

MAINE STATE LEGISLATURE

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L.D. 1557

DATE: 6-14-05

(Filing No. S-369)

TAXATION

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MAJORITY

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STATE OF MAINE
SENATE
122ND LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S.P. 541, L.D. 1557, Bill, "An Act To Improve the Business Equipment Tax Reimbursement Program"

Amend the bill by striking out the title and substituting the following:

'Resolve, To Create the Commission To Study L.D. 1660'

Further amend the bill by striking out everything after the title and before the summary and inserting in its place the following:

'Sec. 1. Commission To Study L.D. 1660 established. Resolved: That the Commission To Study L.D. 1660, referred to in this resolve as "the L.D. 1660 commission," is established; and be it further

Sec. 2. L.D. 1660 commission membership. Resolved: That the L.D. 1660 commission consists of 13 members appointed as follows:

- 1. Three members of the Senate, appointed by the President of the Senate, one of whom is a member of the political party having the largest number of members in the Senate and 2 of whom are members of the political party having the 2nd highest number of members in the Senate, and at least 2 of whom serve on the Joint Standing Committee on Taxation and at least one of whom represents a municipality with a primarily small business retail and service sector economy;

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2 2. Three members of the House of Representatives, appointed
3 by the Speaker of the House, 2 of whom are members of the
4 political party having the largest number of members in the House
5 and one of whom is a member of the political party having the 2nd
6 highest number of members in the House, and at least 2 of whom
7 serve on the Joint Standing Committee on Taxation and at least
8 one of whom represents a municipality with a mill. The Speaker
9 of the House may substitute a member who does not represent a
10 political party having the highest or 2nd highest number of
11 members in the House for a member of such a political party with
12 the approval of the House leader of the party for whom the
13 substituted member is substituting;

14 3. Two members of the public who are advocates or experts
15 in Maine tax policy, one appointed by the President of the Senate
16 and one appointed by the Speaker of the House;

18 4. Two members of the public who represent businesses in
19 the State who pay property taxes on business equipment, one
20 representing a business that is a recipient of benefits under the
21 Business Equipment Tax Reimbursement program of at least
22 \$1,000,000 in 2004, appointed by the President of the Senate, and
23 one representing a business with fewer than 20 employees that
24 pays personal property tax on business equipment, appointed by
25 the Speaker of the House;

26 5. One member appointed by the Governor upon the
27 recommendation of the Maine Municipal Association;

30 6. One member appointed by the Governor upon the
31 recommendation of the Maine State Chamber of Commerce; and

32 7. One member appointed by the Governor upon the
33 recommendation of the Maine Service Centers Coalition; and be it
34 further

36 **Sec. 3. Chairs. Resolved:** That the first-named Senate member
37 is the Senate chair of the L.D. 1660 commission and the
38 first-named House of Representatives member is the House chair of
39 the L.D. 1660 commission; and be it further

42 **Sec. 4. Appointments; convening of L.D. 1660 commission.**
43 **Resolved:** That all appointments must be made in sufficient time
44 to facilitate the L.D. 1660 commission's schedule of work. The
45 appointing authorities shall notify the Executive Director of the
46 Legislative Council once all appointments have been completed.
47 The chairs shall call and convene the first meeting of the L.D.
48 1660 commission as soon as possible after the effective date of
49 this Act; and be it further

50

2 **Sec. 5. Duties. Resolved:** That the L.D. 1660 commission shall
3 study a bill submitted in the First Special Session of the 122nd
4 Legislature, H.P. 1171, L.D. 1660, "An Act To Reduce Income Taxes
5 and Encourage Economic Growth in Maine," and recommend how to
6 reduce or eliminate the personal property tax on business
7 equipment, reduce or eliminate the Business Equipment Tax
8 Reimbursement program and keep municipalities whole without
9 transferring additional tax burden onto Maine homesteads. The
10 commission shall hold 4 public hearings at geographically diverse
11 locations around the State and may hold up to 7 additional
12 meetings as necessary to complete the study; and be it further

13 **Sec. 6. Staff assistance. Resolved:** That the Legislative Council
14 shall provide necessary staffing services to the L.D. 1660
15 commission; and be it further

16 **Sec. 7. Compensation. Resolved:** That the legislative members
17 of the L.D. 1660 commission are entitled to receive the
18 legislative per diem, as defined in the Maine Revised Statutes,
19 Title 3, section 2, and reimbursement for travel and other
20 necessary expenses related to their attendance at authorized
21 meetings of the L.D. 1660 commission. Public members not
22 otherwise compensated by their employers or other entities that
23 they represent are entitled to receive reimbursement of necessary
24 expenses and, upon a demonstration of financial hardship, a per
25 diem equal to the legislative per diem for their attendance at
26 authorized meetings of the L.D. 1660 commission; and be it further

27 **Sec. 8. Report. Resolved:** That, no later than December 15,
28 2005, the L.D. 1660 commission shall submit to the Legislature a
29 report and legislation that includes its findings and
30 recommendations; and be it further

31 **Sec. 9. Extension. Resolved:** That, if the L.D. 1660 commission
32 requires a limited extension of time to complete its study and
33 make its report, it may apply to the Legislative Council, which
34 may grant an extension; and be it further

35 **Sec. 10. L.D. 1660 commission budget. Resolved:** That the chairs
36 of the L.D. 1660 commission, with assistance from the L.D. 1660
37 commission staff, shall administer the L.D. 1660 commission's
38 budget. Within 10 days after its first meeting, the L.D. 1660
39 commission shall present a work plan and proposed budget to the
40 Legislative Council for its approval. The L.D. 1660 commission
41 may not incur expenses that would result in the L.D. 1660
42 commission's exceeding its approved budget. Upon request from
43 the L.D. 1660 commission, the Executive Director of the
44 Legislative Council shall promptly provide the L.D. 1660
45 commission chairs and staff with a status report on the L.D. 1660
46 commission chairs and staff with a status report on the L.D. 1660
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commission budget, expenditures incurred and paid and available funds.'

SUMMARY

This amendment replaces the bill with a resolve establishing a study commission to study L.D. 1660, "An Act To Reduce Income Taxes and Encourage Economic Growth in Maine," personal property tax on business equipment and the Business Equipment Tax Reimbursement program and report to the Legislature by December 15, 2005.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



122nd MAINE LEGISLATURE

LD 1557

LR 0280(03)

An Act To Improve the Business Equipment Tax Reimbursement Program

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

Current Costs - Legislative Study

Legislative Study

The projected costs to fund the general operating expenses of this study are \$15,730 in fiscal year 2005-06. The Legislature's current budget includes \$30,000 in fiscal year 2005-06 and \$20,000 in fiscal year 2006-07 for legislative studies. Whether the amounts are sufficient to fund all studies will depend on the number of studies authorized by the Legislative Council and the Legislature.