

# MAINE STATE LEGISLATURE

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TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
118TH LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 1150, L.D. 1615, Bill, "An Act to Modernize Maine's Cigarette Tax Laws"

Amend the bill in section 10 in that part designated "S4366-A." in subsection 2 in the 5th line (page 3, line 38 in L.D.) by striking out the following: "at their" and inserting in its place the following: 'at a discount of 2 1/2% of their'

Further amend the bill in section 10 in that part designated "S4366-B." in subsection 1 in the 2nd line (page 4, line 39 in L.D.) by inserting after the following: "distributor" the following: 'or a dealer'

Further amend the bill in section 10 in that part designated "S4366-B." in subsection 2 in the 2nd line (page 4, line 42 in L.D.) by inserting after the following: "distributor" the following: 'or a dealer'

Further amend the bill in section 10 in that part designated "S4366-B." in subsection 3 in the first line (page 4, line 47 in L.D.) by striking out the following: "4" and inserting in its place the following: '2'

Further amend the bill in section 10 in that part designated "S4366-B." in subsection 3 in the 3rd line (page 4, line 49 in L.D.) by inserting after the following: "distributor" the following: 'or a dealer'

COMMITTEE AMENDMENT

Further amend the bill by inserting at the end before the summary the following:

**FISCAL NOTE**

	1997-98	1998-99
<b>REVENUES</b>		
General Fund	\$8,190	\$9,000

The increase in license fees will increase General Fund revenue by \$8,190 in fiscal year 1997-98 and \$9,000 in fiscal year 1998-99. In fiscal year 1999-2000 there will be a reduction in revenue of \$810 because of the timing involved with a shift to two-year licenses. Revenue will increase again in fiscal year 2000-01 by an estimated \$7,500.

This bill may increase prosecutions for Class C crimes. Sentences of more than nine months imposed for Class C crimes must be served in state correctional institutions. The cost to the State per sentence is \$53,033 based upon an average length of stay of 1 year and 10 months. The State also must reimburse counties for sentences served in county jails of 9 months or less for Class C crimes.

This bill also increases the penalty for certain crimes from Class D to Class C crimes, resulting in a shift of costs from the counties to the State. Sentences of more than 9 months for Class C crimes must be served in state correctional institutions at the cost of \$53,033 per sentence based on an average length of stay of 1 year and 10 months. Sentences of 9 months or less for a Class C crime and all sentences for a Class D crime must be served in county jails. The State must reimburse counties for housing Class C crime offenders but does not provide reimbursement for Class D offenders.

This bill also increases the penalty for certain crimes from Class E to Class D crimes. If the number of jail sentences is increased, the cost to the counties is estimated to be \$83.78 per day per prisoner with increased jail time. Costs to the counties for both Class D and E crimes are not reimbursed by the State. The amount of any increase of jail time and the resulting costs to the county jail system are expected to be insignificant.

The Judicial Department may require additional General Fund appropriations to cover indigent defense costs related to these new cases and to the cases when the class of crime is increased. The amounts can not be estimated at this time. The additional

workload and administrative costs associated with the minimal number of new cases filed in the court system can be absorbed within the budgeted resources of the Judicial Department. The collection of additional fines may also increase General Fund revenue by minor amounts.'

**SUMMARY**

This amendment makes technical changes and adds a fiscal note to the bill.