

MAINE STATE LEGISLATURE

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L.D. 2492

(Filing No. H- 769)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
11TH LEGISLATURE
THIRD SPECIAL SESSION

HOUSE AMENDMENT "L" to H.P. 1895, L.D. 2492,
Bill, "AN ACT to Implement the Recommendations of the
Commission on the Status of Education in Maine."

Amend the Bill in Part G in section 2 in that
part designated "§15613" by striking out all of sub-
section 11 and inserting in its place the following:

'11. Guarantee of state subsidy for 1985-86 and
1986-87. For the 1985-86 and 1986-87 years only, the
commissioner shall pay local educational units the
1984-85 state subsidy or the 1985-86 or 1986-87 state
allocation respectively, whichever is greater.'

Further amend the bill in PART J, section 2 by
inserting at the end the following:

'§13508. Future appropriations

It is the intent of the Legislature that
\$13,500,000 be appropriated in fiscal year 1985-86,
\$27,000,000 be appropriated in fiscal year 1986-87,
and \$27,000,000 and any additional funds that may be
appropriated in fiscal year 1987-88 by the 112th and
113th Legislatures to carry out the intent of this
chapter. It is also the intent that appropriations
shall be made in subsequent years to continue the
programs established under this chapter. The appro-
priations referred to in this section shall be placed
in a nonlapsing account to be used to carry out the
intent of this chapter.

§13509. Payments

Payments made under this chapter shall be made:

1. School year 1985-86. For the school year

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1 1985-86, in accordance with sections 13503 to 13505;

2 2. School year 1986-87. For the school year
3 1986-87, in accordance with the interim recommenda-
4 tions of the commission established in section 13510;
5 and

6 3. School year 1987-88 and subsequent years.
7 For the school year 1987-88 and subsequent years, in
8 accordance with the permanent recommendations of the
9 commission established in section 13510 for a perma-
10 nent solution.

11 §13510. Special Commission to Study the Implementa-
12 tion of Educational Reform

13 1. Commission established. There is created the
14 Special Commission to Study the Implementation of Ed-
15 ucational Reform. The commission shall consist of 12
16 members. Eight members shall be legislators of whom
17 5 shall be members of the Joint Standing Committee on
18 Education and 3 of whom shall be members of the Joint
19 Standing Committee on Appropriations and Financial
20 Affairs. The President of the Senate shall appoint 3
21 of the legislator members; and the Speaker of the
22 House shall appoint 5 of the legislator members.
23 Legislative members shall represent a bipartisan
24 point of view. The remaining 4 members shall be ap-
25 pointed by the Governor and shall be persons familiar
26 with education and education finance, 2 of whom shall
27 be the Commissioner of Educational and Cultural Ser-
28 vices, or his designee, and the Commissioner of Fi-
29 nance and Administration, or his designee. Members
30 shall serve until accomplishment of the tasks speci-
31 fied in this chapter. Legislative members shall not
32 be disqualified for discontinuance of legislative
33 service. Vacancies may be filled with qualified ap-
34 pointees by the appointing authority.

35 2. Commission duties. The commission shall
36 study issues related to the implementation of educa-
37 tion reform in Maine. The commission shall address

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1 the following concerns and take the following action.

2 A. Study the impact on local communities of the
3 education finance act and of implementing in-
4 creased curriculum and graduation requirements
5 and recommend ways to meet increased local needs.
6 The commission shall estimate projected local
7 costs, including catastrophic costs, and propose
8 alternative methods for meeting those costs, in-
9 cluding recommendations for additional state
10 funding of education costs;

11 B. Study and make recommendations on ways to
12 permanently enhance teacher compensation, includ-
13 ing examination of a statewide salary schedule, a
14 minimum base salary, stipends and other options
15 which may be submitted to the commission for con-
16 sideration;

17 C. Study and make recommendations on the need
18 for and methods of ensuring the maintenance of
19 local educational efforts and that state funded
20 recognition grants shall not be considered in the
21 collective bargaining process;

22 D. Study the definition of teacher, including
23 part-time personnel, for the purpose of determin-
24 ing which educational personnel qualify for
25 teacher recognition grants. In conducting this
26 part of its study the commissioner shall bear in
27 mind that the purpose for those grants was to en-
28 hance the status of and to reward classroom
29 teachers. The commission shall make recommenda-
30 tions on the short-term and long-term implementa-
31 tion of a teacher compensation plan; and shall
32 include in its report an assessment of the need
33 for a panel to settle disputes regarding teacher
34 compensation;

35 E. Study the advantages and disadvantages of and
36 make recommendations on the inclusion of teacher
37 recognition grants in earnable compensation for

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1 retirement purposes;

2 F. Study the operation of collective bargaining
3 at the local level and make recommendations for
4 changes which would improve the quality of educa-
5 tion; and

6 G. Examine and make recommendations on other is-
7 ssues which the commission determines affect the
8 quality of education in Maine.

9 3. Commission report. The commission shall re-
10 port to the Joint Standing Committee on Education.
11 The report shall include estimated state and local
12 costs of recommendations and implementing legisla-
13 tion, if necessary. The first report shall be due on
14 April 1, 1985. In the succeeding years, the commis-
15 sion shall report annually on January 1st, until such
16 time as the committee determines it has completed its
17 task.

18 A. On April 1, 1985, the commission shall recom-
19 mend an interim mechanism for expending allocated
20 moneys to enhance teacher remuneration.

21 B. The commission's permanent recommendation for
22 the use of allocated funds shall be in accordance
23 with the following intent of the Legislature.

24 It is the intent of the Legislature that the
25 \$27,000,000 per year initially utilized for
26 teacher recognition grants and such additional
27 moneys as the Legislature may appropriate to im-
28 plement this chapter shall continue to be availa-
29 ble to enhance education in Maine, including use
30 for teacher compensation, increasing state aid to
31 local units through the finance act or other pro-
32 grams which the Legislature determines will en-
33 hance the quality of education in Maine.'

34 Further amend the bill in PART J by inserting af-
35 ter section 4 the following:

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1 television service which is in addition to the mini-
2 imum service which can be purchased from a cable tele-
3 vision supplier including the use of associated
4 equipment for which a charge is made. It does not
5 include installation of the associated equipment for
6 which a separate charge is levied.

7 Sec. 2. 36 MRSA §1752, sub-§11, as amended by PL
8 1983, c. 560, §§1 and 6, is further amended to read:

9 11. Retail sale or sale at retail. "Retail sale"
10 or "sale at retail" means any sale of tangible per-
11 sonal property, in the ordinary course of business,
12 for consumption or use, or for any purpose other than
13 for resale, except resale as a casual sale, in the
14 form of tangible personal property, any rental of
15 living quarters in any hotel, rooming house, tourist
16 or trailer camp, any rental of automobiles on a
17 short-term basis, other than rental to a person en-
18 gaged in the business of renting automobiles, and the
19 sale of telephone or telegraph service and the sale
20 of extended cable television service. The term "re-
21 tail sale" or "sale at retail" includes conditional
22 sales, installment lease sales, and any other trans-
23 fer of tangible personal property when the title is
24 retained as security for the payment of the purchase
25 price and is intended to be transferred later. The
26 term "retail sale" or "sale at retail" also means
27 sale of products for internal human consumption to a
28 person for resale through coin-operated vending ma-
29 chines when sold to a retailer whose gross receipts
30 from the retail sale of tangible personal property
31 derived through sales from vending machines are more
32 than 50% of his gross receipts, which tax shall be
33 paid by the retailer to the State. The term "retail
34 sale" or "sale at retail" does not include any sale
35 by an executor or administrator in the settlement of
36 an estate, unless such sale is made through a retail-
37 er, or unless such sale is made in the continuation
38 or operation of a business; nor does the term include
39 any other isolated transaction in which any tangible
40 personal property is sold, transferred, offered for

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1 sale or delivered by the owner thereof, such sale,
2 transfer, offer for sale, or delivery not being made
3 in the ordinary course of repeated and successive
4 transactions of a like character by such owner, such
5 transactions being elsewhere sometimes referred to as
6 "casual sales." "Casual sales" includes transactions
7 by a civic, religious or fraternal organization,
8 which is not a registered retailer, at bazaars,
9 fairs, rummage sales, picnics or similar events but
10 not exceeding 8 days in a calendar year. The sale by
11 a registered retailer of tangible personal property,
12 which that retailer has used in the course of his or
13 its business, is not a casual sale and is a retail
14 sale subject to taxation under this Part, if that
15 property is of a like character to that sold in the
16 ordinary course of repeated and successive transac-
17 tions. "Casual sale" shall not include any transac-
18 tion in which tangible personal property is sold,
19 transferred or offered for sale by a representative
20 for the owner's account when such representative is a
21 registered retailer, in which event such registered
22 retailer shall have the same duties respecting such
23 sale as if he had sold on his own account. "Retail
24 sale" and "sale at retail" do not include the sale of
25 tangible personal property which becomes an ingredi-
26 ent or component part of, or which is consumed or de-
27 stroyed or loses its identity in the manufacture of,
28 tangible personal property for later sale or lease,
29 other than lease for use in this State, but shall in-
30 clude fuel and electricity but shall not include
31 electricity separately metered and consumed in any
32 electrolytic process for the manufacture of tangible
33 personal property for later sale, nor any fuel oil or
34 coal, the by-products from the burning of which be-
35 come an ingredient or component part of tangible per-
36 sonal property for later sale. "Retail sale" and
37 "sale at retail" do not include the sale, to a person
38 engaged in the business of renting automobiles, of
39 automobiles, or integral parts thereof or accessories
40 thereto, for rental or for use in an automobile
41 rented, on a short-term basis. It shall be consid-
42 ered that tangible personal property is "consumed or

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1 destroyed" or "loses its identity" in such manufac-
2 ture, if it has a normal physical life expectancy of
3 less than one year as a usable item in the use to
4 which it is applied. "Retail sale" or "sale at re-
5 tail" do not include the sale of containers, boxes,
6 crates, bags, cores, twines, tapes, bindings,
7 wrappings, labels and other packing, packaging and
8 shipping materials when sold to persons for use in
9 packing, packaging or shipping tangible personal
10 property sold by them or upon which they have per-
11 formed the service of cleaning, pressing, dyeing,
12 washing, repairing or reconditioning in their regular
13 course of business and which are transferred to the
14 possession of the purchaser of such tangible personal
15 property.

16 Sec. 3. 36 MRSA §1754, sub-§9 is enacted to
17 read:

18 9. Extended cable television service. Every
19 person furnishing extended cable television service.

20 Sec. 4. 36 MRSA §1760, sub-§9-A, as enacted by
21 PL 1973, c. 594, is repealed.

22 Sec. 5. 36 MRSA §1760, sub-§11 is repealed.

23 Sec. 6. 36 MRSA §1760, sub-§36, as enacted by PL
24 1975, c. 741, §33, is repealed.

25 Sec. 7. 36 MRSA §1760, sub-§50 is enacted to
26 read:

27 50. Certain libraries. Sales to any nonprofit
28 free public lending library which is funded in part
29 or wholly by the State or any political subdivision
30 or the federal government.

31 Sec. 8. 36 MRSA §1811, first ¶, as amended by PL
32 1977, c. 198, §6, is further amended to read:

33 A tax is imposed at the rate of 5% on the value

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1 of all tangible personal property and, on telephone
2 and telegraph service and on extended cable televi-
3 sion service sold at retail in this State, and upon
4 the rental charged for living quarters in hotels,
5 rooming houses, tourist or trailer camps and the
6 rental charged for automobiles rented on a short-term
7 basis, other than a rental charged to a person en-
8 gaged in the business of renting automobiles, mea-
9 sured by the sale price, except as in chapters 211 to
10 225 provided. Retailers shall pay such tax at the
11 time and in the manner provided, and it shall be in
12 addition to all other taxes.

13 Sec. 9. 36 MRSA §4365, as amended by PL 1983, c.
14 477, Pt. F, sub-Pt. 2, is further amended to read:

15 §4365. Rate of tax

16 A tax is imposed on all cigarettes held in this
17 State by any person for sale, ~~said~~ the tax to be at
18 the rate of ~~10~~ 14 mills for each cigarette and the
19 payment thereof to be evidenced by the affixing of
20 stamps to the packages containing the cigarettes. If
21 a federal program similar to that provided in Title
22 22, section 3185, becomes effective, this tax is re-
23 duced by one mill for each cigarette. The Governor
24 shall determine by proclamation when the federal pro-
25 gram has become effective. Any cigarette on which a
26 tax has been paid, such payment being evidenced by
27 the affixing of such stamp, shall not be subject to a
28 further tax under this chapter. Nothing contained in
29 this chapter shall be construed to impose a tax on
30 any transaction, the taxation of which by this State
31 is prohibited by the Constitution of the United
32 States.

33 Each unclassified importer shall, within 24 hours
34 after receipt of any unstamped cigarettes in this
35 State, notify the State Tax Assessor of the number of
36 cigarettes received, and the name and address of con-
37 signor. The State Tax Assessor thereupon shall noti-
38 fy the unclassified importer of the amount of the tax

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1 due thereon, which shall be at the rate of ~~10~~ 14
2 mills per cigarette. Payment of the amount due the
3 State shall be made within 10 days from mailing date
4 of notice thereof.

5 Sec. 10. 36 MRSA §4641-A, as enacted by PL 1975,
6 c. 572, §1, is amended to read:

7 §4641-A. Rate of tax

8 There is imposed a tax upon the privilege of
9 transferring title to real property at the rate of
10 ~~55¢~~ \$1.10 for each \$500 or fractional part thereof,
11 of consideration therefor. The grantor shall be lia-
12 ble for payment of ~~said~~ the tax.

13 Sec. 11. 36 MRSA §4641-B, 5th ¶, as amended by
14 P&SL 1975, c. 78, §21, is further amended to read:

15 Each register of deeds shall, on or before the
16 10th day of each month, pay over to the State Tax As-
17 sessor ~~85%~~ 90% of the tax collected during the previ-
18 ous month. The remaining ~~15%~~ 10% shall be retained
19 for the county by the register of deeds and accounted
20 for to the county treasurer as reimbursement for ser-
21 vices rendered by the county in collecting the tax.

22 Sec. 12. 36 MRSA §5102, sub-§11, as amended by
23 PL 1983, c. 855, §14, is further amended to read:

24 11. Other terms. Any other term used in this
25 Part has the same meaning as when used in a compar-
26 able context in the laws of the United States relating
27 to federal income taxes, unless a different meaning
28 is clearly required. Any reference in this Part to
29 the laws of the United States shall be construed as a
30 reference to the provisions of the United States In-
31 ternal Revenue Code of 1954, and amendments thereto
32 and other provisions of the laws of the United States
33 relating to federal income taxes as of January 31
34 ~~1983~~ September 1, 1984. This subsection shall be ef-
35 fective as to items of income, deductions, loss or

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1 gain accruing in taxable years ending on or after
2 January 1, 1984 but only to the extent that those
3 items have been earned, received, incurred or accrued
4 on or after that effective date. Notwithstanding
5 other provisions of this subsection, for taxable
6 years ending in 1981 and 1982, any reference in this
7 Part to the laws of the United States shall be con-
8 strued as a reference to the provisions of the United
9 States Internal Revenue Code of 1954, and amendments
10 thereto and other provisions of the laws of the United
11 States relating to federal income taxes as of
12 December 31, 1981 for items of income, deductions,
13 loss or gain earned, incurred or accrued within those
14 taxable years. Notwithstanding other provisions of
15 this subsection, for taxable years ending in 1983,
16 any reference in this Part to the laws of the United
17 States shall be construed as a reference to the pro-
18 visions of the United States Internal Revenue Code of
19 1954, and amendments thereto and other provisions of
20 the laws of the United States relating to federal in-
21 come taxes as of January 31, 1983 for items of in-
22 come, deductions, loss or gain earned, incurred or
23 accrued within those taxable years.

24 Sec. 13. Appropriation. The following funds are
25 appropriated form the General Fund to carry out the
26 purposes of this Act.

27 1984-85

28 FINANCE AND ADMINISTRATION,
29 DEPARTMENT OF

30 Bureau of Taxation

| | | |
|----|----------------------|----------|
| 31 | Positions | (4) |
| 32 | Personal Services | \$90,000 |
| 33 | All Other | 16,000 |
| 34 | Capital Expenditures | 2,000 |

35 This appropriation
36 provides funding to

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1 establish by January
2 1, 1985, an audit job
3 classification beyond
4 that of senior reve-
5 nue agent to support
6 acquisition of 4 au-
7 ditors who are certi-
8 fied public accoun-
9 tants to enhance the
10 bureau's audit and
11 collection capabili-
12 ties.

13

14 TOTAL \$108,000

15 Sec. 14. Effective date. Section 9 of this Part
16 shall be effective October 1, 1985. All other sec-
17 tions shall be effective December 15, 1984.

18

PART N

19 Sec. 1. 30 MRSA §4863, sub-§1, as amended by PL
20 1983, c. 858, §1, is repealed and the following en-
21 acted in its place:

22 1. Districts. The governing body of a munici-
23 pality may designate development districts within the
24 boundaries of the municipality. Prior to designating
25 a district, the governing body shall consult with the
26 municipal planning agency or department and with an
27 advisory board, if established under section 4870,
28 and shall also hold at least one public hearing, no-
29 tice of which shall be published at least 10 days
30 prior to the hearing in a newspaper of general circu-
31 lation within the municipality.

32 A. Not less than 25%, by area, of the real prop-
33 erty within such district shall meet at least one
34 of the following criteria:

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- 1 (1) Is a blighted area;
2 (2) Is in need of rehabilitation or conser-
3 vation work; or
4 (3) Is suitable for industrial sites.

5 B. The total area of a single development dis-
6 trict shall not exceed 2% of the total acreage of
7 the municipality and all development districts
8 shall not exceed 5% of the total acreage of the
9 municipality. The aggregate value of equalized
10 taxable property of the district plus all exist-
11 ing districts does not exceed 5% of the total
12 value of equalized taxable property within the
13 municipality. The boundaries of a district may
14 be altered only after meeting the requirements
15 for adoption under this subsection.

16 C. The designation of captured assessed value of
17 property within a development district shall be
18 subject to the following limitations:

19 (1) The annual increase in captured as-
20 essed value of property within development
21 districts must not exceed \$5,000,000 in any
22 county; and

23 (2) The annual increase in captured as-
24 essed value of property within development
25 districts must not exceed \$15,000,000 state-
26 wide. The Director of the State Development
27 Office shall promulgate any rules necessary
28 to allocate or apportion the designation of
29 captured assessed value of property within
30 development districts in accordance with
31 these limitations.

32 D. Before final designation of a district, the
33 Director of the State Development Office shall
34 review the proposal to ensure that it is in com-

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1 pliance with statutory requirements and shall
2 identify tax shifts within the county where the
3 district will exist. A designation under this
4 subsection shall be effective upon approval by
5 the governing body of the municipality and the
6 Director of the State Development Office. If the
7 municipality has a charter, the designation shall
8 be done in accordance with the provisions of the
9 charter.

10 Sec. 2. 30 MRSA §5055, sub-§4, ¶B, as amended by
11 PL 1983, c. 858, §2, is further amended to read:

12 B. Property tax burden. "Property tax burden"
13 shall mean the total real and personal property
14 taxes assessed in the most recently completed mu-
15 nicipal fiscal year, except the taxes assessed
16 ~~from~~ on captured value within a tax increment fi-
17 ancing district, divided by the latest state
18 valuation certified to the Secretary of State.

19 Sec. 3. 36 MRSA §305, sub-§1, as amended by PL
20 1983, c. 858, §3, is further amended to read:

21 1. Just value. Certify to the Secretary of State
22 before the first day of February in the year of the
23 regular session of the Legislature the equalized just
24 value of all real and personal property in each mu-
25 nicipality and unorganized place which is subject to
26 taxation under the laws of this State, except cap-
27 tured assessed value located within a tax increment
28 financing district. Such equalized just value shall
29 be uniformly assessed in each municipality and unor-
30 ganized place and shall be based on 100% of the cur-
31 rent market value. It shall separately show for each
32 municipality and unorganized place the actual or es-
33 timated value of all real estate which is exempt from
34 property taxation by law or is the captured value
35 within a tax increment financing district. The valu-
36 ation as filed shall remain in effect until the next
37 valuation is filed and shall be the basis for the
38 computation and apportionment of the state and county

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1 taxes;

2 Sec. 4. 36 MRSA §381, as amended by PL 1983, c.
3 858, §4, is further amended to read:

4 §381. State valuation; definition; to be filed with
5 Bureau of Taxation annually; abatement

6 The term "state valuation" as used in reference
7 to the unorganized territory in this Title, except in
8 this chapter, means an annual valuation of all prop-
9 erty subject to a Maine property tax but not taxable
10 by a municipality. The annual valuation is to be
11 completed by and on file in the office of the Bureau
12 of Taxation prior to the assessment of the annual
13 property tax in the unorganized territory. The annu-
14 al valuation is to be based on the status of property
15 on April 1st. In this chapter and outside of this Ti-
16 tle, the term "state valuation" means the valuation
17 filed with the Secretary of State pursuant to section
18 305, subsection 1, ~~except captured value located~~
19 ~~within a tax increment financing district.'~~

20 STATEMENT OF FACT

21 The purpose of this amendment is to combine the
22 recommendations of the Commission on the Status of
23 Education in Maine with the corresponding tax mea-
24 sures into a single package.

25

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