

MAINE STATE LEGISLATURE

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L.D. 785

Date: 4/13/20

(Filing No. S-694)

REPORT A
JUDICIARY

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE
SENATE
132ND LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 344, L.D. 785, "An Act to Enact the Remaining Recommendations of the Task Force on Changes to the Maine Indian Claims Settlement Implementing Act"

Amend the bill by striking out the title and substituting the following:
'An Act to Amend Certain Tax Laws Regarding the Wabanaki Nations'
Amend the bill by striking out everything after the enacting clause and inserting the following:

'PART A

Sec. A-1. 3 MRSA §1, 2nd ¶, as amended by PL 2009, c. 636, Pt. A, §1, is further amended to read:

The Tribal Clerk of the Penobscot Indian Nation shall, on or before the day preceding the meeting of the Legislature, furnish to the Clerk of the preceding House of Representatives a certification, under the seal of the Nation, of the name and residence of the Representative-elect of the Penobscot Indian Nation to the Legislature. The Tribal Clerk of the Passamaquoddy Tribe of the reservation from which the Representative-elect of that tribe has been chosen shall, on or before the day preceding the meeting of the Legislature, furnish the Clerk of the preceding House of Representatives a certification of the name and residence of the Representative-elect of the Passamaquoddy Tribe to the Legislature. Beginning with the 126th Legislature, the Tribal Clerk of the Houlton Band of Maliseet Indians shall, on or before the day preceding the meeting of the Legislature, furnish to the Clerk of the preceding House of Representatives a certification of the name and residence of the Representative-elect of the Houlton Band of Maliseet Indians to the Legislature. Beginning with the 133rd Legislature, the Tribal Clerk of the Mi'kmaq Nation shall, on or before the day preceding the meeting of the Legislature, furnish to the Clerk of the preceding House of Representatives a certification, under the seal of the Nation, of the name and residence of the Representative-elect of the Mi'kmaq Nation to the Legislature.

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to S.P. 344, L.D. 785 (S-694)

- 1 A. "Primarily" means more than 50% of that period of time that begins on the date on
- 2 which the property or service is first placed in service by the purchaser and ends one
- 3 year from that date or at the time that the property or service is sold, scrapped,
- 4 destroyed or otherwise permanently removed from service, whichever occurs first; ~~and~~
- 5 B. "Sales sourced to tribal land" means sales sourced pursuant to section 1819 to a
- 6 location on tribal land. ~~In addition, sales of motor vehicles other than those that are~~
- 7 ~~being leased for a period of less than one year to a tribal member are sales sourced to~~
- 8 ~~tribal land if the vehicle is intended to be driven or transported to tribal land~~
- 9 ~~immediately upon receipt of the vehicle. as well as:~~
- 10 (1) Sales of motor vehicles other than those that are being leased for a period of
- 11 less than one year to a tribal member, if the vehicle is intended to be driven or
- 12 transported to tribal land immediately upon receipt of the vehicle; and
- 13 (2) Sales of new manufactured housing to a tribal member, if the new
- 14 manufactured housing is intended to be installed on tribal land immediately upon
- 15 receipt or delivery; and
- 16 C. "Sales of new manufactured housing for installation on tribal land" means sales to
- 17 a construction contractor or subcontractor of new manufactured housing that is
- 18 intended to be physically incorporated in, and become a permanent part of real property
- 19 located on, tribal land for sale to a tribal member or to the Passamaquoddy Tribe, the
- 20 Penobscot Nation, the Houlton Band of Maliseet Indians or the Mi'kmaq Nation.

21 **Sec. C-2. Application.** This Part applies to sales occurring on or after January 1,
 22 2027.

23 **PART D**

24 **Sec. D-1. 36 MRSA §1760, sub-§114,** as amended by PL 2025, c. 271, Pt. B, §3
 25 and affected by §5, is further amended to read:

26 **114. Tribal entities.** Sales to a tribal entity that are sales sourced to tribal land, except
 27 that, if the property or service is used by the purchaser, including any lessee, primarily
 28 outside of tribal land, the purchaser is liable for use tax based on the original sale price,
 29 unless otherwise exempt under this Part.

30 For purposes of this subsection:

- 31 A. "Primarily" means more than 50% of that period of time that begins on the date on
- 32 which the property or service is first placed in service by the purchaser and ends one
- 33 year from that date or at the time that the property or service is sold, scrapped,
- 34 destroyed or otherwise permanently removed from service, whichever occurs first; ~~and~~
- 35 B. "Sales sourced to tribal land" means sales sourced pursuant to section 1819 to a
- 36 location on tribal land or to a location on specific tribally owned fee land identified in
- 37 rules adopted pursuant to paragraph C. In addition, sales of motor vehicles other than
- 38 those that are being leased for a period of less than one year to a tribal entity are sales
- 39 sourced to tribal land if the vehicle is intended to be driven or transported to tribal land
- 40 immediately upon receipt of the vehicle; ~~and~~
- 41 C. The bureau shall, by rule, identify the tribally owned fee lands eligible for the sales
- 42 tax exemption set forth in this subsection and the sales tax transfer in section 1815 in
- 43 accordance with the following requirements.

COMMITTEE AMENDMENT "A" to S.P. 344, L.D. 785 (S-694)

1 (1) The Passamaquoddy Tribe, the Penobscot Nation, the Houlton Band of
 2 Maliseet Indians and the Mi'kmaq Nation, referred to in this paragraph as
 3 "Wabanaki Nation," may each file a written request with the bureau by August 1st
 4 of each year that the sales tax exemption in this subsection and the sales tax transfer
 5 in section 1815 apply, effective January 1st of the following year, at any one time
 6 to no more than one parcel of land or 2 abutting parcels of land that are jointly used
 7 to operate a business. To qualify for the exemption, the parcel or parcels of land
 8 must be:

9 (a) Owned in fee by the requesting Wabanaki Nation or a tribal entity owned
 10 by the requesting Wabanaki Nation, a tribal member or members of the
 11 requesting Wabanaki Nation or some combination thereof;

12 (b) Used by the requesting Wabanaki Nation or tribal entity to operate a
 13 business; and

14 (c) Located within Aroostook County, Hancock County, Franklin County,
 15 Penobscot County, Piscataquis County, Somerset County, Oxford County or
 16 Washington County.

17 (2) If a parcel or parcels of land identified by rule as eligible for the sales tax
 18 exemption set forth in this subsection and the sales tax transfer in section 1815
 19 cease to meet the requirements of subparagraph (1) or if a Wabanaki Nation elects
 20 to change that Wabanaki Nation's parcel or parcels of land identified to the bureau
 21 for purposes of this subsection and section 1815, the requesting Wabanaki Nation
 22 shall notify the bureau and may submit a new request under subparagraph (1) that
 23 the sales tax exemption set forth in this subsection and the sales tax transfer in
 24 section 1815 apply to a different parcel or parcels of land.

25 (3) If the parcel or parcels of land that a Wabanaki Nation requests to be subject
 26 to the sales tax exemption in this subsection and the sales tax transfer in section
 27 1815 meet the requirements of subparagraph (1), the bureau shall adopt rules
 28 identifying the parcel or parcels of land as tribally owned fee lands eligible for the
 29 sales tax exemption set forth in this subsection and the sales tax transfer in section
 30 1815.

31 Rules adopted pursuant to this paragraph are routine technical rules pursuant to Title
 32 5, chapter 375, subchapter 2-A.

33 **Sec. D-2. 36 MRSA §1815, sub-§2,** as amended by PL 2025, c. 470, Pt. D, §3 and
 34 affected by §6, is further amended to read:

35 **2. Monthly transfer.** By the 20th day of each month, the assessor shall notify the
 36 State Controller and the Treasurer of State of the amount of revenue attributable to the tax
 37 collected under this chapter in the previous month on sales occurring on the
 38 Passamaquoddy Indian territory, the Penobscot Indian territory, the Houlton Band Trust
 39 Land and the Mi'kmaq Nation Trust Land, respectively, reduced by the transfer to the Local
 40 Government Fund required by Title 30-A, section 5681. When notified by the assessor,
 41 the State Controller shall transfer those amounts to the Passamaquoddy fund, the Penobscot
 42 fund, the Maliseet fund and the Mi'kmaq fund, respectively.

1 For purposes of this subsection, a sale occurs on the Passamaquoddy Indian territory, the
 2 Penobscot Indian territory, the Houlton Band Trust Land or the Mi'kmaq Nation Trust Land
 3 if:

4 A. The business location of the seller from which the purchase is made is on
 5 Passamaquoddy Indian territory, Penobscot Indian territory, Houlton Band Trust Land
 6 or Mi'kmaq Nation Trust Land, respectively, or on the Passamaquoddy Tribe's, the
 7 Penobscot Nation's, the Houlton Band of Maliseet Indian's or the Mi'kmaq Nation's
 8 respective tribally owned fee land identified in rules adopted pursuant to section 1760,
 9 subsection 114, paragraph C; and

10 B. The tangible personal property or taxable service is received by the purchaser also
 11 on Passamaquoddy Indian territory, Penobscot Indian territory, Houlton Band Trust
 12 Land or Mi'kmaq Nation Trust Land, respectively, or on the Passamaquoddy Tribe's,
 13 the Penobscot Nation's, the Houlton Band of Maliseet Indian's or the Mi'kmaq Nation's
 14 respective tribally owned fee land identified in rules adopted pursuant to section 1760,
 15 subsection 114, paragraph C. For purposes of this paragraph, "received" has the same
 16 meaning as in section 1819.

17 **PART E**

18 **Sec. E-1. 36 MRSA §651, sub-§1, ¶F,** as corrected by RR 2013, c. 1, §51, is
 19 amended to read:

20 F. All airports and landing fields and the structures erected thereon or contained therein
 21 of public municipal corporations whether located within or without the limits of such
 22 public municipal corporations. Any structures or land contained within such airport not
 23 used for airport or aeronautical purposes ~~shall~~ may not be entitled to this exemption.
 24 Any public municipal corporation ~~which~~ that is required to pay taxes to another such
 25 corporation under this paragraph with respect to any airport or landing field ~~shall~~ must
 26 be reimbursed by the county wherein the airport is situated; ~~and~~

27 **Sec. E-2. 36 MRSA §651, sub-§1, ¶G,** as enacted by PL 1967, c. 115, is amended
 28 to read:

29 G. The pipes, fixtures, conduits, buildings, pumping stations and other facilities of a
 30 public municipal corporation used for sewage disposal, if located outside the limits of
 31 such public municipal corporation; and

32 **Sec. E-3. 36 MRSA §651, sub-§1, ¶H** is enacted to read:

33 H. For property tax years beginning on or after April 1, 2027, the property of a
 34 federally recognized Indian tribe in the State if the property is used for governmental
 35 or public purposes; the property is located within 50 miles of the federally recognized
 36 Indian tribe's tribal land; and there is a pending application to have the United States
 37 Secretary of the Interior acquire the property in trust for the benefit of the federally
 38 recognized Indian tribe pursuant to the federal Maine Indian Claims Settlement Act of
 39 1980, Public Law 96-420, federal Houlton Band of Maliseet Indians Supplementary
 40 Claims Settlement Act of 1986, Public Law 99-566 or the federal Aroostook Band of
 41 Micmacs Settlement Act, Public Law 102-171.

42 **PART F**

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Sec. F-1. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF Revenue Services, Bureau of 0002

Initiative: Provides one-time funding for administrative expenses, including the costs of adding a new line to the Municipal Valuation Return and associated programming and testing.

GENERAL FUND	2025-26	2026-27
All Other	\$0	\$88,460
GENERAL FUND TOTAL	\$0	\$88,460

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF DEPARTMENT TOTALS

	2025-26	2026-27
GENERAL FUND	\$0	\$88,460
DEPARTMENT TOTAL - ALL FUNDS	\$0	\$88,460

LEGISLATURE

Legislature 0081

Initiative: Provides ongoing funding for the costs of an additional Legislator.

GENERAL FUND	2025-26	2026-27
Personal Services	\$0	\$43,611
All Other	\$0	\$60,376
GENERAL FUND TOTAL	\$0	\$103,987

Legislature 0081

Initiative: Provides one-time funding for the costs of adding a new Legislator.

GENERAL FUND	2025-26	2026-27
All Other	\$0	\$80,047
GENERAL FUND TOTAL	\$0	\$80,047

LEGISLATURE DEPARTMENT TOTALS

	2025-26	2026-27
GENERAL FUND	\$0	\$184,034
DEPARTMENT TOTAL - ALL FUNDS	\$0	\$184,034

1	SECTION TOTALS	2025-26	2026-27
2			
3	GENERAL FUND	\$0	\$272,494
4			
5	SECTION TOTAL - ALL FUNDS	\$0	\$272,494
6			

7 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
8 number to read consecutively.

9 **SUMMARY**

10 This amendment, which is the majority report of the committee, replaces the bill and
11 changes the title. The amendment amends several provisions of state law affecting the
12 Passamaquoddy Tribe, the Penobscot Nation, the Houlton Band of Maliseet Indians and
13 the Mi'kmaq Nation, referred to in this summary as "the Wabanaki Nations."

14 Part A of the amendment provides that, beginning with the First Regular Session of the
15 133rd Legislature, the Mi'kmaq Nation may, like the other Wabanaki Nations, elect a
16 representative to the House of Representatives of the Maine Legislature. The
17 representative of the Mi'kmaq Nation has, to the same extent as other members of the
18 Legislature, the right to receive a salary for each regular session of the Legislature, an
19 allowance for constituent services, allowances for travel-related expenses and per diem
20 payments for the duration of any special session of the Legislature.

21 Part B of the amendment authorizes an individual who is an enrolled member of one
22 of the Wabanaki Nations to subtract from the individual's income for Maine income tax
23 purposes the value of any otherwise taxable compensation, including benefits, received for
24 personal services performed as an employee of one of the Wabanaki Nations, regardless of
25 whether the individual resides on Indian territory or trust land.

26 Part C of the amendment clarifies that the sale of new manufactured housing to an
27 enrolled member of one of the Wabanaki Nations is exempt from Maine sales tax if the
28 new manufactured housing is to be installed on Indian territory or trust land. It also newly
29 exempts from Maine sales tax the sale of new manufactured housing to a construction
30 contractor or subcontractor if the new manufactured housing is intended to be physically
31 incorporated in, and become a permanent part of real property located on, Indian territory
32 or trust land for sale to one of the Wabanaki Nations or to an enrolled member of one of
33 the Wabanaki Nations.

34 Part D of the amendment makes the following 2 changes to the State's sales tax laws.

35 1. Under current law, sales of property or services to a tribal entity that are sourced to
36 Indian territory or trust land are exempt from Maine sales tax. Part D of the amendment
37 provides that, for purposes of determining whether sales to tribal entities are sourced to
38 tribal land, the phrase "tribal land" includes no more than one parcel or 2 abutting parcels
39 of fee land owned by each of the Wabanaki Nations or the Wabanaki Nation's tribal entity
40 to operate a business in Aroostook County, Hancock County, Franklin County, Penobscot
41 County, Piscataquis County, Somerset County, Oxford County or Washington County as
42 long as the specifically identified parcel or abutting parcels of land remain owned by the
43 Wabanaki Nation or the Wabanaki Nation's tribal entity.



132nd MAINE LEGISLATURE

LD 785

LR 235(02)

An Act to Enact the Remaining Recommendations of the Task Force on Changes to the Maine Indian Claims Settlement Implementing Act

Fiscal Note for Bill as Amended by Committee Amendment "A" (5694)

Committee: Judiciary

Fiscal Note Required: Yes

Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	\$0	\$317,144	\$568,485	\$520,133
Appropriations/Allocations				
General Fund	\$0	\$272,494	\$107,735	\$116,383
Revenue				
General Fund	\$0	(\$44,650)	(\$460,750)	(\$403,750)
Other Special Revenue Funds	\$0	(\$2,350)	(\$24,250)	(\$21,250)

Fiscal Detail and Notes

The bill provides an ongoing appropriation of \$103,987 in fiscal year 2026-27 to the Legislature for the costs of an additional Legislative member representing the Mi'kmaq Nation. The bill also provides an appropriation of \$80,047 in fiscal year 2026-27 for the one-time cost of adding an additional member including chamber renovations, systems modifications and programming changes.

This bill would result in a revenue decrease to the General Fund of \$44,650 in fiscal year 2026-27, \$460,750 in fiscal year 2027-28 and \$403,750 in fiscal year 2028-29 from changes to state tax law affecting the Wabanaki Nations resulting in a loss in individual income tax and sales tax revenue. The bill would result in a revenue decrease to the Local Government Fund and would result in increased costs in future years from increasing reimbursements paid to municipalities for property tax exemptions. The bill also includes a one-time General Fund appropriation to the Department of Administrative and Financial Services, Bureau of Revenue Services of \$88,460 in fiscal year 2026-27 for administrative costs.