

# MAINE STATE LEGISLATURE

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**LAWS**  
OF THE  
**STATE OF MAINE**

AS PASSED BY THE  
ONE HUNDRED AND ELEVENTH LEGISLATURE

**SECOND SPECIAL SESSION**

November 18, 1983

AND AT THE

**SECOND REGULAR SESSION**

January 4, 1984 to April 25, 1984

AND AT THE

**THIRD SPECIAL SESSION**

September 4, 1984 to September 11, 1984

PUBLISHED BY THE DIRECTOR OF LEGISLATIVE RESEARCH  
IN ACCORDANCE WITH MAINE REVISED STATUTES  
ANNOTATED, TITLE 3, SECTION 164, SUBSECTION 6.

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J.S. McCarthy Co., Inc.  
Augusta, Maine  
1986

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**PUBLIC LAWS**  
OF THE  
**STATE OF MAINE**

AS PASSED AT THE  
SECOND REGULAR SESSION  
of the  
ONE HUNDRED AND ELEVENTH LEGISLATURE  
JANUARY 4, 1984 TO APRIL 25, 1984

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Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

Effective May 2, 1984.

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## CHAPTER 851

H.P. 1817 - L.D. 2407

AN ACT to Provide a Sales Tax Exemption  
for Certain Residential Facilities.

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

36 MRSA §1760, sub-§46 is enacted to read:

46. Residential facilities for medical patients and their families. Incorporated nonprofit organizations providing temporary residential accommodations to pediatric patients suffering from critical illness or disease, such as cancer, or who are accident victims, and adult patients with cancer, or the families of the patients.

Effective July 25, 1984.

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## CHAPTER 852

H.P. 1864 - L.D. 2468

AN ACT to Promote the Distillation of  
Ethanol for Use as an Internal Combustion  
Engine Fuel.

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

Sec. 1. 10 MRSA §1457 is enacted to read:

§1457. Ethanol enhanced motor fuel

1. Prohibition. No distributor, franchisor or refiner may impose any condition, restriction, agreement or understanding that unreasonably discriminates

against or unreasonably limits the sale, resale, transfer or purchase of ethanol or other synthetic motor fuel of equivalent usability in any case in which synthetic or conventional motor fuel is sold for use, consumption or resale.

2. Exception. This section does not apply to any distributor, franchisor or refiner which makes available sufficient supplies of ethanol or other synthetic motor fuels of equivalent usability to satisfy its customers' needs for those products, if those synthetic motor fuels are made available on terms and conditions which are equivalent to the terms and conditions on which conventional motor fuel products are made available.

3. Reasonable conditions. A motor fuel distributor, franchisor or refiner which does not make available sufficient supplies of ethanol or other synthetic motor fuels of equivalent usability may:

A. Require reasonable labeling of pumps dispensing the ethanol or other synthetic motor fuels to indicate, as appropriate, that the ethanol or other synthetic motor fuel was not manufactured, distributed or sold by that distributor, franchisor or refiner;

B. Issue disclaimers, as appropriate, of product liability for damage from use of ethanol or other synthetic motor fuels;

C. Refuse to provide advertising support for ethanol or other synthetic motor fuels; or

D. Refuse to furnish or provide any additional pumps, tanks or other related facilities required for the sale of ethanol or other synthetic motor fuels.

Sec. 2. 36 MRSA §1760, sub-§8, ¶¶A and B, as enacted by PL 1981, c. 702, Pt. V, §1, are amended to read:

A. Motor fuels upon which a tax at the maximum rate for highway use has been paid pursuant to Part 5 or a comparable tax of any other state or province; ~~and~~

B. Internal combustion engine fuel, as defined in section 2902, bought and used for the purpose of propelling jet or turbojet engine aircraft in international flights; ~~and~~

Sec. 3. 36 MRS.A §1760, sub-§8, ¶C is enacted to read:

C. Internal combustion engine fuel containing at least 10% ethanol and taxed at the rate provided in section 2903, subsection 2.

Sec. 4. 36 MRS.A §2903, as repealed and replaced by PL 1983, c. 438, §1, is repealed and the following enacted in its place:

§2903. Tax levied; rebates

1. Excise tax levied. Except as provided in subsection 2, an excise tax is levied and imposed at the rate of 14¢ per gallon upon internal combustion engine fuel sold or used within this State, including these sales when made to the State or any political subdivision thereof, for any purpose whatsoever, except the internal combustion engine fuel sold or used in such form and under such circumstances as shall preclude the collection of this tax by reason of the laws of the United States, or sold wholly for exportation from the State, or brought into the State in the ordinary standardized equipment fuel tank attached to and forming a part of a motor vehicle and used in the operation of that vehicle within the State, except that no tax may be levied upon internal combustion engine fuel, as defined in section 2902, bought or used by any person, association of persons, firm or corporation for the purpose of propelling jet or turbojet engine aircraft, or sold wholly for exportation from the State, or brought into the State in the fuel tanks of an aircraft, or on or after July 1, 1983, sold in bulk to any political subdivision of the State. On the same fuel only one tax shall be paid to the State, for which tax the distributor first receiving the fuel in the State shall be primarily liable to the State, except when that fuel has been sold and delivered to a licensed exporter wholly for exportation from the State, or to another distributor in the State, in which case the purchasing distributor shall be primarily liable to the State for the tax.

Internal combustion fuel, as defined in section 2902, which is held by retailers at the close of March 31, 1983, shall be subject to the 14¢ per gallon tax rate. Retailers, as defined in section 1752, subsection 10, shall be liable for the difference between the 14¢ per gallon tax rate and the 9¢ per gallon tax rate in effect prior to April 1, 1983. Payment shall be made to the State Tax Assessor before May 15,

1983, and it shall be accompanied by the appropriate completed form described by the State Tax Assessor.

2. Ethanol blended fuel. Notwithstanding subsection 1, beginning January 1, 1986, internal combustion engine fuel blended in the State containing at least 10% ethanol distilled in the State shall be subject to tax as set forth in this subsection, except as provided in section 2914.

A. From January 1, 1986, to December 31, 1986, the tax shall be at the rate prescribed in subsection 1, less 4¢.

B. From January 1, 1987, to December 31, 1987, the tax shall be at the rate prescribed in subsection 1, less 3¢.

C. From January 1, 1988, to December 31, 1988, the tax shall be at the rate prescribed in subsection 1, less 2¢.

D. From January 1, 1989, to December 31, 1989, the tax shall be at the rate prescribed in subsection 1, less 1¢.

E. On and after January 1, 1990, the tax shall be at the rate prescribed in subsection 1.

The tax prescribed in this section shall apply to internal combustion engine fuel, sold in Maine, containing at least 10% ethanol distilled in another state, provided that the State affords at least equal tax exemptions for internal combustion engine fuel, sold or used in that state, containing at least 10% ethanol distilled in Maine.

The reduction in tax authorized by this subsection shall be reduced by an amount equivalent to any increase in the federal tax exemption for ethanol-blended fuels effective prior to January 1, 1990.

Sec. 5. 36 MRSa §§2914 and 2915 are enacted to read:

§2914. Limitation; reimbursement from General Fund

1. Limitation. The tax exemption provided under section 2903, subsection 2, shall be reimbursed from the General Fund and shall not exceed a total of \$5,000,000 from 1986 to 1990. The amount of the exemption shall not exceed \$1,250,000 annually, adjusted as follows.

A. If, at the beginning of a month, the amount of the exemption used previously during that year does not exceed 95% of the annual limitation, the exemption shall remain in effect for the remainder of the month.

B. If, at the beginning of a month, the amount of exemption used previously during that year exceeds 95% of the annual limitation, the exemption shall be suspended for the remainder of that year.

C. If, as a result of the adjustments provided in this subsection, the amount of exemptions granted during a year exceeds \$1,250,000, the amount of the excess shall be used to reduce the annual limitation for the succeeding year.

D. If, as a result of the adjustments provided in this subsection, the amount of exemptions granted during a year is less than \$1,250,000, the amount of unused exemption shall be added to the annual limitation for the succeeding year.

2. Final year. If, during the final year of the exemption, it becomes apparent that the \$5,000,000 limit will be reached during the year, the State Tax Assessor may promulgate rules or issue warnings to alleviate the possibility of loss to motor fuel distributors or retailers resulting from exhaustion of the total limitation on exemptions.

3. Reimbursement. The Highway Fund shall be reimbursed from the General Fund each month for the loss of revenue resulting from the exemption provided under section 2903, subsection 2. The State Tax Assessor shall certify to the State Controller, on or before the 15th day of each month, the amount to be reimbursed for the previous month.

#### §2915. Report to the Legislature

The State Tax Assessor shall report to the Legislature by January 31, 1987, and each subsequent year until 1990 on the amount of revenue losses due to the ethanol tax exemption provided in section 2903, subsection 2. The report shall also include information provided by the Office of Energy Resources on ethanol sales in other states, revenue losses to those states from similar ethanol tax exemption and any other relevant information on the market for ethanol blended gasoline requested by the Legislature.



Sec. 6. Legislative findings. The Legislature finds that the distillation of ethanol in the State for use in motor fuels is in the economic and environmental interest of all of the citizens of the State. The availability of ethanol will reduce the use of lead in gasoline and will, thereby, decrease the lead in the environment. The Legislature also finds that, due to the economic obstacle to market penetration by alternative motor fuels, the distillation of ethanol in Maine is unlikely to occur without the adoption of a gasoline tax exemption for ethanol enhanced gasoline similar to those adopted by 33 other states and the Federal Government. Further, the Legislature finds that an ethanol plant in the State will also produce significant amounts of distillers dry grain for use by farmers, carbon dioxide for use by industry and electricity for use by electric consumers. Finally, the Legislature finds that unit trains, hauling grain to an ethanol facility in the State, will lower grain freight rates for Maine farmers and may permit backhauling of other Maine products to the midwest.

Effective July 25, 1984.

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## CHAPTER 853

H.P. 1858 - L.D. 2459

AN ACT to Implement Certain Recommendations  
of the State Compensation Commission.

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

### PART A

Sec. 1. 2 MRSA §7, sub-§1, as repealed and replaced by PL 1983, c. 477, Pt. E, sub-pt. 2, is repealed.

Sec. 2. 2 MRSA §7, sub-§3, as amended by PL 1979, c. 544, §2, is repealed.

Sec. 3. 3 MRSA §162-A, first ¶, as enacted by PL 1981, c. 702, Pt. X, §11, is amended to read:

Notwithstanding any other provisions of law, the Legislative Council is authorized to adjust the salaries of the following state officials within the sal-