



HAMPDEN TOWN COUNCIL
HAMPDEN MUNICIPAL BUILDING
MINUTES

MONDAY

APRIL 6, 2015

7:00 P.M.

Attending:

*Mayor David Ryder
Councilor William Shakespeare
Councilor Terry McAvoy
Councilor Dennis Marble
Councilor Carol Duprey
Councilor Stephen Wilde
Councilor Greg Sirois*

*Town Attorney Tom Russell
Town Manager Susan Lessard
Town Clerk Denise Hodsdon
Public Safety Director Joe Rogers
Code Enforcement Officer Myles Block
Commissioner Richard Rosen
Members of HA Unified Basketball Team
Citizens*

The meeting was called to order by Mayor Ryder at 7:00 pm.

- A. PLEDGE OF ALLEGIANCE** – *Mayor Ryder led the Pledge of Allegiance*
- B. CONSENT AGENDA** – *Motion by Councilor Marble, seconded by Councilor Shakespeare to accept the Consent Agenda. Unanimous vote in favor.*
 - 1. SIGNATURES**
 - 2. SECRETARY'S REPORTS**
 - a. March 16, 2015 Minutes**
 - 3. COMMUNICATIONS**
 - a. Victualers License Renewals:**
 - 1. Dysart's Service**
 - 2. R & K Variety**
 - 3. Pizza Gourmet**
 - 4. Best Western White House Inn Filibuster Lounge**
 - 5. Armstrong Tennis Center**
 - 4. REPORTS**
 - a. Infrastructure Committee Minutes – 2/23/2015**
 - b. Finance Committee Minutes – 3/2/2015**
 - c. Monthly Department Reports – January & February 2015**
 - d. Pool Board Minutes – 2/10/2015**
- C. PUBLIC COMMENTS** – *There were none.*
- D. POLICY AGENDA**

1. NEWS, PRESENTATIONS & AWARDS

- a. **Council Recognition – Hampden Academy Unified Basketball Team – State Championship** – *Mayor Ryder presented a proclamation from the Council to members of the Hampden Academy Unified Basketball Team in recognition of the team winning the state championship. To commemorate the team's "sweet success" Mayor Ryder also presented the team with a chocolate candy arrangement.*
- b. **State Budget – Commissioner Rosen – Councilor McAvoy** – *Councilor McAvoy invited Richard Rosen, Commissioner of the Maine Department of Administrative and Financial Services, to give a short presentation on Governor LePage's proposed budget and tax reform plan. Copies of the materials he provided to the Council are attached and made a part of the minutes.*

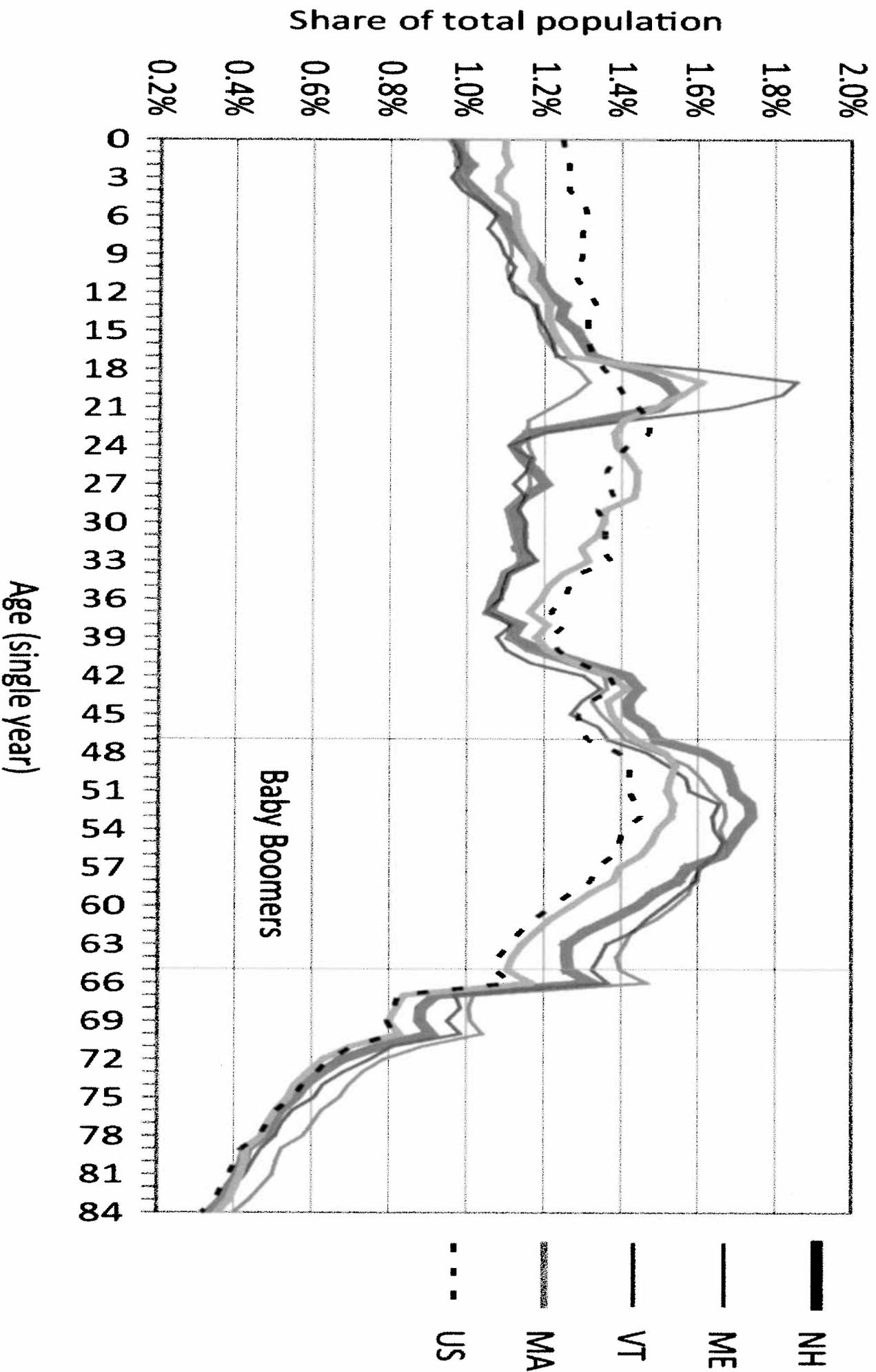
2. PUBLIC HEARINGS

- a. **Application for Victualers License received from John & Corinne Lanpher d/b/a JC's Variety** – *Mayor Ryder opened the hearing and no one spoke in favor or opposition and there were no general questions or comments. The hearing was closed. Motion by Councilor Shakespeare, seconded by Councilor Marble to approve the application. Unanimous vote in favor.*
- b. **Amendments to Life Safety Code Ordinance** – *Code Enforcement Officer Myles Block explained that the purpose of these amendments is to replace the current NFPA 101 Life Safety Code 2003 edition with the 2009 edition, as adopted and amended by the State. Mayor Ryder opened the hearing and no one spoke in favor or opposition and there were no general questions or comments. The hearing was closed. Motion by Councilor Shakespeare, seconded by Councilor Sirois to adopt the amendments to the Life Safety Code Ordinance. Unanimous vote in favor.*
- c. **Amendments to Fire Prevention Code Ordinance** – *Code Enforcement Officer Myles Block explained that the purpose of these amendments is to replace the current BOCA National Fire Prevention 1990 edition with the NFPA 1 Uniform Fire Code 2006 edition, as adopted and amended by the State. Mayor Ryder opened the hearing and no one spoke in favor or opposition and there were no general questions or comments. The hearing was closed. Motion by Councilor Shakespeare, seconded by Councilor Sirois to adopt the amendments to the Fire Prevention Code Ordinance. Unanimous vote in favor.*

3. NOMINATIONS – APPOINTMENTS – ELECTIONS – *There were none.*

4. UNFINISHED BUSINESS

Not only does Maine have the highest share of population in their 60s, we also have the lowest share under 25





Governor LePage's Tax Reform and Relief Plan

“Governor LePage’s proposal is both comprehensive and well thought out, reducing tax burdens and holding out the potential to trigger a substantial improvement to the state’s business climate.”

– Tax Foundation



Governor LePage's Tax Reform & Relief Plan

Governor LePage's second term tax reform and relief plan proposes to align Maine's tax system with the 21st century economy by making it more competitive, simpler, stable and fair. Achieving these objectives will contribute to long-term growth by incentivizing businesses to locate and expand in Maine, individuals to work and raise their families here, and retirees to make Maine their state of residence. This plan accomplishes those goals, while providing over \$300 million of direct tax relief for Maine resident families.

Competitiveness

- Reduce top marginal individual income tax rate from 7.95% to 5.75%
- Cut taxes on all pensions and eliminate tax on military pensions
- Reduce top corporate income tax rate from 8.93% to 6.75%
- Repeal Maine's estate tax to preserve Maine's family businesses
- Modernize Maine's sales tax rates and base, while continuing competitive rates nationally
 - 6.5% general rate for sales & use and on prepared foods (including alcoholic beverages)
 - 6% service provider tax
 - 8% tax on lodging and short-term auto rentals

Simplification

- Repeal cumbersome and obsolete income tax credits and loopholes
- Eliminate corporate alternative minimum tax (AMT)
- Create new credit for medical expenses and eliminate itemized deductions
- Transfer telecommunications excise tax to municipalities
- Repeals BETR program by transferring property to BETE program

Stability

- Replace unstable municipal revenue sharing program with authority for municipalities to tax large non-profit entities
- Strengthening the position of the Budget Stabilization Fund
- Modernize sales tax base to include services, with exemptions for sales to businesses

Fairness

- Create sales tax fairness credit to provide relief from modernized sales tax base to low and middle income Maine resident households
- Expand current Property Tax Fairness Credit to provide direct property tax relief to low and middle income Maine resident households
- Expand Homestead Exemption for elderly residents



Modernizing Maine's Tax Code

Maine's state and local tax system has been essentially unchanged since the introduction of the income tax in 1969. The economic transition over the last 40 years, which was in its early stages at that time, has made the current tax system out of date and uncompetitive with other states.

A modernization of the sales and income tax bases, a lowering of income tax rates, and elimination of the estate tax will align Maine's state tax system with the 21st century economy, make the state more competitive, contribute to long-term economic growth, protect lower and middle income households from shouldering more of the tax burden, and provide a simpler, more stable revenue base to meet the state's spending commitments. All of this can be accomplished while providing over \$300 million of direct tax relief for Maine resident families.

The following is a summary of the bold reforms necessary to simplify and stabilize Maine's tax code, to bring fairness for all taxpayers at both the local and state levels, and to provide our hardworking Maine families and businesses – small and large - the opportunity to compete and thrive in today's economy. *Independent analysis conducted by the Tax Foundation noted that these reforms, if fully implemented, would improve Maine's ranking in the Tax Foundation State Business Tax Climate Index from 33rd to 23rd.¹*

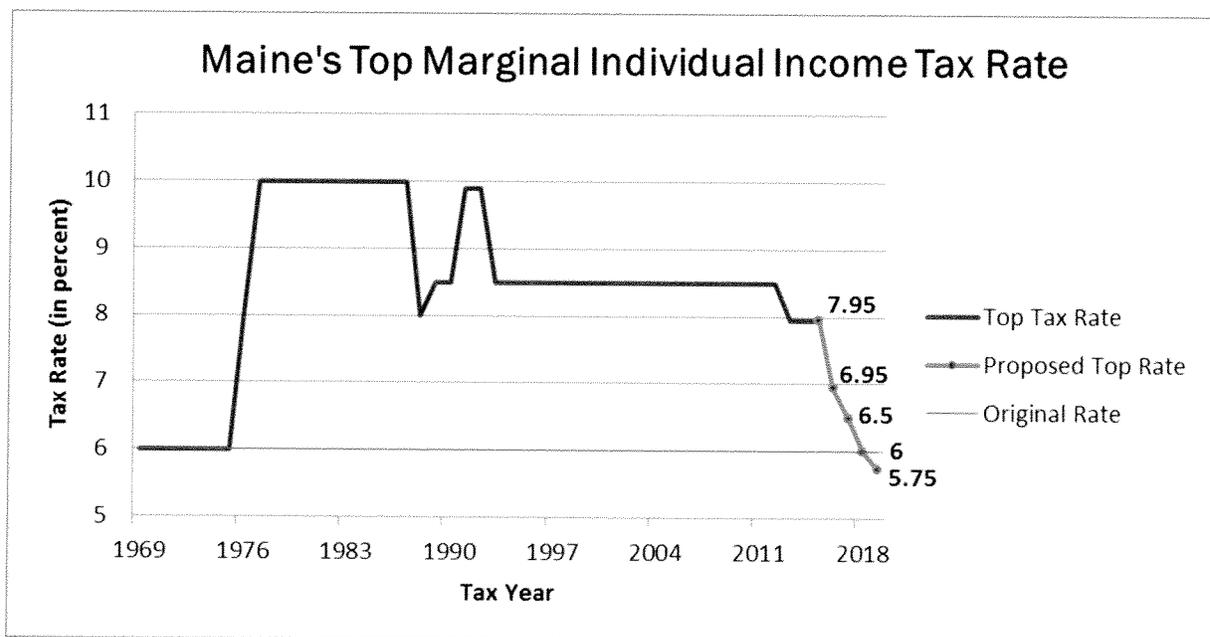
REDUCE INDIVIDUAL & CORPORATE INCOME TAX RATES

The income tax was enacted at a time when large corporations, often headquartered in Maine, with significant investments in plants and equipment were utilizing our natural resources and productive workforce to manufacture goods. Since that time these natural resource based industries have consolidated or moved their production to lower cost locations around the world. These large natural resource based manufacturers have been supplanted by high-tech manufacturing and service based businesses that tend to be smaller, capital intensive operations that depend on an educated workforce and can quickly

¹ The Tax Foundation is a non-profit, non-partisan tax research organization based in Washington, D.C (www.taxfoundation.org)

relocate to more business friendly environments. Most major corporations operating in Maine are now headquartered out of state, eliminating the ties key corporate decision makers previously had to our great state. These business leaders not only focus on the corporate income tax rate, but the individual income tax rate for which they and their highly paid managers will be subject.

Many businesses currently operating in Maine are pass-through entities that are taxed under the individual income tax. The work these entities perform can often be done anywhere. In a state highly dependent on small business and entrepreneurship, we have the 8th highest state and federal combined top marginal tax rate on pass-through income in the country. Not only does this relatively high tax rate dissuade pass-through companies from locating here, but it also dampens the incentive for existing business to expand through capital investment and additional employees.



Individuals and families are more mobile today than ever before. Telecommuting and our increased access to distant locales provide an opportunity for families to enjoy the Maine lifestyle and work in professions that are more diverse than the underlying Maine economy. However, the high tax burden these families face in Maine can be a deterrent to moving here. Currently, individuals and dual income couples are subject to a 7.95 percent top marginal income tax rate that begins at a relatively low level of taxable income. For example, under current law, Maine's top income tax bracket for a single filer begins at only \$21,201

of taxable income per year. In a state that is in need of highly skilled workers, the current income tax system provides no incentive for these people to reside in Maine or for families to raise their children here.

An individual and corporate income tax structure that encourages highly skilled workers, families and corporations to locate here begins with lowering the top marginal tax rate. In the case of the individual income tax, a top statutory marginal tax rate of 5.75 percent will make Maine competitive with the rest of the nation. Similarly a top statutory marginal tax rate for corporate income tax filers of 6.75 percent (currently 8.93 percent) will be very competitive relative to other Northeastern states and competitive with other regions of the country.² According to analysis conducted by the Tax Foundation, the proposed modifications to the corporate income tax would cause Maine to leapfrog from 45th to 17th in the corporate tax ratings.

ELIMINATE THE ESTATE TAX

Federal passage of the 2001 Economic Growth and Tax Relief Reconciliation Act significantly changed the structure of estate taxes. Prior to the law change, every state used the federal death credit as their estate tax, and there was no tax competition among the states. Regardless of a person's state of residence at death, the estate tax was the same. However, the 2001 changes to the federal law forced states to create their own estate tax or repeal the tax altogether. Over time, the majority of states have chosen to repeal the estate tax. Only 19 states currently have some form of estate or inheritance tax, most in the Northeast and Midwest.

The estate tax in Maine punishes family businesses, particularly the multi-generational job creators in many of our rural areas, such as farming and forestry. After the death of a family member, a family can be forced to either sell the business outright or to unload capital equipment to pay the looming estate tax liability. Often this results in a residual impact of loss of good paying, private sector jobs at those family businesses. In addition, combining an estate tax with a high individual income tax has forced more wealthy Maine residents to change their state of domicile in retirement. Maine not only loses significant income tax revenue from these former residents but other benefits that these individuals provide in

² Budgetary requirements necessitate that initial reductions in income tax rates leave the top marginal tax rates in excess of six percent. A scheduled phase-down of rates are included in the tax reform legislation.

retirement, such as donations to Maine charities and, most importantly, continued civic engagement in Maine's religious, educational and business institutions.

The Maine estate tax will be repealed to preserve Maine multi-generational family businesses, encourage current Maine residents to maintain their residency in retirement, and provide an additional incentive to non-resident retirees to move to Maine.

CUT TAXES ON PENSIONS AND ELIMINATE TAX ON MILITARY PENSIONS

Similar to the estate tax, many Mainers change their residence to other states after retirement due to the high taxes on pension benefits relative to other states. To make it more affordable for Mainer's to stay here in retirement, pension income, up to \$35,000, will be exempt from state income tax.³

Most importantly, our veterans earned their pensions and our respect through a career of public service and sacrifice. Military pension benefits will be completely exempt from state income tax beginning in 2016. With this reform, Maine will join the 22 other states which honor their veterans by not taxing their pensions.

MODERNIZE THE SALES TAX

One area where Maine has a competitive advantage is the sales tax rate. The current 5 percent service provider tax rate, 5.5 percent sales and use tax rate, and the 8 percent tax rate on meals and lodging are very competitive compared to the combined state and local rates in other states. An increase to 6 percent in the service provider tax, 6.5 percent in the general sales and use rate, a reduction in the prepared meals rate to 6.5 percent, and

| <u>Current Sales Tax Rates</u> | | <u>Governor's Proposed Sales Tax Rates</u> | |
|--------------------------------|-------|--------------------------------------------|------|
| Service Provider | 5.0% | Service Provider | 6.0% |
| Sales and Use | 5.5% | Sales, Use and Meals | 6.5% |
| Meals and Lodging | 8.0% | Lodging and Auto Rental | 8.0% |
| Auto Rentals | 10.0% | | |

maintaining the current 8 percent rate on lodging will keep Maine in a very competitive posture nationally.

³ Budgetary requirements necessitate that the pension income exemption is incrementally implemented. A scheduled phase-in of the exemption is included in the tax reform legislation.

The sales tax was developed during the mid-1950s when the economy was primarily based on the sale of goods and is becoming difficult to administer and comply with as the economy has increasingly become based on the sale of services. Services represent over 60 percent of current household budgets and tend to be less volatile than purchases of durable goods. A 2007 study by the Federation of Tax Administrators showed that Maine has the 11th narrowest sales tax base in terms of the taxation of services. Automobiles and building supply materials represent 30 percent or more of taxable sales in most years, leaving sales tax revenues vulnerable to changes in the economy that impact consumer purchases of big-ticket items like cars and home furnishings. The latest recession is a good example of how volatile our narrow sales tax base is to economic conditions. Starting with the second quarter of 2008, taxable sales decreased on a year-over-year basis for six straight quarters, often times by over 8 percent. In three of those quarters, automobile sales fell by over 15 percent.

Consumers' ability to purchase online or to use alternative means to purchase identical goods or services has also led to an erosion of the tax base. While administrative and statutory changes have been made to address these activities, the state continues to lose significant revenues every year. In addition, definitions and statutory language developed years ago no longer reflect the technological changes and innovations that have been introduced into the marketplace. For example, watching a movie can result in completely different levels of taxation depending on the method used to view the movie. A taxpayer visiting a movie theater or streaming a movie over the internet currently pays no sales tax; however, an individual purchasing or renting a DVD of the movie or ordering the movie through their cable or satellite provider pays sales tax.

Modernizing the sales tax base to include both goods and services and updating the rates to be competitive nationwide will export more of the tax burden to non-residents and provide stability to state revenues. A refundable sales tax credit administered through the individual income tax will offset the additional sales tax burden on lower- and middle-income households.

SIMPLIFY AND STREAMLINE THE TAX CODE

Maine income tax bases will be streamlined to eliminate income modifications that provide little benefit to taxpayers. The individual income tax base must be simplified by repealing

itemized deductions. In addition, there are a number of business and personal credits that are no longer necessary because other changes in the tax laws have made them obsolete. These changes not only help offset the revenue loss from the rate reductions, but will also simplify the income tax laws.

OVERHAUL MUNICIPAL PROPERTY TAX RELIEF

Maine's state and local tax system is heavily reliant on the local property tax. The fact that the state has the highest percentage of second homes in the country and is land rich suggests this approach is not unreasonable. For many Maine households, however, this reliance on the property tax places a strain on their ability to pay and therefore to remain in their home. Elderly households on fixed incomes are particularly vulnerable to constantly rising property taxes.

There are various reasons why some homeowners are overly burdened by the property tax. First, low- to middle-income households located in "service center" communities face very high mill rates. Service center communities often have a significant portion of their property exempt from taxation because the property is owned by tax-exempt nonprofits. In addition, the population of service centers increases significantly during the work week requiring investments in infrastructure and emergency personnel. Second, households located along the coast, lakes or in the mountains have seen the value of their properties increase dramatically as wealthy, out-of-state, second homeowners have driven prices up. In many cases the mill rates in these towns are relatively low, but the ratio of housing values to resident incomes is extremely high. Finally, some households located in depressed areas have seen their property values plummet along with their income. As a result, mill rates have increased to maintain municipal services.

Because the reasons for burdensome property taxes vary across the state, property tax relief programs should focus on individual homeowners instead of municipalities. Rather than spreading relief across all property owners, focusing state resources directly to low- and middle-income households would target relief to those truly in need. Currently the programs that achieve this result best are the Homestead Exemption and the Property Tax Fairness Credit, and additional state resources will be directed to these and other municipal property tax relief programs.

Current state telecommunications excise tax revenue collection will be transferred to municipalities to assist them in broadening their property tax base. Municipal revenue sharing will be eliminated and municipalities will instead be given the authority to collect tax revenue from large non-profit entities. In the first case, a state level tax that generates approximately \$9 million per year will be transferred to the local level with little or no burden on current taxpayers. The second initiative recognizes the growth of nonprofit organizations in our communities and requires large nonprofits to contribute to municipal coffers.

According to analysis conducted by the Tax Foundation, the proposed real and personal property tax reforms would improve Maine's property tax ranking from 40th to 35th.

SUMMARY

The state's tax system is antiquated and long overdue for major reform. A modernization of the tax system recognizing the challenges of the current economic environment is vital for the state's economy to prosper. A shift away from income tax reliance to an end user consumption tax is a key component of this modernization. While tax relief for Maine families will provide an important boost to the state's economy, bold tax reform will encourage businesses to locate and expand here, people to retire here and individuals to work and raise their families here. It will spark job creation and lead to a prosperous Maine for future generations.

Maine Gears Up for a Serious Tax Reform Conversation

By Jared Walczak & Scott Drenkard
Policy Analyst Economist & Manager of State Projects

Key Findings

- With his newly released tax reform proposal, Governor Paul LePage becomes the first governor to propose substantive tax reform in 2015.
- The plan would result in a tax cut of \$267 million per year as of FY 2019, with the plan fully phased in by the start of calendar year 2021.
- If fully implemented, the LePage plan would improve the state's ranking from 33rd to 23rd on the Tax Foundation State Business Tax Climate Index.
- The governor proposes cutting income tax rates for all income levels but with a more progressive structure that includes additional brackets and a "bubble" bracket designed to phase out the state's zero bracket for higher income earners.
- The LePage plan flattens the corporate income tax and cuts rates while eliminating preferences favoring specific industries and activities.
- To offset income tax reductions, the governor proposes broadening the sales tax base and raising rates.
- The plan also proposes repealing the estate tax and limiting property tax exemptions, along with the elimination of state-local revenue sharing and adjustments to existing state spending limitations.
- The LePage plan could be improved by reforming the state's net operating loss carryback system.

Overview

Governor Paul LePage of Maine is the first governor to put a serious tax reform proposal up for conversation in 2015. Among other provisions, the plan would lower top individual and corporate income tax rates while broadening tax bases, expand the sales tax base to some services while exempting business inputs, raise the sales tax rate while providing a refund for low-income taxpayers, and repeal the state's estate tax.

When Governor LePage took office, we ranked Maine 37th in our *State Business Tax Climate Index*, and during his first term, that ranking improved slightly to 33rd. Should Maine's legislature adopt the governor's proposal, Maine would move to 23rd in our rankings, reflecting improvements in both rates and structure.

Individual Income Tax

In 2011, Governor LePage successfully oversaw the adoption of a tax reform package that reduced the individual income tax, bringing the top rate down from 8.5 percent to 7.95 percent. In this new proposal, the individual income tax component is more ambitious in terms of rate cutting but also introduces structural changes that do not score as well in our model.

The plan simplifies the individual income tax by eliminating a range of credits and deductions, cutting rates, and adjusting income modifications. Once fully phased in, the proposed tax reform package would drop the highest rate from 7.95 percent to 6.5 percent, though due to a tax rate "bubble" mechanism explained below, the rate on income above \$175,000 would actually be lower, settling at 5.75 percent. All told, these reforms will result in a \$1.2 billion cut in individual income taxes over the FY 2018–2019 biennium.

Rate Changes

Under current law, Maine's individual income tax has three tax brackets.

Table 1. Maine Individual Income Tax Brackets (current law)

| Bracket | Rate |
|------------------|-------|
| \$0–\$5,300 | 0% |
| \$5,301–\$21,200 | 6.5% |
| ≥ \$21,201 | 7.95% |

Note: Brackets shown for single filers. For head of household, multiply by 1.5; for married filing jointly, multiply by 2.

Under Governor LePage's plan, the state would adopt four brackets, nearly double the amount of income exempt from taxation, and lower rates for all income levels. In Figure 1, changes from the previous year are presented in bold.

Figure 1. Proposed Maine Individual Income Tax Bracket Changes, 2016–2019

| Tax Year 2016 | | Tax Year 2017 | | Tax Year 2018 | | Tax Year 2019 | |
|-----------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
| Bracket | Rate | Bracket | Rate | Bracket | Rate | Bracket | Rate |
| \$0 | 0% | \$0 | 0% | \$0 | 0% | \$0 | 0% |
| \$9,701 | 5.75% | \$9,701 | 5.75% | \$9,701 | 5.75% | \$9,701 | 5.75% |
| \$50,001 | 6.95% | \$50,001 | 6.95% | \$50,001 | 6.75% | \$50,001 | 6.5% |
| | | \$128,101 | 6.5% | \$143,726 | 6.0% | \$175,000 | 5.75% |

Note: Brackets shown for single filers. For head of household, multiply by 1.5; for married filing jointly, multiply by 2.

One notable feature of the plan is a “bubble bracket” that, once fully phased in, will cover income from \$50,001–\$175,000. The higher rate for this bracket is intended to phase out the benefit of the zero bracket for taxpayers with income above \$50,000. Several other states have personal exemption phase-out (PEP) mechanisms that have similar economic effects on marginal rates, but Maine would be the only state to explicitly put the rate effects into the brackets themselves.

The use of a bubble bracket, or any other personal exemption phase-out mechanism, will necessarily have some dampening effect on economic activity among earners within that bracket, and the addition of a new tax bracket makes the income tax more progressive (which is reflected adversely in our scoring). Still, under this plan, all earners would pay less in income taxes than they do now, and overall, the income tax cut in the plan would improve the state’s score in the income tax component of our *State Business Tax Climate Index*.

Income Modifications

Within the income tax system, an individual’s adjusted gross income (AGI) is their gross income minus deductions, which yields taxable income. For instance, at both the federal and the state level, certain business expenses, IRA and health savings account contributions, and moving expenses can be deducted (among other qualifying expenditures). States largely follow the federal model and rely on federal adjusted gross income (FAGI) for state income tax purposes, but often differ on specific income modifications, allowing additional subtractions from FAGI in some areas while requiring additions for state income tax purposes in others.

Under the proposed legislation, up to \$35,000 (inflation adjusted) in income modifications can be claimed per beneficiary upon full phase in (rising in \$5,000 annual increments), up from \$10,000 at present. Employee contributions to the Maine Public Employees Retirement System would be made tax exempt, while subtractions from FAGI for long-term care insurance premiums not already subtracted at the federal level would be eliminated. Similarly, the deduction of up to \$250 per beneficiary for 529 plan contributions would be eliminated. Taken as a whole, the LePage proposal expands the availability of income modifications and creates greater conformity with federal measures of adjusted gross income.

Credits, Deductions, and Exemptions

This plan chisels away at non-neutral elements of the current income tax, maintaining personal exemptions and conformity with the federal standard deduction but repealing itemized deductions (including the charitable deduction) and certain credits, including the earned income tax credit, which is currently equal to 5 percent of the federal credit. A notable exception is the dependent care tax credit, which LePage’s plan would apply equally (at the higher rate) to children sent to all child care facilities, in contrast to the current rate differential that favors facilities and homes with a “quality certificate.”

Corporate Income Tax

Governor LePage proposes to consolidate the number of corporate income tax brackets and bring down rates over time, with partially offsetting reductions in tax preferences for industries that currently enjoy privileges in the tax code. Taken in aggregate, these modifications to the corporate income tax will result in an estimated \$50 million cut over the FY 2018–2019 biennium, causing Maine to leapfrog from 45th to 17th in the corporate tax component of our *State Business Tax Climate Index*.

Rate Changes

Under current law, Maine’s corporate income tax has four brackets.

Table 2. Maine Corporate Income Tax Brackets (current law)

| Bracket | Rate |
|--------------------|-------|
| \$0–\$25,000 | 3.5% |
| \$25,001–\$75,000 | 7.93% |
| \$75,001–\$250,000 | 8.33% |
| ≥ \$250,001 | 8.93% |

The tax reform proposal under consideration would cut rates and consolidate brackets over time, with the top rate declining to 6.75 percent by 2021, compared to a current rate of 8.93 percent (see Figure 2). Although the LePage plan would not make Maine the thirtieth state with a flat corporate income tax—there is no compelling policy rationale for disparate treatment of corporate income—by having the top rate kick in for all income above \$25,000, the plan brings the state much closer to one.

Figure 2. Proposed Maine Corporate Tax Bracket Changes, 2017–2021

| Tax Year 2017 | | Tax Year 2018 | | Tax Year 2019 | | Tax Year 2020 | | Tax Year 2021 | |
|----------------------|-------|----------------------|-------|---------------|------|---------------|------|---------------|-------|
| Bracket | Rate | Bracket | Rate | Bracket | Rate | Bracket | Rate | Bracket | Rate |
| \$0 | 3.5% | \$0 | 3.5% | \$0 | 3.5% | \$0 | 3.5% | \$0 | 3.5% |
| \$25,001 | 7.93% | \$25,001 | 7.93% | \$25,001 | 7.5% | \$25,001 | 7.0% | \$25,001 | 6.75% |
| \$75,001 | 8.33% | Top bracket repealed | | | | | | | |
| Top bracket repealed | | | | | | | | | |

LePage also proposes to repeal the state's corporate alternative minimum tax (AMT), which currently applies to 5.4 percent of federal alternative minimum taxable income (with adjustments). At present, Maine is one of only eight states to impose an AMT on corporations. Evidence shows that AMTs create high compliance costs while netting little revenue and failing to improve the equity of the tax system in any meaningful way.

Credits

LePage's plan envisions lower corporate tax rates on a broader income base, eliminating exemptions that favor specific industries or activities, including (but not limited to) the repeal of the

- High-Tech Credit,
- Jobs and Investment Tax Credit,
- Biofuel Production Tax Credit, and
- Employer credits for payment of employee expenses.

Although states often tout business incentives as tools to promote economic development, narrow incentives like these distort economic decision-making; in the long run, lower, simpler taxes are more conducive to sustained economic growth. The tax reform proposal on the table in Maine takes an important step in the right direction by eliminating special deals for favored businesses and instead focusing on making Maine's business tax climate more competitive across the board.

Sales Tax

The plan also proposes broadening the sales tax base and raising rates, albeit in the context of a broader plan that has the overall effect of cutting taxes. All told, the sales tax increase and expansion is estimated to raise an additional \$831 million over the FY 2018–2019 biennium, dropping the state from 9th to 20th on the sales tax component of the *Index*.

Rate Changes

At present, sales taxes are scheduled to be cut across most categories on July 1, 2015. Governor LePage proposes abandoning some of those scheduled cuts and even raising rates for some categories, along with a fairly sizeable expansion of the base (see Table 3). Since sales taxes are generally less economically disruptive than some other forms of taxation, including income taxes, a tax shift from earnings to consumption has the potential to improve the state’s economic outlook.¹

Table 3. Maine Sales & Use Taxes (current and proposed)

| Sales & Use Tax Type | Current | Scheduled | Proposed |
|------------------------------------|---------|-----------|----------|
| General Sales & Use Tax Rate | 5.5% | 5.0% | 6.5% |
| Service Provider Tax | 5.0% | 5.0% | 6.0% |
| Lodging | 8.0% | 7.0% | 8.0% |
| Prepared Foods (including alcohol) | 8.0% | 7.0% | 6.5% |
| Short-Term Auto Rentals | 10.0% | 10.0% | 8.0% |

Base Expansion

At present, Maine—like most states—relies on a narrow sales tax base that exempts many goods and nearly all services. This antiquated, non-neutral approach does a poor job of reflecting the economy of Maine or the nation as a whole, which is why economists and finance scholars overwhelmingly advocate for broad bases and low rates. An ideal sales tax would cover the final sale of all goods and services but exempt business-to-business transactions to avoid tax pyramiding.²

Currently, Maine’s sales tax base consists of the sale of tangible personal property with the exception of groceries (not including prepared foods), prescription medication, residential fuel oil, and certain other “necessities of life,” and also captures a few select services, such as leasing an automobile or renting living quarters in a hotel. Governor LePage proposes expanding the sales tax base to include:

- Additional prepared foods by broadening definitions of candy, soft drinks, snacks, desserts, etc.
- Amusement and recreational services such as movies, concerts, health and fitness centers, sports, dancing, amusement parks, historical sites, exhibitions, etc.
- Repair and maintenance services such as labor charges for installation, repair, or maintenance of tangible personal property and sales of extended service contracts, but excluding vehicular repairs.

1 William McBride, *What Is the Evidence on Taxes and Growth?*, TAX FOUNDATION SPECIAL REPORT No. 207 (Dec.18, 2012), <http://taxfoundation.org/article/what-evidence-taxes-and-growth>.

2 Scott Drenkard, *The Two Hardest (But Most Important) Sales Tax Reforms*, TAX FOUNDATION TAX POLICY BLOG, AUG. 2, 2012, <http://taxfoundation.org/blog/two-hardest-most-important-sales-tax-reforms>.

- Personal services such as barbers and beauty salons, cosmetic procedures, event planning, dating services, travel agencies, etc.
- Personal property services such as dry cleaning, laundry, car washes, pet services, furniture cleaning, personal chefs, warehousing and storage, moving services, etc.
- Household services like landscaping, home decorating and cleaning, pest control, swimming pool maintenance, home security systems, garbage removal, etc.
- Professional services such as legal services, accounting, bookkeeping, architecture, engineering, photography, financial planning, etc.
- Miscellaneous items like cable/satellite service and consumer long-distance calling.

In all cases, the governor’s plan purports to exclude business inputs. The plan also proposes changes to the way that rental property is taxed. Currently, rentals of automobiles, campers, and motor homes are subject to sales tax on the rental stream, while other rental property is subject to a use tax on the cost of the property. The LePage plan would move the point of taxation to the rental stream for all taxable rentals. Similarly, there are currently two sales tax models for vending, which Governor LePage proposes to simplify by folding all vending sales into the general sales tax.

Discounts and Credits

Although the expansion to services makes the sales tax more progressive on the whole, since the consumption of consumer services is more concentrated in higher income brackets, the LePage plan includes a refundable sales tax credit to offset any regressivity introduced by the higher rates. The proposal envisions a refundable tax credit based on the number of tax exemptions claimed, which is phased out above certain income thresholds to limit applicability to low-income families (see Figure 3).

Figure 3. Proposed Refundable Sales Tax Credit

| Exemptions | Base Credit |
|------------|-------------|
| 1 | \$250 |
| 2 | \$350 |
| 3 | \$400 |
| 4 | \$450 |
| 5 | \$475 |
| 6+ | \$500 |

Above the designated income threshold, the credit is reduced by specific dollar amounts for each additional income increment, as follows:

| Filing Status | Credit reduced by... | for every... | above... |
|-------------------|----------------------|--------------|----------|
| Single | \$10 | \$500 | \$15,000 |
| Head of Household | \$15 | \$750 | \$22,500 |
| Joint Filers | \$20 | \$1,000 | \$30,000 |

LePage's plan also includes a retailer discount of the lesser of 0.5 percent or \$1,000 per period, which retailers can deduct to cover the expense of reporting and collecting the sales and use tax. Small sellers—those whose gross sales do not exceed \$3,000 per year—will be exempted from reporting and collecting sales taxes.

Property Taxes

Proposed real and personal property tax reforms would improve the state's ranking from 40th to 35th on property taxes in our *Index*.

Estate Taxes

The LePage plan phases out and ultimately repeals the estate tax, raising the exemption from \$2 million to \$5.5 million in 2016 and repealing the tax entirely for deaths on or after January 1, 2017. This change would follow the trend of many states turning away from death taxes in recent years.³

Real Property

The LePage plan proposes the doubling of the homestead exemption (to \$20,000) for senior citizens and its elimination for taxpayers under age 65. It also halves the current 100 percent exemption above a \$500,000 exemption for the real property of nonprofit organizations, with the exception of houses of worship, the property of which would remain fully tax-exempt. The proposed reduction in the exemption percentage is expected to generate at least \$60 million in annual revenue to localities, modestly offsetting a proposed phase-out of state revenue sharing with localities, which will have a local impact of more than \$164 million a year by the FY 2018–2019 biennium.

Most states do not levy property taxes on nonprofit organizations, though some are increasingly turning to negotiated payments in lieu of taxes for certain nonprofits.⁴ There is, moreover, no uniformity on the subject: Virginia allows localities to decide whether to impose property taxes on nonprofits,⁵ while the District of Columbia restricts the exemption to nonprofits focused on public charity principally in the District.⁶

The LePage plan also makes modifications to the Property Tax Fairness Credit, which caps property taxes for low-income and middle-income families. The plans would make more property owners eligible for relief, though the amount at which property taxes are capped will be higher, as seen in Table 4.

³ Liz Emanuel, Scott Drenkard, & Richard Borean, *State Estate and Inheritance Taxes in 2014*, TAX FOUNDATION TAX POLICY BLOG, May 28, 2014, <http://taxfoundation.org/blog/state-estate-and-inheritance-taxes-2014>.

⁴ See generally Daphne A. Kenyon & Adam H. Langley, *Payments in Lieu of Taxes: Balancing Municipal and Nonprofit Interests* (2010), <http://www.lincolnst.edu/subcenters/significant-features-property-tax/upload/sources/ContentPages/documents/PILOTs%20PFR%20final.pdf>.

⁵ Daphne Kenyon & Adam Langley, *The Property Tax Exemption for Nonprofits and Revenue Implications for Cities* (Nov. 2011) at 8, <http://www.urban.org/uploadedpdf/412460-property-tax-exemption-nonprofits.pdf>.

⁶ D.C. Office of Tax and Revenue, *Exemption from D.C. Real Property Tax*, Jan. 1, 2013, <http://otr.cfo.dc.gov/publication/exemption-dc-real-property-tax>.

Table 4. Maine Property Tax Caps (current law and proposed changes)

| | Current Law | | LePage Proposal | |
|----------------------------|----------------|------------------|-----------------|------------------|
| | Maximum Income | Property Tax Cap | Maximum Income | Property Tax Cap |
| Single Filers | \$33,300 | \$2,000 | \$50,000 | \$3,000 |
| Joint/HOH (0-2 exemptions) | \$43,000 | \$2,600 | \$66,666 | \$4,000 |
| Joint/HOH (3+ exemptions) | \$53,300 | \$3,200 | \$83,333 | \$5,000 |

Personal Property

Historically, Maine allowed localities to tax business personal property but then reimbursed businesses for it at the state level through the Business Equipment Tax Reimbursement (BETR) program. Later, the state sought to streamline the process for business taxpayers by exempting business personal property from local taxation but reimbursing localities for 50 percent of the amount of personal property tax revenues they otherwise could have collected through the Business Equipment Tax Exemption (BETE) program. Although the state now only enrolls new retail businesses in the older BETR program, all property placed into service prior to April 2008 continues to be eligible under that program's terms.

The LePage plan accomplishes the consolidation of BETR into the BETE program over a four year period. All property currently in the BETR program will be eligible for a 25 percent exemption under the BETE program beginning in April 2016, a 50 percent exemption in 2017, a 75 percent exemption in 2018, and fully exempt for April 2019 and thereafter.

Going forward, non-retail property would continue to receive a full exemption under BETE, while retail property transferred into BETE from BETR will receive ten years of eligibility. New retail property would not be accepted into the BETE program.

Other Components

In addition to these reforms to individual and corporate income, sales, and property taxes, the LePage plan adopts several other revisions to tax policy and spending limitations, including

- Eliminating the state-level telecommunications excise, which raises an estimated \$9 million per year, making telecommunications subject to taxation at the municipal level,
- Adjusting existing spending limitations to restrict the growth in annual appropriations to a the ten-year average of annual economic growth, eliminating the additional population growth factor and existing allowances for certain growth outside the cap, and
- A two-year phase-out of revenue sharing with localities—presently 5 percent of sales (general and service provider) and income (individual and corporate) tax collections—which was projected to net localities over \$156 million per year over the coming biennium, and which would be reduced to \$62.5 million in FY 2016 and repealed outright as of FY 2017.

Assessment

Governor LePage's proposal is both comprehensive and well thought out, reducing tax burdens and holding the potential to trigger a substantial improvement to the state's business climate.

Estimates from the governor's office suggest that by the FY 2018–2019 biennium, the plan would offer a state tax cut of \$250 million per year, which would reduce state revenues by about \$86 million per year and—including offsetting revenues from property tax base expansion—curtail local government revenues by approximately \$100 million. Impacts would be significantly more modest in the first biennium, during the early stages of the phase-in.

If adopted in full, the governor's plan would improve Maine's ranking on our *State Business Tax Climate Index* from 33rd to 23rd, with improvements on subcomponents as follows:

| Component | Current Law | LePage Proposal |
|------------------------|-------------|-----------------|
| Overall | 33 | 23 |
| Corporate | 45 | 17 |
| Individual | 22 | 20 |
| Sales | 9 | 20 |
| Unemployment Insurance | 42 | 42 |
| Property | 40 | 35 |

Potential Improvements

The LePage proposal makes notable strides in the area of corporate tax reform, but Maine could improve its score still further by adopting a net operating loss (NOL) carryback provision. Eighteen of the 45 states with corporate income taxes allow NOL carrybacks of two to three years, permitting businesses suffering losses in a given calendar year to deduct those losses against prior years' tax returns. The federal government allows twenty years of NOL carryforwards and two years of NOL carrybacks.⁷

Net operating loss deductions are important for businesses with volatile revenues across the business cycle, ensuring that the tax code is more neutral with respect to time. Adopting an uncapped three-year carryback would be a modest change with a substantial impact on the state's business climate. In concert with the LePage proposal, this change would bump Maine up to 21st overall, with the state improving to the 4th best corporate component score.

Still, Governor LePage deserves credit for unveiling a proposal of this scope. The ball is now in the legislature's court. 2015 might be the year that Maine delivers on meaningful structural improvements of its tax system.

The Tax Foundation is a 501(c)(3) non-partisan, non-profit research institution founded in 1937 to educate the public on tax policy. Based in Washington, D.C., our economic and policy analysis is guided by the principles of sound tax policy: simplicity, neutrality, transparency, and stability.

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⁷ Scott Drenkard & Joe Henchman, *2015 State Business Tax Climate Index* (Oct. 28, 2014), at 57, http://taxfoundation.org/sites/taxfoundation.org/files/docs/TaxFoundation_2015_SBTCl.pdf.

D-2-b

The Town of Hampden hereby ordains that the following amendments to the Town of Hampden Life Safety Code Ordinance be adopted.

Additions underlined

Deletions ~~stricken~~

Note that there is some re-numbering and rearrangement of sections of this amendment.

TOWN OF HAMPDEN LIFE SAFETY CODE

Section 1. Life Safety Code Adopted.

In accordance with 30-A, M.R.S.A., Section 3003, the Town of Hampden hereby ordains that NFPA 101, *Life Safety Code*, 2009 ~~2003~~ Edition, published by the National Fire Protection Association, Inc., as adopted and amended by the State of Maine by 16-220 C.M.R. ch 20 (effective 7/27/11), be and is hereby adopted and incorporated by reference for the purpose of establishing minimum requirements to provide a reasonable degree of safety from fire and other emergencies in new and existing buildings and structures. *(Amended: 10-03-05)*

Section 2. Definitions for the Life Safety Code.

2.1. The term "authority having jurisdiction" used in the Life Safety Code and this ordinance shall mean the Town of Hampden ~~Fire Department~~, the Building/Fire Inspector, or the Code Enforcement Officer, Public Safety Director or other person designated by the Public Safety Director or Town Manager. *(Amended: 10-03-05)*

2.2. The term "legal counsel" used in the Life Safety Code shall mean the Town Attorney. *(Amended: 10-03-05)*

Section 3. Amendments to the Life Safety Code.

3.1. The NFPA 101, Life Safety Code, 2009 Edition is adopted in its published form, as amended by the State of Maine by 16-220 C.M.R. ch 20 (effective 7/27/11), as if fully set forth herein except as follows:

- i. Provisions of the Life Safety Code shall not apply to one- and two-family dwellings existing prior to adoption of this amendment, unless the dwellings are being used for a purpose which requires a State of Maine License.

Section 4. Administration and Enforcement.

4.1 ~~3.1~~ It shall be the duty and responsibility of the authority having jurisdiction ~~Fire Department, the Building/Fire Inspector, or the Code Enforcement Officer~~ to enforce the provisions of the Life Safety Code as herein set forth. The designated enforcement officer of this code is herein referred to as the authority having jurisdiction. *(Amended: 10-03-05)*

4.2 ~~3.2~~ The authority having jurisdiction shall have the legal authority to inspect all structures and premises, except existing owner occupied single family dwellings, for the purpose of ascertaining and causing to be corrected any conditions that endanger life from fire, smoke, fumes, panic or any violations of the provisions or intent of this Code, or any other ordinance affecting fire and life safety. *(Amended: 10-03-05)*

4.3 ~~3.2.1~~ In cases where new construction or change of use of an existing building is proposed, the authority having jurisdiction shall require plans prepared and certified by a registered State of Maine Architect or registered State of Maine Professional Engineer, be submitted to the Office of State Fire Marshal ~~State of Maine Firemarshal's Office~~ for review. Once reviewed by the Office of State Fire Marshal ~~State of Maine Firemarshal's Office~~ the applicant shall submit a copy of said plans bearing the stamp of the Office of State Fire Marshal ~~State of Maine Firemarshal's Office~~ with application for either a building permit or certificate of compliance. The requirements of this section shall not pertain to one- and two-family dwellings. *(Amended: 10-03-05)*

4.4 ~~3.3~~ Whenever necessary for the purpose of enforcing the provisions of this Code, or whenever the authority having jurisdiction has reasonable cause to believe that there exists in any structure or premises unsafe conditions, the authority having jurisdiction shall be permitted to enter such structure or premises at all reasonable times to inspect the same or to perform any duty imposed upon the authority having jurisdiction by this Code; provided that if such structure or premises be occupied, the authority having jurisdiction shall first present proper credentials and request entry. If such entry is refused, the authority having jurisdiction shall have recourse to every remedy provided by law to secure entry. *(Amended: 10-03-05)*

4.5 ~~3.4~~ The authority having jurisdiction, duly authorized representative or employee charged with enforcement of this code, while acting for the jurisdiction, shall not thereby be rendered liable personally and is hereby relieved from all personal liability for any damages to persons or property as a result of any act required or permitted in the discharge of official duties. Any suit instituted against any employee because of an act performed in the lawful discharge of duties and under the provisions of this Code shall be defended by the legal representative of the jurisdiction until the final termination of the proceedings. The authority having jurisdiction or any subordinates of the authority having jurisdiction shall not be liable for costs in any action, suit or proceeding that is instituted in pursuance of the provisions of this code; any employee acting in good faith and without malice, shall be free from liability for acts performed under any of its provisions or by reason of any act or omission in the performance of the official duties in connection therewith. *(Amended: 10-03-05)*

4.6 ~~3.5~~ The authority having jurisdiction, and the Town of Hampden, shall not be liable under this Code for damage to persons or property, by reason of the inspection or reinspection of buildings, structures or equipment authorized herein, or failure to inspect or reinspect such

buildings, structures or equipment by reason of the approval or disapproval of any building, structure or equipment authorized herein. *(Amended: 10-03-05)*

4.7. ~~3.6~~ The Municipal Officers shall have the authority as necessary in the interest of public safety, health and the general welfare to promulgate rules and regulation, to interpret and implement the provisions of this Code, to secure the intent thereof and to designate requirements applicable because of climatic or other conditions. Such rules shall not have the effect of waiving any life safety requirements specifically provided in this Code, or violating accepted engineering practice involving public safety. *(Amended: 10-03-05)*

4.8. ~~3.7~~ Whenever the authority having jurisdiction observes an apparent or actual violation of a provision of this Code or other codes or ordinances under the authority having jurisdiction, the authority having jurisdiction shall prepare written notice of violation describing the condition deemed unsafe and specifying time limits for the required repairs or improvements to be made to render the building, structure or premises safe and secure. The written notice of violation of this Code shall be served upon the owner, a duly authorized agent, or upon the occupant or other party responsible for the conditions under violation. Such notice of violations shall be served either by delivering a copy of same to such person or persons by ordinary mail to the last known post office address, delivery to a person in charge of the premises, or by posting a copy of the notice in a conspicuous place at the entrance door or avenue of access; and such procedure shall be deemed the equivalent of personal notice. *(Amended: 10-03-05)*

4.9. ~~3.8~~ If the notice of violation is not complied with within the time specified by the authority having jurisdiction, the authority having jurisdiction shall request the legal counsel of the jurisdiction to institute the appropriate legal proceedings to restrain, correct or abate such violation or to require removal or termination of the unlawful use of the building or structure in violation of the provisions of this Code or any of order or direction made pursuant thereto. *(Amended: 10-03-05)*

Section 5. Civil Penalties.

5.1. ~~3.9~~ Any person, firm or corporation violating any of the provisions of the Code, or failing to comply with any order issued pursuant to any section thereof, shall be guilty of a civil violation and upon conviction thereof shall be subject to a fine. The requirements of 30-A, M.R.S.A., Section 4452 shall apply to the determination of penalties for violations of this Ordinance. The minimum penalty for a specific violation of this Ordinance shall be \$100 and a maximum of \$2,500; provided, however, the maximum penalty may exceed \$2,500, but shall not exceed \$25,000, when it can be shown that there has been a previous conviction of the same party within the past two (2) years for violation of the same ordinance provision. Each day of violation shall constitute a separate offense. All penalties shall inure to the benefit of the Town of Hampden. *(Amended: 10-03-05)*

5.2. ~~3.10~~—The imposition of the penalties herein described, shall not prevent the legal officer of the jurisdiction from instituting appropriate action to prevent unlawful construction or to restrain, correct, or abate a violation; or prevent illegal occupancy of a building, structure or premises; or stop an illegal act, conduct of business or use of a building or structure in or about any premises. *(Amended: 10-03-05)*

Section 6. Appeals.

~~**6.1.** 3.11 Compliance with the Board of Appeals Ordinance. Except as expressly provided in this Ordinance, all appeals shall be subject to the provisions of the Town of Hampden Board of Appeals Ordinance including but not limited to filing deadlines, application requirements, fees, appeal procedures. ~~decisions of the Board of Appeals and subsequent appeals to Superior Court.~~ Any aggrieved person shall have the right to appeal to the Board of Appeals from a decision of the authority having jurisdiction. The right of appeal does not include the right to appeal enforcement decisions. Any Such appeal shall be commenced on a form provided by the authority having jurisdiction within 30 days of the decision. (Amended: 10-03-05) (Amended: 06-19-06)~~

~~3.12 Appellate Review. The Board of Appeals may conduct an appellate review of the decision of the authority having jurisdiction. (Amended: 10-03-05) (Amended: 06-19-06)~~

~~3.13 Basis of the Appeal. The appellant must demonstrate that the decision of the authority having jurisdiction: (1) failed to correctly interpret the true intent of this Code or the rules, regulations, or ordinances adopted by the Municipal Officers, (2) the provisions of this Code do not fully apply, or (3) an equally good or better method of providing for the life safety can be used. (Amended: 10-03-05) (Amended: 06-19-06)~~

~~**6.2.** 3.14 Modifying or Reversing the Decision of the Municipal Authority. The Board of Appeals may modify or reverse the decision of the authority having jurisdiction upon making a determination that: (1) the true intent of this Code or the rules, regulations, or ordinances adopted by the Town Municipal Officers have been incorrectly interpreted, (2) the provisions of this Code do not fully apply, or (3) an equally good or better method of providing for life safety can be used. (Amended: 06-19-06)~~

Section 7 4. Effective Date.

In accordance with Section 213 of the Town Charter, this Ordinance shall become effective at the expiration of thirty (30) days after the date of adoption by the Town Council.

Chapter 20: FIRE SAFETY IN BUILDINGS AND STRUCTURES

SUMMARY: This rule incorporates by reference National Fire Protection Association (NFPA) #101, *Life Safety Code*, 2009 edition; NFPA #80, *Standard for Fire Doors and other Opening Protectives*, 2010 edition; and NFPA #220, *Standard on Types of Building Construction*, 2006 edition. Specific provisions of the Life Safety Code have been excluded to avoid conflict with the *Maine Uniform Building and Energy Code*, and several provisions have been modified to make the provisions specific to Maine. This chapter also includes rules governing portable classrooms and indoor and special pyrotechnic events.

1. This rule incorporates by reference National Fire Protection Association Standard #101, *Life Safety Code*, 2009 edition. All rights reserved by the National Fire Protection Association. Copies of this standard are available through the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269.
 - A. **Unvented fuel-fired heaters.** Unvented fuel-fired heaters shall not be used in a bedroom or bathroom or in a manufactured home.
 - B. **Extinguishment Requirements.** The following provisions of NFPA # 101, the *Life Safety Code*, 2009 edition, are not incorporated by reference:
 1. Chapter 12, section 12.3.5.3, subsections 3 & 4; and,
 2. Chapter 13, section 13.3.5.3, subsections 1 & 2.
 - C. **Extinguishment Requirements in One- and Two- Family Dwellings.** Section 24.3.5.1 of NFPA #101, the *Life Safety Code*, 2009 edition, is not incorporated by reference.
 - D. **Stair risers, guards, treads, and tread nosing.** The following provisions of NFPA # 101, *Life Safety Code*, 2009 edition, are modified as indicated: The maximum height of risers as prescribed in Chapter 24, Section 24.2.5 is modified to permit a maximum 7 ¼" riser for newly constructed stairs in one- and two family dwellings only. The minimum height of guards as prescribed in Chapter 24, Section 24.2.5 is modified to permit a minimum guard height of 36" for newly constructed stairs in one- and two family dwellings only. The minimum tread depth as prescribed in Chapter 24, Section 24.2.5 shall be amended to permit a 10" tread depth for newly constructed stairs in one-and two family dwellings only. Tread nosing as prescribed in Chapter 7, Section 7.2.2.3.5 is modified to permit a nosing at least ¾" but not more than 1 ¼" in depth for newly constructed one-and two family dwellings.
 - E. **Separated Occupancies.** Tables 6.1.14.4.1 a & b, "*Required Separation of Occupancies (hours.)*" shall be cross referenced with Table 508.4 *Required Separation of Occupancies* of the 2009 *International Building Code(IBC)*. Where separation requirements in the two tables conflict, separation requirements set forth in the IBC table control.

- F. **Accessory Occupancies.** Chapter 6, Section 6.1.14.1.3 of NFPA # 101, *Life Safety Code*, 2009 edition, is not incorporated. Section 508.2 *Accessory Occupancies*, of the 2009 *International Building Code* governs.
- G. **Dead End Corridors.** The following provisions of NFPA # 101, *Life Safety Code*, 2009 edition, are modified as indicated: Chapter 18, Section 18.2.5.2 is modified to require dead end corridors not to exceed 20 feet. Chapter 32, Section 32.3.2.5.4 is modified to require dead end corridors not to exceed 50 feet. Chapter 42, Table 42.2.5 is modified to require that a dead end corridor in an ordinary hazard storage occupancy protected by a sprinkler system not exceed 50 feet. A dead end corridor in an ordinary hazard storage occupancy not protected by a sprinkler shall not exceed 20 ft.
2. This rule incorporates by reference the National Fire Protection Association Standard #80, *Standard for Fire Doors and other Opening Protectives*, 2010 edition. All rights reserved by the National Fire Protection Association. Copies of this standard are available through the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269.
3. This rule incorporates by reference the National Fire Protection Association Standard #220, *Standard for Types of Building Construction*, 2006 edition. All rights reserved by the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269.
4. **Portable Classrooms**
- Portable Classrooms shall mean buildings manufactured and moved to a site to provide educational space for educational facilities. Similar portable classrooms may be site built if the installation follows these requirements and a construction permit is obtained in accordance with Title 25 M.R.S.A. §2448.
- A. All portable classrooms shall be placed in such a manner that no part of the portable classroom is within 20 feet horizontally to any other building.
- B. Groups of portable classrooms shall maintain 20 feet of clearance between individual buildings.
- C. All groups of buildings under this construction shall have a construction permit issued by the Office of State Fire Marshal as required by Title 25 M.R.S.A. §2448.
- D. Buildings and groups of buildings on the same property shall have fire alarm systems as required (NFPA 101, 20069 edition, Sections 14.3.4 and 15.3.4) and all systems shall be interconnected.
- E. Fire Drills shall be conducted in conjunction with drills in main educational buildings.
- F. Portable classrooms shall meet all egress requirements of the adopted National Fire Protection Association Standard #101, *Life Safety Code*, 2009 edition.

- G. No installation shall be completed unless a letter from the municipal fire authority has been received by the Office of State Fire Marshal. This letter must indicate that the fire authority's ability to respond to fire emergencies will not be hindered by the placement of the portable classrooms and that the installations of the portable classrooms do not violate local ordinances.

5. Indoor Pyrotechnic Events

Indoor events using special effect display features, as defined in Title 8 M.R.S.A. §221-A, shall be held only:

- A. In buildings fully protected by automatic fire sprinkler systems meeting all requirements of National Fire Protection Association #13, *Installation of Sprinkler Systems*, 2006 edition.
- B. With the prior approval of the Office of State Fire Marshal in accordance with the requirements of Title 8 M.R.S.A., Chapter 9-A; Rules Chapters 20 and 26; and the following:
 - 1. The announcement required by Chapter 20, Section 9 shall be made regardless of capacity.
 - 2. The special effect display shall be conducted by a licensed Fireworks Technician with appropriate Indoor and/or Flame Effect endorsement.
 - 3. The event shall be monitored by the Office of State Fire Marshal.
 - 4. An inspection by the Office of State Fire Marshal shall be completed prior to the commencement of the event with all scenery, effects, and equipment in place.

6. Special Pyrotechnic Amusement Events

- A. A special pyrotechnic amusement event is an event, including but not limited to such events as a magic show or theatrical performance, which uses no more than 1 ounce of flash paper, or small open flame devices such as candles, matches or lighters, or similar devices approved for use at special pyrotechnic amusement events by the Office of State Fire Marshal.
- B. An operator of a special pyrotechnic amusement event shall register with the Office of State Fire Marshal and provide a list of scheduled events and their locations. Such registration shall be valid for a period of 1 year. Location and event schedules shall be updated with the Office of State Fire Marshal no less than 10 days prior to any newly scheduled event or location.
- C. An operator or manager of a special pyrotechnic amusement event shall obtain licensure as a Fireworks Technician with indoor pyrotechnic endorsement pursuant to Title 8 M.R.S.A. Chapter 9-A or conduct the event under the direct supervision of one holding this license.

7. Announcement required

At every event with a defined start time, where an assembly occupancy can accommodate 300 occupants or more, the event manager, operator, sponsor, or a designee shall make an audio announcement to all occupants, prior to the commencement of the event, regarding the following:

- A. Location of exits;
- B. Smoking rules and regulations;
- C. Use of open flame devices;
- D. What to do in case of emergency evacuation; and
- E. Location of any first aid stations.

Such events include but are not limited to those held at armories, assembly halls, auditoriums, dance halls, exhibition halls, gymnasiums, special amusement buildings regardless of occupant load, and theaters.

STATUTORY AUTHORITY: 25 M.R.S.A. §2452 and 8 M.R.S.A. §236

EFFECTIVE DATE:

December 22, 1977 - filed September 27, 1978

AMENDED:

October 24, 1982
September 30, 1985
September 1, 1988
September 1, 1991
September 1, 1994

EFFECTIVE DATE (ELECTRONIC CONVERSION):

May 15, 1996

AMENDED:

January 2, 1999

REPEALED AND REPLACED:

August 7, 2001 - formerly Ch. 29

AMENDED:

March 11, 2003 - filing 2003-67 (*EMERGENCY, expires June 9, 2003*)
September 1, 2003 - filing 2003-302
August 18, 2004 - filing 2004-345

NON-SUBSTANTIVE CORRECTIONS:

September 13, 2004 - corrected section numbering

AMENDED:

September 21, 2004 - filing 2004-409, section 1.B reinserted

September 3, 2007 – filing 2007-371

July 27, 2011 – filing 2011-250

D-2-c

The Town of Hampden hereby ordains that the following amendments to the Town of Hampden Fire Prevention Code be adopted.

Additions underlined

Deletions ~~stricken~~

**TOWN OF HAMPDEN
FIRE PREVENTION CODE**

Sec. 1. Fire Prevention Code Adopted.

In accordance with 30-A M.R.S. Section 3003, as amended, ~~the~~ NFPA 1, “Uniform Fire Code, of the National Fire Protection Association, 2006 Edition, as adopted and amended by the State of Maine by 16-219 C.M.R. ch 3 (effective 9/3/07), be and is hereby adopted as the Fire Code of the Town of Hampden.

~~BOCA National Fire Prevention Code/1990” Eighth Edition, as published by the Building Officials and Code Administrators International, Inc., is hereby adopted as the Fire Prevention Code of the Town of Hampden. Said Code is hereby incorporated by reference as the minimum standards for safeguarding life and property from the hazards of fire and explosion arising from the storage, handling and use of hazardous substances, materials and devices, and from conditions hazardous to life or property in the use or occupancy of buildings or premises.~~

Sec. 2. Amendments to Published Version.

The Uniform Fire Code NFPA 1-2006 Edition BOCA National Fire Prevention Code/1990 is adopted in its published form, as amended by the State of Maine by 16-219 C.M.R. ch 3 (effective 9/3/07), as if fully set forth herein except as follows:

Section 1.10 shall be deleted in its entirety.

~~Section F-105.6 is amended to delete the words “code official” therefrom and to substitute the words “Municipal Officers” in place thereof.~~

~~Section F-111.3 is deleted in its entirety and replaced with the following:~~

~~F-111.3 **Civil Penalties** The requirements of 30-A M.R.S.A. Section 4452 shall apply to the determination of penalties for violations of this Ordinance. The minimum penalty for a specific violation of this Ordinance shall be \$100 and the maximum penalty shall be \$2,500; provided, however, the maximum penalty may exceed \$2,500, but shall not exceed \$25,000, when it can be shown that there has been a previous conviction of the same party within the past two (2) years for violation of the same ordinance provision. Each day of violation shall constitute a separate offense. All penalties shall inure to the benefit of the Town of Hampden. Any person~~

undertaking an activity without first obtaining a permit shall be charged double the permit fee in addition to any civil penalties levied.

Section F-112.0 is deleted in its entirety and replaced with the following:

~~F-112.1 Compliance With Board of Appeals Ordinance: All appeals shall be subject to the provisions of the Town of Hampden Board of Appeals Ordinance including but not limited to filing deadlines, application requirements, fees, appeal procedures, decisions of the Board of Appeals and subsequent appeals to Superior Court. Any aggrieved person shall have the right to appeal to the "Hampden Zoning Board of Appeals" from a decision of the code official.~~

Such appeal shall be commenced, within (30) days of the decision.

~~F-112.2 Appellate Review. The Board of Appeals may conduct an appellate review of the code official's refusal to grant a modification to the provisions of this code.~~

~~F-112.3 Basis of the Appeal. The appellant must demonstrate that the decision of the code official: (1) incorrectly interpreted the true intent of this code, (2) misapplied the provisions of this code, or (3) failed to consider an equally good or better method of fire prevention to be used.~~

~~F-112.4 Modification or Reversal of the Decision: The Board of Appeals may modify or reverse the decision of the code official upon making a determination that (1) the true intent of this code has been incorrectly interpreted, (2) the provisions of this Code do not fully apply, or (3) an equally good or better method of fire prevention is used.~~

Section F-201.0 GENERAL DEFINITIONS is amended to add the following definition:

~~"Outdoor wood fired boiler (OWB)" (same as outdoor wood fired furnace) means an accessory structure or appliance capable of being installed out of doors and designed to transfer or provide heat, via liquid or other means, through the burning of wood or any other nongaseous or non-liquid fuels for heating spaces other than where such structure or appliance is located, any other structure or appliance on the premises, or for heating domestic, swimming pool, hot tub or Jacuzzi water. "Outdoor wood fired boiler or furnace" does not include a fire pit, wood fired barbeque, or chiminea.~~

Section F-303.0 is deleted in its entirety.

F-308.3.1 is amended to add the following:

~~F-308.3.1. Outdoor wood fired boilers or furnaces: All outdoor wood fired boilers or furnaces shall be regulated as a special purpose incinerator and shall require a permit under Section F-106.0 PERMITS of this Code. Outdoor wood fired boilers or furnaces shall be operated in strict accordance with its manufacturer's instructions and specifications. As such, they shall be used to incinerate wood only. It is a violation of this Code to burn or cause to be burned trash, rubbish, garbage, demolition debris, leaves, grass clippings, rags, cardboard, magazines or any non-approved material. Creation of dense smoke or odor upon burning is not permitted. Outdoor wood fired boilers or furnaces shall be prohibited from operating between the dates of May 1 to October 1. The provisions of this subsection shall apply retroactively to all outdoor wood fired boilers of furnaces located in the Town.~~

~~Section F-313.0 is deleted in its entirety and replaced with the following:~~

~~Section F-313.0 Fire Lanes~~

~~F-313.1 Purpose. Fire lanes are established for the purpose of promoting the public health, safety and welfare by recognizing that there exists, and will in the future exist, buildings and other areas within the town within which and to which the public will be invited, served or housed. These buildings or other areas must be provided prompt adequate emergency services including access by fire fighters and fire fighting equipment and other emergency personnel and equipment in order to accomplish said purpose and effect the saving of life and property in emergency situations.~~

~~F-313.2 Definitions~~

~~1. A "Fire Lane" is defined for the purposes of this article as a designated unobstructed access roadway that will support the imposed loads of fire apparatus and at least twenty feet (20') in width and having a minimum of thirteen feet, six inches (13'6") of vertical clearance. Fire lanes over one hundred fifty feet (150') in length shall be provided with adequate roadway turning radius. See table 313.~~

~~A "Fire Lane" is further defined as an access roadway that is constructed and maintained in a manner to permit free passage of fire apparatus and other emergency equipment and personnel from a public way to all necessary areas, regardless of season of the year or weather conditions, around buildings, as may be required elsewhere in this article.~~

~~2. "Parking area" as defined in this article means lots, areas or other accommodations for the parking of motor vehicles off the street, alley or other way, which said lots, areas or other accommodations are available for use by the public either with or without charge.~~

~~F-313.3 Applicability. All premises covered by this Ordinance where the Fire Department may be called upon to protect in case of fire which are not readily accessible from public roads shall be provided with fire lanes. A minimum of one side of the building on the premises shall be accessible to fire apparatus. The Authority Having Jurisdiction may require that additional sides of the building be accessible if the size and type of occupancy of the building warrants additional fire protection and accessibility.~~

~~The provisions of this article shall, in order to accomplish the stated purpose, be applicable to all proposed and existing developments, buildings and other premises which are included within the following:~~

~~A.) multi-family units with four (4) units or more in one building.~~

~~B.) all schools, whether private or public.~~

~~C.) all hospitals and clinics.~~

~~D.) convalescent homes, rest homes and/or nursing homes.~~

~~E.) all shopping centers (defined as three (3) or more businesses)~~

~~F.) all industrial and commercial buildings over 3,000 sq. ft.~~

~~G.) all places of public assembly used for gathering together of 50 or more persons.~~

In addition to the foregoing, fire lanes shall be provided for all buildings, except one (1) and two (2) family residences, that are set back more than 150 feet from a public road or buildings which exceed 30 feet in height and are 50 feet or more from a public road.

F-313.4 Establishment of fire lanes in the Town of Hampden

1. Each application for any use described in Section F-313.3 above shall be reviewed by the Code Official for purposes of determining the location of such fire lanes as are necessary under this section. The Official's findings, recommendations and required designations shall be reduced to writing and shall be a part of the record for said approval.
2. Within existing developments and premises to which this section is applicable, the Code Official shall designate fire lanes by written order and shall notify the owner, owners or agents of such development or premises by certified mail of such designation and of any specific requirements for compliance with this section. The Code Official shall also file one (1) copy of any order of designation of any such fire lanes with the Town Clerk. Any person aggrieved by such order may appeal in accordance with *Section F-112.0 and the Town of Hampden Board of Appeals Ordinance.*

F-313.5 Maintenance. Fire lanes established under this article shall be kept free of ice and snow and rubbish containers or other obstructions. The owner(s), agent(s), or occupant(s) of any premises to which this article is applicable, shall cause to be erected, installed and maintained at their own expense, permanent, adequate signs bearing the words "FIRE LANE NO PARKING VEHICLES WILL BE TOWED AT OWNER'S EXPENSE" in or adjacent to said fire lanes. Such owner(s), agent(s) or occupant(s) shall cause such other and further designations as are reasonably required by the Code Official to warn persons to keep said fire lanes unobstructed. Failure to maintain a fire lane in accordance with this section shall render the owner(s), agent(s) or occupant(s) of said development liable to a fine in accordance with the general penalty provisions of this Ordinance, with each continuing day of such violation constituting a separate offense.

A.) Signs are required to be placed every one hundred feet (100') facing traffic at a height of seven feet (7'). Placement variations and sign designs shall be subject to approval by the Fire Department.

3.) All curbs adjoining fire lanes or posted areas shall be painted yellow or other approved colors. If no curb is present, an eight inch (8") stripe shall be painted on the pavement.

F-313.6 Compliance. Notice of establishment of fire lanes shall prescribe a reasonable time for compliance. If compliance is not obtained within said time, then such owner(s), agent(s) or occupant(s) shall be subject to a fine in accordance with the general penalty provisions of this Ordinance. Each day following such specified time for compliance shall constitute a new and separate violation.

F-313.7 Whenever any vehicle shall be found in violation of the regulations as established above, any police officer may attach to such vehicle a notice to the owner or the operator that such vehicle has been parked in violation of the regulations. The registered owner of said vehicle shall be presumed to be the operator of said vehicle. Any motor vehicle found parked or standing in a fire lane that has been established in accordance with this article, in

addition to the foregoing, may be towed upon the direction of a police officer, to any public or private parking facility and all expense of such towing and any subsequent storage shall be borne by the registered owner or operator of such vehicle.

F-313.8 Additional Requirements (For new construction)

A.) The access roadway shall be extended to within one hundred fifty feet (150') of all portions of the exterior walls of the first story of any building as measured by an unobstructed route around the exterior of the building. All access, including bridges, shall support the loads of fire apparatus.

B.) Proposed surfaces, other than concrete or asphalt, must be approved by the Fire Department.

C.) When adjacent to buildings that are greater than thirty five feet (35') in height above natural grade, the access roadway shall have a minimum width of twenty six feet (26'). It shall be located between fifteen feet (15') and twenty five feet (25') from the building and shall be positioned parallel to one entire side of the building.

D.) When adjacent to Fire Hydrants, access roadways and fire lanes shall be a minimum of twenty six feet (26') wide for twenty feet (20') in either direction from the hydrant.

E.) Maximum grades shall not exceed fifteen percent (15%) (6.75 degrees) for concrete and twelve percent (12%) (5.4 degrees) for asphalt.

F.) Very large buildings—Buildings exceeding one hundred feet (100') in width and six hundred feet (600') in length, shall have access roadways along the two (2) long sides of the building.

The following section is added to Article 5

F-518.0 Fire Hydrants

General

F-518.1 The Fire Department shall have the authority for the approval of hydrant design and installations. This shall include the size and type of hydrants, number and size of outlets, and the threads used, as well as approval for each specific hydrant location and installation. Hydrant placement shall reflect the hazards of the locality and the needs of the Fire Department in dealing with those hazards.

F-518.2 Fire hydrant locations shall be clearly marked and maintained so that each hydrant location is visible and accessible at all times.

F-518.3 All Fire Hydrants shall be tested in the presence of the Fire Department and approved before the hydrant is placed in service.

F-518.4 After being placed in service, all hydrants shall be maintained in proper working order at all times and shall be subject to periodic testing (at least once a year and after use at a fire). If problems or deficiencies are noted, the problems shall be repaired as soon as possible and the Fire Department shall be notified.

F-518.5 If practical, buildings equipped with automatic sprinkler system, a hydrant shall be located no more than 150 feet from Fire Department sprinkler connection on the building.

~~F 518.6 Hydrants shall be of approved type and shall not have less than a six inch (6") connection with the mains. The fire flow needed shall be determined by the Fire Department.~~

~~F 518.7 Hydrants shall be equipped with NH standard external threads. Exception: existing hydrants approved by Fire Department.~~

~~F 518.8 Hydrants shall be installed in accordance with NFPA 24 and the authority having jurisdiction.~~

~~F 518.9 There shall be no parking at any time within fifteen feet (15') of any hydrant. Vehicles parked within this space shall be subject to towing at the owner's expense.~~

~~F 601.1 is deleted and replaced with the following:~~

~~F 601.1 Obstructions: A person shall not at any time place an encumbrance of any kind before or upon any fire escape or balcony intended as a means of escape from fire. The means of egress from each part of the building, including stairways, egress doors and any panic hardware installed thereon, aisles, corridors, passageways and similar elements of the means of egress, shall at all times be maintained in a safe condition and shall be available for immediate use and free of all obstructions.~~

~~Article 8 is deleted.~~

~~Article 11 is deleted.~~

~~Article 18 is deleted.~~

~~F 1900.2 is deleted in its entirety.~~

~~F 2400.2 is deleted in its entirety.~~

~~Article 25 is deleted in its entirety.~~

~~Article 26 is deleted in its entirety.~~

~~Article 27 is deleted in its entirety.~~

~~F 2800.3 is deleted in its entirety.~~

~~F 2800.4 is deleted in its entirety.~~

~~F 2805.0 is deleted in its entirety.~~

~~F 2806.0 is deleted in its entirety.~~

~~F 2807.2 is deleted in its entirety except for Table F 280.2 and replaced with the following:~~

~~F 280.2 Size: Containers and portable tanks for flammable and combustible liquids shall conform to Sections F 2801.2 and Table F 2805.2.~~

~~F 2809.0 is deleted in its entirety.~~

~~F 2900.2 is deleted in its entirety.~~

~~Article 31 is deleted in its entirety.~~

~~Article 32 is deleted in its entirety.~~

Sec. 3. Authority Having Jurisdiction.

The authority having jurisdiction in this Code shall be defined as the Town of Hampden Code Enforcement Officer, Building/Fire Inspector, Public Safety Director or other person designated by the Public Safety Director or Town Manager.

Sec. 4. Civil Penalties.

- a) Any person, firm or corporation violating any of the provisions of the Code, or failing to comply with any order issued pursuant to any section thereof, shall be guilty of a civil violation and upon conviction thereof shall be subject to a civil penalty. The requirements of Title 30-A M.R.S. Section 4452 shall apply to the determination of penalties for violations of this Ordinance. The minimum penalty for a specific violation of this Ordinance shall be \$100 and a maximum of \$2,500; provided, however, the maximum penalty may exceed \$2,500, but shall not exceed \$25,000, when it can be shown that there has been a previous conviction of the same party within the past two (2) years for violation of the same ordinance provision. Each day of violation shall constitute a separate offense. All penalties shall inure to the benefit of the Town of Hampden.
- b) The imposition of the penalties herein described, shall not prevent the legal officer of the Town from instituting appropriate action to prevent unlawful construction or to restrain, correct, or abate a violation; or prevent illegal occupancy of a building, structure or premises; or stop an illegal act, conduct of business or use of a building or structure in or about any premises.

Sec. 5. Appeals

- a) Except as expressly provided in this Ordinance, all appeals shall be subject to the provisions of the Town of Hampden Board of Appeals Ordinance, including but not limited to filing deadlines, application requirements, fees and appeal procedures. Any aggrieved person shall have the right to appeal to the Board of Appeals from a decision of the authority having jurisdiction. This right of appeal does not include the right to appeal enforcement decisions. Any appeal shall be commenced on a form provided by the authority having jurisdiction.
- b) The Board of Appeals may modify or reverse the decision of the authority having jurisdiction upon making a determination that: (1) the true intent of this Code or the rules, regulations, or ordinances adopted by the Town have been incorrectly interpreted, (2) the provisions of this Code do not fully apply, or (3) an equally good or better method of providing for fire prevention can be used. The Board of Appeals may only modify or

reverse the decision of the authority having jurisdiction upon a concurring vote of at least four members.

Sec 6. Effective Date.

In accordance with Section 213 of the Town Charter, this Ordinance shall become effective at the expiration of thirty (30) days after the date of adoption by the Town Council.

16 DEPARTMENT OF PUBLIC SAFETY

219 OFFICE OF STATE FIRE MARSHAL

Chapter 3: FIRE PREVENTION CODE

SUMMARY: This chapter establishes the rules and regulations prescribing the minimum requirements necessary to establish a reasonable level of fire safety and property protection from the hazards created by fire and explosion.

1. This rule incorporates by reference the following National Fire Protection Association standard, available from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269:

NFPA # 1, Uniform Fire Code, 2006 edition.

2. The following chapters and sections of NFPA #1, Uniform Fire Code, shall not be incorporated in the State of Maine:

Chapter 65, Section 11 (see Rules of the State Fire Marshal, Chapter 25 & Title 8 M.R.S.A §236)

Chapter 20, Sections: 2.3.5; 3.2.1; 4.2.6; 5.2.5.4; 6.2.6; 7.2.6; 8.2.6; 9.2.2; 10.2; and, 11.2

Chapter 13, Section 2.2.2

Chapter 66, Table(s): 66.2.3.2.1.1(a); 66.2.3.2.1.1(b); 66.2.3.2.1.4

3. The following chapter and section shall be amended to read:

Chapter 20, Section 11.1 Application. New and existing one-and two-family dwellings shall comply with Section 20.11 and NFPA 101. Chapter 24, Section 3.5.1 of NFPA 101 shall not be incorporated in this rule.

STATUTORY AUTHORITY: 25 MRSA §2452

EFFECTIVE DATE:

August 17, 2002 - filing 2002-310

AMENDED:

August 18, 2004 - filing 2004-339

September 3, 2007 – filing 2007-363

- a. **Update – Disposition of Tax-Acquired Property at 106 Manning Mill Rd.** – *Manager Lessard informed the Council that the mortgage holder had paid all outstanding amounts due and the property was quitclaimed back to the record owner.*

5. NEW BUSINESS

- a. **Children’s Day Update – Councilor Shakespeare** – *Councilor Shakespeare asked former Mayor Janet Hughes to update the Council on the progress in putting together a Children’s Day Committee of volunteers. Mrs. Hughes informed the Council that she and former Councilor Tom Brann had reached out to the community and an organizational meeting was held. There are currently 21 members on the committee and they will be electing officers at their next meeting. She said the committee is looking for a commitment from the Town that it will continue to support Children’s Day by recognizing that it is a Town event and that the Town will continue to provide insurance coverage, Public Safety services, and the assistance of Recreation Director Shelley Abbott as a liaison between the Town and the Committee. Motion by Councilor Shakespeare, seconded by Councilor Sirois that the Town support Children’s Day with the necessary insurance and services requested by Janet Hughes. Unanimous vote in favor.*
- b. **Alewives Fishing Rights** – *Motion by Councilor McAvoy, seconded by Councilor Marble that the Town retain its fishing rights for alewives. Unanimous vote in favor.*
- c. **Water District – Drill Test Wells on Library Property – Infrastructure Committee Recommendation** – *Infrastructure Committee Chair Marble explained that the Water District has some concern about a back-up water supply and has asked for permission to drill test wells on the aquifer located on the library property. Motion by Councilor Wilde, seconded by Councilor McAvoy to grant permission for the Water District to drill the test wells. Unanimous vote in favor.*
- d. **Sewer Line Replacement – Route 1A/Old County Road – Planning & Development Committee Recommendation** – *Planning & Development Committee Chair Shakespeare explained that the sewer lines at the intersection of Route 1A and Old County Road are in need of replacement. The Water District will be doing work in that area and the Committee discussed including the Town’s project as a non-binding bid option in the Water District’s bid proposal. Motion by Councilor Shakespeare, seconded by Councilor Marble to include the replacement of sewer lines as a non-binding bid option to the Water District’s bid proposal. Vote was unanimously in favor.*
- e. **Zoning Ordinance Map Amendment – Main Road North – Planning & Development Committee Recommendation & Referral to Planning Board** – *Motion by Councilor Shakespeare, seconded by Councilor Marble to refer this to the Planning Board. Unanimous vote in favor.*

- f. **Zoning Ordinance Text Amendment – Article 3.9 Rural District Frontage Exception for Cul-de-sac Lots – Planning & Development Committee Recommendation & Referral to Planning Board – Motion by Councilor Shakespeare, seconded by Councilor Wilde to refer this to the Planning Board. Unanimous vote in favor.**
- g. **Proposed Amendments to Sale of Town Owned Real Estate Ordinance – Finance & Administration Committee Recommendation and Introduction for Public Hearing – Councilor Sirois introduced this for public hearing at the next meeting.**

E. COMMITTEE REPORTS

Services Committee – Councilor McAvoy reported that the next meeting will be at 6:00 pm on Monday April 13th.

Infrastructure Committee – Councilor Marble reported that the committee last met on March 23rd and reviewed an analysis of repair costs on public works equipment and discussed the sewer line replacement project, the LED lighting project at the library and the Water District's request to drill test wells on the library property.

Planning & Development Committee – Councilor Shakespeare reported that at its last meeting the committee heard an update on the MRC project. He noted that there will be a public informational meeting regarding the MRC project at 7:00 pm on April 27th in the Community Room. The committee also reviewed a proposed draft to the Zoning Ordinance regarding lots on cul-de-sacs and discussed future economic development initiatives.

Finance & Administration Committee – Mayor Ryder reported that the Committee continued its review of Council Rules, reviewed the draft letter to the School Board regarding the RSU #22 budget, discussed proposed amendments to the Sale of Town Owned Real Estate Ordinance, and considered adoption of "Ethical Principles for Excellence in Government" and "10 Habits of Highly Effective Town Councils". The committee recommended incorporating both into the Town's Code of Ethics.

- F. MANAGER'S REPORT** – A copy of the Manager's Report is attached and made a part of the minutes.

G. COUNCILORS' COMMENTS

Councilor McAvoy commented that Mother Nature has spurned us yet again but pointed out that Spring will get here sooner or later and he reminded everyone to buy American and shop local.

Councilor Marble noted that recently a couple of our community's political extremists got active again in terms of a mass email. He said initially he took issue with it and had prepared comments to address it but decided it was not worth it. He reminded residents of District 2 that there will be a Hot Stove session at the Library on April 18th.

Councilor Duprey thanked Commissioner Rosen for coming this evening and Councilor McAvoy for inviting him. She also advised folks volunteering with the stream cleanup to wear boots, otherwise your feet will get very wet.

Councilor Wilde also thanked Commissioner Rosen and Councilor McAvoy. He also joined Councilor Marble and chose not to comment on things going on outside the Council and noted that we need to stick to the work that we are doing.

Councilor Shakespeare said we need the public's help with keeping Hampden beautiful and noted that he and Councilor Sirois will be joining in the stream clean up. He challenged other Councilors to do the same. He said he hates politics and he'd like to

MANAGER'S REPORT

April 6, 2015

Public Works Interviews – Mayor Ryder, Councilor McAvoy and I have been doing interviews for Public Works Director candidates. We are fortunate to have received applications from many qualified people. The process is on track to have a recommended candidate to the Council for approval at the May 4th Council meeting.

Budget – In addition to interviewing public works director candidates I have also been working on the budget for 2015/16. It is my intention to present that to the Council on April 20th along with a proposed schedule for budget review.

Sewer Liens – 30 day notices for unpaid sewer charges were sent out in mid-March and those remaining unpaid as of April 16th will have a lien placed on the property.

School Budget Presentation – I will be attending the School Board Meeting on Tuesday, April 7th to listen to the budget presentation. I have received a copy of the information that will be presented from the Superintendent. The budget at presented would require an additional \$97,443.40 from the Town of Hampden, bringing the annual local share for Hampden to \$6,130,574.

Public Safety Flooring – The Public Safety flooring project is complete and turned out very well. Public Safety staff has taken on the job of painting some of the offices now that the flooring has been done as well. We will be looking to resolve the drainage problem that has impacted the flooring downstairs so that in another year that can also be replaced.

Tax Collection – I am pleased to report that as of tax due date on April 1st, 90% of taxes assessed for 2014/15 had been collected. Thank you to all the residents and businesses that do such a good job of staying current with their property tax payments.

Street/Stream Cleanup – The annual street/stream cleanup for the Town will be held on Saturday, May 9th. Volunteers should meet at the Municipal Building Community room at 9 a.m.

Hike for the Homeless - The annual Hike for the Homeless is being held on Saturday, April 11th. Interested walkers should meet at Hampden Academy at 89 Western Avenue. Registration begins at 8:30 a.m. and the walk departs at 9:30 a.m. It is a 5.4 mile route to the Bangor waterfront. The registration fee is \$15 per individual with the proceeds going to benefit the Bangor Homeless Shelter, and people are encouraged to get pledges to help augment the amount raised for this worthy cause. This is the 20th annual hike. The Bangor Area Homeless Shelter serves not only the City of Bangor, but the entire region. Hampden has a record of turning out many walkers for this event – including many of the students at Hampden Academy. I encourage everyone who can to meet at Hampden Academy on Saturday April 11th to participate in this worthwhile event. If you cannot do the hike but still want to help – donations can be made to the Homeless Shelter.

Town Council Meeting

April 6, 2015

think he is here serving the public. After Children's Day and other things discussed tonight, he'd like to think that we're all about Hampden Pride.

***Councilor Sirois** encouraged everyone to participate in the Hike for the Homeless and noted that if you can't walk, there are volunteer opportunities as well.*

H. ADJOURNMENT – *There being no further business, the meeting adjourned at 8:44 pm.*

A handwritten signature in cursive script that reads "Denise Hodsdon".

Denise Hodsdon
Town Clerk