MEMORANDUM

TO: MYCA Directors and Maine Summer Camp Members

Copy: Ron Hall, Executive Director MYCA

FROM: Jack Erler

DATE: June 6, 2014

RE: Governmental Affairs Report

Legislative

This year was the 126th Legislature, Second Session. Being an even numbered year it was a short (50 day) session. I reviewed 271 new Legislative Documents (LDs) or otherwise known as bills.

There were no LDs designed to benefit or harm youth camping in Maine, but, as usual there were a number of bills that could have affected children’s camping in one way or the other. I am happy to report that all bills that would have harmed camping were defeated. At least two bills that may help non-profit camps did pass.

Again this year the principal focus of the Legislature was the budget. As in the First Session, there continues to be a substantial split in power between the Republicans and Democrats. The Governor is a very conservative Republican while the Democrats hold the majority in both the House and Senate. This power split dramatically affects the outcome of the Legislature because the Democrats do not have enough of a majority to override the Governor’s vetoes and this Governor vetoes a very large number of bills initially passed by the Legislature.

The following is a summary of this year’s legislative issues and outcomes of interest to youth camps.

Taxes

Again and as usual, taxes were back. In fact all the bills of importance to camps in this last session dealt in some way with taxes as follows:

LD 936 An Act To Authorize Municipalities To Impose Service Charges on Tax-exempt Property Owned by Certain Nonprofit Organizations. This bill, of concern for non-profit property tax exempt camps did not pass. If it had, it would have permitted municipalities to
impose “service fees” for police and fire protection as well as road repair and maintenance on property tax exempt organizations. This is not a new concept and has in fact been around for years. As we have always been able to do in the past, we once again defeated the bill. It however, came as close as we have ever seen to pass. It will not go away in this era of the State attempting to balance its budget on the backs of municipalities.

LD 1463 An Act To Examine Best Practices Relating to Tax Expenditures. This is another of the perennial attempts to find more tax revenue. The bill did not pass but a Resolve did to study the proposal for the next legislative session. Thus it will be back again. The bill was an attempt to set up a system to evaluate on a continuing basis all “tax expenditures”. A tax expenditure is essentially any exemption from having to pay a tax otherwise imposed. An example is the exemption youth camps have from collecting sales taxes on meals served in camp. It is likely to pass in the future. The result will be that on some rotation of years, camps will have to justify to the legislature the purpose for the exemption and the benefits it has for the State.

LD 1664 An Act To Encourage Charitable Contributions to Nonprofit Organizations. This bill passed without the Governor’s signature. The law will benefit non-profit camps. In balancing the State budget last year the legislature limited to $27,500, the total itemized deductions, including those for charitable donations, that a taxpayer could claim in order to reduce Maine adjusted gross income. This law undid this limitation over a period of four years as follows. The limitation is applicable for 2014 and 2015. In 2016 a deduction is available for charitable contributions of up to $18,000. In 2017 a deduction is available for the full amount allowed under federal tax law.

State Agencies

Department of Inland Fisheries and Wildlife (IF&W)

The new Trip Leader Permit Regulations have been promulgated. MYCA has put out information on the changes in these rules.

Federal Regulations

As you all know this year camps were advised that some the transportation by camps of campers and staff are subject to rules under the Federal Motor Carrier Safety Act (FMCSA) including the requirement to obtain Operating Authority for certain interstate transportation. Generally the FMCSA rules other than Operating Authority also apply to intrastate transportation. These matters are the subject of a number of information alerts to members. Information on this issue continues.