

# MAINE STATE LEGISLATURE

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SMG  
R OF S

L.D. 1610

Date: 3-30-12

(Filing No. S-510 )

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STATE OF MAINE  
SENATE  
125TH LEGISLATURE  
SECOND REGULAR SESSION

COMMITTEE OF CONFERENCE AMENDMENT "A" to H.P. 1219, L.D. 1610,  
Bill, "An Act To Amend the Law Regarding the Sale of Wood Pellets"

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

**'An Act To Amend the Law Regarding the Sale of Wood Pellets and Wood'**

Amend the bill by striking out everything after the title and before the summary and inserting the following:

**'Emergency preamble. Whereas,** acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** this legislation increases the amount of wood pellets presumed to meet the requirement of residential use and thus to qualify for a sales tax exemption; and

**Whereas,** this legislation clarifies the amount of wood presumed to meet the requirement of residential use and thus to qualify for a sales tax exemption; and

**Whereas,** this legislation needs to be in effect for this winter season to allow citizens of the State to benefit from the exemptions; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

**Sec. 1. 36 MRSA §1760, sub-§9,** as amended by PL 2009, c. 625, §7, is further amended to read:

**9. Coal, oil and wood.** Coal, oil, wood and all other fuels, except gas and electricity, when bought for cooking and heating in buildings designed and used for both human habitation and sleeping. Kerosene or home heating oil that is prepackaged or dispensed from a tank for retail sale in containers with a capacity of 5 gallons or less is presumed to meet the requirements of this subsection. A purchase of ~~200~~ 1,000 pounds or less of wood pellets or of any 100% compressed wood product intended for use in a wood stove or fireplace is presumed to meet the requirements of this subsection. A

**ROFS**

COMMITTEE OF CONFERENCE AMENDMENT "A" to H.P. 1219, L.D. 1610

1 purchase of less than one cord of wood is presumed to meet the requirements of this  
2 subsection. For purposes of this subsection, "cord" has the same meaning as in Title 10,  
3 section 2302, subsection 1.

4 **Sec. 2. Suppliers of wood pellets.** The Maine State Housing Authority shall  
5 amend its rules governing the awarding of contracts to suppliers of wood pellets for  
6 purposes of carrying out its duties to receive, distribute and administer federal funds on  
7 behalf of the State for fuel assistance pursuant to the federal Low-income Home Energy  
8 Assistance Program administered through the United States Department of Health and  
9 Human Services to give preference, all other factors being substantially equal, to a  
10 supplier of wood pellets that is incorporated under the laws of, and has its principal place  
11 of business within, a state in the United States of America.

12 **Emergency clause.** In view of the emergency cited in the preamble, this  
13 legislation takes effect when approved.'

14 **SUMMARY**

15 This is the Committee of Conference report. This amendment incorporates all of the  
16 substance of both Committee Amendment "A" and Senate Amendment "A" to Committee  
17 Amendment "A" and it clarifies that the preference to United States suppliers of wood  
18 pellets is given when all other factors are substantially equal.

**FISCAL NOTE REQUIRED**  
(See attached)



# 125th MAINE LEGISLATURE

LD 1610

LR 2305(13)

## An Act To Amend the Law Regarding the Sale of Wood Pellets

**Fiscal Note for Bill as Amended by Committee of Conference Amendment "A" S-510**

**Committee: Taxation**

**Fiscal Note Required: Yes**

### Fiscal Note

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
<b>Net Cost (Savings)</b>				
General Fund	\$4,750	\$19,760	\$20,550	\$21,372
<b>Revenue</b>				
General Fund	(\$4,750)	(\$19,760)	(\$20,550)	(\$21,372)
Other Special Revenue Funds	(\$250)	(\$1,040)	(\$1,082)	(\$1,125)

### Fiscal Detail and Notes

The bill expands the sales tax exemption provided to certain purchases of fuel for residential use by raising the amount of wood pellet purchases presumed to be for residential use from 200 pounds to 1,000 pounds. In addition, purchases of up to one cord of firewood (including bundled campfire wood) are also assumed to be for residential use. The Maine State Housing Authority is required by rule, and when carrying out its duties to receive, distribute and administer federal funds on behalf of the State for fuel assistance pursuant to the federal Low-income Home Energy Assistance Program, give preference, all other factors being substantially equal, to United States suppliers of wood pellets. Additional costs to the Maine State Housing Authority associated with rulemaking can be absorbed within existing budgeted resources.