

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
118TH LEGISLATURE

SECOND REGULAR SESSION  
AND  
SECOND SPECIAL SESSION

BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
TAXATION

MAY 1998

**MEMBERS:**

*Sen. Richard P. Ruhlin, Chair*  
*Sen. Beverly C. Daggett*  
*Sen. S. Peter Mills*

*Rep. Verdi L. Tripp, Chair*  
*Rep. John L. Tuttle, Jr.*  
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**Staff:**

*Julie S. Jones, Legislative Analyst*

*Office of Fiscal and Program Review*  
*Room 225, 5 State House Station*  
*Augusta, ME 04333*  
*(207)287-1635*



**Maine State Legislature  
OFFICE OF POLICY AND LEGAL ANALYSIS**

13 State House Station, Augusta, Maine 04333-0013  
Telephone: (207) 287-1670  
Fax: (207) 287-1275

**ONE HUNDRED EIGHTEENTH LEGISLATURE  
SECOND REGULAR AND SECOND SPECIAL SESSIONS**

**Summary Of Legislation Before The Joint Standing Committees  
May 1998**

We are pleased to provide this summary of bills that were considered by the Joint Standing Committees of the Maine Legislature. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this Session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills handled by the joint standing committees. It is organized by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet ([www.state.me.us/legis/opla](http://www.state.me.us/legis/opla)).

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

*CON RES XXX*..... Chapter # of Constitutional Resolution passed by both Houses  
*CONF CMTE UNABLE TO AGREE*.....Committee of Conference unable to agree; bill died  
*DIED BETWEEN BODIES*.....House & Senate disagree; bill died  
*DIED IN CONCURRENCE*.....One body accepts ONTP report; the other indefinitely postpones the bill  
*DIED ON ADJOURNMENT*.....Action incomplete when session ended; bill died  
*EMERGENCY*.....Enacted law takes effect sooner than 90 days  
*FAILED EMERGENCY ENACTMENT/FINAL PASSAGE*.....Emergency bill failed to get 2/3 vote  
*FAILED ENACTMENT/FINAL PASSAGE*.....Bill failed to get majority vote  
*FAILED MANDATE ENACTMENT*.....Bill imposing local mandate failed to get 2/3 vote  
*INDEF PP*.....Bill Indefinitely Postponed  
*ONTP*..... Ought Not To Pass report accepted  
*OTP ND*..... Committee report Ought To Pass In New Draft  
*OTP ND/NT*..... Committee report Ought To Pass In New Draft/New Title  
*P&S XXX*..... Chapter # of enacted Private & Special Law  
*PUBLIC XXX*..... Chapter # of enacted Public Law  
*RESOLVE XXX*..... Chapter # of finally passed Resolve  
*UNSIGNED*.....Bill held by Governor  
*VETO SUSTAINED*.....Legislature failed to override Governor's Veto

Please note the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is June 30, 1998 and July 9, 1998 for the Second Special Session. Second Special Session laws include Public Laws beginning with Chapter 718, Private and Special Laws beginning with Chapter 82 and Resolves beginning with Chapter 117.

**Committee Amendment "A" (H-839)** replaced the bill. It would provide that all sales of hay are exempt from sales tax. The amendment also changed the title of the bill and added a fiscal note.

*Enacted law summary*

Public Law 1997, chapter 725 provides that all sales of hay are exempt from sales tax.

**LD 2009                      An Act to Prohibit the Taxing of Retirees' Pensions                      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HARRIMAN	ONTP	

LD 2009 proposed to encourage retired people to move to Maine by providing an income tax deduction for pension income from employment outside the State.

**LD 2010                      An Act Regarding the State Valuation of the Town of Orono                      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CATHCART STEVENS	ONTP	

LD 2010 proposed to adjust the state valuation of the Town of Orono for 1997 and 1998 when the closing of the Striar Textile Mill and the Bangor Hydro-Electric Company's hydroelectric generating facility are not reflected in the state valuation as a result of the lag in determination of the state valuation.

See related bill LD 2192.

**LD 2019                      An Act to Exempt the Lessee Who Purchases a Vehicle from Further Sales Tax on That Vehicle                      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ABROMSON THOMPSON	ONTP	

LD 2019 proposed to exempt from sales tax the purchase of a leased vehicle by the lessee of that vehicle, but only if the lessee paid the sales tax on the value of the lease, and only up to a maximum of the amount paid on the value of the lease. The bill was intended to avoid the potential for perceived "double taxation" of the purchase of vehicles leased before January 1, 1995 when the sales tax treatment of leased vehicles was changed. The bill was based on a misinterpretation of pre-1995 sales tax treatment of motor vehicle leases.

**LD 2035                      An Act Regarding the State Valuation of the Town of Ashland                      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DESMOND PARADIS	ONTP	

LD 2035 proposed to adjust the 1998 state valuation of the Town of Ashland for one year during the period when the closing of a biomass energy plant owned by Alternative Energy, Inc. is not reflected in the state valuation as a result of the lag in determination of the state valuation.

See related bill LD 2192.

**LD 2065                      An Act Relating to the State Valuation of the Town of Wiscasset                      INDEF PP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KILKELLY		

LD 2065 was indefinitely postponed prior to being referred to committee. It proposed to adjust the state valuation of the Town of Wiscasset during the period when the closing of Maine Yankee is not reflected in the state valuation as a result of the lag in adjustments to the state valuation by the Department of Administrative and Financial Services, Bureau of Taxation. This adjustment would have allowed the Town of Wiscasset to receive higher school subsidies and state-municipal revenue sharing from the State during this period.

See related bills LD 2192.

**LD 2070                      An Act to Allow a Tax Refund for Used Business Equipment Purchased and Used in Maine                      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PARADIS	ONTP	

LD 2070 proposed to allow qualified business property previously used in Maine to become eligible for reimbursement under the business equipment tax reimbursement, or "BETR," program if the property is sold and put into service after April 1, 1998..

**LD 2074                      Resolve, to Reimburse Cable Companies for Expenditures Made while Participating in the Business Equipment Tax Reimbursement Tax Program                      RESOLVE 125**