

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:

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Sen. Beverly C. Daggett

Sen. S. Peter Mills

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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.

biannually to the Legislature and the Governor on compliance with the law and the rate of return received on public investments.

Committee Amendment "A" (S-640) (majority report) replaces the bill. The amendment would require employers who are recipients of specified economic development incentives to disclose to the Commissioner of Economic and Community Development the public purpose supported by the economic development incentive and the employer's goals for the number, type and wage levels of jobs that will be created and file annual reports containing more detailed information. Applications filed for business property tax reimbursement and the amount of reimbursement received would be removed from tax confidentiality provisions.

The amendment would create an 11-member Economic Development Incentive Commission to review the effectiveness of incentive programs and report to the Legislature. The State Tax Assessor, the Commissioner of Labor, the Maine Technical College System and the Department of Economic and Community Development would be required to report to the Legislature regarding economic development incentives within their respective jurisdictions. The amendment would make it a condition of qualification for the jobs and investment tax credit that the employer demonstrate that the qualifying jobs meet the same standards for wages and benefits as required for receipt of reimbursement through employment tax increment financing. The new commission and the change in the jobs and investment tax credit would expire October 1, 2001. The amendment would also add an appropriation and a fiscal note to the bill.

Committee Amendment "B" (S-641) (minority report) (not adopted) would have replaced the bill. The amendment contains the same provisions as the majority amendment except that it would not have created an Economic Development Incentive Advisory Commission. Agency reports would have instead been submitted to the legislative committees with jurisdiction over business and economic development and taxation.

Enacted law summary

Public Laws 1997, chapter 761 requires employers who are recipients of specified economic development incentives to disclose to the Commissioner of Economic and Community Development the public purpose supported by the economic development incentive and the employer's goals for the number, type and wage levels of jobs that will be created and file annual reports containing more detailed information. Applications filed for business property tax reimbursement and the amount of reimbursement received are removed from tax confidentiality provisions.

The law creates an 11-member Economic Development Incentive Commission to review the effectiveness of incentive programs and report to the Legislature. The State Tax Assessor, the Commissioner of Labor, the Maine Technical College System and the Department of Economic and Community Development are required to report to the Legislature regarding economic development incentives within their respective jurisdictions. The law makes it a condition of qualification for the jobs and investment tax credit that the employer demonstrate that the qualifying jobs meet the same standards for wages and benefits as required for receipt of reimbursement through employment tax increment financing. The new commission and the change in the jobs and investment tax credit expire October 1, 2001.

LD 2263

**An Act to Allow a Municipality to Request a Joint Check from the
Maine Residents Property Tax Program in the Event of
Nonpayment of Taxes**

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LIBBY	ONTP MAJ	
VEDRAL	OTP-AM MIN	

LD 2263 would provide that a municipality may request that a check issued in payment of a claim under the Maine Residents Property Tax Program be issued payable jointly to the claimant and to the municipality if the claimant is delinquent in the payment of taxes on property in the municipality that is the basis of the claim.

Committee Amendment "A" (S-575) would have provided that municipalities requesting joint checks must provide a list of all liens against homestead property to the Bureau of Revenue Services. The amendment would clarify the procedure for determining when joint checks should be issued and provide that information acquired by municipal officials or employees is confidential. The amendment also adds a fiscal note.

LD 2297 An Act Relating to the Taxation of Certain Federal Entities, the PUBLIC 729
Business Equipment Tax Reimbursement Program, the
Administration of the Tax Laws and to Make a Technical
Correction

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
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LD 2297 was reported out of the Joint Standing Committee on Appropriations and Financial Affairs after a meeting with members of the Joint Standing Committee on Taxation. It proposed to do the following:

Part A of this bill proposed to provide that the sales tax exemption for governmental entities does not apply to corporations formed under Part E of the federal Farm Credit Act of 1971.

Part B proposed to provide that natural gas pipelines and certain property used in the production or generation of electricity are not eligible for reimbursement for taxes paid on certain business property.

Part C proposed to provide funds for the acquisition of a tax modeling system and provides authority to the Department of Administrative and Financial Services, Bureau of Revenue Services to contract for tax auditing services for businesses whose primary locations are outside of the State.

Part D proposed to correct an error in the retroactivity clause of Public Law 1997, chapter 643, Part HHH, section 10. The intent of the Legislature was that only Part HHH apply retroactively. The bill ensures that the retroactivity provision applies only to Part HHH.

Enacted law summary

Public Law 1997, chapter 729 does the following: