

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIRST LEGISLATURE

Legislative Document

No. 1104

S. P. 401

In Senate, February 6, 1963

Referred to Committee on Taxation. Sent down for concurrence and ordered printed.

CHESTER T. WINSLOW, Secretary

Presented by Senator Wyman of Washington.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-THREE

AN ACT Creating a Permanent Commission on State Tax and Financing Policy.

Preamble. Whereas, time and facilities are required to keep information on the tax and fiscal structure of the State current; and

Whereas, there is a great variety of taxes and charges for special services which should be very carefully examined; and

Whereas, in the past the work of the various tax study commissions has been seriously handicapped by lack of time and a complete change of personnel of each commission; and

Whereas, a tax and fiscal study commission would be better qualified to make a complete and more comprehensive study of the tax and fiscal structure of the State, county and city governments if the commission was a permanent one without a complete change of personnel every 2 years; and

Whereas, a commission to which the Legislature can refer specific problems relating to taxation and financing for investigation and report would greatly facilitate and expedite the deliberations and decisions of the Legislature; and

Whereas, a commission holding public hearings from time to time would be in a position to investigate and report to the Legislature as to complaints of taxpayers claiming inequities, loopholes and maladministration in the raising of revenue and could recommend corrections, improvements, additions or subtractions where deemed desirable; and

Whereas, continuing demands upon the State's fiscal system require a sound debt policy; and

Whereas, the commission could, when instructed by the Legislature, investigate all modern and changing methods of revenue raising and in general all financing and revenue producing means by which public projects can be financed and operated at the expense of those benefiting from the project rather than at the expense of the general taxpayer; now, therefore,

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. R. S., c. 16-A, additional. The Revised Statutes are amended by adding thereto a new chapter, to be numbered 16-A, to read as follows:

'Chapter 16-A.

Commission on State Tax and Financing Policy.

Sec. 1. Declaration of policy. It is declared to be the policy of the Legislature of the State of Maine to promote a revenue raising structure in Maine that will provide adequate revenues to carry on the efficient operation of the state, county and city governments and at the same time will assure that its burdens will be shared equitably by all taxpayers. It is further declared to be the policy of the Legislature of the State of Maine to encourage and bring about the accomplishment of enforcement policies and administrative practices that will result in maximum return from existing taxes to the State of Maine at a minimum cost to the taxpayers.

Sec. 2. Commission on State Tax and Financing Policy. For the purpose of carrying out the policy set forth in section 1, there is established a commission to be known as the Commission on State Tax and Financing Policy.

Sec. 3. Members of commission; qualifications. The commission shall be composed of members as follows: Four members shall be appointed by the Speaker of the House of Representatives of the 101st Legislature. Two members shall be members of the House of Representatives and 2 members shall be from private life. One member from the House of Representatives and one member from private life shall be appointed by the Speaker of the House of Representatives of the 101st Legislature for a term of 4 years; and one member from private life and one member of the House of Representatives shall be appointed for a term of 2 years. Thereafter, the Speaker of the House of Representatives of each succeeding regular session of the Legislature shall appoint one member from the House of Representatives and one member from private life to serve for a term of 4 years.

Four members shall be appointed by the President of the Senate of the 101st Legislature. Two members shall be members of the Senate and 2 members shall be from private life. One member from the Senate and one member from private life shall be appointed by the President of the Senate of the 101st Legislature for a term of 4 years; and one member from private life and one member of the Senate shall be appointed for a term of 2 years. Thereafter the President of the Senate of each succeeding regular session of the Legislature shall appoint one member from the Senate and one member from private life to serve for a term of 4 years.

The remaining members of the commission shall be the Governor, the President of the Senate and Speaker of the House of Representatives, who shall serve as members of the commission by virtue of their office, and the Commissioner of Finance and Administration and the State Tax Assessor shall serve in an advisory capacity at the direction of the commission.

In the event any member of the House of Representatives is appointed to serve on the commission for a term of 4 years and is not a candidate or is defeated at the next general election for the office of State Representative, his term as a member of the commission shall expire on the first day of the regular session of the Legislature following such election. The Speaker shall then appoint a successor to serve for the unexpired term who shall be a member of the House of Representatives. In the event any member appointed by the Speaker of the House of Representatives ceases to be a member of the commission, for any reason not enumerated in this section, the Speaker shall appoint a successor to fill his unexpired term. If the former member of the commission was a member of the House of Representatives, his successor shall be a member of the House of Representatives. If the former member of the commission was from private life, his successor shall be from private life.

In the event any member of the Senate who has served in his current term for more than 2 years as a member of the Senate is appointed to serve on the commission for a term of 4 years and is not a candidate or is defeated at the next general election for the office of State Senator, his term as a member of the commission shall expire on the first day of the regular session of the Legislature following such election. The president shall then appoint a successor to serve for the unexpired term who shall be a member of the Senate. In the event any member of the commission appointed by the President of the Senate ceases to be a member of the commission, for any reason not enumerated in this section, the president shall appoint a successor to fill his unexpired term. If the former member of the commission was a member of the Senate his successor shall be a member of the Senate. If the former member of the commission was from private life, his successor shall be from private life.

Sec. 4. Organization of commission. The commission shall elect a chairman and vice-chairman from among its members. Six members of the commission shall constitute a quorum. The members shall receive \$25 per day and they shall be reimbursed for travel and other expenses incurred by them in the performance of their duties. The Legislative Finance Officer shall serve as Executive Secretary of the Commission.

I. Powers and duties of commission. The commission shall study and investigate the present state, county and city tax structure of the State of Maine, its revenue-producing characteristics and effects upon the economy of the State of Maine; its equalities and fairness; the enforcement policies and administrative practices thereof; the costs of collection in relationship to the burden of the tax; and shall examine overall administrative matters, fiscal matters and procedural problems of the various departments of state, county and city governments as they relate to tax and financing policy. The commission shall make recommendations thereon to the end that there will be

formulated certain guiding policies that will assure the accomplishment of the policy expressed in this chapter.

II. Studies on matters referred. Either house of the Legislature shall have the right and privilege to refer by resolution any tax or financing problems and correlated matters to the commission for study and research. When any such matter is referred to the commission, the commission shall make a study of the problem submitted and shall make a report thereon.

III. Report. Not later than the first day of December of any year preceding the convening of any regular session of the Legislature, the commission shall make a written report of its findings and recommendations. Sufficient copies of the report shall be deposited with the Legislative Research Committee on or before the first day of December of such year for distribution of the same by the committee to each member of the in-coming Legislature and to any person that may request copies of the report. The commission shall have the authority to print and distribute additional copies of the report as deemed necessary by the commission.

Sec. 5. Hearings by commission; information and statistics from state agencies. The commission may, for the purpose of carrying out this chapter, hold such hearings and sit and act at such times and places, and take such testimony, as the commission may deem advisable. Any member of the commission may administer oaths or affirmations to witnesses appearing before the commission.

The commission is authorized to secure directly from any state or local governmental agency in the State of Maine, information, suggestions, estimates and statistics for the purpose of this chapter; and each such agency is authorized and directed to furnish such information, suggestions, estimates and statistics directly to the commission, upon request made by the chairman or vice-chairman.

Sec. 6. Cooperation of state departments. Each state department shall cooperate fully with the commission or its members in assisting in the accomplishment of the duties imposed by this chapter.

Sec. 7. Technical and professional assistance. The commission may employ such technical and professional assistance as may be necessary for it to properly carry out its duties under this chapter.'

Sec. 2. Appropriation. There is appropriated from the General Fund the sum of \$15,500 for the fiscal year ending June 30, 1964 and the sum of \$15,500 for the fiscal year ending June 30, 1965 to carry out the purposes of this act.