MAINE STATE LEGISLATURE

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State Of Maine 121st Legislature

First Regular Session

Bill Summaries

Joint Standing Committee on Taxation

July 2003

<u>Members:</u>

Sen. Stephen S. Stanley, Chair Sen. Ethan Strimling Sen. Richard A. Nass

Rep. David G. Lemoine, Chair Rep. Joseph C. Perry Rep. Bernard E. McGowan Rep. Deborah L. Simpson Rep. Arthur L. Lerman Rep. Edward J. Suslovic Rep. Harold A. Clough Rep. Jonathan T. E. Courtney Rep. Earle L. McCormick Rep. Joshua A. Tardy

Staff:

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Maine State Legislature



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

121st Maine Legislature First Regular 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, <u>History and Final Disposition of Legislative Documents</u>, 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:

CARRIED OVER PURSUANT TO HP 1212	Bills carried over to the 2 nd Regular Session
CON RES XXX	Chapter # of Constitutional Resolution passed by both Houses
CONF CMTE UNABLE TO AGREE	
DIED BETWEEN BODIES	
DIED IN CONCURRENCEOne bo	dy 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 failed to get majority voteBill imposing local mandate failed to get 2/3 vote
NOT PROPERLY BEFORE THE BODY	
INDEF PP	Bill Indefinitely Postponed
ONTP	Ought Not To Pass report accepted
OTP-ND	
P&S XXX	
PASSED	Joint Order passed in both bodies
PUBLIC XXX	
RESOLVE XXX	
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 First Regular Session (unless otherwise specified in a particular law) is September 13, 2003.

ONTP

Sponsor(s)	Committee Report	Amendments Adopted
EDER	ONTP	

LD 1071 proposed to exempt from the sales tax 100% of the sale or lease price of a new hybrid gasolineelectric, fuel-cell or hydrogen-fueled vehicle and 100% of the cost allocated to the cost of conversion of a converted gasoline or diesel-fueled motor vehicle.

This bill also proposed to place a 5% surcharge on the purchase or lease for more than one year of a vehicle that did not attain at least 27.5 miles per gallon, as found in the so-called "CAFE standards." The surcharge would not apply to commercial motor vehicles.

LD 1080

An Act To Impose a Municipal Services Fee on Tax-exempt **Property**

ONTP

 $\begin{array}{c|c} \underline{Sponsor(s)} & \underline{Committee\ Report} & \underline{Amendments\ Adopted} \\ \underline{PELLON} & \underline{ONTP} & \end{array}$

LD 1080 proposed to allow a municipality to charge an entity that is exempt from property tax for "direct benefit services" provided in that municipality, such as: fire and police protection; water and sewer services; trash collection and disposal; and public works department services, including sidewalk and road construction and maintenance. Only a tax-exempt entity that derives at least 50% of its annual revenue from charges such as service fees, rents, rates or tuitions imposed on a client group served by that tax-exempt entity, regardless of the source of those charges, would be charged for direct benefit services.

A tax-exempt entity otherwise subject to charges would be exempt if that tax-exempt entity expends 50% or more of its annual revenues to provide temporary housing, food, clothing or other services to individuals and families at or below the federal poverty level.

LD 1094 An Act To Replace the Sales Tax with a Gross Receipts Tax

ONTP

Sponsor(s)	Committee Report	Amendments Adopted
GAGNON	ONTP	_

LD 1094 was a concept draft that proposed to replace the State's sales tax with a gross receipts tax that had the following characteristics:

1. The tax would be modeled on the New Mexico gross receipts tax, but without the exemptions contained in that tax.