

# MAINE STATE LEGISLATURE

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*State Of Maine  
121st Legislature*

*Second Regular Session  
and Second Special Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Taxation*

*May 2004*

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*Maine State Legislature*



*Office Of Policy And Legal Analysis  
Office Of Fiscal And Program Review*

*121st Maine Legislature  
Second Regular Session and  
Second Special Session*

*Summary Of Legislation Before The Joint Standing Committees*

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing and joint select committees of the Maine Legislature this past session. 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 considered by the committees. It is arranged alphabetically by committee name 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/billsumm.htm](http://www.state.me.us/legis/opla/billsumm.htm)).

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
NOT PROPERLY BEFORE THE BODY .....	Ruled out of order by the presiding officers; bill died
INDEF PP .....	Bill Indefinitely Postponed
ONTP.....	Ought Not To Pass report accepted
OTP-ND .....	Committee report Ought To Pass In New Draft
P&S XXX.....	Chapter # of enacted Private & Special Law
PASSED.....	Joint Order passed in both bodies
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 that the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is April 30, 2004; and non-emergency legislation enacted in the Second Special Session is July 30, 2004. Four bills (LD's 1572, 1629, 1636 and 1637) that were considered at the First Special Session in August 2003 are also included in these summaries.

*David C. Elliott, Director*  
**Offices located in Room 215 of the Cross Office Building**

*Joint Standing Committee on Taxation*

LD 208

**RESOLUTION, Proposing an Amendment to the Constitution of  
Maine Related to the Taxation of Personal Property**

ONTP

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

LD 208 was carried over from the First Regular Session and proposed an amendment to the Constitution of Maine to exempt business personal property from property tax as a general rule, but would have permitted municipalities to tax business personal property on the basis of just value or another basis authorized by the Legislature.

LD 345

**An Act To Reinstate a Milk Handling Fee**

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MILLS, P WESTON	ONTP MAJ OTP-AM MIN	

LD 345 was carried over from the First Regular Session and proposed to reinstitute the milk handling tax, which was in effect in 1995 and 1996, at the rate of 8¢ per quart on all milk handled for retail sale in Maine. The tax would be paid on a monthly basis by the wholesale handler or, if there was none, by the retail handler. Proceeds of the tax would be paid to the State's General Fund for general purposes of State Government and would not be dedicated to any particular purpose. The bill also proposed to repeal the tax on January 1, 2005.

**LD 746**

**Resolve, Directing the Joint Standing Committee on Taxation To  
Study the State's Participation in the National Streamlined Sales  
and Use Tax Agreement and Report Legislation Necessary To  
Bring the State into Conformity with That Agreement**

INDEF PP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LEMOINE STANLEY	ONTP MAJ OTP-AM MIN	H-672

LD 746, a concept draft, was carried over from the First Regular Session and proposed to adopt the model sales and use tax proposal adopted on November 12, 2002 by the national Streamlined Sales Tax Project. The Streamlined Sales Tax Project is a multistate effort to simplify state sales tax laws so that they are more comprehensible to consumers and easier to administer by retailers, including mail order and Internet retailers. Under the model act, states would retain the right to determine whether to tax any item and to set the rate of tax, as well as the right to authorize local option sales taxes. The model act would make consistent among participating states the definitions of items, and each taxing jurisdiction would have only one tax rate rather than multiple rates for different taxable items.

**Committee Amendment “A” (H-672)** proposed to replace the bill, change it to a resolve and change the title. It would require the Joint Standing Committee on Taxation to analyze and study conformity of the State's sales and use tax laws with the national Streamlined Sales and Use Tax Agreement and make a recommendation regarding conformity, including legislation if necessary, to the First Regular Session of the 122nd Legislature

## *Joint Standing Committee on Taxation*

This study was not approved by the Legislative Council.

**LD 827**

### **An Act Regarding Wildlife Habitat Conservation**

**PUBLIC 619**

<u>Sponsor(s)</u> DUNLAP EDMONDS	<u>Committee Report</u> OTP-AM MAJ ONTP MIN	<u>Amendments Adopted</u> H-799
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LD 827 was carried over from the First Regular Session by the Joint Standing Committee on Inland Fisheries and Wildlife and rereferred jointly to the Joint Standing Committees on Taxation and Inland Fisheries and Wildlife. The bill proposed to allow the Commissioner of Inland Fisheries and Wildlife to enter into an agreement with a landowner to manage a parcel of land in the unorganized territory as wildlife habitat. An agreement could include a provision that exempted the parcel of land that is the subject of the agreement from the property tax. For a landowner who owns more than 1,000 acres in the unorganized territory, no more than 15% of that landowner's holdings in the unorganized territory could be the subject of an agreement to manage the land as wildlife habitat.

**Committee Amendment “A” (H-799)** proposed to replace the bill. It proposed to clarify the meaning of “wildlife habitat” for purposes of the farm and open space tax law and require assessors to consider whether there was a written agreement for the protection of wildlife habitat when determining eligibility for classification under that law.

#### *Enacted Law Summary*

Public Law 2003, chapter 619 clarifies the meaning of “wildlife habitat” for purposes of the farm and open space tax law and requires assessors to consider whether there is a written agreement for the protection of wildlife habitat when determining eligibility for classification under that law.

**LD 938**

### **RESOLUTION, Proposing an Amendment to the Constitution of Maine To Change the Assessment of Lands Used for Long-term Ownership**

**DIED BETWEEN  
HOUSES**

<u>Sponsor(s)</u> PERCY MAYO	<u>Committee Report</u> ONTP MAJ OTP-AM MIN	<u>Amendments Adopted</u>
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LD 938 was carried over from the First Regular Session and together with LD 951, commonly referred to as the “Chebeague proposal,” proposed to permit land used for long-term ownership, or generational family ownership, to be assessed based on current use. A penalty could be imposed if the land were transferred outside of the immediate family or by other than a designated bequest. See related bill, LD 951.