

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND FOURTEENTH LEGISLATURE
FIRST SPECIAL SESSION

August 21, 1989 to August 22, 1989

and

SECOND REGULAR SESSION

January 3, 1990 to April 14, 1990

THE GENERAL EFFECTIVE DATE FOR
NON-EMERGENCY LAWS IS
July 14, 1990

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

J.S. McCarthy Company
Augusta, Maine
1990

PUBLIC LAWS
OF THE
STATE OF MAINE

AS PASSED AT THE
SECOND REGULAR SESSION

of the
ONE HUNDRED AND FOURTEENTH LEGISLATURE

January 3, 1990 to April 14, 1990

Emergency clause. In view of the emergency cited in the preamble, this Act takes effect when approved, except as otherwise indicated.

Effective April 20, 1990, unless otherwise indicated.

CHAPTER 879

H.P. 1711 - L.D. 2362

An Act to Authorize the Maine State Lottery to Enter into an Agreement with Other States to Join the Multi-State Lottery Association, Known as Lotto*America, for the Purpose of Operating a Joint Lottery

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

Sec. 1. 8 MRSA §372, sub-§2, ¶II, as enacted by PL 1987, c. 505, §2, is amended to read:

I. Carry on a continuous study and investigation of the lotteries throughout the State and the operation and administration of similar laws which that may be in effect in other states or countries. The director, subject to the prior approval of the commission, may enter into a written agreement with the Multi-State Lottery Association, known as Lotto*America, for the operation, marketing and promotion of a joint lottery or joint lottery games with other states.

Before the director may enter into a final agreement with Lotto*America under this paragraph, a hearing open to the public must be held. The hearing is not subject to the requirements of the Maine Administrative Procedure Act, Title 5, chapter 375. The director shall provide at least 30 days' public notice before the hearing may be held. Notice must be given by publication at least twice in a newspaper of general circulation in the State. If a final agreement with Lotto*America is entered into, the director shall submit monthly financial reports to the joint standing committee of the Legislature having jurisdiction over appropriations. These reports must include statements of net profits to the General Fund and the costs to the State for operating, marketing and promoting Lotto*America.

Any final agreement entered into with Lotto*America must provide that the director has the authority to terminate the agreement upon the provision of reasonable notice, not to exceed 6 months. The final agreement must further provide that the director may terminate the agreement at any time, without prior notice, in the event that the director's authority is withdrawn or limited by law.

Sec. 2. 8 MRSA §372, sub-§2, ¶II, as enacted by PL 1987, c. 505, §2, is amended to read:

I. Carry on a continuous study and investigation of the lotteries throughout the State and the operation and administration of similar laws which that may be in effect in other states or countries.

Sec. 3. Hearing; legislative intent. Notwithstanding the Maine Revised Statutes, Title 5, chapter 375, it is the intent of the Legislature that a hearing open to the public held before a final agreement with Lotto*America is entered into and before the effective date of this Act meets the requirements of Title 8, section 372, subsection 2, paragraph I, as amended in this Act.

Sec. 4. Effective date; repeal. Section 1 of this Act is repealed and section 2 of this Act takes effect 3 years after the effective date of this Act.

See title page for effective date, unless otherwise indicated.

CHAPTER 880

H.P. 1731 - L.D. 2390

An Act to Provide Tax Amnesty and Necessary Administrative Support to the Bureau of Taxation

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

Whereas, a comprehensive study of the taxation system and tax policies of the State will enable the State to address budgetary matters in a coherent and consistent manner; and

Whereas, it is necessary that this legislation be enacted as an emergency measure so that the Select Committee on Comprehensive Tax Reform, established in this Act, may immediately undertake its important tasks and make a timely, complete and accurate report to the First Regular Session of the 115th Legislature; 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:

PART A

Sec. A-1. 36 MRSA c. 913 is enacted to read:

CHAPTER 913

TAX AMNESTY

§6551. Maine Tax Amnesty Program

There is established the Maine Tax Amnesty Program. This program is intended to encourage delinquent taxpayers to comply with the State's tax laws to enable the assessor to identify and collect previously unreported taxes or accelerate collection of certain delinquent tax liabilities. The long-term goal of this program is to improve taxpayer compliance with the State's tax law.

§6552. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Bureau. "Bureau" means the Bureau of Taxation.

2. Taxpayer. "Taxpayer" means any individual, firm, partnership, association, society, club, corporation, estate, trust, business trust, receiver, assignee, or any other group or combination acting as a unit, a taxable entity, the State or Federal Government, or any political subdivision or agency of government required to file a return under this Title or to pay, withhold and pay over, or collect and pay over any tax imposed by this Title.

§6553. Administration

The assessor shall administer the Maine Tax Amnesty Program. The amnesty program applies to tax liabilities delinquent as of April 17, 1990, including tax on returns not filed, tax liabilities according to the records of the bureau as of April 17, 1990, or tax liabilities not reported or established but delinquent as of April 17, 1990. A taxpayer may participate in the amnesty program whether or not the taxpayer is under audit and without regard to whether the amount due is subject to a pending administrative or judicial proceeding, except that this does not include pending criminal action. A taxpayer may participate in the amnesty program to the extent of the uncontested portion of an assessed liability. Participation in the program is conditioned upon the taxpayer's agreement that the right to protest or pursue an administrative or judicial proceeding with regard to returns filed under the amnesty program or to claim any refund of money paid under the amnesty program is barred. A taxpayer with a tax liability within the limitations of this chapter is absolved from criminal or civil prosecution or civil penalties, plus 1/2 of the interest associated with any such liability, if the taxpayer:

1. Return filed. Properly completes and files an amnesty tax return as required by the assessor;

2. Tax and interest paid. Pays all tax and interest as determined on the amnesty tax return before the end of the amnesty period or enters into a payment plan approved by the assessor;

3. No criminal action pending. Is not currently charged with or under active investigation for a criminal

offense arising from a violation of the state tax law as provided in this Title or Title 17-A; and

4. Illegal activities. Is not reporting taxes arising from otherwise illegal activities.

§6554. Exemption; leased vehicles in interstate commerce

Notwithstanding section 6553, a taxpayer participating in the amnesty program due to a tax liability arising from the use in the State of a vehicle that fails or failed to qualify for the exemption under section 1760, subsection 41, because the vehicle is leased, is absolved from criminal or civil prosecution or civil penalties, plus all of the interest associated with any such liability.

§6555. Undisclosed liabilities

Nothing in this chapter may be construed to prohibit the assessor from instituting civil or criminal proceedings against any taxpayer with respect to any amount of tax that is not disclosed on the amnesty return.

§6556. Amnesty period

The time period during which an amnesty return may be filed is November 1, 1990, to December 31, 1990.

§6557. Amnesty return

The assessor shall prepare and make available the amnesty return. The return and associated guidelines prepared by the assessor, which govern participation in the Maine Tax Amnesty Program, are exempt from the Maine Administrative Procedure Act. The application requires the approval of the assessor. The assessor may deny any application not consistent with the Maine Tax Amnesty Program.

§6558. Payment plan

The assessor may enter into an installment agreement in cases of severe hardship in lieu of the complete payment of all tax and interest as determined on the amnesty return. In such cases, 25% of the total liability must be paid with the amnesty return and the balance must be paid in not more than 6 monthly installments. Failure of the taxpayer to make the agreed payments in a timely fashion voids the application of the amnesty program to that taxpayer. All such agreements and payments must include interest at the rate of 12% per annum on the tax outstanding.

§6559. Amnesty receipts

Notwithstanding any other provision of law, funds obtained through the Maine Tax Amnesty Program established by this chapter accrue in their entirety directly to the General Fund.

Sec. A-2. Amnesty report. The State Tax Assessor shall analyze and report on the effectiveness of the Maine

Tax Amnesty Program. This report must include at least the following information:

1. The number of taxpayers that participated in the Maine Tax Amnesty Program;
2. The amount of money generated by the program;
3. The amnesty-related expenses of the Bureau of Taxation for the period of time before the amnesty period, during the amnesty period and immediately following the amnesty period until June 30, 1991;
4. The effectiveness of the increased enforcement measures in collecting tax receivables during the period January 1, 1991, to December 1, 1991;
5. Recommendations for changes, improvements or additions to tax compliance enforcement procedures; and
6. Any other information the assessor chooses to include.

This report must be presented to the Joint Standing Committee on Taxation during the Second Regular Session of the 115th Legislature by February 1, 1992. The committee shall review the report and submit its own report, together with any necessary implementing legislation, recommending continuation or changes in enforcement procedures. This report must be made to the First Regular Session of the 116th Legislature by December 1, 1992.

PART B

Sec. B-1. 36 MRSA §113 is enacted to read:

§113. Audit and collection expenses

Funds derived from contract audit and collection efforts are treated as revenues only to the extent that collections resulting from those efforts exceed the costs associated with the audit and collection efforts. The State Tax Assessor shall annually report to the Legislature the costs and collections of the Maine Tax Amnesty Program established by chapter 913.

Sec. B-2. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1990-91

FINANCE, DEPARTMENT OF

Bureau of Taxation

Positions	(7)
Personal Services	\$210,000
All Other	45,000
Capital Expenditures	50,000

Provides funds to hire and support 7 additional compliance personnel to generate an additional \$2,000,000 in fiscal year 1990-91.

All Other \$150,000

Provides funds to reimburse the Office of the Attorney General for the services of 3 attorneys or paralegal professionals in the enforcement of the State's tax laws. This is not intended to substitute for the resources currently allocated to serve in matters relating to the needs of the Bureau of Taxation.

Positions - Legislative Count	(9)
Personal Services	\$490,000
All Other	1,195,000
Capital Expenditures	67,000

Provides funds to upgrade the Bureau of Taxation's automated information resources. It funds the first year of Maine Automated Tax System project.

Positions - Legislative Count	(2)
Personal Services	\$80,000
All Other	205,000
Capital Expenditures	15,000

Provides funds for staff and resources to manage the Maine Tax Amnesty Program.

Personal Services	\$30,000
All Other	10,000
Capital Expenditures	10,000

Provides funds for additional program toll-free telephone assistance relative to the Maine Tax Amnesty Program. The 2 project positions are for 6 months during the amnesty period.

DEPARTMENT OF FINANCE

TOTAL \$2,557,000

PART C

Sec. C-1. 36 MRSA §173, last ¶, as enacted by PL 1985, c. 691, §4, is amended to read:

Warrants ~~shall be~~ are returnable within ~~one year~~ 5 years of issuance. New warrants may be issued ~~on any such certificate for collection of sums remaining unsatisfied, upon the filing of the certificate described in subsection 1, within 2 years from the return day of the last preceding warrant for sums remaining unsatisfied.~~

Sec. C-2. 36 MRSA §175, sub-§§2 and 3, as repealed and replaced by PL 1987, c. 402, Pt. A, §178, are amended to read:

2. Failure to file or pay taxes; denial of license or renewal. If the State Tax Assessor determines, from the information formulated under subsection 1 or otherwise, that any person who holds a state-issued license or certificate of authority issued by that agency has neglected or refused either to file any returns at the time required under this Title or to pay any tax liability due under this Title which has become final been demanded, the State Tax Assessor shall notify the person in writing that refusal to file the required tax return or to pay the overdue tax liability may result in loss of license or certificate of authority. The revocation notice is also conditioned upon the continuing failure to file or pay after at least 2 specific requests to file required returns or to pay a demanded liability. If the person continues for a period in excess of 30 days from notice of possible denial of renewal or reissuance of a license or certificate of authority to fail to file or show reason why he the person is not required to file or if the person continues not to pay, the State Tax Assessor shall notify the person in writing of ~~his~~ the determination to prevent renewal or reissuance of the license or certificate of authority by the issuing agency. A review of this determination is available by requesting a petition for reconsideration under section 151, subject to appeal to the Superior Court in accordance with the Maine Administrative Procedure Act, Title 5, chapter 375. Either by failure to proceed to the next step of appeal or by exhaustion of the steps of appeal, the determination of the State Tax Assessor's right to prevent renewal or reissuance becomes final unless otherwise determined by appeal.

3. Refusal of license or certificate by licensing agency. Any issuing agency ~~which~~ that is notified by the State Tax Assessor of ~~his~~ the assessor's finalized determination to prevent renewal or reissuance of a license or certificate of authority under subsection 2 shall refuse to reissue, renew or otherwise extend that license or certificate of authority until the agency receives a certificate issued by the State Tax Assessor that the person is in good standing with respect to any and all returns due or with respect to any tax due as of the date of issuance of the certificate.

PART D

Sec. D-1. 36 MRSA §184, as enacted by PL 1985, c. 691, §6, is amended to read:

§184. Criminal offenses

Any person who is required under this Title to collect, truthfully account for and pay over any tax imposed by this Title and who intentionally fails to collect or truthfully account for or pay over that tax at the time required by law or rule ~~shall~~, in addition to any other penalties provided by law, ~~be is~~ is guilty of a Class D crime, except that any person who has a prior conviction under this section is guilty of a Class C crime rather than a Class D crime. For purposes of this section, the date of the prior conviction must precede the commission of the offense being enhanced by no more than 10 years. The date of conviction is deemed the date that sentence is imposed even though an appeal was taken. For purposes of this section, the word "person" includes, in addition to its defined meaning in section 111, subsection 3, any officer, director, member, agent or employee of another person who, in that capacity, is responsible for the control or management of the funds and finances of that person or is responsible for either the collection or payment of that retailer's taxes.

Sec. D-2. 36 MRSA §5330, as repealed and replaced by PL 1977, c. 696, §295, is amended to read:

§5330. Attempts to evade or defeat tax

Any person who intentionally attempts in any manner to evade or defeat any tax imposed by this Part or the payment thereof ~~shall~~, in addition to any other penalties provided by law, ~~be is~~ is guilty of a Class C crime, except that violation of this section is a Class B crime if the person has a prior conviction for violation of this section, or of section 184, section 5332 or section 5333. For purposes of this section, the date of prior conviction must precede the commission of the offense being enhanced by no more than 10 years. The date of conviction is deemed the date that sentence is imposed.

Sec. D-3. 36 MRSA §5332, as amended by PL 1983, c. 490, is further amended to read:

§5332. Failure to file return, supply information, pay tax

Any person required under this Part to pay any tax or estimated tax, or required by this Part or regulation prescribed thereunder to make a return, other than a return of estimated tax, keep any records or supply any information, who intentionally fails to pay that tax or estimated tax, make the return, keep the records or supply the information, at the time or times required by law or regulation, ~~shall~~, in addition to other penalties provided by law, ~~be is~~ is guilty of a Class D crime, except that violation of this section is a Class C crime if the person has a prior conviction for violation of this section, or of section 184, section 5330 or section 5333. For purposes of this section, the date of prior conviction must precede the commission of the offense being enhanced by no more than 10 years. The date of conviction is deemed the date that sentence is imposed. In determining whether a

person is required to make a return under this Part, proof that the person filed a federal income tax return for a taxable year ~~shall give~~ gives rise to a presumption that the person was required to file a federal income tax return for that taxable year.

Sec. D-4. 36 MRSA §5333, as repealed and replaced by PL 1977, c. 696, §295, is amended to read:

§5333. False statements

Any person who knowingly makes and subscribes any return, statement or other document, ~~which that~~ contains or is verified by a written declaration that it is made under the penalties of perjury, and ~~which he that~~ the person does not believe to be true and correct as to every material matter; or knowingly aids or procures the preparation or presentation in a matter arising under this Part of a return, affidavit, claim or other document ~~which that~~ is fraudulent or is false as to any material matter ~~shall be~~ is guilty of a Class D crime, ~~except that violation of this section is a Class C crime if the person has a prior conviction for violation of this section, or of section 184, section 5330 or section 5332.~~ For purposes of this section, the date of prior conviction must precede the commission of the offense being enhanced by no more than 10 years. The date of conviction is deemed the date that sentence is imposed.

PART E

Sec. E-1. 9-B MRSA §161, sub-§2, ¶H, as amended by PL 1985, c. 311, §2, is further amended to read:

H. ~~The making of reports to the State Tax Assessor required under Title 36, section 3851 and the examination of the financial records authorized by Title 36, section 112 or section 176-A, subsection 4;~~

Sec. E-2. 36 MRSA §176, as amended by PL 1987, c. 772, §3, is repealed.

Sec. E-3. 36 MRSA §176-A is enacted to read:

§176-A. Levy upon property

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Delinquent," when used to refer to a tax, means a tax liability reported by a taxpayer or a tax assessed by the assessor that is not paid by its due date and to which no further administrative or judicial review is available pursuant to section 151. The term "delinquent" may also refer to a taxpayer liable for delinquent taxes.

B. "Levy" means an administrative power to collect delinquent taxes through the means prescribed by this section, or the exercise of that power. The

power to levy includes the power of distraint by any lawful means, the power to sell the property and the power to release the levy when it is no longer necessary or appropriate to further the process of collecting delinquent taxes. Exercise of the levy power creates a lien and makes the assessor a judgment creditor.

Except with respect to intangible personal property, a levy extends only to property possessed and obligations existing at the time the levy is made. A levy with respect to intangible personal property has the effect set forth in subsection 2, paragraph E.

C. "Property" means any right, title and interest held in property by a delinquent taxpayer, whether real or personal, tangible or intangible, located within this State.

D. "Service" must be made in a manner prescribed in section 111, subsection 2, except on persons who have consented to less formal means of notification.

2. Levy upon property for payment of delinquent tax. The procedure for the levy upon property for payment of delinquent tax is as follows.

A. Upon determining that any taxpayer is delinquent, the assessor may cause notice and a demand letter, complying in all respects with section 171, to be served on the taxpayer. The demand letter must expressly warn the taxpayer that, pursuant to section 151, no further administrative or judicial review of the tax delinquency is available and that the assessor may levy upon the taxpayer's property in accordance with the provisions of this section unless full payment of the delinquent amount is received within 10 days after the taxpayer receives the demand letter.

The notice must set forth the procedures applicable to the levy and sale of property under this section, the administrative appeals available to the taxpayer with respect to the levy and sale and the procedures relating to appeals, the alternatives available to taxpayers that could prevent levy on the property under this Title, including installment agreements, the provisions of this Title relating to redemption of property and release of liens on property and the procedures applicable to the redemption of the property and the release of the lien on property under this Title.

B. If any person liable to pay any delinquent tax neglects or refuses to pay that tax within 10 days after demand, it is lawful for the assessor to collect the tax and such further sum as is sufficient to cover the expenses of the levy, by levy upon all property belonging to that person liable to levy. If the assessor makes a finding that the collection of the tax is in jeopardy, notice and demand for immediate

payment of the tax may be made by the assessor and, upon failure or refusal to pay that tax, collection of the tax by levy is lawful without regard to the 10-day period provided in this section.

C. If any property upon which levy has been made is not sufficient to satisfy the claim of the State, the assessor may, thereafter and as often as necessary, proceed to levy upon any other property of the person against whom the claim exists liable to levy until the amount due together with all expenses are fully paid.

D. With respect to a levy described in this subsection, the assessor shall promptly release the levy when the liability from which the levy arose is satisfied or becomes unenforceable due to lapse of time and shall promptly notify the person upon whom the levy is made that the levy has been released.

E. The effect of a levy on salary or wages payable to or received by a taxpayer is continuous from the date the levy is first made until the liability out of which the levy arose is satisfied. A levy on any other intangible personal property or rights to intangible personal property remains in effect until 6 months after the date that notice of levy and demand under subsection 3, paragraph A, is served on the person in possession of or liable to the taxpayer with respect to intangible personal property, including property that is first possessed or liabilities that arise after the date of service of the notice of levy and demand; except that a levy upon property held by a financial institution described in subsection 3, paragraph A, only extends to accounts in existence on the date the notice of levy and demand is served on the financial institution, but includes deposits made or collected in those accounts after the notice is served.

3. Surrender of property or discharge of obligation; exceptions; personal liability; penalty. A surrender of property or discharge of obligation is governed by this subsection.

A. Except as otherwise provided in paragraph B, any person in possession of, or obligated with respect to, property or rights to property subject to levy upon which a levy has been made shall, upon demand of the assessor, surrender any such property or rights or discharge any such obligation to the assessor, except that part of the property or rights as is, at the time of the demand, subject to an attachment or execution under any judicial process. It is a defense to the liability imposed by this subsection that the person refusing to comply with the terms of a notice of a levy or that person's bailor has a valid claim against the delinquent taxpayer accruing prior to service of the notice or a valid security interest or lien upon the property of the taxpayer perfected prior to service of the notice; but this defense exonerates the person refusing to

comply from liability only to the extent of that claim, security interest or lien.

Any financial institution chartered under state or federal law, including, but not limited to, trust companies, savings banks, savings and loan associations, national banks and credit unions, shall surrender any deposits, including any interest in the financial institution that would otherwise be required to be surrendered under this subsection only after 21 days after service of levy. Except as provided in subsection 5, paragraph D, with respect to a levy on salary or wages, any person in possession of, or obligated with respect to, property subject to a continuing levy against intangible personal property, which property is first possessed or which obligation first arises subsequent to service of a notice of levy on such person, shall, upon demand of the assessor, surrender the property or rights, or discharge the obligation to the assessor within 30 days after the property is first possessed or the obligation first arises.

B. A levy with respect to a life insurance or endowment contract is governed by this paragraph.

(1) A levy on an organization with respect to a life insurance or endowment contract issued by that organization, without necessity for the surrender of the contract document, constitutes a demand by the assessor for payment of the amount described in subparagraph (2) and the exercise of the right of the person against whom the tax is assessed to the advance of that amount. The organization shall pay over the amount 90 days after service of notice of levy. Notice must include a certification by the assessor that a copy of the notice has been mailed to the person against whom the tax is assessed at that person's last known address.

(2) A levy under this paragraph is deemed to be satisfied if the organization pays over to the assessor the amount that the organization could have advanced to the person against whom the tax is assessed on the date prescribed in subparagraph (1) for the satisfaction of the levy, increased by the amount of any advance, including contractual interest, made to the person on or after the date the organization had actual notice or knowledge of the existence of the lien with respect to which the levy is made, other than an advance, including contractual interest, made automatically to maintain the contract in force under an agreement entered into before the organization had any such notice or knowledge.

(3) The satisfaction of a levy under subparagraph (2) is without prejudice to any civil action for the enforcement of any lien im-

posed by section 175-A with respect to the contract.

C. Any person who fails or refuses to surrender any property or rights to property, subject to levy, upon demand by the assessor:

(1) Is liable in person and estate to the State in a sum equal to the value of the property not so surrendered, but not exceeding the amount of taxes for the collection of which the levy has been made, together with costs and interests on the sum from the date of the levy. Any amount, other than costs, recovered under this paragraph must be credited against the tax liability for the collection of which the levy was made; and

(2) Without reasonable cause, is liable for a penalty equal to 50% of the amount recoverable under subparagraph (1). A part of the penalty may not be credited against the tax liability for the collection of which the levy was made. It is lawful for the assessor to collect the liability as determined by this paragraph by levy upon the person's property in accordance with the provisions of this section.

D. Any person in possession of, or obligated with respect to, property subject to levy upon which a levy has been made, who, upon demand by the assessor, surrenders that property or rights to that property, or discharges the obligation to the assessor, or who pays a liability under paragraph C, subparagraph (1) is discharged from any obligation or liability to the delinquent taxpayer with respect to the property arising from the surrender or payment. In the case of a levy satisfied pursuant to paragraph B, the organization is discharged from any obligation or liability to any beneficiary arising from the surrender or payment.

4. Books or records relating to property subject to levy. If a levy has been made or is about to be made on any property, any person having custody or control of any books or records containing evidence or statements relating to the property subject to levy shall, upon demand of the assessor, exhibit those books and records to the assessor. Failure to comply with such an order is a Class E crime.

5. Exempt property. This subsection governs property exempt from levy.

A. The following property is exempt from levy:

(1) Items of wearing apparel and school books necessary for the taxpayer or the members of the taxpayer's family;

(2) If the taxpayer is the head of a family, the fuel, provisions, furniture and personal ef-

fects in the taxpayer's household, arms for personal use, livestock and poultry of the taxpayer, the total value of which does not exceed \$1,500;

(3) Books and tools necessary for the trade, business or profession of the taxpayer, the value of which, in the aggregate, does not exceed \$1,000;

(4) Any amount payable to the taxpayer with respect to the taxpayer's unemployment, including any portion payable with respect to dependents, under an unemployment compensation law of the United States or any state;

(5) Mail, addressed to any person, that has not been delivered to the addressee;

(6) Annuity or pension payments under the federal Railroad Retirement Act of 1974, 45 United States Code, Section 231, et seq., benefits under the federal Railroad Unemployment Insurance Act, 45 United States Code, Section 351, special pension payments received by a person whose name has been entered on the Army, Navy, Air Force and Coast Guard Medal of Honor Roll, 38 United States Code, Section 562 (1982), and annuities based on retired or retainer pay under 10 United States Code, Chapter 73 (1982);

(7) If the taxpayer is required by judgment of a court of competent jurisdiction, entered prior to the date of levy, to contribute to the support of minor children, as much of the taxpayer's salary, wages or other income as is necessary to comply with such a judgment;

(8) Any amount payable to or received by a taxpayer as wages or salary for personal services, during any period, to the extent that the total of the amounts payable to or received by the taxpayer during that period does not exceed the applicable exempt amount determined under paragraph D; and

(9) The principal residence of the taxpayer, unless the assessor has made a finding pursuant to subsection 2, paragraph B, that the tax is in jeopardy or the assessor personally approves in writing the levy of such property.

B. The officer seizing property of the type described in paragraph A shall appraise and set aside to the owner the amount of the property declared to be exempt. If the taxpayer objects at the time of the seizure to the valuation fixed by the officer making the seizure, the assessor shall summon 3 disinterested individuals who shall make the valuation.

C. Notwithstanding any other law, no property or rights to property are exempt from levy other than the property specifically made exempt by paragraph A.

D. A levy upon salary and wages must specify the amount of percentage to be surrendered and delivered to the assessor by the taxpayer's employer for each pay period, consistent with the provisions of this paragraph. Salaries and wages are exempt from levy to the extent of 75% of the taxpayer's disposable earnings for any pay period, or an amount equal to the federal minimum hourly wage multiplied by 30, multiplied by the number of weeks in the pay period, whichever is less. A levy on salaries and wages is continuous from the date on which the notice of levy is served until the delinquency is discharged and applies to all pay periods commencing after the date on which the notice of levy is served. The assessor shall notify the taxpayer's employer immediately upon discharge of the delinquency that the levy has been discontinued.

6. Seizure of property; notice; sale. Seizure, notice of seizure and sale of seized property are governed by this subsection.

A. As soon as practicable after seizure of property, the assessor shall give notice in writing to the owner of the property, or, in the case of personal property, the possessor of the property, or leave notice at the owner's or possessor's usual place of abode or business, if any, within the State. If the owner or possessor cannot be readily located, or has no dwelling or place of business within the State, the notice may be mailed to that person's last known address. In the case of real property, the notice must be filed in the registry of deeds in the county where the property is located. The notice must specify the sum demanded and contain:

(1) In the case of personal property, an account of the property seized; and

(2) In the case of real property, a description with reasonable certainty of the property seized.

In the case of levy on a motor vehicle that is the subject of a Certificate of Title issued by the Secretary of State, a copy of the notice must be filed with the Secretary of State, who shall note the levy in the records of ownership of the motor vehicle in question. In the case of levy on personal property, a security interest in which may be perfected by filing in the office of the Secretary of State pursuant to Title 11, section 9-401, a copy of the notice must be filed in the office of the Secretary of State, who shall file the notice of levy as a financing statement.

B. The assessor, as soon as practicable after the seizure of the property, shall give notice to the

owner or possessor in the manner prescribed in paragraph A and cause a notification to be published in a newspaper of general circulation within the county where the seizure is made, or, if there is no such newspaper, post the notice at the city or town hall nearest the place where the seizure is made and in not less than 2 other public places. In the case of real property, the notice must be served on all persons holding an interest of record, including, without limitation, recorded leases and security interest of all types, in the property as reflected at the time the notice of levy is recorded by the indices of the registry of deeds in the county where the property is located. In the case of personal property that is a motor vehicle subject to a Certificate of Title issued by the Secretary of State, notice must be served on all persons holding a security interest of record in the motor vehicle as set forth in the records of the Secretary of State. In the case of personal property that may be the subject of a security interest perfected by filing in the office of the Secretary of State pursuant to Title 11, section 9-401, notice must be served upon all secured parties claiming an interest in the property seized as reflected at the time the notice of levy is recorded in the records maintained by the Secretary of State pursuant to Title 11. The notice must specify the property to be sold, subject to the liabilities of prior encumbrances, if any, and the time, place, manner and conditions of the sale. If levy is made without regard to the 10-day period provided in subsection 2, public notice of sale of the property seized may not be made within the 10-day period unless subsection 7 applies. It is a Class E crime to intentionally remove or deface the posted notice of sale prior to the scheduled sale date, unless the property has been redeemed or the sale is for some other reason canceled. The assessor or any law enforcement officer may enter onto the land if necessary to carry out the purposes of this section.

C. If any property liable to levy is not divisible to enable the assessor by sale of a part of the property to raise the whole amount of the tax and expenses, the whole property must be sold.

D. The time of sale may be not less than 10 days nor more than 40 days from the time of giving notice under paragraph B. The sale may be adjourned from time to time but adjournments may not be for a period to exceed a total of 30 days. Notice of any adjournments of the sale must be posted in the public places within the county where the notice prescribed in paragraph B was posted.

E. Before the sale, the assessor shall determine a minimum price for which the property must be sold. If no person offers the amount of the minimum price for the property, the property is declared to be purchased at that price for the State; otherwise the property is declared to be sold to the highest bidder. In determining the minimum price,

the assessor shall take into account the expense of making the levy and sale.

(1) The assessor may by rule prescribe the manner and other conditions of the sale of property seized by levy or purchased by the sale.

(2) If payment in full is required at the time of acceptance of a bid and is not paid at that time, the assessor shall forthwith proceed to again sell the property in the manner provided in this subsection. If the conditions of the sale permit part of the payment to be deferred, and if a deferred part is not paid within the prescribed period:

(a) Suit may be instituted against the purchaser for the purchase price or the part of the price that has not been paid, together with interest from the date of the sale; or

(b) In the discretion of the assessor, the sale may be declared by the assessor to be void for failure to make full payment of the purchase price and the property may again be advertised and sold as provided in this subsection. In the event of a readvertisement and sale, any new purchaser receives the property, or rights to the property, free and clear of any claim or right to the former defaulting purchaser, of any nature whatsoever, and the amount paid on the bid price by the defaulting purchaser is forfeited.

(3) Only the right, title and interest of the delinquent taxpayer in and to the property seized may be offered for sale, and the interest must be offered subject to any prior outstanding mortgage, encumbrances, or other liens in favor of 3rd parties that are valid as against the delinquent taxpayer and are superior to the lien of the State. All seized properties must be offered for sale "as is" and "where is" and without recourse against the State. No guarantee or warranty, express or implied, may be made by the officer offering the property for sale, as to the validity of title, quality, quantity, weight, size or condition of any of the property or its fitness for any use or purpose. No claim may be considered for allowance or adjustment or for rescission of the sale based upon failure of the property to conform with any representation, express or implied.

7. Disposition of hard to keep property; notice to owner; public sale. If the assessor determines that any property seized is liable to perish or become greatly reduced in price or value by keeping, or that the property

cannot be kept without great expense, the assessor shall appraise the value of the property and, if the owner of the property can be readily found, shall give the owner notice of determination of the appraised value of the property. The property must be returned to the owner if within such time as may be specified in the notice the owner either pays to the assessor an amount equal to the appraised value, or gives bond in such form with such sureties, and in such amount as the assessor prescribes, to pay the appraised amount at such time as the assessor determines to be appropriate in the circumstances.

If the owner does not pay the amount or furnish bond in accordance with this section, the assessor shall, as soon as practicable, make public sale of the property in accordance with any rules prescribed by the assessor.

8. Junior encumbrances; priority of encumbrances. Priority of encumbrances is governed by this subsection.

A. A deed to real property executed pursuant to subsection 11 discharges the property from all liens and encumbrances over which the levy had priority.

B. The filing of the notice of levy provided in subsection 6, paragraph A perfects the lien of the State created under subsection 1, paragraph B with respect to the types of property covered by such a filing under subsection 6, paragraph A. A levy and lien not covered by the filing provisions of subsection 6, paragraph A is perfected by possession by the assessor or by demand upon a 3rd party holding the property under subsection 3, paragraphs A or B, whichever occurs first. The priority of the lien perfected by a filing under subsection 6, paragraph A is determined pursuant to section 175-A as if the notice of levy had been filed as a notice of lien. The lien of any other levy has priority over any interest that is perfected after the lien of the State is perfected by possession or demand.

9. Redemption of property. A right of redemption exists according to this subsection.

A. Any person whose property has been levied upon and any person having a valid lien upon such property has the right to pay the amount due, together with the expenses of the proceeding, if any, to the assessor at any time prior to the sale of the property. Upon payment, the assessor shall restore the property to the taxpayer, and all further proceedings in connection with the levy must cease from the time of that payment.

B. The owners of any property sold as provided in subsection 6, their heirs, executors or administrators, or any person having any interest in or lien on the sold property, or any person in their behalf, are permitted to redeem the property sold at any time within 90 days after the sale of the property. The property may be redeemed upon payment to the assessor, for the use of the purchaser, or the heirs

or assigns of the purchaser, of the amount paid by the purchaser and interest on that amount at the rate of 20% per annum.

10. Certificates of sale; execution of deeds. The assessor shall give the purchaser of property, sold as provided in subsection 6, a certificate of sale upon payment in full of the purchase price. In the case of real property, the certificate must set forth the real property purchased, for whose taxes the property was sold, the name of the purchaser and the price paid for the property.

A. In the case of any real property sold as provided in subsection 6 and not redeemed in the manner and within the time provided in subsection 9, the assessor shall execute to the purchaser of the real property, upon surrender of the certificate of sale by the purchaser, a deed of the real property stating the facts set forth in the certificate.

B. If real property is declared purchased by the State at a sale pursuant to subsection 6, the assessor shall, at the proper time, execute a deed for the property, and without delay cause the deed to be duly recorded in the proper registry of deeds.

11. Effect of certificates of sale and deeds. Certificates of sale and deeds have the following effects.

A. In cases of sale of property, other than real property, pursuant to subsections 6 and 7, the certificate of sale:

(1) Is prima facie evidence of the right of the assessor to make the sale and conclusive evidence of the regularity of proceedings in making the sale;

(2) Transfers to the purchaser of all right, title and interest of the delinquent party in and to the property sold subject to the applicable redemption period and subject to all senior liens determined under subsection 8, paragraph B. In the case of personal property, the assessor shall provide a final validation stamp following the expiration of the redemption period if the property is not redeemed;

(3) If the property consists of stocks, constitutes notice, when received, to any corporation, company or association of the transfer, and gives authority to the corporation, company or association to record the transfer in the same manner as if the stocks were transferred or assigned by the party holding them in lieu of any original or prior certificate, which is void, whether or not the certificate is canceled;

(4) If the subject of sale is securities or other evidences of debt, constitutes a valid receipt

to the person holding the securities or evidences of debt, against any person holding or claiming to hold possession of the securities or other evidences of debt; and

(5) If the property consists of a motor vehicle, constitutes notice, when received, to the Secretary of State, or to any public official charged with the registration of title to motor vehicles in any other state, of the transfer and gives authority to the Secretary of State or other official to record the transfer in the same manner as if the certificate of title to the motor vehicle were transferred or assigned by the party holding the certificate in lieu of any original or prior certificate, which is void, whether or not the certificate is canceled.

B. In the case of the sale of real property pursuant to subsection 6, the deed of sale given pursuant to subsection 10, paragraph A, is prima facie evidence of the facts stated in the deed. If the proceedings of the assessor are substantially in accordance with the law, the deed operates as a conveyance of all the right, title and interest the delinquent party had in the real property sold at the time the lien of the State attached to the property, subject to all senior liens determined under subsection 8, paragraph B.

C. A certificate of sale of personal property given or a deed to real property executed pursuant to this section discharges the property from all liens, encumbrances and title over which the lien of the State, with respect to which the levy was made, had priority.

12. Records of sales and redemption of real property. The assessor shall keep records of all sales of property under subsections 6 and 7 and of all redemptions of that property. Each record must include the tax for which the sale was made, the dates of seizure and sale, the name of the party assessed and all proceedings in making the sale, the amount of expenses, the names of the purchasers and the date of the deed. A copy of a record, or any part of a record, certified by the assessor is evidence in any court of the truth of the facts stated in that record.

13. Expenses of levy and sale. The assessor shall determine the expenses to be allowed in all cases of levy and sale. The assessor may pay the expenses from the revenue account intended to benefit by the receipts of the levy.

14. Disposition of money realized under this section. Any money realized by proceedings under this section by seizure, surrender under subsection 3, except pursuant to subsection 3, paragraph C, subparagraph (2), or sale of seized property, or by sale of property redeemed by the State must be applied in the following order of priority:

A. Against the expenses of the proceedings under this section;

B. The amount, if any, remaining after payment of senior claims and expenses is then applied against the liability for which the levy was made or the sale was conducted; and

C. Upon application and satisfactory proof in support of the application, credited or refunded by the assessor to the person or persons legally entitled to any remaining surplus proceeds.

15. Actions permitted. Any person, other than the taxpayer whose delinquency occasioned the levy:

A. Who claims an interest in property that has wrongfully been levied upon may apply to the assessor for a stay of proceedings under this section at any time before the property has been sold but within 5 days after receiving actual notice of the levy. Any action for a stay is governed by Title 5, section 11004; or

B. Who claims pecuniary loss because property was wrongfully levied upon and sold, may bring a civil action against the assessor in the Superior Court. A recovery in such an action may not exceed the proceeds of the sale.

Except as provided in this subsection, a suit contesting or restraining the collection of taxes pursuant to this section may not be maintained in any court of this State by any person. Any award must be paid from the revenue account to which the money was originally credited.

16. Time for collection of taxes. Taxes must be collected by levy within 6 years after the assessment of the tax, or prior to the expiration of any period of collection agreed upon in writing by the assessor and the taxpayer before the expiration of the 6-year period. The period agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon. Any levy action ordered by the assessor before the expiration of the 6-year period continues beyond the expiration of the 6-year period for a period of 6 months from the date such levy is first made or until the liability out of which such levy arose is satisfied or becomes unenforceable, whichever occurs first. When any question relative to the taxes is pending before any agency or court at the end of the 6-year period, the assessor's right to collect any tax due by levy continues until 6 years after the final determination of the question. When any taxpayer files for protection under the United States Bankruptcy Code, the assessor's right to collect any tax due by levy continues until 6 years after the date of discharge or dismissal of the bankruptcy proceeding.

PART F

36 MRSA §1861-A is enacted to read:

§1861-A. Reporting use tax on individual income tax returns

The assessor shall provide that individuals report use tax on the their Maine individual income tax returns. Taxpayers are required to attest to the amount of their use tax liability for the period of the tax return. Alternatively, they may elect to report an amount that is .04% of their Maine adjusted gross income. The table amount does not relate to items with a purchase price in excess of \$1,000. Liability arising from such items must be added to the table amount. If a taxpayer fails to attest to an alternate liability on the return, the taxpayer is subject to an increase in income tax liability amounting to .04% of the taxpayer's Maine adjusted gross income. Upon subsequent review, if use tax liability for the period of the return exceeds the amount of liability arising from the return, a credit of the amount of liability arising from the return is allowed subject to the limitation set out in this section. The credit is limited to the amount of liability arising from the return for items with a sales price of \$1,000 or less and may be applied only against a liability determined on review with regard to items with a sales price of \$1,000 or less.

PART G

Sec. G-1. 36 MRSA §5122, sub-§1, ¶H is enacted to read:

H. The absolute value of the amount of any net operating loss arising from tax years beginning on or after January 1, 1989, but before January 1, 1990, that arises from an S Corporation with total assets for the year of at least \$1,000,000 and that pursuant to the United States Internal Revenue Code, Section 172, is being carried back for federal income tax purposes to the taxable year by the taxpayer.

Sec. G-2. 36 MRSA §5122, sub-§2, ¶E, as amended by PL 1989, c. 508, §17 and c. 556, Pt. B, §9, is repealed and the following enacted in its place:

E. Pick-up contributions paid to the taxpayer by the Maine State Retirement System that have been previously taxed under this Part;

Sec. G-3. 36 MRSA §5122, sub-§2, ¶F, as enacted by PL 1989, c. 508, §18 and c. 556, Pt. B, §10, is repealed and the following enacted in its place:

F. An amount equal to income taxes imposed by this State or any other taxing jurisdiction on the taxpayer that are included in the taxpayer's federal adjusted gross income;

Sec. G-4. 36 MRSA §5122, sub-§2, ¶¶G and H are enacted to read:

G. For income tax years commencing on or after January 1, 1989, an amount equal to the total premiums spent for insurance policies for long-

term care which have been certified by the Superintendent of Insurance as complying with Title 24-A, chapter 68; and

H. For each taxable year subsequent to the year of the loss an amount equal to the absolute value of any net operating loss arising from tax years beginning on or after January 1, 1989, but before January 1, 1990, for which federal adjusted gross income was increased in accordance with subsection 1, paragraph H and that pursuant to the United States Internal Revenue Code, Section 172, was carried back for federal income tax purposes, but only to the extent that:

- (1) Maine net income is not reduced below zero;
- (2) The taxable year is within the allowable federal period for carry-over; and
- (3) The amount has not been previously used as a modification pursuant to this subsection.

Sec. G-5. 36 MRSA §5200-A, sub-§1, ¶G, as enacted by PL 1983, c. 855, §20, is amended to read:

G. For a taxable year ending in 1984, the sum of the following portions of the deductions allowed for that taxable year to the taxpayer under the United States Internal Revenue Code, Section 168:

- (1) 2.5% of the deductions for 3-year property;
- (2) 7.5% of the deductions for 5-year property;
- (3) 12.5% of the deductions for 10-year property; and
- (4) 20% of the deductions for 15-year property; and

Sec. G-6. 36 MRSA §5200-A, sub-§1, ¶H is enacted to read:

H. The absolute value of the amount of any net operating loss arising from tax years beginning on or after January 1, 1989 but before January 1, 1990 and that, pursuant to the United States Internal Revenue Code, Section 172, is being carried back for federal income tax purposes to the taxable year by the taxpayer.

Sec. G-7. 36 MRSA §5200-A, sub-§2, ¶F, as enacted by PL 1987, c. 841, §5, is amended to read:

F. Income ~~which~~ this State is prohibited from taxing under the Constitution of Maine or the United States Constitution, provided that the amount subtracted ~~shall~~ must be decreased by any

expenses incurred in production of that income to the extent that these expenses are deductible in determining federal taxable income; ~~and~~

Sec. G-8. 36 MRSA §5200-A, sub-§2, ¶G, as enacted by PL 1987, c. 841, §5, is amended to read:

G. Fifty percent of the apportionable dividend income ~~which~~ the taxpayer received during the taxable year from an affiliated corporation ~~which~~ that is not included with the taxpayer in a Maine combined report, except that this modification ~~shall~~ must be phased in over 5 years in accordance with the following schedule:

Taxable year beginning in:	Subtractable dividend income:
1989	10%
1990	20%
1991	30%
1992	40%
1993 or thereafter	50%

Sec. G-9. 36 MRSA §5200-A, sub-§2, ¶H is enacted to read:

H. For each taxable year subsequent to the year of the loss, an amount equal to the absolute value of any net operating loss arising from tax years beginning on or after January 1, 1989 but before January 1, 1990 and that, pursuant to the United States Internal Revenue Code, Section 172, was carried back for federal income tax purposes, but only to the extent that:

- (1) Maine net income is not reduced below zero;
- (2) The taxable year is within the allowable federal period for carry-over; and
- (3) The amount has not been previously used as a modification pursuant to this subsection.

PART H

36 MRSA §1754, sub-§10 is enacted to read:

10. Lessors. Every lessor engaging in the leasing of tangible personal property that is located in this State who does not maintain a place of business in this State and who makes retail sales to purchasers from this State.

PART I

Sec. I-1. Committee established. The Select Committee on Comprehensive Tax Reform is established.

Sec. I-2. Committee membership. The committee consists of the following 13 members: 2 Senators

appointed by the President of the Senate; 3 members of the House of Representatives appointed by the Speaker of the House of Representatives; the State Tax Assessor or the assessor's designee; the State Auditor or the auditor's designee; and 6 members representing a broad spectrum of expertise, interest and concern in state tax policy. Of the 6 members representing a broad spectrum, 2 members representing the general public must be appointed by the President of the Senate, 2 members representing the general public must be appointed by the Speaker of the House of Representatives, and the final 2 members must be appointed by the Governor.

Sec. I-3. Appointments; meetings. All appointments must be made no later than 30 days following the effective date of this Act. The Executive Director of the Legislative Council must be notified by all appointing authorities once the selections have been made. The Chair of the Legislative Council shall call the first meeting of the committee. The committee shall select a chair from its membership by 3/5 vote of the membership.

Sec. I-4. Duties. The Chair of the Legislative Council or a designee, upon completion of all appointments, shall convene the committee. The committee shall undertake a study of the current taxation system and tax policies in the State and strive to establish a comprehensive tax reform package. As part of the study, the committee shall review:

1. The current procedures raising revenue through taxation in the State and determine the progressive or regressive nature of the various taxes;
2. Inconsistencies in the current tax scheme, including inconsistent sales tax rates and inconsistent rates imposed on selected services with a goal of removing those inconsistencies;
3. Exemptions under the sales and use tax and income tax laws;
4. Revenue policy in other jurisdictions; and
5. Any anticipated restrictions on and demands for revenue that would have to be included in future budgets of the state, counties and municipalities.

Sec. I-5. Subcommittees authorized. Under the direction of the chair, the committee may form subcommittees as necessary to perform its duties more effectively.

Sec. I-6. Report. The committee shall submit its preliminary report to the First Regular Session of the 115th Legislature by December 1, 1990. The committee shall submit its final report, including any necessary implementing legislation, to the First Regular Session of the 115th Legislature and the Office of the Executive Director of the Legislative Council by January 30, 1991.

Sec. I-7. Staff assistance. The committee may request staff assistance from the Legislative Council. The Bureau of Taxation shall provide general staffing assistance to the committee. The committee may contract for additional consulting assistance as necessary.

Sec. I-8. Reimbursement. The members of the committee who are Legislators are entitled to the legislative per diem, as defined in the Maine Revised Statutes, Title 3, section 2, for days of attendance at committee meetings. All members of the committee who are not state employees are entitled to expenses, as defined in Title 5, section 12002, upon application to the Executive Director of the Legislative Council for those expenses.

Sec. I-9. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Part.

	1989-90	1990-91
LEGISLATURE		
Select Committee on Comprehensive Tax Reform		
Personal Services	\$275	\$1,925
All Other	108,050	6,650
Provides funds for the per diem, travel, printing, consulting and miscellaneous expenses of the Select Committee on Comprehensive Tax Reform. The funds may not lapse but must be carried forward.		
LEGISLATURE		
TOTAL	<u>\$108,325</u>	<u>\$8,575</u>

PART J

Sec. J-1. 36 MRSa §5200-A, sub-§1, ¶G, as enacted by PL 1983, c. 855, §20, is amended to read:

G. For a taxable year ending in 1984, the sum of the following portions of the deductions allowed for that taxable year to the taxpayer under the United States Internal Revenue Code, Section 168:

- (1) 2.5% of the deductions for 3-year property;
- (2) 7.5% of the deductions for 5-year property;
- (3) 12.5% of the deductions for 10-year property; and
- (4) 20% of the deductions for 15-year property; and

Sec. J-2. 36 MRSa §5200-A, sub-§1, ¶H is enacted to read:

H. Interest or dividends on obligations or securities of any state or of a political subdivision or authority, other than this State and its political subdivisions and authorities.

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

Effective April 20, 1990.

CHAPTER 881

H.P. 1771 - L.D. 2441

An Act to Establish Municipal Cost Components for Services to be Rendered in Fiscal Year 1990-91

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

Whereas, prompt determination and certification of the municipal cost components in the unorganized territory tax district are necessary to the establishment of a mill rate and the levy of the unorganized territory educational and services tax; 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 §1602, sub-§4, ¶B-1 is enacted to read:

B-1. Beginning in fiscal year 1990-91, the district-wide mill rate may include a state cost allocation charge, not to exceed 15% of the total state agency reimbursements for direct services rendered. Funds from this charge must be used to reimburse the General Fund for general department-wide functions such as accounting, personnel administration and supervision.

Sec. 2. Municipal cost components for services rendered. In accordance with the Maine Revised Statutes, Title 36, chapter 115, the Legislature determines that the net municipal cost component for services and reimbursements to be rendered in fiscal year 1990-91 is as follows:

	1990-91
Audit - Report	\$2,000
- Fiscal Administrator	84,984

Education - Operations	6,170,272
- Deorganized Towns	271,691
- Full Time Principals	18,854
- Capital Repairs and Buses	200,000
- New Positions	177,958
Forest Fire Protection	150,000
Human Services - General Assistance	179,000
Property Tax Assessment - Operations	477,240
Total State Agencies - Direct Services	<u>\$7,731,999</u>
State CAP charge - 13%	1,005,160
Total State Agencies	<u>\$8,737,159</u>
County reimbursements for services:	
Aroostook	\$421,830
Franklin	228,025
Oxford	195,201
Penobscot	193,896
Piscataquis	554,086
Somerset	491,807
Washington	334,015
Total County Services	<u>\$2,418,860</u>
TOTAL REQUIREMENTS	<u>\$11,156,019</u>
COMPUTATION OF ASSESSMENT	
Requirements	\$11,156,019
Less deductions:	
General -	
State Revenue Sharing	190,000
Miscellaneous Revenues	<u>80,000</u>
TOTAL	\$270,000
Educational -	
Lands Reserve Trust	130,000
Tuition - Travel	100,000
Miscellaneous	197,958
Special - Retirement	<u>400,000</u>
TOTAL	<u>\$827,958</u>
TOTAL DEDUCTIONS	<u>\$1,097,958</u>
TAX ASSESSMENT	\$10,058,061

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