

MAINE STATE LEGISLATURE

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*State Of Maine
122nd Legislature*

*First Regular Session and
First Special Session*

Bill Summaries

*Joint Standing Committee
on
Taxation*

August 2005

Members:

*Sen. Joseph C. Perry, Chair
Sen. Ethan Strimling
Sen. Jonathan T. E. Courtney*

*Rep. Richard G. Woodbury
Rep. Herbert E. Clark
Rep. Deborah J. Hutton
Rep. Raymond G. Pineau
Rep. Thomas R. Watson
Rep. Harold A. Clough
Rep. H. Stedman Seavey, Jr.
Rep. Earle L. McCormick
Rep. Leonard Earl Bierman
Rep. Bruce Q. Hanley*

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Maine State Legislature

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122nd Legislature
First Regular Session and First Special Session

Summary of Legislation Considered by the Joint Standing Committees
August 2005

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing 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 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. A subject index for each committee is included immediately before the bill summaries for that committee, and a numerical index by LD number is included 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:

- CARRIED OVER Bill Carried Over to Second Regular Session
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
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 First Regular Session (unless otherwise specified in a particular law) is June 29, 2005; and for non-emergency legislation enacted in the First Special Session is September 17, 2005.

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LD 1258 proposed to assess landowners in the unorganized territory a fee equal to .01% of equalized state valuation for the landowners' property. The revenue from the fee would be used to offset the cost of providing services, such as police and fire protection, game warden services and services provided by Department of Labor personnel, in the unorganized territory.

This bill was carried over by H.P. 1203 to the next special or regular session of the 122nd Legislature.

LD 1264 **An Act To Amend Maine's Estate Tax Law** **ONTP**

<u>Sponsor(s)</u> MILLS P	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 1264 proposed to allow for a special estate tax election at the state level so that the estate of an individual with a surviving spouse may fully fund the taxable estate with an amount equal to the federal exclusion without changing the taxable nature of the estate for Maine purposes.

The provisions of this bill were included in the Part 1 budget bill, Public Law 2005, chapter 12, Part N summarized under the Joint Standing Committee on Appropriations and Financial Affairs.

LD 1301 **An Act To Support Affordable Housing** **ONTP**

<u>Sponsor(s)</u> KOFFMAN	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 1301 proposed to allow a municipality, by local referendum, to impose a local option real estate sales tax of 1% on the sale of property for more than \$1,000,000. Revenue from the tax would be distributed by the municipality levying the tax to local nonprofit housing organizations for the purpose of building, buying or developing affordable rental and owner-occupied housing in the municipality for eligible individuals or families. An "eligible individual or family" is defined as an individual or family whose total adjusted gross income is less than 120% of the median income for the United States Department of Labor district in which the eligible property was sold. If the municipality has no local nonprofit housing organization, the municipality would send the revenue to the Maine State Housing Authority.

LD 1305 **An Act To Encourage Long-term Holding of Maine Timberland and Sustainable Forest Management** **PUBLIC 416**

<u>Sponsor(s)</u> FLOOD DAMON	<u>Committee Report</u> OTP-AM MAJ ONTP MIN	<u>Amendments Adopted</u> H-403
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LD 1305 proposed an income tax deduction for the taxable gain on the sale of eligible timberlands held for at least a 10-year period beginning on or after January 1, 2005. The amount of the deduction is increased in 10% increments depending on how many years beyond 10 the eligible timberlands are held prior to their sale. If the

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timberlands are held for at least 19 years after January 1, 2005, the tax deduction is 100% of the gain on the sale of the eligible timberlands.

Committee Amendment "A" (H-403) proposed to add a requirement that eligible timberlands be sustainably managed. This amendment also provided that the amount of the deduction would increase from 1/15th of the capital gains to 100% incrementally over a 15-year period beginning after the 10th year of ownership.

This bill, and its adopted amendment, were carried over on the Special Appropriations Table by S.P. 640 to the next special or regular session of the 122nd Legislature.

Enacted law summary

Public Law 2005, chapter 416 provides an income tax deduction to individuals and corporations for the taxable gain on the sale of sustainably managed eligible timberlands held for at least a 10-year period beginning on or after January 1, 2005. The amount of the deduction increases over a 15-year from 1/15th of the taxable capital gain for eligible timberlands held for at least 10 years after 2005 to 100% of the capital gain if the eligible timberlands are held for at least 24 years after 2005.

LD 1314 An Act To Provide Safety Net Funds

ONTP

Sponsor(s)
PINGREE

Committee Report
ONTP

Amendments Adopted

LD 1314 proposed to increase the cigarette tax by 4¢ and appropriate the additional funds for the Department of Health and Human Services, Bureau of Health to provide grants to federally qualified health centers and federal Indian Health Service-supported centers.

See also LD 1448 and LD 1617. A \$1.00 cigarette tax increase was enacted in Part AA of Public Law 2005, chapter 457.

LD 1328 An Act To Amend the Maine Tree Growth Tax Law To Encourage Public Access CARRIED OVER

Sponsor(s)
MARTIN
PINEAU

Committee Report

Amendments Adopted

LD 1328 proposed to deny Maine Tree Growth Tax Law eligibility for a parcel of land to which public access for recreational use is limited or prohibited.

This bill was carried over by H.P. 1203 to the next special or regular session of the 122nd Legislature.

See also LD 851 and LD 988.