

MAINE STATE LEGISLATURE

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STATE OF MAINE
123RD LEGISLATURE
SECOND REGULAR AND FIRST SPECIAL SESSIONS



Summaries of bills, adopted amendments and laws enacted or finally passed
during the Second Regular or First Special Sessions of the 123rd Maine
Legislature coming from the

JOINT STANDING COMMITTEE ON TAXATION

May 2008

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STATE OF MAINE
123RD LEGISLATURE
SECOND REGULAR & FIRST SPECIAL SESSIONS



**LEGISLATIVE DIGEST OF BILL SUMMARIES AND
ENACTED LAWS**

This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all bills and adopted amendments and all laws enacted or finally passed during the Second Regular or First Special Sessions of the 123rd Maine Legislature.

The *Digest* is arranged alphabetically by committee, and within each committee by LD number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. The appendices include a summary of relevant session statistics, an index of all bills by LD number and an index of enacted laws by law type and chapter number.

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:

<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i>	<i>House & Senate disagree; bill died</i>
<i>DIED IN CONCURRENCE</i>	<i>One body accepts ONTP report; the other indefinitely postpones the bill</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</i>	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>NOT PROPERLY BEFORE THE BODY</i>	<i>Ruled out of order by the presiding officers; bill died</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed; bill died</i>
<i>ONTP (or Accepted ONTP report)</i>	<i>Ought Not To Pass report accepted; bill died</i>
<i>P&S XXX</i>	<i>Chapter # of enacted Private & Special Law</i>
<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i>	<i>Bill held by Governor</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>

The effective date for non-emergency legislation enacted in the Second Regular Session (R2) is June 30, 2008. The effective date for non-emergency legislation enacted in the First Special Session (S1) is July 18, 2008.¹ The effective date for legislation enacted as an emergency measure is specified in the enacted law summary for those bills. Any bill summarized in this document having an LD number less than 1932 was a bill carried over from the First Regular Session of the 123rd Legislature.

¹ The session in which each law was enacted or finally passed (R2 or S1) is included in Appendix C.

Joint Standing Committee on Taxation

percentage points, then the assessor is prohibited from making any adjustment for that year.

LD 961 An Act To Authorize an Alternative Calculation of the Property Growth Factor for Industrial Municipalities **ONTP**

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

This bill provides an alternative method for municipalities with significant amounts of personal property in their tax base to calculate their property growth factor for the purposes of determining their property tax levy limit under the system in Public Law 2005, chapter 2, also known as "LD 1." Specifically, this bill allows municipalities with personal property growth exceeding 5% to calculate the property growth factor either on the basis of the previous year's data or the average of the 2 previous years' data in order to address the potential year-to-year volatility in property growth.

LD 1001 An Act To Eliminate the Property Tax on Business Equipment Owned by Small Retailers **DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COURTNEY	ONTP MAJ OTP-AM MIN	S-459 S-543 STRIMLING

This bill extends the business equipment property tax exemption to eligible property located at a retail sales facility with interior customer selling space that is smaller than 20,000 square feet.

Committee Amendment "B" (S-459)

This amendment incorporates a fiscal note.

Senate Amendment "A" (S-543)

This amendment prevents a statutory conflict.

This bill was placed on the Special Appropriations Table and died on adjournment.

LD 1094 An Act To Exempt from the Sales Tax Water Used in Agricultural Production **DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PIOTTI	OTP-AM MAJ ONTP MIN	H-654

This bill adds water to the current sales tax exemption for products used in commercial agricultural crop production.

Committee Amendment "A" (H-654)

This amendment changes the effective date of the bill to August 1, 2008 and provides for the repeal of the exemption after 3 years.

Joint Standing Committee on Taxation

This bill was placed on the Special Appropriations Table and died on adjournment.

LD 1109 Resolve, To Establish a Study Commission To Reform Taxes and Spending in Maine **ONTP**

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

This resolve establishes a study commission to review the Brookings Institution report, "Charting Maine's Future: An Action Plan for Promoting Sustainable Prosperity and Quality Places." The commission is required to report back with suggested legislation for a yes or no vote, without amendments, on tax and spending reform for the State, with a focus on efficiency.

LD 1155 An Act To Include Fuel Economy when Calculating the Excise Tax on Motor Vehicles **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BABBIDGE NASS R	ONTP	

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to amend the method of determining the rate of the excise tax imposed on motor vehicles to take into consideration the fuel economy of the vehicle. The manufacturer's suggested retail price, or "MSRP," would still be used to determine a portion of the tax but the remaining portion of the tax would be assessed according to a sliding scale based upon the median average miles per gallon of the vehicle, using the range posted for city and highway mileage, which, like the price, would be taken from the manufacturer's sticker. The new system would begin on January 1, 2008 and would be phased in over a 6-year period.

LD 1214 An Act To Improve the Competitiveness of Maine's Boat Building Industry **DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DAMON	OTP-AM	S-469

Current law provides an exemption from the sales tax to a nonresident who purchases a watercraft or materials for the repair or alteration of a watercraft only if the watercraft is transported outside of the State immediately after the sale. If the watercraft is present in the State, other than for temporary storage, for more than 30 days during the 12 months following the sale, then the purchaser is subject to use tax.

This bill removes the time restrictions, thus providing a sales and use tax exemption to watercraft or materials sold to a nonresident of Maine, regardless of the amount of time the watercraft remains in the State.

Committee Amendment "A" (S-469)

This amendment extends the sales tax exemption for sales of watercraft to nonresidents to permit the watercraft to remain in the State for up to 12 months after purchase. If the watercraft remains in the State or returns to the State within the 2nd year after purchase, a use tax would be due.

This bill was placed on the Special Appropriations Table and died on adjournment.