

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

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Rep. John L. Tuttle, Jr.

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Rep. John T. Buck

Rep. Peter E. Cianchette

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**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).

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.

Resolve 1977, chapter 127 creates a Task Force to Increase Primary and Secondary Forest Product Manufacturing for the purpose of exploring and recommending ways to improve the competitive position of the forest products industry.

LD 2087 **An Act to Clarify the Tax-exempt Status of the Maine School of Science and Mathematics** **PUBLIC 772**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEAL	OTP-AM	H-843 H-928 TRIPP

LD 2087 proposes to clarify the tax-exempt status of the Maine School of Science and Mathematics as a public entity by expressly satisfying certain Internal Revenue Service criteria for the interest on the school's borrowings to be exempt from federal taxation. The bill also proposes to give the school's board of trustees express authority to enter into leases and lease-purchase agreements with terms not to exceed 10 years.

Committee Amendment "A" (H-843) adds a fiscal note to the bill.

House Amendment "A" (H-928) removes the emergency preamble and emergency clause from the bill.

Senate Amendment "A" (S-777) (not adopted) is the same as House Amendment "A" (H-928).

Enacted law summary

Public Law 1997, chapter 772 clarifies the tax-exempt status of the Maine School of Science and Mathematics as a public entity by expressly satisfying certain Internal Revenue Service criteria for the interest on the school's borrowings to be exempt from federal taxation. The bill also gives the school's board of trustees express authority to enter into leases and lease-purchase agreements with terms not to exceed 10 years.

LD 2100 **An Act to Permit a Local Development Commission to Assess a User Fee** **ONTP**

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

LD 2100 was intended to provide that a local development commission formed pursuant to an interlocal agreement may assess a user fee against a property owner for the cost of municipal services provided to that owner's property by one of the municipalities participating in the agreement. This fee would have the same priority as, and could be enforced in the same manner as, a real estate tax lien.

LD 2120 **An Act Concerning Technical Changes to the Tax Laws** **PUBLIC 668
EMERGENCY**

Sponsor(s)
RUHLIN
TRIPP

Committee Report
OTP-AM

Amendments Adopted
S-629

LD 2120 proposed to make technical corrections, clarifications and minor substantive changes to various laws concerning taxation and repeal various obsolete tax provisions.

Committee Amendment "A" (S-629) makes corrections to the original bill and adds additional technical corrections, clarifications and minor substantive changes. The amendment also adds a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 668 makes technical corrections, clarifications and minor substantive changes to various laws concerning taxation and also repeals various obsolete tax provisions. This bill was enacted as an emergency measure with an effective date of April 2, 1998.

See also LD 2125 which amends a portion of this bill.

LD 2139

An Act to Equalize and Clarify the Tax on Hard Cider

PUBLIC 767

Sponsor(s)
GREEN
DAGGETT

Committee Report
OTP-AM

Amendments Adopted
H-856

LD 2139 proposed to reduce the excise tax and alcohol premium on hard cider to the beer rate of 35¢ per gallon rather than its current tax treatment as spirits. The bill also proposed to permit wine, wine spirits, and hard cider to be withdrawn from a bonded wine premises or used on bonded wine premises for purposes such as testing and tasting without being subject to the excise or premium tax.

Committee Amendment "A" (H-856) removed the provision from the original bill permitting wine, wine spirits, and hard cider to be withdrawn from bonded wine premises and adds a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 767 reduces the excise tax and alcohol premium on hard cider to the beer rate of 35¢ per gallon rather than its current tax treatment as spirits.

LD 2158

An Act to Create a Maritime Empowerment Zone

ONTTP