

The First Special Session of the 130th Legislature finally adjourned on Monday night, July 19th.

As many of you may remember, the First Regular Session ended in March 30th when the Democrats passed a majority, [baseline budget](#), in order to assure it would go into effect by July 1st, the beginning of the next fiscal year, without needing 2/3rd support. This caused the need to come back into "Special Session" in order to continue their unfinished legislative work, which included almost all their policy work, and the need to pass the Governor's original budget proposal, albeit significantly amended. The Appropriations Committee and both the House and Senate were able to pass the latter with strong bipartisan support. This included finally funding General Purpose Aid to Education at 55%, and increased revenue sharing to municipalities.

One of the final major items to be negotiated was the bill to allocate the almost \$1 billion from the American Rescue Plan Act (ARPA) that needed to receive legislative approval. The Legislature included this stipulation in the budget language they passed in late March. After many hours of negotiations, the Appropriations Committee held a late night public work session on Wednesday night, July 14th, to vote on the ARPA funds. It became clear that, while the parties agree on the vast majority of the Governor's proposal, their remaining differences meant that the Committee would send partisan proposals to the House and Senate.

Governor Mills immediately and publicly asked the parties to return to the negotiations table in order to pass a proposal with 2/3rd support and thus allow the allocations to be distributed immediately upon her signing it. Behind the scenes, she was making it clear that she was more comfortable with the Republican proposal and likely to line-item veto portions of the Democratic proposal. Republicans were most concerned about the \$20 million of the Governor's \$50 million for the building of affordable housing that the Democrats had set aside to only be used for contracts in which the work force be part of a collective bargaining agreement. Republicans also wanted an additional \$20 million, in addition to the \$80 million supported by the Democrats, be put in the Unemployment Insurance Trust Fund.

On the final day of session, the Democrats chose to move forward with a simple majority vote on the proposal. Towards the final hours of the session, Governor Mills communicated that she would not line-item veto this bill, and instead signed the bill into law immediately. This allowed the Legislature to finally adjourn rather than extend the session further. This means that the effective date of any non-emergency legislation, or legislation without specific dates in the statute, will be October 18, 2021.

Both the [biennial budget](#) and the [ARPA allocation legislation](#) contain opportunities for Preti clients in terms of grants and potential contracts with State agencies. Among these opportunities is the State's interest in investing funds in climate change mitigation efforts, EV charging stations, and efforts to identify and remediate the impacts of PFAS in our environment.

The [supplemental budget](#), the baseline budget, the biennial budget, and the ARPA funding also included significant investments in a broad spectrum of health care service providers and the direct care work force. This includes significant funds to help replace losses to nursing homes during the pandemic and assure their ability to remain open. The effort to more fairly and adequately reimburse the direct care workforce, especially in the context of the COVID-19 pandemic, is the result of years of concerted effort by service providers, families, consumers, and advocates. Preti is gratified to have been an instrumental part of these successful efforts.

[Governor Mills vetoed several pieces of legislation](#), some of which were of concern for employers and businesses such as, L.D. 1711, An Act to Enhance Enforcement of Employment Laws. The vetoes also include the “Pine Tree Power” legislation to take over CMP, the tribal gaming legislation, the increase in the real estate transfer tax, and the banning of aerial herbicides in forestry.

The Legislature and the Governor continued their support of the wind power research project while banning wind power within the three mile coastal waters limit, thus significantly reducing potential impacts on the vast majority of Maine’s fishing community. Pine Tree Zones have been extended two years within the budget, and the bill to further extend them has been carried over. The rules for medical marijuana, already late, will not go into effect for another year.

[Many bills were carried over](#) to be taken up again in the next Legislative session. These include many of the bills related to tribal sovereignty, efforts to severely limit air emissions, efforts to ban all flavored tobacco products and raise the cigarette tax, and online sports wagering. Many of these bills never made it out of their committees of jurisdiction, others were pending final enactment but awaiting action by the Appropriations Committee, and others were on the Unfinished Business list in either the House or Senate, after having been tabled earlier in the session.

The Legislative Practice Group at Preti Flaherty will continue to monitor the relevant rulemaking process, legislative committee meetings, and other legislative and administrative meetings. We will also continue to seek opportunities for all of you to deepen your relationships with policy makers and the Administration. Please do not hesitate to reach out to your contacts here at Preti Flaherty with any questions, concerns, or ideas you may have.

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