are defined in statute to include:

- (A) Full evaluation (conducted by OPEGA) – for tax expenditures that are intended to provide an incentive for specific behaviors, that provide a benefit to a specific group or for which measurable goals can be identified.
- (B) Expedited review (conducted by the Taxation Committee, with information provided by OPEGA) – for tax expenditures that are intended to implement broad tax policy goals that cannot be reasonably measured.

(C) No review – for tax expenditures with an impact on state revenue of less than \$50,000 or that otherwise do not warrant either a full evaluation or expedited review.⁶

The GOC, in consultation with the Taxation Committee, annually considers and updates the tax expenditure universe and categorization of expenditures, and sets the review schedule.

C. State Agencies with Involvement or Coordinating Roles

Maine Revenue Services (MRS) administers through the tax filing process many of the tax expenditures that are subject to Legislative review under the OPEGA statutes. As a result, MRS is required to coordinate with OPEGA in the full evaluations of tax expenditures as both an administrator of tax expenditures and as a source of data for the evaluations. MRS also produces the Maine State Tax Expenditure Report (MSTER) on a biennial basis, combining requirements under 5 MRSA §1664 and 36 MRSA §199-B, to provide estimated loss of revenue for tax expenditures and to provide a description of the purpose and background of the tax expenditures as well as their intended beneficiaries. OPEGA relies in part upon MRS' MSTER in compiling information it is required to submit to the Taxation Committee for that Committee's completion of the expedited reviews.

The Department of Economic and Community Development is also engaged with OPEGA in the course of full evaluations of tax expenditures related to economic development. Separately, the DECD has its own responsibilities with regard to tax expenditures that are economic development incentives.⁷ First, under 5 MRSA §13070-O DECD is required to submit to the TAX committee an analysis of legislation containing economic development proposals.⁸ Second, under 5 MRSA §13070-P, DECD is required to submit to the Governor and the Legislature every four years beginning in February 2021 a report that includes a “comprehensive evaluation of state economic development investments.”⁹ DECD is required to contract with an independent third-party entity to conduct the evaluation.

⁶ Although the statute does not specify, it is assumed that the \$50,000 threshold is meant to apply to average annual impact of the tax expenditure.

⁷ “Economic development investment is defined to include “...commitments of state funds, dedicated revenue funds and tax expenditures as defined by section 1666 for research and development activities and economic development incentive programs.” 30-A MRSA §13070-J.1.D-1. (Underlining added)

⁸ “Economic development proposal is defined as:

“E. “Economic development proposal” means proposed legislation that establishes a new program or that expands an existing program that:

(1) Is intended to encourage significant business expansion or retention in the State; and

(2) Contains a tax expenditure, as defined in section 1666, or a budget expenditure with a cost that is estimated to exceed \$100,000 per year.” (Underlining added.)

⁹ The report due in February 2021 was delayed because entities responding to DECD's RFP exceed the amount available to fund the evaluation. It is understood that DECD will be resoliciting for applicants.

III. Activities of the Working Group

The Working Group met four times. It considered the history of the development and implementation of a tax expenditure review process in Maine and also received presentations and testimony from the following:

- The Pew Charitable Trusts, State Fiscal Health Project, on the experience of other states in conducting tax expenditure reviews
- The Office of Program Evaluation and Government Accountability
- The Maine Department of Economic and Community Development
- The Finance Authority of Maine, and
- The Maine Revenue Service.

The Working Group also devoted a portion of one of its meetings to receiving public comment from interested parties. Public comment was received from Maine Equal Justice, the Maine Center for Economic Policy, the Maine State Chamber of Commerce and the Maine Real Estate and Development Association.

IV. Recommendations

Regarding the overall tax expenditure evaluation process, the Working Group heard a number of recurring themes including that the tax expenditure reviews continue to have value for legislative oversight but also that there are challenges for many of the entities involved in the process. The challenges identified include resource demands on legislative committees, legislative staff, and affected agencies; data availability for the tax expenditures being reviewed; and unmet needs for information on tax expenditures during the legislative session. The Working Group makes the following recommendations to address these challenges.

A. Overall Coordination of Legislative Committees in Tax Expenditure Review

During the course of its deliberations the Working Group concluded that the overall process of tax expenditure review would be enhanced by improving coordination between and engagement of the major joint standing committees with an interest in and responsibilities for tax expenditure reviews and process. The Working Group makes the following recommendations:

A.1 Amend the composition of the GOC to improve coordination between and engagement of relevant Legislative committees in the tax expenditure review planning and process. Specifically Amend Joint Rule 371 to include among the GOC's 12 members:

- Two Taxation Committee members,
 - This will better incorporate the Taxation Committee in planning, monitoring and reviewing tax expenditure evaluations throughout the process.
 - The two members would include one from the majority party and one from the party having the second highest number of members.

- One member of Joint Standing Committee on Innovation, Development, Economic Advancement and Business (IDEAB).
 - This will better incorporate the IDEAB perspective in the review of the many tax expenditures relating to economic development matters.

A.2 Authorize the Taxation Committee to meet year-round to meet its tax expenditure review responsibilities.

- This will allow the Taxation committee to complete tax expenditure work during interim periods when the committee is not fully engaged in completing substantial session-related responsibilities.

B. Expedited Review Process

For the expedited reviews of tax expenditures conducted by the Taxation Committee, the original categorization of expenditures in this category was completed in 2016 and provided for a 6-year cycle to complete the expedited reviews. Under the expedited review process, OPEGA prepares information to support the expedited reviews which are conducted by the Taxation Committee; OPEGA does not perform an evaluation function. After conducting the expedited reviews using the information provided by OPEGA, the Taxation Committee is required to submit a report of its findings to the Legislature.

With its December 2021 submission to Taxation, OPEGA will have provided information for the sixth and final set of expenditures in the expedited review category including information about the tax policy justification for each expenditure; legislative history, intended beneficiaries and estimated fiscal impact. Given the material compiled in the first 6-year cycle and the information available in the biennial Maine Revenue Services' Maine State Tax Expenditure Reports (MSTER), the Working Group concludes that most of the necessary information needed for expedited reviews in the future is available or can be obtained from future editions of the MSTER.

The Working Group suggests the expedited review process continue with the following changes.

B.1 Continue the 6-year cycle for expedited review conducted by the Taxation Committee using information available from Maine Revenue Services' Maine State Tax Expenditure Reports (MSTER) and OPEGA's annual process to update the categorization of tax expenditures.

- The Working Group noted that the Taxation Committee is tasked with receiving and considering the MSTER on a biennial basis. Together with OPEGA's annual update to the categorization of tax expenditures, which also identifies new tax expenditures for review, the Taxation Committee should have the information needed to continue the expedited review process on a biennial basis, make a report to the Legislature, and introduce any needed legislation identified as a result of the review.

B.2 Amend statute to repeal the requirement that OPEGA provide information to the Taxation Committee for the expedited review process under 3 MRSA §1000 sub§2.

- The Working Group noted that OPEGA's continued provision of information to the Taxation Committee to facilitate expedited reviews would be largely duplicative given information provided in previous OPEGA reports or contained in Maine Revenue Services' biennial MSTER.

C. Full Evaluation Process

At the outset of each full evaluation, OPEGA provides information to the GOC which, in consultation with the Taxation Committee, identifies the purposes, intent and goals of each full review tax expenditure, the intended beneficiaries of the expenditure and evaluation objectives. OPEGA then completes the evaluation project and submits and presents a final evaluation report to the GOC. After taking public comments and reviewing the report in work session, the GOC votes on endorsement of the report. The report is then submitted to the Taxation Committee which reviews the report and submits a report of its findings to the Legislature. The Taxation Committee is authorized to submit legislation to implement its recommendations.

When tax expenditure review legislation was enacted, the full evaluations were scheduled to be completed on a 6-year cycle, as established for expedited reviews. Soon after the full evaluations began it became clear that that schedule was unrealistic given the scope of the work and available resources. The Legislature considered options and ultimately removed the timetable for review of full evaluations. Instead, current law requires that the GOC and Taxation Committee establish a prioritized schedule of full evaluations (3 MRSA §998(2)).

There are currently 32 tax expenditures on the list of tax expenditures categorized for full review. To date, OPEGA has completed full evaluations of seven tax expenditures in this category. The GOC has reviewed and endorsed the reports on these evaluations and submitted them to the

Taxation Committee for its review and subsequent reporting to the Legislature.¹⁰ The Taxation Committee has reviewed and submitted its report to the Legislature for three of these evaluations (New Markets Tax Credit, the Pine Tree Development Zone Program, Employment Tax Increment Financing Program) and has four evaluations pending review (Business Equipment Tax Exemption (BETE)/ Business Equipment Tax Reimbursement (BETR) Programs, Maine Capital Investment Credit, Seed Capital Tax Credit).

The Working Group makes the following recommendations regarding full evaluations:

- C.1 Prioritize business incentive tax expenditures for full review ahead of tax expenditures that are directed primarily to individual tax relief in establishing the schedule for full evaluations.
- C.2 Take into consideration statutory sunset dates in prioritizing full evaluations to attempt to complete a full review in time for the Legislature to have the review available in time for its consideration of an extension of the tax expenditure beyond the sunset date.
- C.3 Improve coordination and communication between the committees in the annual review of the schedule for full evaluation pursuant to statute (see also recommendations A.1-A.2)
- C.4 The Director of OPEGA, in consultation with the GOC and the Taxation Committee, should review the current statutes governing full evaluations of tax expenditures and identify and recommend potential changes to the statutory framework to enhance the efficiency and effectiveness of the full evaluation process going forward, with particular attention to: evaluation parameters, and the schedule and pace of full evaluation reports.

D. Preparing Existing Expenditures for Future Evaluation

There are 23 tax expenditures currently awaiting a full evaluation by OPEGA (two full evaluations are currently in progress). In order for future evaluations to be undertaken with efficiency, the Working Group recommends that work be done to make sure those expenditures waiting for future evaluations are set up to be evaluated.

The Working Group also recognizes that new tax expenditures are likely to be enacted and existing expenditures amended by the Legislature and that there should be a process to ensure new or amended expenditures are set up to facilitate evaluation and legislative oversight.

The Working Group makes the following recommendations regarding preparing existing expenditures for future evaluation:

¹⁰ One report included 2 tax expenditures, BETR/BETE.

- D.1 Establish a one-time Legislative task force to meet during the 2022 interim with the primary purpose of reviewing the statutes relating to the tax expenditures categorized for full evaluation to identify whether existing statutes include elements needed for evaluation and recommend changes.

The task force should identify those statutes governing the tax expenditures that do not have language needed for evaluation, including stated legislative purposes, intent or goals, intended outcomes and provisions for data collection and recommend suggested legislation to ensure the information is available going forward. The task force would also examine and make recommendations on data-related evaluation issues including: best practices in other states regarding data sharing processes between evaluation offices and relevant state agencies and develop proposals for improvements; and standardized processes and formats for collecting and reporting data related to tax expenditures and recipients by relevant state agencies.

The task force would include members of the GOC, the Taxation Committee and the IDEAB Committee. Staffing would be provided by the Legislative Council.

- D.2 Establish a process under which the Taxation Committee would review proposed legislation, including bills referred to other policy committees to:
- a. Identify if the proposed or amended tax expenditure is likely to receive a full evaluation, and
 - b. If so, identify whether the legislation includes elements needed for full evaluation, including policy goals, intended outcomes and provisions for data collection.

The goal of this process would be to ensure that new or amended tax expenditure legislation includes provisions to facilitate evaluation of the tax expenditure. This process should be based on processes currently in place in either statute for public records exceptions or by Joint Rule for legislation relating to funding under the Fund for a Healthy Maine, judicial proceedings priorities and criminal penalties.¹¹ The Taxation Committee would be authorized to consult with OPEGA as needed.

E. Limited Analysis Projects

A review of the current tax expenditure review process has identified a need by the Taxation Committee for information as it reviews legislation amending existing tax expenditures, which must be considered during a legislative session when those tax expenditures have not yet been evaluated or are in the early stages of evaluation. It has been a challenge for the Taxation Committee to obtain relevant information and analysis in a timeframe responsive to legislative

¹¹ Public records exceptions, 1 MRSA §434; Fund for a Healthy Maine funding, Joint Rule 317; judicial proceedings priorities, Joint Rule 318; Criminal penalties, Joint Rule 319.

needs during sessions and outside of the regular tax expenditure review process. To address that challenge, the Working Group makes the following recommendation:

- E.1 Authorize the Taxation Committee to request two tax expenditure “limited analysis projects” per year based on existing data and information to be completed by OPEGA for the purpose of providing additional research and analytical support to the Taxation Committee in its consideration of tax expenditure legislation before the committee.

OPEGA’s completion of the limited analysis projects would be subject to GOC approval. A limited analysis project would be completed within 30 days of approval.

F. Enhancements to Maine State Tax Expenditure Review to Facilitate Evaluation

Maine Revenue Services is currently required to submit a report regarding tax expenditures (MSTER) to the Taxation Committee biennially.¹² To facilitate the review of tax expenditures by the Legislature, the Working Group recommends the following changes to that report:

- F.1 Amend the MRS tax expenditure reporting requirements to require that the biennial Maine State Tax Expenditure Report (MSTER) provide six years of forgone revenue for each tax expenditure (actual figures for the previous four years and two years of projections for the biennium in which the report is submitted).

The MSTER biennial report currently required by statute is intended to provide basic information to the Taxation Committee including a summary of each tax expenditure, a description of the purpose, background and groups likely to benefit, an estimate of the cost, issues that need consideration by the Legislature any recommendation to amend, repeal or replace the tax expenditure.¹³ MRS tax expenditure information is also required to be submitted by the Governor to the Legislature as part of the biennial budget submission.¹⁴

- F.2 Enhance the information provided by Maine Revenue Services in the MSTER to include, to the extent possible, the estimated “take-up rate” (participation rate) for tax expenditures relating to the economic security of low-income people and other economic assistance to individual taxpayers (e.g. the Property Tax Fairness Credit, the Sales Tax Fairness Credit, the Earned Income Credit, the Credit for Educational Opportunity).

The Working Group notes that public testimony indicated concerns that the availability of the tax credits described above may not be well understood among eligible populations. The Working Group believes that it is important to have reliable data with regard to participation in these tax credits intended in order to address these concerns.

¹² 36 MRSA §199-B. This report is sometimes referred to as the “red book.”

¹³ 36 MRSA §199-B

¹⁴ 5 MRSA §1666.

G. Staff Resources

The recommendations of the Working Group could expand significantly the amount of tax expenditure work required of OPEGA staff. For example, OPEGA's role could expand to include completing two "limited analysis projects" annually to the Taxation Committee during Legislative sessions, providing staff support for the review of existing and newly proposed tax expenditure statutes to align them with evaluation needs, and other needs emerging from the recommendations of this group.

The Working Group makes the following recommendations regarding staff resources:

- G.1 Provide at least one additional full-time staff position to OPEGA, with the appropriate number of additional positions to be determined based on any actions taken as a result of this report.

The GOC should be authorized to submit legislation to provide for additional staff resources. The OPEGA Director should identify to the GOC the additional staff resources needed.

- G.2 Consider whether additional staffing is required by the Taxation Committee based on how recommendations of the Working Group are implemented, particularly recommendations A-2, B-2 and D-2.

The Taxation Committee is currently staffed by one committee analyst in OFPR. It is also supported by one fiscal analyst who is responsible for preparing fiscal analysis for most taxation legislation as well as fiscal analysis for several other policy areas.

H. Relationship to DECD Evaluation Responsibilities

The Department of Economic and Community Development has evaluation responsibility with regard to tax expenditures that are economic development investments outside of the legislative tax expenditure evaluation process. Under 5 MRSA c. 383, subchapter 2, Article 6 DECD is assigned two responsibilities with regard to tax expenditures related to economic development.

- Under 5 MRSA §13070-O DECD is required to review each "economic development proposal" and report to the Taxation Committee the extent to which the proposal: meets statutorily specified requirements regarding the objective of the proposal; provides a method for measuring the success of eligible businesses in meeting those goals; and includes a 10-year projected estimate of the cost to the State of the proposal and penalties for businesses that do not meet the statutory goals. This language was originally enacted in 2000; however, it appears that potential ambiguities in the statute have resulted in no reports having been submitted by DECD under this section.

- Under 5 MRSA §13070-P, DECD is required to submit to the Governor and the Legislature every four years, beginning in February 2021, a report that includes a “comprehensive evaluation of state economic development investments.¹⁵ DECD is required to contract with an independent third-party entity to conduct the evaluation.

The Working Group makes the following suggestions for consideration by the IDEAB committee as the policy committee with Legislative oversight of DECD:

- H.1 Refer for consideration by the IDEAB Committee the possible repeal of 5 MRSA §13070-O regarding DECD analysis of legislation containing economic development proposals.

The Working Group believes that the purposes of 5 MRSA §13070-O would be better met through the recommendations of this group (outlined under recommendation D.2) to set up a legislative process to ensure that legislation to establish or amend a tax expenditure contains provisions to facilitate the subsequent review of those tax expenditures.

- H.2 Refer for consideration by the IDEAB Committee the possible amendment of 5 MRSA §13070-P, the independent third-party review every four years of all economic development incentives, to include an emphasis from a macro perspective of the State’s economic incentives and their interactions and relationships.

While OPEGA’s reviews offer an independent evaluation of individual tax expenditures, they are not designed to provide a comprehensive picture of how tax expenditures interact and work together in the State. The Working Group suggests that the process under 5 MRSA §13070-P could be amended to emphasize that perspective, but understands that this report is under the jurisdiction of the IDEAB report and provides a different type of evaluation from the GOC/TAX review.

¹⁵ The report due in February 2021 was delayed because entities responding to DECD’s RFP exceeded the amount available to fund the evaluation. It is understood that DECD will be resoliciting for applicants.

Appendix A

Joint Study Order, To Create a Working Group To Review the Process for Ongoing Review of Tax Expenditures by the Legislature

STATE OF MAINE

In Senate _____

ORDERED, the House concurring, that the Working Group To Review the Process for Ongoing Review of Tax Expenditures by the Legislature is established as follows.

1. Working Group To Review the Process for Ongoing Review of Tax Expenditures by the Legislature established. The Working Group To Review the Process for Ongoing Review of Tax Expenditures by the Legislature, referred to in this order as "the working group," is established.

2. Membership. The working group consists of 8 members appointed as follows:

A. Four members of the Senate appointed by the President of the Senate, including members from each of the 2 parties holding the largest number of seats in the Legislature. Of these 4 members, 2 members must be members of the Government Oversight Committee and 2 members must be members of the Joint Standing Committee on Taxation; and

B. Four members of the House of Representatives appointed by the Speaker of the House, including members from each of the 2 parties holding the largest number of seats in the Legislature. Of these 4 members, 2 members must be members of the Government Oversight Committee and 2 members must be members of the Joint Standing Committee on Taxation.

3. Working group chairs. The first-named Senator is the Senate chair of the working group and the first-named member of the House is the House chair of the working group.

4. Appointments; convening of working group. All appointments must be made no later than 30 days following passage of this order. The appointing authorities shall notify the Executive Director of the Legislative Council once all appointments have been made. When the appointment of all members has been completed, the chairs of the working group shall call and convene the first meeting of the working group. If 30 days or more after the passage of this order a majority of but not all appointments have been made, the chairs may request authority and the Legislative Council may grant authority for the working group to meet and conduct its business.

5. Duties. The working group shall examine and make recommendations regarding the process for the ongoing review of tax expenditures by the Legislature. In its work, the working group shall consider:

A. The provisions of the Maine Revised Statutes under Title 3 and Title 36 governing tax expenditure reviews;

B. The experiences of key entities involved in tax expenditure reviews under the Maine Revised Statutes, Title 3 since 2015, including the Government Oversight Committee, the Office of Program Evaluation and Government Accountability, the Joint Standing Committee on Taxation and the Department of Administrative and Financial Services, Bureau of Revenue Services;

C. Tax expenditure review policies, approaches and processes in other states; and

D. Input from stakeholders engaged in the administration of tax expenditures, including but not limited to the Department of Administrative and Financial Services, Bureau of Revenue Services, the Department of Economic and Community Development and other state agencies.

The working group shall make recommendations, including any appropriate changes to the Maine Revised Statutes, for improvements to the tax expenditure review process to ensure it meets the needs of the Legislature for oversight, evaluation and improvement of tax expenditure policies for the State.

6. Staff assistance. The Legislative Council shall provide necessary staffing services to the working group, except that the Legislative Council staff support is not authorized when the Legislature is in regular or special session.

7. Report. No later than December 1, 2021, the working group shall submit a report that includes its findings and recommendations, including suggested legislation, to the Second Regular Session of the 130th Legislature.

SPONSORED BY: _____

(Senator LIBBY, N.)

COUNTY: Androscoggin

Appendix B

3 MRSA §998- §1001

§998. Process for review of tax expenditures

1. Assignment of review categories. By October 1, 2015, the committee, in consultation with the policy committee, shall assign each tax expenditure to one of the following review categories:

- A. Full evaluation for tax expenditures that are intended to provide an incentive for specific behaviors, that provide a benefit to a specific group of beneficiaries or for which measurable goals can be identified;
- B. Expedited review for tax expenditures that are intended to implement broad tax policy goals that cannot be reasonably measured; and
- C. No review for tax expenditures with an impact on state revenue of less than \$50,000 or that otherwise do not warrant either a full evaluation or expedited review.

2. Schedule. The committee, in consultation with the policy committee, shall establish a prioritized schedule of ongoing review of the tax expenditures assigned to the full evaluation and expedited review categories pursuant to subsection 1, paragraphs A and B. To the extent practicable, the committee shall group the review of tax expenditures with similar goals together.

3. Annual review of assignments and schedule. By October 1st of each year, beginning in 2016, the committee, in consultation with the policy committee, shall review and make any necessary adjustments to the review category assignments and schedule pursuant to subsections 1 and 2, including adjustments needed to incorporate tax expenditures enacted, amended or repealed during the preceding year.

4. Office responsibilities. The office shall maintain a current record of the review category assignments and the schedule under this section.

SECTION HISTORY: PL 2015, c. 344, §4 (NEW). PL 2017, c. 266, §1 (AMD).

§999. Full evaluation of tax expenditures

1. Evaluation process. Beginning January 1, 2016, the office shall evaluate each tax expenditure identified under section 998, subsection 1, paragraph A in accordance with the schedule established in section 998, subsection 2.

A. Prior to the beginning of each evaluation, the committee, after consideration of recommendations from the office, shall approve the following for each tax expenditure subject to full evaluation:

- (1) The purposes, intent or goals of the tax expenditure, as informed by original legislative intent as well as subsequent legislative and policy developments and changes in the state economy and fiscal condition;
- (2) The intended beneficiaries of the tax expenditure;
- (3) The evaluation objectives, which may include an assessment of:
 - (a) The fiscal impact of the tax expenditure, including past and estimated future impacts;

- (b) The extent to which the design of the tax expenditure is effective in accomplishing the tax expenditure's purposes, intent or goals and consistent with best practices;
 - (c) The extent to which the tax expenditure is achieving its purposes, intent or goals, taking into consideration the economic context, market conditions and indirect benefits;
 - (d) The extent to which those actually benefiting from the tax expenditure are the intended beneficiaries;
 - (e) The extent to which it is likely that the desired behavior might have occurred without the tax expenditure, taking into consideration similar tax expenditures offered by other states;
 - (f) The extent to which the State's administration of the tax expenditure, including enforcement efforts, is efficient and effective;
 - (g) The extent to which there are other state or federal tax expenditures, direct expenditures or other programs that have similar purposes, intent or goals as the tax expenditure, and the extent to which such similar initiatives are coordinated, complementary or duplicative;
 - (h) The extent to which the tax expenditure is a cost-effective use of resources compared to other options for using the same resources or addressing the same purposes, intent or goals; and
 - (i) Any opportunities to improve the effectiveness of the tax expenditure in meeting its purposes, intent or goals; and
- (4) The performance measures appropriate for analyzing the evaluation objectives. Performance measures must be clear and relevant to the specific tax expenditure and the approved evaluation objectives.

B. Before final approval pursuant to paragraph A, the committee shall seek and consider input from the policy committee and stakeholders and may seek input from experts.

2. Action by office; report. The office shall submit a report on the results of each evaluation to the committee and the policy committee. The office shall seek stakeholder input as part of the report. For each tax expenditure evaluated, the report must include conclusions regarding the extent to which the tax expenditure is meeting its purposes, intent or goals and may include recommendations for continuation or repeal of the tax expenditure or modification of the tax expenditure to improve its performance.

3. Action by committee. The committee shall review the report submitted by the office under subsection 2, assess the report's objectivity and credibility and vote whether to endorse the report. The committee shall submit a record of the vote on any reports submitted by the office and any comments of or actions recommended by the committee to the policy committee for its review and consideration.

4. Action by policy committee. The policy committee shall review the results of the tax expenditure evaluations and of the committee's review based on materials submitted under subsections 2 and 3. The policy committee shall submit to the Legislature by the later of 90 days after receipt of materials submitted under subsections 2 and 3 and the adjournment sine die of the regular session during which the materials were received, if applicable, a report documenting its activities under this chapter and any recommendations resulting from its review of the materials submitted under subsections 2 and 3.

The policy committee may submit a bill to the Legislature to implement the policy committee's recommendations.

SECTION HISTORY: PL 2015, c. 344, §4 (NEW). PL 2017, c. 266, §§2, 3 (AMD). PL 2019, c. 161, §1 (AMD).

§1000. Expedited review of tax expenditures

1. Expedited review process. Beginning July 1, 2016, the policy committee shall conduct expedited reviews of tax expenditures and the associated tax policies identified under section 998, subsection 1, paragraph B, in accordance with the schedule established in section 998, subsection 2.

A. For each tax policy subject to review, the policy committee shall assess the continued relevance of, or need for adjustments to, the policy, considering:

- (1) The reasons the tax policy was adopted;
- (2) The extent to which the reasons for the adoption still remain or whether the tax policy should be reconsidered;
- (3) The extent to which the tax policy is consistent or inconsistent with other state goals; and
- (4) The fiscal impact of the tax policy, including past and estimated future impacts.

B. For each tax expenditure related to the tax policy under review, the policy committee shall assess the continued relevance of, or need for adjustments to, the expenditure, considering:

- (1) The fiscal impact of the tax expenditure, including past and estimated future impacts;
- (2) The administrative costs and burdens associated with the tax expenditure;
- (3) The extent to which the tax expenditure is consistent with the broad tax policy and with the other tax expenditures established in connection with the policy;
- (4) The extent to which the design of the tax expenditure is effective in accomplishing its tax policy purpose;
- (5) The extent to which there are adequate mechanisms, including enforcement efforts, to ensure that only intended beneficiaries are receiving benefits and that beneficiaries are compliant with any requirements;
- (6) The extent to which the reasons for establishing the tax expenditure remain or whether the need for it should be reconsidered; and
- (7) Any other reasons to discontinue or amend the tax expenditure.

2. Action by the office. By July 1st in 2016 to 2018 and by December 15th of each year beginning in 2019 the office shall collect, prepare and submit to the policy committee the following information to support the expedited reviews under subsection 1:

A. A description of the tax policy under review;

B. Summary information on each tax expenditure associated with the tax policy under review, including:

- (1) A description of the tax expenditure and the mechanism through which the tax benefit is distributed;
- (2) The intended beneficiaries of the tax expenditure; and
- (3) A legislative history of the tax expenditure; and

C. The fiscal impact of the tax policy and each related tax expenditure, including past and estimated future impacts.

3. Report by policy committee; legislation. By March 1st of each year, beginning in 2020, the policy committee shall submit to the Legislature a report on the results of the expedited reviews conducted pursuant to subsection 1 that year. The policy committee may submit a bill related to the report to the Legislature to implement the policy committee's recommendations.

SECTION HISTORY: PL 2015, c. 344, §4 (NEW). PL 2019, c. 161, §2 (AMD).

§1001. Tax expenditure evaluation process details

1. Information requests; confidentiality; reporting. The following provisions apply to the performance of duties under sections 999 and 1000. These powers are in addition to the powers granted to the office and committee under this chapter.

A. The office may request confidential information from the Department of Administrative and Financial Services, Maine Revenue Services or other state agencies as necessary to address the evaluation objectives and performance measures approved under section 999, subsection 1. The office shall request any confidential information in accordance with section 997, subsection 4. The office shall request that confidential tax information, other than beneficiary contact information, be made accessible to the office as de-identified tax data. If Maine Revenue Services is unable to provide such data, the office and representatives of Maine Revenue Services shall determine appropriate methods for the office to access the requested information.

B. Upon request of the office and in accordance with section 997, subsection 4, the Department of Administrative and Financial Services, Maine Revenue Services or other state agencies shall provide confidential information to the office. The office shall maintain the confidentiality of the information provided, in accordance with section 997, subsections 3 and 4. This paragraph does not apply to federal tax information that is confidential under Title 36, section 191, subsection 3.

C. The office, the committee or the policy committee may consult with governmental agencies, other entities and experts, including members of the Consensus Economic Forecasting Commission under Title 5, section 1710.

D. The office may contract with other entities for the purpose of obtaining assistance in the review of tax expenditures. The office shall require a nondisclosure agreement as part of any contract entered into pursuant to this paragraph. The office may not disclose confidential taxpayer information to a contractor, except for:

- (1) Contact information for specific beneficiaries of tax expenditures for the purpose of conducting interviews, surveys or other data collection; and
- (2) Statistics classified so as to prevent the identification of specific taxpayers or the reports, returns or items of specific taxpayers.

The contractor shall retain physical control of any information obtained pursuant to this paragraph until the conclusion of the review for which the information was provided, after which the information must be immediately destroyed.

E. The office may report confidential information obtained under this section to Legislators, legislative committees, state agencies and the public only in the form of statistics classified so as to prevent the identification of specific taxpayers or the reports, returns or items of specific taxpayers.

F. Prior to the submission of a tax expenditure evaluation report under section 999, subsection 2, the office shall provide the State Tax Assessor an opportunity to review a draft of the report in

accordance with the provisions of section 997, subsection 1. The State Tax Assessor may advise the office on compliance with paragraph E.

G. For purposes of this section, the following terms have the following meanings:

(1) "Beneficiary contact information" means the following information listed on a tax return or included in a tax return: the name, address, zip code, e-mail address and telephone number of the taxpayer, and of any related entity, officers, attorneys, personal representatives and other agents, tax preparers and shareholders of, partners of or members of the taxpayer or of a listed related entity.

(2) "De-identified tax data" means tax returns and other confidential tax information that are redacted or otherwise modified or restricted by Maine Revenue Services so as to exclude the following:

- (a) Beneficiary contact information;
- (b) Identification numbers including federal or state employer identification numbers, social security numbers and registration numbers; and
- (c) Other information from which the State Tax Assessor determines that the identity of the taxpayer could reasonably be inferred.

2. Legislation. The committee may submit to the Legislature any legislation it considers necessary to improve the process or availability of data for the review of tax expenditures.

SECTION HISTORY: PL 2015, c. 344, §4 (NEW).

36 MRSA §199

§199-A. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

- 1. Committee.** "Committee" means the joint standing committee of the Legislature having jurisdiction over taxation matters.
- 2. Tax expenditure.** "Tax expenditure" means any provision of state law that results in the reduction of tax revenue due to special exclusions, exemptions, deductions, credits, preferential rates or deferral of tax liability.

SECTION HISTORY: PL 2001, c. 652, §7 (NEW).

§199-B. Report

1. Report. The bureau shall submit a report regarding tax expenditures to the committee by February 15th of each odd-numbered year. The report must contain:

- A. A summary of each tax expenditure in the laws administered by the bureau;
- B. A description of the purpose and background of the tax expenditure and the groups likely to benefit from the tax expenditure;
- C. An estimate of the cost of the tax expenditure for the current biennium;
- D. Any issues regarding tax expenditures that need to be considered by the Legislature;
- E. Any recommendation regarding the amendment, repeal or replacement of the tax expenditure; and
- F. The total amount of reimbursement paid to each person claiming a reimbursement for taxes paid on certain business property under chapter 915.

SECTION HISTORY: PL 2001, c. 652, §7 (NEW). PL 2017, c. 211, Pt. E, §4 (AMD).

§199-C. Review

The committee shall conduct the following reviews according to the following schedule.

- 1. Odd-numbered years.** During each odd-numbered year the committee may review the report required under section 199-B.
- 2. Even-numbered years.** During each even-numbered year the committee may review current issues of tax policy.
 - A. During each second regular session, the committee shall identify areas of tax policy for review during the period between the end of the second regular session and the first regular session of the next Legislature.
 - B. The committee may review:
 - (1) Issues of tax policy related to tax expenditures identified in its review under subsection 1;
 - (2) Issues related to the overall structure of the State's tax laws and the relative tax burdens on various classes of taxpayers;

- (3) The impact of the State's tax structure on taxpayer behavior, including incentives and disincentives to reside or locate businesses in the State;
- (4) Issues identified by the committee that require more detailed review than is possible during a regular session of the Legislature; or
- (5) Any other tax policy issue identified by the committee as needing legislative review.

3. Specific tax expenditure review. By June 1, 2021, the committee shall review the income tax credit under section 5217-D to determine whether the credit should be retained, repealed or modified. The committee shall consider information provided by the Office of Tax Policy within the bureau and the Department of Education pursuant to Title 20-A, section 12545.

4. Review of aviation tax expenditure. The committee, by June 30, 2023, shall review the sales tax exemption under section 1760, subsection 88-A to determine whether the exemption provides an incentive for increasing investment in the aviation sector, attracting and retaining aviation business and basing aircraft in the State.

SECTION HISTORY: PL 2001, c. 652, §7 (NEW). PL 2011, c. 665, §6 (AMD). PL 2013, c. 368, Pt. VVVV, §1 (AMD). PL 2013, c. 379, §1 (AMD). PL 2015, c. 328, §2 (AMD).

§199-D. Report

The committee shall notify the Legislature of the results of each review conducted under section 199-C and may issue a report of its findings and recommendations. The committee may report to the Legislature any legislation necessary to implement recommendations resulting from the review conducted under section 199-C.

SECTION HISTORY: PL 2001, c. 652, §7 (NEW).

§199-E. Elimination of certain tax expenditures

No later than 45 days after the effective date of this section the committee shall report out to the Legislature legislation to permanently eliminate corporate tax expenditures totaling \$6,000,000 per biennium, prioritizing for elimination low-performing, unaccountable tax expenditures with little or no demonstrated economic development benefit as determined by the Office of Program Evaluation and Government Accountability established in Title 3, section 991.

SECTION HISTORY: IB 2015, c. 1, §28 (NEW).

5 MRSA §13070-O

§13070-O. Evaluation of economic development proposals

1. Criteria. An economic development proposal must:

- A. Have a program name that accurately describes the nature of the program;
- B. Have specific stated objectives, such as the number of jobs to be created or retained, the wage levels and benefits associated with those jobs or a project with significant value to the State or a community within the State;
- C. Specify a method to measure whether the objectives of the program have been met;
- D. Require that a business that receives benefits under the program report on the use of the benefits received;
- E. Require that the appropriate joint standing committee of the Legislature review the program at specific and regular intervals;
- F. Provide incentives for a business to meet objectives of the program and, when incentives are provided in anticipation of contractual performance, penalties for a business that does not meet the objectives of the program;
- G. Provide a cost analysis of the program based on at least a 10-year period;
- H. Have a clearly defined public purpose;
- I. In addition to standard data, report performance data specific to its goals and objectives annually to the entity that is assigned to coordinate the State's portfolio of economic development programs; and
- J. Require that a business that receives benefits under the program have a business statement that includes the requirements of section 13070-J, subsection 2-A.

SECTION HISTORY: PL 1999, c. 768, §5 (NEW). PL 2007, c. 434, §§4-8(AMD). PL 2017, c. 264, §12 (AMD).

5 MRSA §13070-P

§13070-P. Comprehensive evaluation of state investments in economic development

1. Conduct evaluation. By February 1, 2021, and every 4 years thereafter, the commissioner shall submit a comprehensive evaluation of state economic development investments, referred to in this section as "the evaluation," not to include programs subjected to independent evaluations required by federal programs, to the Governor and the Legislature.

- A. The scope of the evaluation must include research and development activities and economic development incentives in this State.
- B. The evaluation must be performed by independent, objective reviewers.
- C. The evaluation objectives include, but are not limited to, an assessment of:
 - (1) The extent to which the State's portfolio of economic development investments, particularly in terms of level and types of investments, aligns with and supports the state strategic economic improvement plan;
 - (2) The extent to which individual activities and programs, or groups of activities and programs, within the State's portfolio are contributing to the achievement of particular goals, measurable objectives and performance targets associated with the state strategic economic improvement plan;
 - (3) How the State's portfolio of economic development investments, particularly in terms of level and types of investments, compares to investments in other states;
 - (4) The effect of the State's economic development investments in improving the competitiveness of the State's established and emerging technology and industry sectors in regional, national and global arenas; and
 - (5) The extent to which the overall framework for the State's economic development investments provides for sufficient transparency and accountability, effective and efficient coordination among the State's activities and programs and easy access for interested businesses and other entities.
- D. The evaluation must include recommendations to the department, the Governor and the Legislature on any identified:
 - (1) Opportunities to modify the current portfolio of state economic development investments, particularly with regard to level of investment or types of activities and programs, in order to better align resources with the state strategic economic improvement plan and more cost-effectively support achievement of goals, objectives and performance targets associated with the plan;
 - (2) Opportunities to shift investments from economic development activities and programs to other state efforts in order to better align resources with the state strategic economic improvement plan and more cost-effectively support achievement of goals, objectives and performance targets associated with the plan;
 - (3) Opportunities to improve transparency and accountability for state economic development investments, coordination among economic activities and programs in the portfolio or accessibility of business and other entities to those activities and programs; and
 - (4) Areas for improvement.

E. In planning and conducting the evaluation, the department and independent reviewers may consider pertinent information available from the Maine Economic Growth Council, as established in Title 10, section 929-A, and from reviews conducted by the Office of Program Evaluation and Government Accountability, as established in Title 3, section 991. The independent reviewers may consult with the Office of Program Evaluation and Government Accountability on accessing data, confidential or otherwise, necessary for the evaluation.

2. Action on evaluation recommendations. By February 1, 2021 and every 4 years thereafter, the commissioner shall present the evaluation and results from the most recent evaluation required under this section to the joint standing committee of the Legislature having jurisdiction over labor, commerce, research and economic development matters. The commissioner shall report to the Governor and the committee on actions planned by the department and other entities administering the programs to address the recommendations made. The committee shall also consider the independent reviewers' recommendations and may submit a bill to the Legislature to implement recommendations.

By February 1, 2023 and by February 1st every 4 years thereafter, the commissioner shall submit to the Governor and the joint standing committee of the Legislature having jurisdiction over labor, commerce, research and economic development matters a progress report related to the evaluation required under this section that describes the implementation status of the planned actions to address the recommendations from the prior evaluation.

SECTION HISTORY: PL 2017, c. 264, §13 (NEW).



State of Maine
130th Legislature, First Regular/Special Session

Commission To Create a Plan To Incorporate the Probate Courts into the Judicial Branch

December 2021

**Partial report. To view the entire report go to
<https://legislature.maine.gov/opla/completed-study-reports/9289>**

Office of Policy and Legal Analysis



**STATE OF MAINE
130th LEGISLATURE
FIRST REGULAR/SPECIAL SESSION**

**Commission To Create a Plan To Incorporate the
Probate Courts into the Judicial Branch**

December 2021

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Executive Summary

Maine's Probate Courts occupy a unique position in Maine's justice system. Unlike the District and Superior Courts, the Probate Courts are not considered part of the state Judicial Branch. Instead, the 16 county Probate Courts spread across the State operate largely independently from the Judicial Branch and from one another, although the Probate Courts are governed by a single set of probate laws, procedural rules and court forms. Probate Judges also stand apart because, pursuant to Article VI, Section 6 of the Constitution of Maine, they are elected rather than appointed. Furthermore, because probate judgeships are generally considered to be part-time in nature and their pay is often structured accordingly, Probate Judges are authorized to and often do engage in the practice of law.

More than 50 years ago, in 1967, over two-thirds of the Legislature voted in favor of an amendment to the Constitution of Maine repealing Article VI, Section 6, which would "become effective at such time as the Legislature by proper enactment shall establish a different Probate Court system with full-time judges." The people of Maine voted to approve the constitutional amendment later that same year. Nevertheless, despite numerous studies and commissions addressing probate court reform in the intervening decades, which have consistently recommended the creation of full-time probate judgeships, legislation establishing a probate court system with full-time judges has never been enacted. As a result of this inaction, the repeal of Article VI, Section 6 of the Constitution of Maine has not yet been implemented, resulting in the highly unusual situation in which a contingent amendment to Maine's constitution has sat, untriggered, for 54 years.

This past spring, more than half a century after the constitutional referendum, the 130th Legislature established the Commission To Create a Plan To Incorporate The Probate Courts into the Judicial Branch through Resolve 2021, chapter 104 "to honor the intent of a long-standing vote of Maine people and ensure that Maine people currently have the same access to justice in all Maine courts." The Legislature directed the commission to create a plan for a probate court system with full-time judges and to describe how the system will be funded. In addition, the Legislature suggested that the commission consider including features in that plan that will:

- Ensure timely, convenient and meaningful access to justice;
- Promote judicial responsibility and adherence to the Maine Code of Judicial Conduct;
- Provide for qualified full-time judges and adequate professional staff;
- Reflect efficient practices in scheduling and case management throughout the system;
- Allow for convenient and consumer-friendly processing of uncontested matters; and
- Reflect economies of scale in all appropriate operational aspects.

Commission members included individuals who brought a broad range of experience to the table, including five legislators, three county Probate Judges, a county Register of Probate, a justice of the Maine Supreme Judicial Court, a state District Court Judge, a state court clerk, a state court administrator, and two attorneys currently engaged in the practice of probate law, one of whom works for a legal services organization. Over the course of four meetings, these members requested presentations from probate law subject-matter experts, practitioners, registers and jurists. The commission solicited and received public comments. The commission also gathered as much data regarding the current county probate court system as was possible, including information regarding the governing statutes and rules; the current caseload, facilities, and budgets for county Probate Courts; and the costs associated with court-appointed attorneys, guardians *ad litem* and visitors in county Probate Court proceedings.

After engaging in lengthy, thoughtful and complex discussions, a majority (12-2, with one member absent) of the commission voted to recommend a plan for incorporating the Probate Courts into the Judicial Branch. The plan was designed to achieve three fundamental goals.

- First, the plan respects the will of the people of Maine by providing for the ***appointment of full-time Probate Judges within the state Judicial Branch***. Commission members felt strongly that implementation of the 1967 vote to amend the Constitution of Maine should not be delayed any longer. Commission members also grounded this recommendation in the work of numerous past studies proposing that probate matters be adjudicated by full-time, appointed judges.
- Second, the plan approved by a majority of the commission ***preserves the exceptional customer service and accessibility provided by the county registries of probate*** across the State, especially in uncontested probate proceedings. Throughout the commission’s work, stakeholders praised the highly personalized and hands-on services provided by the Registers of Probate and their staff. Because no analogous positions currently exist within the Judicial Branch, commission members urge that additional time and consideration be invested in determining how best to preserve these features of the register system before that system is incorporated into the Judicial Branch.
- Third, the plan proposed by the commission ***transfers oversight and payment of attorneys, guardians ad litem and visitors appointed at public expense in probate proceedings to the State***, both to alleviate the financial burden borne by county governments under the current system and to provide for the establishment of uniform qualification and training requirements for these court-appointed professionals.

Accordingly, the commission is pleased to present the following substantive recommendations for consideration by the Legislature:

Recommendation A: The county probate court system should be fully incorporated into the state Judicial Branch through the deliberately multi-step process detailed in Recommendations B to F.

Recommendation B: Legislation should be enacted to establish a new state Probate Court with full-time, appointed state Probate Judges.

- Over the course of four years, by January 1, 2025 as is described in Recommendation F, the 16 part-time, elected county Probate Judges and 16 separate county Probate Courts should be replaced by nine full-time, appointed state Probate Judges and a statewide Probate Court within the state Judicial Branch that is distinct from the District and Superior Courts. At least one new Probate Judge should be assigned to each court region within the State.*
- The Chief Justice of the Supreme Judicial Court should designate one state Probate Judge to serve as the Chief Judge of the Probate Court, who should undertake certain administrative responsibilities in addition to judicial responsibilities that include, but are not limited to: creating the statewide Probate Court schedule; ensuring uniformity of court processes and procedures; working with the Supreme Judicial Court to ensure the accessibility and safety of probate court facilities; and preparing annual reports.*
- State Probate Court proceedings should be held in existing county Probate Court facilities, with arrangements to be made between the counties and the Judicial Branch regarding the use of those facilities. When necessary, state District Court and Superior Court facilities may also be utilized for Probate Court proceedings.*

- iv. *Emergency matters on the state Probate Court’s docket should be prioritized and addressed expediently, to the same extent that those matters are prioritized by the county Probate Courts.*
- v. *The state Probate Court and state Probate Judges should be supported by, at a minimum, the following new Judicial Branch staff: an information technology specialist, a Probate Court facilities manager; two law clerks; two judicial administrative assistants; and nine court marshals, one per judge.*
- vi. *This recommendation should be funded with General Fund appropriations.*

Recommendation C: At this time, the county registries of probate should be preserved.

- i. *Elected Registers of Probate and their staff should remain county officials and retain their existing statutory duties and authorities, including their roles in docketing; scheduling Probate Court proceedings in conjunction with Probate Judges; assisting parties in completing Probate Court forms; and performing quasi-judicial functions in informal probate matters.*
- ii. *State Probate Court matters should, at least initially, continue to be entered into the ICON electronic case management system.*
- iii. *Counties should continue to retain Probate Court fees to offset the costs of maintaining the county registries and their staff.*

Recommendation D: Responsibility for establishing the qualifications of court-appointed attorneys, guardians ad litem and visitors in probate proceedings and for paying these professionals when they are appointed at public expense should be borne by the State and not the county governments.

- i. *The Maine Commission on Indigent Legal Services (MCILS) should establish the minimum experience, training and additional qualifications for attorneys appointed to represent indigent individuals at public expense in Probate Court and the State should be responsible for paying such counsel through new legislative appropriations to MCILS.*
- ii. *The Judicial Branch, which currently establishes the minimum experience, training and additional qualifications for court-appointed guardians ad litem, should also establish the minimum experience, training and additional qualifications for court-appointed visitors in probate proceedings. The Legislature should provide sufficient new appropriations to the Judicial Branch to cover the expenses of these court-appointed professionals when the parties are indigent or the court is allowed or directed by law to pay these expenses.*
- iii. *This recommendation should be funded with General Fund appropriations.*

In addition, the commission presents two procedural recommendations for achieving the substantive reforms proposed in Recommendations A through D:

Recommendation E: The new probate court system described in Recommendations A through D should be thoroughly reviewed in 2027 before any further changes are made to the system.

- i. *The review should be conducted by a 15-member study group comprised of the same categories of members appointed to the current commission under Resolve 2021, chapter 104 and should include, but not be limited to, evaluating whether the number of supported state Probate Judge positions proposed in Recommendation B was appropriate or should be adjusted; whether*

additional investments should be made to enhance the compatibility of the Probate Court and Judicial Branch electronic case management systems; whether the jurisdiction of the state Probate Court, District Court and Superior Court should be adjusted to increase judicial efficiency and access to justice; whether to authorize cross-assignment of state Probate Court Judges to preside over District Court or Superior Court dockets to the same extent that the judges in the District Court and Superior Court are available for cross-assignments; and whether additional opportunities exist to advance toward the ultimate goal of fully incorporating the probate court system into the Judicial Branch.

Recommendation F: The transition from Maine’s existing county probate court system to the new state probate court system should be implemented over four years.

- i. As is described in more detail in Part III of this report, the commission proposes that the seven county Probate Judges whose terms end on December 31, 2022 be replaced with a small cohort of appointed state Probate Judges, including a new Chief Judge of Probate, on January 1, 2023. The remaining nine county Probate Judges whose terms end on December 31, 2024 should be replaced with a second cohort of appointed state Probate Judges on January 1, 2025. This plan not only preserves each elected official’s term of office but also allows the first cohort of state Probate Judges to benefit from the experience and wisdom of sitting county Probate Judges as they undertake their new judicial duties.*
- ii. The commission has also developed a timeline set forth in Part III of this report for transitioning responsibility for training, rostering and paying court-appointed attorneys, guardians ad litem and visitors in probate proceedings from the counties to the State. This transition plan will increase access to quality legal representation across the State without requiring county governments to bear the financial responsibility for paying professionals appointed by state judges to appear in probate matters at public expense.*



State of Maine
130th Legislature, First Regular/Special Session

Commission to Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions

December 2021

Partial report. To view the entire report go to
<https://legislature.maine.gov/opla/completed-study-reports/9289>

Office of Policy and Legal Analysis



**STATE OF MAINE
130th LEGISLATURE
FIRST REGULAR/SPECIAL SESSION**

**Commission to Increase Housing
Opportunities in Maine by
Studying Zoning and Land Use
Restrictions**

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John Napolitano
Heather Spalding
Dana Totman
Erin Cooperrider
Cheryl Golek
Madeleine Hill
Anthony Jackson
Jeff Levine
Dan Brennan**

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Executive Summary

The 130th Legislature established the Commission to Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions (referred to in this report as the “commission”), with the emergency passage of Resolve 2021, chapter 59 (Appendix A). Pursuant to the resolve, 15 members were appointed to the commission: two members of the Senate appointed by the President of the Senate; two members of the House of Representatives appointed by the Speaker of the House of Representatives; the Director of the Maine State Housing Authority, or the director's designee; one member representing the Office of the Governor appointed by the Governor; four public members appointed by the President of the Senate including: one representing a statewide municipal association, one representing a statewide organization that advocates for affordable housing, one representing statewide agricultural interests, and one who is in the building trades; and five public members appointed by the Speaker of the House, including: one representing a regional planning association or a statewide organization that advocates for smart growth policies and projects, one representing the real estate industry, one who is a residential developer, one representing an organization that advocates for low-income or middle-income renters or homeowners, and one representing a local or statewide organization promoting civil rights that has racial justice or racial equity as its primary mission. A list of commission members can be found in Appendix B.

Pursuant to Resolve 2021, chapter 59, the commission was charged with the following duties:

1. Review data on housing shortages in the State for low-income and middle-income households;
2. Review state laws that affect the local regulation of housing;
3. Review efforts in other states and municipalities to address housing shortages through changes to zoning and land use restrictions;
4. Consider measures that would encourage increased housing options in the State, including but not limited to municipal incentives, state mandates, eliminating or limiting single-family-only zones and allowing greater housing density near transit, jobs, schools or neighborhood centers; and
5. Review and consider the historical role of race and racism in zoning policies and the best measures to ensure that state and municipal zoning laws do not serve as barriers to racial equality.

Over the course of seven meetings the commission developed the following recommendations:

Recommendation #1. Allow accessory dwelling units by right in all zoning districts currently zoned for single-family homes.

Recommendation #2. Eliminate single-family zoning restrictions in all residential zones across the State by allowing up to four residential units on all lots, in compliance with

any health and safety requirements such as minimum septic and lot sizes, with a sunrise clause to provide adequate time for municipalities to prepare for this change.

Recommendation #3. Prohibit municipal growth caps on the production of new housing.

Recommendation #4. Provide technical and financial assistance for all communities seeking support in making zoning improvements and in identifying opportunities for increasing affordable housing.

Recommendation #5. Create density bonuses in all residential zones throughout the State, giving low to middle-income housing projects 2.5 times the density of the existing zone, with a parking requirement of no more than .66 spaces per unit for the additional units, and with the requirement that those units be protected as affordable for a specific period of time.

Recommendation #6. Create a three-year statewide incentive program for municipalities as follows: in Year 1, a qualifying community must make a commitment to reviewing zoning and land use restrictions. In Years 2 and 3, adopt zoning and land use policies to promote housing opportunities; qualifying communities would receive a state financial reward for up to three years, so long as they remain in good standing with the program requirements.

Recommendation #7. Create a system of priority development areas, where multi-family housing is permitted with limited regulatory barriers.

Recommendation #8. Strengthen Maine's Fair Housing Act by eliminating the terms "character," "overcrowding of land," and "undue concentration of population" as legal bases for zoning regulations.

Recommendation #9. Create a state-level housing appeals board to review denials of affordable housing projects made at the local level.



State of Maine
130th Legislature, First Regular/Special Session

Criminal Records Review Committee

December 2021

**Partial report. To view the entire report go to
<https://legislature.maine.gov/opla/completed-study-reports/9289>**

Office of Policy and Legal Analysis



**STATE OF MAINE
130th LEGISLATURE
FIRST REGULAR/SPECIAL SESSION**

**Criminal Records Review Committee
December 2021**

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Sheriff Robert Young
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 - 2. Maine Constitution – Article III and Article V, Part First, Section 11
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 - 4. LD 1459, An Act Regarding a Post-judgment Motion by a Person Seeking To Satisfy the Prerequisites for Obtaining Special Restrictions on the Dissemination and Use of Criminal History Record Information for Certain Criminal Convictions
 - 5. Side-by-side comparison of chapter 310 and proposed chapter 310-A, with comments
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 - 7. An Act Relating to Fair Chance in Employment, Public Law 2021, chapter 404
 - 8. Letter from Timothy Feeley, Deputy Legal Counsel, Office of the Governor
 - 9. Memorandum from retired Associate Justice Donald G. Alexander
 - 10. Vote sheets for December 6th and 13th meetings

Executive Summary

The Criminal Records Review Committee (the review committee) was established by Resolve 2021, chapter 121 to review the issues involved in sealing and expunging criminal records and to explore various options for assisting persons who have been convicted of crimes served their sentences to be productive members of the community without their convictions holding them back. The Joint Standing Committee on Judiciary supported the Resolve to take the place of six bills focused on criminal records. The Judiciary Committee has authority to report out a bill based on the review committee's recommendations. The membership of the review committee consists of 29 members representing a broad range of groups interested in civil rights, prisoner advocacy, victim's and survivor's rights and law enforcement, among others.

The review committee charge included a lengthy list of information to gather and review, and a directive to explore different approaches pursued by other states to restore rights and provide opportunities for people with criminal records.

The review committee received a "Resource Notebook" before the first meeting that detailed the record clearing laws and procedures in many states. The review committee accepted the term "record clearing" to cover the entire array of approaches to address the negative effect of bias against persons with criminal records, from limiting access of the public to criminal records to more thorough record clearing. "Record clearing" includes sealing records from the public – whether petition-based or automatic, the actual destruction of records so they are unavailable for all purposes going forward and vacatur (such as vacating a conviction). Some jurisdictions also offer "certificates of rehabilitation" or "certificates of employability" to eliminate or reduce the effect of a criminal record that is public. Laws that restrict the availability of criminal records – through sealing, destruction or other limitations – are often referred to as "clean slate" laws, although the approaches taken in different states' clean slate legislation vary widely.

The first three meetings of the review committee were focused entirely on collecting the broadest range of information about other record clearing programs, how criminal records are used by various licensing and credentialing authorities in Maine and the reliance by crime victims and survivors on the information that is available about convictions. In addition, the review committee received a detailed presentation about Maine's Criminal History Record Information Act, and the distinction between public criminal history record information and confidential criminal history record information. The fourth meeting included a presentation from a news media and journalist point of view, emphasizing the First Amendment perspective regarding continued access to accurate information and the right to publish accurate, newsworthy information that has been legally obtained.

During the fourth meeting the review committee began to develop recommendations and engaged in a brief discussion on the potential limitations on the Legislature's options to enact legislation that potentially encroach on the Governor's pardon and commutation powers. After a presentation on the logistics of sealing criminal records during the fifth meeting, the review committee resumed its discussion of recommendations. Review committee members recognized that there was not sufficient time to complete a full slate of recommendations to fulfill the responsibilities under the Resolve.

Recommendations

The review committee, after five meetings, numerous presentations, testimony and serious discussion, makes the following recommendations.

1. Reestablish the Criminal Records Review Committee

A majority of the review committee recommends supporting LD 1818, Resolve, To Re-establish and Continue the Work of the Criminal Records Review Committee, to build on the progress made by the review committee in 2021 and move forward with additional legislation.

2. Consider options to address questions of the Separation of Powers doctrine limitation on legislative authority to enact record clearing legislation

A majority of the review committee recommends that the Judiciary Committee review options and report out legislation to address the Separation of Powers questions raised in *State v. Hunter*, 447 A.2d 797 (Me. 1982). It is unclear whether actions of the Legislature in sealing and therefore limiting public access to criminal records would encroach on the Governor's plenary pardon and commutation authority, rendering such actions unconstitutional. Removing or softening the barrier could give the Legislature options to provide opportunities for people who have been convicted of crimes.

3. Consider proposals for petition-based records sealing as proposed by LD 1459, An Act Regarding a Post-judgement Motion by a Person Seeking To satisfy the Prerequisites for Obtaining Special Restrictions on the Dissemination and Use of Criminal History Record Information for Certain Criminal Convictions, and associated suggestions

A majority of the review committee recommends that the Judiciary Committee hold a public hearing on a process for sealing criminal history record information as proposed in LD 1459, An Act Regarding a Post-judgment Motion by a Person Seeking To Satisfy the Prerequisites for Obtaining Special Restrictions on the Dissemination and Use of Criminal History Record Information for Certain Criminal Convictions, with consideration of amendments proposed during the work of the Criminal Records Review Committee. In anticipation of the work of the review committee, the Judiciary Committee voted Ought Not To Pass on LD 1459 during the First Special Session without holding a public hearing on the legislation. A majority of the review committee believes a public hearing on the proposal, including presentation of the suggestions offered during the course of the review committee's meetings, would be very useful in developing comprehensive record clearing legislation.

Committee member Samantha Hogan, representing the Maine Press Association, submitted a minority report with regard to this recommendation.

Committee member Judith Meyers, representing the Maine Freedom of Information Coalition, submitted a minority report with regard to this recommendation.



State of Maine
130th Legislature, First Regular/Special Session

Legislative Council Subcommittee to Implement a Racial Impact Statement Process Pilot

December 2021

Partial report. To view the entire report go to
<https://legislature.maine.gov/opla/completed-study-reports/9289>

Office of Policy and Legal Analysis



**STATE OF MAINE
130th LEGISLATURE
FIRST REGULAR/SPECIAL SESSION**

**LEGISLATIVE COUNCIL SUBCOMMITTEE
TO IMPLEMENT A RACIAL IMPACT STATEMENT
PROCESS PILOT**

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Spkr. Ryan M. Fecteau
Rep. Kathleen Dillingham
Sen. Matthea Daughtry
Sen. Matt Pouliot**

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- B. Charts on Other States' racial impact statements and sample statements from Iowa, Minnesota and Oregon
- C. Staff Memo summarizing articles assessing the impact of impact statements and source articles
- D. Urban Institute Guide for Racial Equity in the Research Process
- E. Draft proposal for Racial Impact Statement Process Pilot from Dr. Meadow Dibble
- F. Memoranda to Pilot Committees providing guidance on reporting back to the Legislative Council

Executive Summary

Public Law 2021, chapter 21 directs the Legislative Council or its delegate to determine the best methods to establish and implement a system for using racial impact statements in legislation. The Legislative Council named 5 members to the Subcommittee to Implement a Racial Impact Statement Process Pilot. Over the course of 4 meetings the subcommittee reviewed racial impact statements in other states, considered the availability of data sources necessary to produce statements and looked at which policy areas would most benefit from a racial impact analysis.

The subcommittee partnered with a research team consisting of the Permanent Commission on Racial, Indigenous and Maine Tribal Populations and the University of Maine System, including the Cutler Institute and the Margaret Chase Smith Policy Center. For this limited pilot, the research team agreed to provide the Legislature with racial impact statements on 7 bills, selected by the subcommittee, which were carried over from the First Regular or Special Session.

Committee on Education and Cultural Affairs

LD 270 An Act to Amend the Regional Adjustment Index to Ensure School Districts Do Not Receive Less than the State Average for Teacher Salaries

Committee on Health and Human Services

LD 372 An Act to Provide Children Access to Affordable Health Care

LD 1574 An Act to Ensure Support for Adults with Intellectual Disabilities or Autism with High Behavioral Need

LD 1693 An Act to Advance Health Equity, Improve the Well-being of All Maine People and Create a Health Trust

Committee on Judiciary

LD 982 An Act to Protect against Discrimination of Public Entities

LD 1068 an Act to Restrict Weapons Pursuant to Court Order in Cases of Harassment

Committee on Labor and Housing

LD 965 An Act Concerning Nondisclosure Agreements in Employment

The subcommittee has directed the research team to use an analysis framework in the production of the racial impact statements for the pilot as follows:

For the purposes of the pilot to implement a racial impact statement, the analysis conducted for the selected legislation should address the five questions below and, when feasible, conclude whether the proposed policy or proposed change to existing policy: reduces inequities for historically disadvantaged racial populations; has a neutral impact on inequities among historically disadvantaged racial populations; or exacerbates inequities among historically disadvantaged racial populations. When a conclusion is not feasible, the statement should describe the limitations or barriers which impeded concluding an impact and whether relevant regional or national trends exist which may provide helpful information.

1. What problem is this policy/legislation addressing?

2. Is the problem the legislation is addressing one that is worse or exacerbated for historically disadvantaged racial populations?
3. What factors contribute to or compound racial inequities around this problem?
4. More specifically, what policies, institutions, or actors have shaped these inequalities, disparities, and/or disparate impacts?
5. If inequities are exacerbated, what actors, at what levels of influence, could reduce these inequities?

The subcommittee provided guidance in the form of a memorandum to the pilot committees for a report back to the Legislative Council which Chapter 21 requires they submit within 30 days after adjournment of the Second Regular Session of the 130th. The Legislative Council will use the information in the reports from committees and feedback from the research team to develop a long term process for the use of racial impact statements in the Maine Legislature.

January 10, 2022



The Honorable Janet T. Mills
Governor of the State of Maine
State House Station #1
Augusta, Maine 04330

Subject: Annual Report of MRRRA for the year ending December 31, 2021

Dear Governor Mills:

Pursuant to 5 MRSA §13083-S, I am writing to update you of the activities of the Midcoast Regional Redevelopment Authority (MRRRA) and the remarkable transformation of the former Brunswick Naval Air Station and its Topsham Annex.

The Midcoast Regional Redevelopment Authority, a component unit of the State of Maine, is a municipal corporation created by Maine law, 5 MRSA §13083-G, and charged with the responsibility to acquire and manage property at the former Naval Air Station Brunswick (NAS Brunswick) and the Topsham Annex and to facilitate the rapid redevelopment of properties in order to recover from economic and employment loss as result of base closure. The first meeting of the MRRRA Board of Trustees was held on September 27, 2007.

As the following key performance indicators illustrate, the NAS Brunswick redevelopment effort is proceeding on the course originally envisioned by the Reuse Master Plan; at a much faster pace than originally projected and even in the most unusual and challenging year given the impact of the coronavirus. We have clearly established Brunswick Landing as *Maine's Center for Innovation* and an incredible asset for the growth of both the Mid-coast and Maine economy. Some of the key success metrics of the redevelopment effort since the base closure include:

- Over **150 public and private entities** now call Brunswick Landing and the Topsham Commerce Park home. Nearly 40% of these entities did not exist in Maine before.
- Over **2,528 new jobs** have been created to date. It should also be noted that there are 120 Maine Army National Guard members and 124 Marine Corps Reservists assigned to their units at Brunswick Landing. In addition, the L.L. Bean project at Brunswick Landing has resulted in the creation of approximately seventy-five new jobs at the off-site Brunswick manufacturing facility bringing the **total employment to over 2,800**.
- In a 2019 Beneficial Use Study of Brunswick Landing by the Environmental Protection Agency for Region 1, it was reported that the 1,800 individuals employed at Brunswick Landing earned an estimated \$67 million in income and produced an estimated \$683 million in sales revenue. Using that ratio, the estimated personal income at Brunswick is \$96.7 million and close to \$1 billion in sales.

- ❑ TechPlace, our new technology business incubator, is home to **35 early-stage technology businesses, with 102 current employees**. Resident businesses exist in all six target business sectors: aerospace, advanced materials, information technology, cleantech, and life sciences.
- ❑ Over **\$500 million of private sector investment** has been made along with **\$74.6 million in public sector investment** in the redevelopment effort.
- ❑ Over **\$191,662,600 in new taxable property valuation** has been added to the property tax rolls in the Town of Brunswick and **\$2,138,300 in Topsham**, generating new property tax revenues for FY 2022 in Brunswick of \$3,998,082 and \$33,934 in Topsham.
- ❑ Since the approval of the Public Benefit Conveyance (PBC) and the signing of the Economic Development Conveyance (EDC) Purchase and Sale Agreement in 2011, the Navy has transferred 1,949.61 of the 2,257.92 acres we are slated to receive through deed transfer or Lease in Furtherance of Conveyance. MRRA has now received 963.99 (76.8%) of the 1,255.32 acres of the non-airport property and 985.62 (98.3%) of the 1,002.6 acres of airport land.
- ❑ Since 2011, MRRA has sold **53 buildings and 520.09 acres** of land to **19 private sector developers** and several individual businesses for active redevelopment purposes.
- ❑ MRRA currently has 12 direct tenants renting 162,126 square feet in 13 EDC acquired buildings and 2 buildings MRRA built.
- ❑ MRRA has another 371,989 square feet of building space under lease to 41 airport tenants in ten PBC acquired buildings and two other hangar buildings MRRA built and 4 other tenants leasing land area. In total we have 53 direct tenants occupying 534,065 square feet of leased space.
- ❑ Eighteen commercial and industrial buildings comprising of 276,235 square feet have been constructed at Brunswick Landing. In 2020, Bar Harbor Bank and Trust, Dunkin Donuts and Wild Oats opened new buildings. This fall Martin's Point Healthcare opened its new 55,000 square foot professional medical office building on Bath Road and Gravier Homes opened nine new apartment buildings known as Brunswick Landing Apartments with 108 units.
- ❑ With the continued challenges of the pandemic over the last two years the airport has shown considerable growth. This year's **flight operations have totaled 25,290** by the end of November, between 1,400 to 1,600 are expected in December over a 10% increase from 2020 totals. Along with the increased operations comes increased fuel sales. FlightLevel Aviation the Fixed Base Operator (FBO) will exceed 400,000 gallons of fuel sold this year up from 330,000 previous best year over a 21% increase. The increase in flight operations and fuel sales have several contributing factors. The Great State of Maine Airshow, increased use of private aviation over commercial aviation due to pandemic, three flight schools located at BXM, increased training exercises from military units, and the aircraft maintenance facilities to name a few. The large runways, ramps, and hangars make the airport an appealing place for aviation related companies to fly, work and train, the small town feel and welcoming accommodations make it a preferred destination for private travelers.
- ❑ The 650 former Navy family housing units in Brunswick and Topsham are fully occupied, with over 230 already sold to working families. This fall Gravier Homes completed the construction

108 new apartment units on Admiral Fitch Avenue and with plans to construct another 85 single family homes.

- ❑ **Over 1,100 acres of land has been reserved for conservation** and recreation purposes.
- ❑ Electric power provided to Brunswick Landing customers comes from **100% renewable energy sources**. The campus houses a 1.0-megawatt anaerobic digester which burns methane to generate electricity. In January of 2019, a \$3 million 1.5-megawatt solar farm owned by Diversified Communications began generating electricity for the campus. These two entities have the capacity to generate 75% of the energy needs of the campus with a planned 1-megawatt expansion of the digester that will allow for 100% of our power needs to be met by on campus renewable sources.
- ❑ MRRRA inherited a significant bundle of utility and infrastructure systems from the Navy, including: 27 miles of roadways, streetlight and stormwater systems; 17 miles of water and wastewater pipes and multiple related pump stations; and over 15 miles of electric lines and poles and related transfer stations. Since 2012, MRRRA has invested more than \$7.8 million in these utilities.

In June of 2019, MRRRA transferred the entire gravity sanitary sewer system to the Brunswick Sewer District. In December MRRRA finished the reconstruction of three sanitary sewer pump stations at a cost of \$1.47 million and transferred these new facilities and over 9,505 feet of sanitary sewer force mains over to the Brunswick Sewer District.

- ❑ MRRRA, the Federal Aviation Administration and MaineDOT have invested \$14.5 million in the transition of a former military airfield into a general aviation airport and over \$20.2 million in upgrading airport buildings to grow the aviation and aerospace industries in Maine including the construction a brand new ten-unit T-Hangar building and a 15,867 square foot box hangar.

A. Description of the Authority's Operations

The year 2021 was another busy, challenging and successful year for MRRRA. MRRRA continues to work hard to enhance the redevelopment of Brunswick Landing and Topsham Commerce Park and to be a catalyst for the State's economic growth. Our business development efforts continue to focus on quality job creation in several targeted industries: aviation/aeronautics, clean technology, composites, information technology, biotechnology, and education. This past year, MRRRA continued its national and international marketing efforts to promote Maine to grow these targeted industry sectors.

The Midcoast Regional Redevelopment Authority reached a number of important milestones in 2020. Consistent with MRRRA's adopted *2021 Strategic Business Plan for Brunswick Landing and Topsham Commerce Park*, this past year's performance on those objectives include the following accomplishments:

In 2021, MRRRA signed the following new leases:

- ❖ AirLink Flight School LLC, 500 square feet in Hangar 6
- ❖ Alternative Energy Store, Inc. for 634 square feet in Hangar 6
- ❖ Ardiah Managed Services, LLC – 233 square feet in building 200
- ❖ BoMar Transportation - winter storage in Hangar 5
- ❖ C2Energy Development option on ten acres off Bath Road

- ❖ Dynamics Corporation – 10,000 square feet in building 554
- ❖ Bowdoin College - Hangar 5 winter storage
- ❖ Inovateus Solar – .75-acre lot at 417 Allagash (building 231)
- ❖ Jennifer Anderson PT – 644 square feet in hangar 5
- ❖ Maine Island Trail - winter storage in hangar 5
- ❖ Maritime Surveillance Associates for 1,855 square feet in Hangar 6
- ❖ Nautical Hero Group for 1,800 square feet in Hangar 6
- ❖ Ocean Renewable Power Company for 8,400 square feet in Hangar 5
- ❖ Parsons Performance, LLC for 4,780 square feet in Hangar 5
- ❖ SMH Great Island Boat, LLC for winter storage in Hangar 5

New leases signed this year in TechPlace include:

- ❖ Ahead.com
- ❖ Black Brook Enterprises
- ❖ Casco Bay Inflatables
- ❖ Loam Bio
- ❖ Maine Center for Entrepreneurs
- ❖ Maridose, LLC
- ❖ Salmonics, LLC
- ❖ Tanbark Molded Fiber Products
- ❖ Wayne's Seafood

TechPlace has been a valuable resource in growing Maine's economy having graduated the following 13 businesses since its creation:

- ❖ Altha Technology
- ❖ Arcadia Alliance
- ❖ Atayne
- ❖ AO Cyber Security
- ❖ BluShift Aerospace
- ❖ Go Babe
- ❖ Maritime Surveillance Associates
- ❖ Plant & Flask
- ❖ Running Tide
- ❖ STARC Systems
- ❖ Thrivant Health
- ❖ Village Green Ventures
- ❖ Vivid Cloud Development Services

Other accomplishments this year include:

- ❑ In January MRRA was awarded a MaineDOT \$75,000 design engineering grant to construct a new bike/pedestrian pathway along Allagash Drive between Katahdin Drive and Fitch Ave.
- ❑ On March 16, 2021, the Office of Local Defense Cooperation (formerly the Office of Economic Adjustment) agreed to a MRRA proposed change in the scope of work for the \$50,000 OEA grant, CL0608-18-11 (December 19, 2017 grant), that was to support MRRA's understanding of

PFOS/PFOA issues at Brunswick Landing to a scope of work that would assist MRRRA in evaluating management options of the Picnic Pond sedimentation and treatment system at Brunswick Landing.

- ❑ With the December 28, 2020, grant award of \$100,000 from the Maine Technology Institute (MTI) MRRRA was able to secure a \$642,500 grant from the Economic Development Administration in June to support the upgrade of HVAC and lighting efficiency controls at TechPlace.
- ❑ In May, the Brunswick Planning Board gave subdivision approval for 14 new redevelopment lots, totaling 44.8 acres, to the Brunswick Landing subdivision. These lots are suitable for a number of business activities, including aerospace, composites/advanced materials, IT, high end office, engineering, cybersecurity, advanced manufacturing and biotech/biomed. Most lots are nearly shovel-ready and have significant road frontage and utility connectivity on site or nearby. MRRRA has received letters of intent for the purchase of five of these lots.
- ❑ On October 27, 2021, Runyon Kersteen and Ouellette (RKO) presented an un-modified (clean opinion) to the MRRRA Board of Trustees on the financial statements for the period ending June 30, 2021.
- ❑ In December, MRRRA completed the construction of a \$1.47 million upgrade to three sanitary sewer pump stations at Brunswick Landing funded by a \$736,450 grant from the Economic Development Administration, a \$60,725 grant from the Brunswick Sewer District and its tax increment financing dollars from the Town of Brunswick. The three pump stations and 9,505 linear feet of sanitary force mains were transferred to the District in December.
- ❑ On August 23, the Maine Department of Transportation notified MRRRA that the applications for funding portions of the creation of Commerce Drive and the new connector road from Bath Road to the intersection of Allagash and Katahdin Drive totaling \$510,000 under the State's Business Partnership Initiative had been approved.
- ❑ On August 24, MRRRA finalized and submitted a Public Works grant application to the Economic Development Administration for a \$1,250,960 grant to fund the construction new connector road from Bath Road to the intersection of Allagash and Katahdin Drive and a \$986,240 grant to fund utility extension and roadway construction of Commerce Drive to serve a new six lot industrial/professional office subdivision at Brunswick Landing. The total local share for these two projects is \$49,300.
- ❑ The 2021 Great State of Maine Air Show held on September 4 and 5 was the most successful event in the air show's history since the base became a civilian airport in 2011 according to the Air Show Network which produced this year's show. The show had 20,000 guests over the two-day show. Based on an economic impact report by the Florida Tourism Bureau for an air



show produced in Florida earlier this year with an attendance of 12,000 people, Air Show Network estimates that the show generated a \$15-\$20 million boost to the local economy. Attendees came from thirty-nine different states.

- ❑ On October 4, the Town of Brunswick approved MRRRA's Tax Increment Financing request of \$784,600 to fund a portion of FY 2022 Capital Improvement Program and reimbursement of property taxes for aeronautical uses (Tempus Brunswick). On November 15, the Town of Brunswick approved a supplemental tax increment financing request of \$92,242.12 to fund expenditures for property taxes paid by an aeronautical business in Hangar 4 for the second payment for FY 2021 and the property taxes due for FY 2022.
- ❑ With the transfer of the former Navy Fuel farm and later twin baseball diamonds, MRRRA donated all of the fencing and ballfield lighting to the Town of Bowdoinham which is in the process of building a new baseball complex.
- ❑ In November MRRRA prepared a Request for Proposals to upgrade the sanitary sewer pump station at Brunswick Landing known as the Woodland Avenue Pump Station. MRRRA is working with Brunswick Landing Ventures, the owner of the Woodland residential properties at Brunswick Landing and the Brunswick Sewer District to upgrade this pump station with the ultimate goal of transferring the newly updated facility to the district. Bids were opened on December 17.
- ❑ On December 8, the Board elected the following officers: Chair – H. A. Nichols, Vice Chair – John Peters, Treasurer – Ann Marie Swenson and Secretary – Lenora Burke. The Board also officially appointed Kristine M. Logan as the new Executive Director of MRRRA beginning January 1, 2022.

B. *An accounting of the Authority's receipts and expenditures, assets and liabilities at the end of its fiscal year*

Please find attached an Unaudited Financial Report for the period ending December 31, 2021. Also, please find attached a copy of the audited Financial Statements for the period ending June 30, 2021. The audit was conducted by Runyon Kersteen and Ouellette. These documents were presented to Office of the State Controller for inclusion in the State financial statements for the period ending June 30, 2021. MRRRA received an unmodified (clean audit) opinion letter for a fourteenth consecutive year.

It should be noted that MRRRA does not receive a state appropriation as part of the General Fund Budget. MRRRA's funds come from revenues from property sales, leases, common area maintenance charges and utility customers. MRRRA also received this year \$295,390 from the BNAS Job Tax Increment Financing Fund from the State of Maine.

Capital improvements projects are funded from a combination of aviation capital improvement funds from Maine DOT, the Federal Aviation Administration, tax increment financing revenue from the Town of Brunswick and revenues MRRRA raises from property sales, leases, utility customers and public area maintenance charges.

C. A listing of all property transactions pursuant to Section 13083-K

On February 7, 2011, the Navy and MRRA signed the airport Public Benefit Conveyance (PBC) Agreement for 992.2 acres, including three large hangars, a number of aviation-related support buildings and revenue-producing facilities for the airport. Through subsequent amendments, the total expected PBC transfer is now 1,002.60 acres. The conveyance of title will come over time as properties that are determined to be “clean” through a Finding of Suitability to Transfer (FOST) and are then deeded from the Navy. Accordingly, not all the properties can be conveyed at the same time, but in phases as clean-up continues and FOSTs are issued. As of December 31, 2021, MRRA has received a total of 985.62 acres of airfield property and 19 buildings containing 627,516 square feet. As a condition of transfer from the Federal Aviation Administration and the Navy, land and buildings within the Airport property cannot be sold. MRRA built a 10,000-square foot ten-unit T-Hangar and a 15,867 square foot box hangar bringing the total square footage managed to 653,383. The Navy did not transfer any PBC property in 2021.

On September 14, 2011, the Navy signed a *Non-Binding Summary of the Acquisition Terms and Conditions for the Naval Air Station Brunswick, Maine by and between the United States of America and the Midcoast Regional Redevelopment Authority* (i.e., term sheet) for a total of 1,112 acres which would be transferred through an Economic Development Conveyance (EDC). Through subsequent amendments, the total expected EDC transfer is now 1,255.32 acres. MRRA has received through Quit Claim Deed or Lease in Furtherance of Conveyance 950.09 acres from the Navy. The Navy transferred a total of 13.90 acres to MRRA on September 29. This transfer included the former fuel farm site which had been turned into two baseball fields by the Navy and an area around the southern gate.

As part of the EDC Agreement, MRRA agreed to share annually with the Navy 25% of gross revenues from the sale or lease of EDC property after the receipt of the first \$7.0 million. The revenue share remains in place until gross revenues reach \$37.4 million. There is no revenue sharing in excess of \$37.4 million and less than \$42.4 million. The Authority is required to pay the United States Government 50.0% of gross real estate proceeds in excess of \$42.4 million until September 29, 2034. To date, MRRA has paid the United States Government \$8,590,944.96.

This year, MRRA sold a 9.09-acre parcel and building 632 to SIMS, LLC. This property will become the site of Forj, a thermoplastics tape and composite material manufacturing company. On December 30, MRRA sold building 660, the former Navy Truck Wash Building and 2.89 acres to Thomas Wright, a local real estate developer who is using the building as a maintenance facility for his business.

In summary, MRRA currently manages a total of 51 buildings with 762,678 square feet of commercial, industrial and professional office space which includes 12 utility buildings and all of the associated utilities serving those buildings.

All the remaining properties at the former NASB and Topsham Annex will be conveyed from the United States Government to MRRA once appropriate environmental clearances are obtained.

D. An accounting of all activities of any special utility district formed under Section 13083-L

On September 30, 2011, the Navy transferred all utilities on the base, including the potable water distribution system, the sewer collection and pump station assets, stormwater collection system to MRRA.

On June 30, 2019, MRRA transferred the operation and sanitary sewer gravity collection system to the Brunswick Sewer District. With the completion of the upgrade to three sanitary sewer pump stations, MRRA transferred those facilities and over 3,900 linear feet of force mains to the Brunswick Sewer District on December 31, 2021.

MRRA has been providing electrical distribution services at Brunswick Landing since 2011. In 2020, MRRA filed its Electrical Distribution Terms and Conditions to the Maine Public Utilities Commission to become a regulated municipal electric utility. The PUC approved our Terms and Conditions on July 21, 2021.

In 2021 MRRA became a Designated Operator of a Public Drinking Water System by the Department of Health and Human Service's Office of Drinking Water Division. MRRA also filed its Terms and Conditions for a portable water distribution system with the Maine Public Utilities Commission.

This year also marked MRRA's twelfth year of operating a regional general aviation airport, which is becoming a great asset for the Midcoast region, with over 25,290 takeoffs and landings for the first eleven months of 2021. Over a period of eleven years, MRRA received more than \$33.4 million in grants from the Federal Aviation and MaineDOT to convert a military airfield into one of the state's largest general aviation airports. Beginning in 2020, the airport was transferred into the FAA's competitive Discretionary Grant Program. This year the FAA approved the following grants:

FAA MAP AIP 040 Runway Pavement Maintenance Runway 1R-19L Phase II	\$110,700
FAA MAP AIP 041 Grant Amendment Hangar Improvements Phase IV	\$39,300
Total	\$150,000

E. A listing of any property acquired by eminent domain under Sec. 13083-N

No property was acquired by MRRA through its powers of eminent domain.

F. A listing of any bonds issued during the fiscal year under Sec. 13083-I

MRRA did not issue any bonds during 2020. However, in 2020 entered into three debt instruments. MRRA was approached by two tenants requesting larger rental space; Starc Systems and Vivid Cloud Development Services (formerly Here Engineering). Starc Systems was interested in moving into the southern bay of Hangar 5, leasing approximately 50,000 square feet. MRRA and Starc came to an agreement that MRRA would borrow funds to provide tenant designed build to suit renovations of hangar 5. MRRA borrowed \$350,000 on a five year note from Mechanics Savings Bank at a rate of 4.72%. A loan agreement was signed in January of 2020 with an amortization schedule that began on April 16, 2020.

MRRA worked again with Mechanic Savings Bank to assist Vivid Cloud Development Services to expand its operations in Hangar 6 to the first floor in a lot larger office area. MRRA signed a ten-year Promissory Note on June 3, 2020, for \$325,000 at an interest rate of 3.99%.

Both lease agreements state that if the tenant leaves, the tenant will be responsible for the balance of the principal due on the loan that MRRA signed.

On June 18, 2020, Brunswick Landing MHC USA, LLC, a partnership which is owned 99% by the Midcoast Regional Redevelopment Authority closed on the refinancing of debt with Bangor Savings Bank on the 79,600 square foot build to suit medical device manufacturing facility for Molnlycke Healthcare USA with Norway Savings Bank following a request for bids from six Maine banks. Brunswick Landing MHC borrowed \$7,714,311.17 on a note that will mature on March 18, 2033.

G. A statement of the Authority's proposed and projected activities for the ensuing year

Please find attached a copy of MRRA's current Business Plan. A new business for 2022 will be presented to the Board of Trustees at its February 23, 2022 meeting.

On May 20, Executive Director Steven H. Levesque gave his retirement notice to the Board of Trustees with an effective date of December 31, 2021. Steve served as the first Executive Director of MRRA beginning on January 1, 2008. He had previously served as the Executive Director of the Brunswick Local Redevelopment Authority that developed the vision and plan for Brunswick Landing. Steve's outstanding vision and leadership propelled MRRA to meet or exceed all of its original goals and objectives and has become nationally recognized for being one of the most successful base re-use initiatives.

Steve was a two-time recipient of the Community Leadership Award from the Association of Defense Communities (ADC) for demonstrating innovation and excellence in the successful redevelopment of the former Naval Air Station Brunswick. Under Steve's leadership the MRRA team has been recognized by a number of state organizations including – 2011 Champion of Economic Development Award from the Maine Development Foundation, 2017 Maine ENVY Award from the Maine State Chamber of Commerce, 2013 Maine Real Estate Development Association's Nobel Project Award, 2016 Small Business of the Year Award from the Southern Midcoast Chamber of Commerce, and the 2017 Community Leadership Award of the United Way of Midcoast Maine. He was named the 2018 MaineBiz Business Leader of the Year for Non-Profits. As the new Executive Director of MRRA, I want to recognize and express my appreciation to the strong foundation that Steve built for MRRA and the economy for the Midcoast region.

I was appointed as the new Executive Director of MRRA. Jamie Logan was hired to replace me as the Director of TechPlace. Jamie had previously served as an Account Executive for the Department of Economic and Community Development for the State of Maine.

H. Recommendations regarding further actions that may be suitable for achieving the purposes of this article

One of the areas that I intend on continuing to pursue is the development of a life science incubator center at Brunswick Landing and a partnership with the State of Maine will be critical to this effort. Life sciences are among the fastest-growing industries in Maine and play an increasingly important role in Maine's economy. This diverse industry contributes over 7,400 jobs to the state's economy, demands an average annual income of \$95,000, is responsible for over \$1.5 billion to the state's GRP, and represents 5% of Maine's total exports. Over the last 5 years, life science job growth has shown a 14% increase, significantly outpacing the 4% job growth of all other industries in Maine combined and the data indicates these trends will continue in the years to come.

To assist in the growth of the life science industry, Maine needs to be able to support early stage and growth companies that are innovating in this sector. Companies focused on R&D and manufacturing need access to affordable lab space, equipment, funding, mentors, education, networking, and essential resources to allow them to commercialize life science discoveries.

Maine is geographically situated to be a prime location for life sciences, marine and ocean science research and development, and where the blue economy is ripe for expansion. Maine has an impressive concentration of world-class scientists producing cutting-edge bioscience discoveries at globally recognized research facilities including Jackson Laboratory, Mount Desert Island Biological Laboratory (MDIBL), Gulf of Maine Research Institute, Bigelow Laboratory for Ocean Sciences, Maine Health, the University of Maine, and the University of New England. With these companies as drivers, Maine has seen a 14% job growth in the industry over the past five years and is on a trajectory to do more.

The State of Maine will benefit from having a life science incubator center that can provide support and resources to bioscience companies looking to locate and grow in Maine. The MRRA is in a unique position to help create an opportunity for Maine and fill this gap. Due to the 2005 closure of the former Naval Air Station Brunswick, the local LRA's created a Master Reuse Plan for the property which calls for the development of centers of excellence for technology innovation, a live, work, play and educate environment, and to support smart growth principles. The Master Reuse Plan also identified the 6 predominant economic clusters in the Midcoast which

What gave you the motivation to start another company from the ground up after EnvisioNet?



Some people believed in me and offered support. Steve Lovesque, Executive Director of the Midcoast Regional Development Authority, was one of those mentors that showed up at the right time. He listened to my talk about the new business, how I believed it could work except that I had no money and no credit. He suggested I apply for loans through Maine Rural Development Authority, Midcoast Council of Governments and MRRA. These economic development loans and Steve's encouragement fueled the start-up of SaviLinx. (Mainebiz, August 9, 2021)

represented 45% of the total Midcoast economy. These clusters were shown to have higher location quotients than the state. Science, technology, and higher education was among the 6 economic clusters and a life science incubator aligns with MRRRA's plan to work to support the growth of the science and technology sector.

Over the past year, MRRRA has worked in concert with Maine Center for Entrepreneurs, Maine Bioscience Cluster Initiative, The Roux Institute, Maine DECD, Maine Technology Institute, the Economic Development Administration within the Department of Commerce, SMRT, Consigli Construction, as well as several our current bioscience and technology related tenants at TechPlace to begin to assemble a plan to design, fund and construct a life science incubator center at Brunswick Landing. An EDA ARPA Economic Adjustment Assistance (ARPA EAA) program grant funded at 80% may provide a major portion of funding to make this vision possible for a 2023 project. We look forward to working with the State of Maine as a critical partner in moving this project forward.

1. A description of the MRRRA's progress toward achieving the goals set forth in Section 13083-G:

- 1. Short-term goal.** Recover civilian job losses in the primary impact community resulting from the base closure; ***(Accomplished in 2015)***
- 2. Intermediate goal.** Recover economic losses and total job losses in the primary impact community resulting from the base closure (estimated by the State Planning Office at \$140 million);

We have just started to review data and will this coming year evaluate how to best measure this metric against the State's impact analysis.

- 3. Long-term goal.** Facilitate the maximum redevelopment of base properties (Reuse Master Plan estimated full build out potential of nearly 12,000 jobs).

Naval Air Station Brunswick employed 714 civilians at its Brunswick and Topsham sites at the time of the base closure announcement. After just 127 months from the official date of closing the base in May of 2011, there are over 2,528 individuals working at Brunswick Landing; up from 2,200 last year. The key to the success of the redevelopment effort is due, in large part, to the collaborative partnerships engaged in the effort, including, but certainly not limited to, you and the State of Maine, the Towns of Brunswick and Topsham, multiple federal agencies, the U.S. Navy, the businesses and real estate community who have invested into the project, and many others.

Thank you for your continued interest and support of this important economic development project for the State of Maine, which has become a critical asset to growing our economy. I look forward to working with you and your administration.

Sincerely,



Kristine M. Logan
Executive Director

cc.

Heather Johnson, Commissioner, MaineDECD
Grant Pennoyer, Executive Director, Legislative Council
Joint Standing Committee on Labor, Commerce, Research and Economic Development
Brunswick Legislative Delegation
Brunswick Town Council
Topsham Board of Selectman
John Eldridge, Brunswick Town Manager
Derek Scrapchansky, Topsham Town Manager
MRRRA Board of Trustees
Jeffrey K. Jordan, Deputy Director, CFO
Jamie Logan, TechPlace Director