I August 2017

The 128th Legislature of the State of Maine
State House
Augusta, ME

Dear Honorable Members of the 128th Legislature:

Under the authority vested in me by Article IV, Part Third, Section 2 of the Constitution of the State of Maine, I am hereby vetoing LD 648, “An Act To Expand the Types of Nonprofit Organizations to Which Surplus Property May Be Sold by the State.”

This bill does not do what it purports; furthermore, its effect is offensive not only to the Maine taxpayer, but also to common sense.

There are now limited entities that are permitted access to buy state surplus property before it is made available for sale to the public. Under current law, there are approximately 1,000 entities that qualify as eligible organizations under the state’s narrowly tailored nonprofit designation. LD 648 would expand that qualifying number to well over 17,000 organizations located both here in Maine and elsewhere.

Based on the sponsor’s testimony, it seems the bill may have intended to only expand access to buying surplus state property to nonprofit, 501(c)(3) organizations. However, that is not what this bill does. Instead, it expands the priority preference and access to the State of Maine’s surplus property program to any organization registered under Section 501(c) of the Internal Revenue Code.

For example, a 501(c)(4) organization engaged in political campaigns and lobbying would now be given a preference over Maine citizens when it comes to purchasing the state’s surplus property. I do not believe lobbyists in Augusta should have preference over Maine citizens in access to purchasing surplus property that taxpayer dollars originally purchased.

Other organizations that would become eligible for this preferential treatment include labor unions registered under Section 501(c)(5), golf courses registered under Section 501(c)(7) and college fraternities and sororities registered under Section 501(c)(7).

These entities already have the same access to attending publicly advertised, regularly scheduled public sales and auctions. It is an insult to hard-working Mainers—whose tax dollars were used to purchase state property in the first place—to provide these organizations with access to surplus items prior to making it available to the general public.
Moreover, creating a blanket provision qualifying all nonprofit organizations registered under Section 501(c) of the Internal Revenue Code would create conflicts with the federal surplus property program, administered by the State of Maine. General Services Administration policy prohibits entities that do not qualify under federal guidelines from being filed or stored with those that do.

Implementation of this bill would require at least two additional Inventory and Property Associate II positions to be created to handle the anticipated workload newly qualified entities would place on the Department of Administrative and Financial Services. In addition to the salaries, benefits and workplace costs for these new positions, DAFS expects the state will incur considerable costs to implement the provisions of this bill and additional General Fund appropriations will be required.

In summary, this bill gives lobbyists and political organizations advantages over individual taxpayers; it conflicts with federal rules; and it requires growth in government bureaucracy. These reasons necessitate that I return LD 648 unsigned and vetoed. I strongly urge the Legislature to sustain it.

Sincerely,

Paul R. LePage
Governor