

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1677

H.P. 1230

House of Representatives, March 15, 2001

An Act to Enhance Tourism Promotion and Increase State Revenues.

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative COWGER of Hallowell.
Cosponsored by Senator GAGNON of Kennebec and
Representatives: GREEN of Monmouth, HONEY of Boothbay, JONES of Greenville,
KOFFMAN of Bar Harbor, MAYO of Bath.

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

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Sec. 1. 5 MRSA §13090-K is enacted to read:

§13090-K. Tourism Marketing Promotion Fund

1. Fund established. The Tourism Marketing Promotion Fund is established in the Office of Tourism and Community Development as a nonlapsing dedicated account.

2. Source of fund. On or before July 31, 2002, the State Controller shall transfer \$6,842,290 from General Fund unappropriated surplus to the Tourism Marketing Promotion Fund. Beginning July 31, 2003 and the last day of each subsequent month, the State Controller shall transfer to the Tourism Marketing Promotion Fund an amount equal to 5% of the sales tax revenues imposed at 7% pursuant to Title 36, section 1811 on the value of liquor sold in licensed establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43; on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp; and on the value of prepared food collected in the previous month after the reduction for the transfer to the Local Government Fund as described in Title 30-A, section 5681, subsection 5. The tax amount must be based on actual sales for that fiscal year and may not consider any accruals that may be required by law. The amount transferred from General Fund sales tax revenues does not affect the calculation for the transfer to the Local Government Fund.

3. Restrictions on expenditures. The Maine Tourism Commission, established by section 12004-I, subsection 87, shall review and approve the annual budget of the Tourism Marketing Promotion Fund. A minimum of 10% of the funds received by the Tourism Marketing Promotion Fund in accordance with subsection 2 must be used for regional marketing promotion and regional special events promotion.

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Sec. 2. 36 MRSA §1811, first ¶, as amended by PL 1999, c. 401, Pt. X, §1 and affected by §5, is further amended to read:

A tax is imposed on the value of all tangible personal property and taxable services sold at retail in this State. The rate of tax is 7% on the value of liquor sold in licensed establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43; 7% on the value of rental of living quarters in any hotel, rooming house, or tourist or trailer camp; 10% on the value of rental for a period of less than one year of an automobile; 7% on the value of prepared food sold in establishments that are licensed for on-premises consumption of liquor pursuant to Title 28-A, chapter 43; and 5% on the value of all other tangible personal property and taxable

2 services. Value is measured by the sale price, except as
otherwise provided.

4 **Sec. 3. Appropriation.** The following funds are appropriated
6 from the General Fund to carry out the purposes of this Act.

8 **2002-03**

10 **ECONOMIC AND COMMUNITY DEVELOPMENT,
DEPARTMENT OF**

12 **Office of Tourism**

14	Positions - Legislative Count	(-7.000)
	Personal Services	(\$438,314)
16	All Other	(4,210,132)

18 **DEPARTMENT OF ECONOMIC AND COMMUNITY
DEVELOPMENT**

20 **TOTAL** (\$4,648,446)

22 **Sec. 4. Allocation.** The following funds are allocated from
24 Other Special Revenue to carry out the purposes of this Act.

2001-02 2002-03

26 **ECONOMIC AND COMMUNITY
28 DEVELOPMENT, DEPARTMENT OF**

30 **Office of Tourism**

32	Positions - Legislative Count	(7.000)
	Personal Services	\$438,314
34	All Other	\$4,500,000 6,403,976

36 **DEPARTMENT OF ECONOMIC AND
COMMUNITY DEVELOPMENT**

38 **TOTAL** \$4,500,000 \$6,842,290

40 **Sec. 5. Effective date.** That section of this Act that amends
42 the Maine Revised Statutes, Title 36, section 1811, first
44 paragraph, takes effect October 1, 2001.

46 **SUMMARY**

48 This bill establishes the Tourism Marketing Promotion Fund
that will be funded by a transfer of 5% of the tax revenue

2 collected from sales tax imposed on meals and lodging. This
transfer will not affect the amount transferred for
4 state-municipal revenue sharing. The Maine Tourism Commission
must approve the annual budget of the fund, which, beginning in
6 fiscal year 2002-03, will fund the entire budget of the Office of
Tourism program.

8 This bill also equalizes the tax on all prepared food or
meals at the 7% tax that is currently assessed on meals sold in
10 establishments that are licensed for on-premises consumption of
liquor pursuant to the Maine Revised Statutes, Title 28-A,
12 chapter 43. Currently, meals sold at establishments not licensed
for the on-premises consumption of liquor are taxed at 5%.