

MAINE STATE LEGISLATURE

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STATE OF MAINE
128TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

JOINT STANDING COMMITTEE ON TAXATION

August 2017

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*Committee member for a portion of the session

STATE OF MAINE

128TH LEGISLATURE
FIRST REGULAR SESSION



LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contains summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 128th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. An appendix provides a summary of relevant session statistics.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

CARRIED OVER..... carried over to a subsequent session of the Legislature
CON RES XXX..... chapter # of constitutional resolution passed by both houses
CONF CMTE UNABLE TO AGREE..... Committee of Conference unable to agree; legislation died
DIED BETWEEN HOUSES..... House & Senate disagreed; legislation died
DIED IN CONCURRENCE..... defeated in each house, but on different motions; legislation died
DIED ON ADJOURNMENT..... action incomplete when session ended; legislation died
EMERGENCY..... enacted law takes effect sooner than 90 days after session adjournment
FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE..... emergency failed to receive required 2/3 vote
FAILED, ENACTMENT or FINAL PASSAGE..... failed to receive final majority vote
FAILED, MANDATE ENACTMENT..... legislation proposing local mandate failed required 2/3 vote
HELD BY GOVERNOR..... Governor has not signed; final disposition to be determined at subsequent session
LEAVE TO WITHDRAW..... sponsor's request to withdraw legislation granted
NOT PROPERLY BEFORE THE BODY..... ruled out of order by the presiding officer; legislation died
INDEF PP..... indefinitely postponed; legislation died
ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X... ought-not-to-pass report accepted; legislation died
P&S XXX..... chapter # of enacted private & special law
PUBLIC XXX..... chapter # of enacted public law
RESOLVE XXX..... chapter # of finally passed resolve
VETO SUSTAINED..... Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 128th Legislature is Wednesday, November 1, 2017. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

Joint Standing Committee on Taxation

2. Allowing appeals of decisions of an assessor or municipal officers involving nonresidential property with a value of more than \$1,000,000 directly to the Superior Court and decisions of the State Board of Property Tax Review directly to the Law Court;
3. Limiting to 30 the number of interrogatories or document requests that an assessor may require a taxpayer with property liable to taxation or seeking an exemption under the business equipment tax exemption program to answer in writing; and
4. Changing the membership specifications of the State Board of Property Tax Review to remove the requirement that a member be an engineer and instead requiring members who are representatives of business and industry who are experienced in taxation, finance or valuation matters.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

LD 1488 An Act To Require That Landowners with Property Enrolled in the Tree Growth Tax Program Receive Timely Notice of Changes in Valuation of That Property ONTP

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

This bill requires that if the State Tax Assessor increases the valuation of a parcel of property under the Maine Tree Growth Tax Law, the assessor is required to notify the landowner of the increase within 90 days of the determination. If notice is sent within 90 days of when the taxes on the parcel are due and the increase in valuation results in an increase in taxes on the parcel, the landowner has 90 days from the date of the notice to pay the amount representing the increase.

LD 1521 An Act To Amend the Property Tax Laws Accepted Majority (ONTP) Report

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HILLIARD G	ONTP OTP-AM	

This bill is submitted by the Department of Administrative and Financial Services and proposes various changes to the property tax and the motor vehicle excise tax.

Part A specifies that holding land primarily for conservation or public access purposes is not a benevolent and charitable purpose, which is a condition necessary to obtaining an exemption from property tax. It allows a land trust organization to enroll land owned by it in the open space tax law program, which would provide up to a 95% reduction in the assessed value of that land as long as certain conditions are met. It also removes the 15,000-acre limit on the size of land that may be enrolled in the open space tax law program.

Part B expands the authorization for municipal assessment of service charges for certain municipal costs against certain property exempt from property tax. It permits service charges to be imposed on any category of exempt property identified in the Maine Revised Statutes, Title 36, section 652 except for houses of worship and parsonages. The service charges may be levied only against an owner that has total real estate assets in the municipality with an assessed value of \$10,000,000 or more. The existing cap of 2% of the gross annual revenues of the institution or organization is retained.

Joint Standing Committee on Taxation

Part C reduces the rate of the excise tax imposed on motor vehicles for the first and second year from 24 mills to 18 mills and 17 1/2 to 16 mills, respectively; and increases the excise tax for the third, fourth, fifth and sixth year from 13 1/2 mills to 14 mills, 10 mills to 11.5 mills, 6 1/2 mills to 10 mills and 4 mills to 6 mills, respectively. After the sixth year, the mill rate reverts to 4 mills. See also LD 26 and LD 707.

Committee Amendment "A" (H-280)

This amendment incorporates a fiscal note.

This amendment was not adopted.

LD 1522 An Act To Authorize a Local Option Sales Tax

**Accepted Minority
(ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SYLVESTER M LIBBY N	OTP-AM ONTP	

This bill allows a municipality to impose a local option sales tax if approved by referendum of the voters in that municipality. The referendum question must identify the rate of the local option sales tax and the purposes for which the revenue will be used. The local option sales tax would be collected and administered by the State in the same manner as the sales and use tax. Revenue from the local option sales tax is distributed 50% to the municipality, 25% to the Local Government Fund for state-municipal revenue sharing throughout the State and 25% to the Regional Economic Development Revolving Loan Program for regional economic development. Revenue received by a municipality may not be used to reduce or eliminate funding otherwise due the municipality under other provisions of law.

Committee Amendment "A" (H-279)

This amendment restricts the local option sales tax authorized by the bill to taxation of sales of prepared food and lodging, provides that the revenue must be placed in a special account to be expended only if specifically authorized by the local legislative body and changes the distribution of revenue from the local option sales tax by increasing from 50% to 65% the amount transferred to the participating municipality and reducing the amount transferred to the Regional Economic Development Revolving Loan Program from 25% to 10%. The amendment also changes the required referendum question to reflect the change in authorized use by a municipality of local option sales tax revenue funds.

This amendment was not adopted.

See also LDs 741, 915, 1230 and 1265.

LD 1537 An Act To Replace the Educational Opportunity Tax Credit with the Student Loan Repayment Credit for Maine Residents

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M DOW D		

This bill, which is submitted by the Department of Administrative and Financial Services, makes the current tax credit for educational opportunity inapplicable to tax years beginning on or after January 1, 2017 and creates a new, simplified, nonrefundable tax credit for student loan repayment applicable to tax years beginning on or after January 1, 2017.