

# MAINE STATE LEGISLATURE

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

**AS PASSED BY THE**  
**ONE HUNDRED AND SIXTEENTH LEGISLATURE**

**SECOND REGULAR SESSION**

**January 5, 1994 to April 14, 1994**

**THE GENERAL EFFECTIVE DATE FOR**  
**SECOND REGULAR SESSION**  
**NON-EMERGENCY LAWS IS**  
**JULY 14, 1994**

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

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**J.S. McCarthy Company**  
**Augusta, Maine**  
**1993**

**DEPARTMENT OF CORRECTIONS**  
**TOTAL** \_\_\_\_\_  
(\$150,000)

**EXECUTIVE DEPARTMENT**

**Office of Substance Abuse**

All Other \$150,000  
 Provides for the appropriation of funds through a transfer of substance abuse funds from the Department of Corrections.

**EXECUTIVE DEPARTMENT**  
**TOTAL** \_\_\_\_\_  
\$150,000

**TOTAL APPROPRIATIONS** \_\_\_\_\_  
-\$0-

**Sec. 8. Allocation.** The following funds are allocated from the Federal Expenditure Fund to carry out the purposes of this Act.

**1994-95**

**EDUCATION, DEPARTMENT OF**

**Division of Instruction**

Positions (-5.0)  
 Personal Services (\$264,984)  
 All Other (2,482,838)

Provides for the deallocation of funds for the purpose of consolidating substance abuse services and programs. From the Drug Free Schools Account one Education Specialist III position, 2 Education Specialist II positions, one Library Assistant position and All Other funds totalling \$2,415,321 are transferred to the Office of Substance Abuse. From the Student Assistance Team Account one Clerk Steno II position and All Other funds totalling \$67,517 are

also transferred to the Office of Substance Abuse. In addition, one Clerk Typist III position is internally transferred from the Student Assistance Team Account to the Drug Free Schools Account.

**DEPARTMENT OF EDUCATION**  
**TOTAL** \_\_\_\_\_  
(\$2,747,822)

**EXECUTIVE DEPARTMENT**

**Office of Substance Abuse**

Positions (5.0)  
 Personal Services \$264,984  
 All Other 2,482,838

Provides for the allocation of funds through the transfer of one Education Specialist III position, 2 Education Specialist II positions, one Clerk Steno II position, one Library Assistant position and related All Other funds from the Department of Education, Division of Instruction for the purpose of consolidating all substance abuse services and programs.

**EXECUTIVE DEPARTMENT**  
**TOTAL** \_\_\_\_\_  
\$2,747,822

**TOTAL ALLOCATIONS** \_\_\_\_\_  
-\$0-

**Sec. 9. Retroactivity.** Those sections of this Act that amend Public Law 1993, chapter 410, Part LL, sections 14 and 19 apply retroactively to June 30, 1993.

See title page for effective date.

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**CHAPTER 701**

**S.P. 545 - L.D. 1570**

**An Act to Modify the Taxation of Leases on Automobiles**

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

**Sec. 1. 36 MRSA §1752, sub-§1-B,** as enacted by PL 1987, c. 497, §15, is amended to read:

**1-B. Automobile.** "Automobile," for purposes of subsection 17-A, ~~paragraph~~ paragraphs B and H, means a self-propelled 4-wheel motor vehicle designed primarily to carry passengers and not designed to run on tracks.

**Sec. 2. 36 MRSA §1752, sub-§11, ¶B,** as enacted by PL 1989, c. 871, §5, is amended to read:

B. "Retail sale" does not include:

- (1) Any casual sale;
- (2) Any sale by a personal representative in the settlement of an estate, unless the sale is made through a retailer, or unless the sale is made in the continuation or operation of a business;
- (3) The sale to a person engaged in the business of renting automobiles, of automobiles, integral parts of automobiles or accessories to automobiles, for rental or for use in an automobile rented, on a short-term basis; ~~or~~
- (4) The sale to a person engaged in the business of renting video tapes and video equipment, of video tapes or video equipment for rental; ~~or~~
- (5) The sale to a person engaged in the business of renting or leasing automobiles, of automobiles, for rental or lease for more than one year.

**Sec. 3. 36 MRSA §1752, sub-§17-A, ¶F,** as amended by PL 1989, c. 533, §§2 and 14, is further amended to read:

F. Custom computer programming, including, but not limited to, modification of a standard program; ~~and~~

**Sec. 4. 36 MRSA §1752, sub-§17-A, ¶G,** as enacted by PL 1989, c. 533, §§3 and 14, is amended to read:

G. Rental of video tapes and video equipment; ~~and~~

**Sec. 5. 36 MRSA §1752, sub-§17-A, ¶H** is enacted to read:

H. Rental or lease of an automobile for more than one year.

**Sec. 6. 36 MRSA §1811, first ¶,** as amended by PL 1991, c. 591, Pt. XX, §1 and affected by §§7 and 8, 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, tourist or trailer camp ~~and~~; 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 6% on the value of all other tangible personal property and taxable services. Value is measured by the sale price, except as otherwise provided.

**Sec. 7. 36 MRSA §1811,** as amended by PL 1993, c. 471, §3, is further amended by adding at the end a new paragraph to read:

Rental or lease of an automobile for more than one year must be taxed at the time of the lease or rental transaction at 6% of the following: the total monthly lease payment multiplied by the number of payments in the lease or rental, the amount of equity involved in any trade-in and the value of any cash down payment.

**Sec. 8. 36 MRSA §2015** is enacted to read:

**§2015. Rental vehicle excise tax reimbursement**

**1. Report.** Annually, on or before September 1st, a vehicle owner or rental company engaged in the business of renting automobiles for a period of less than one year, in order to claim an excise tax reimbursement, shall file a report with the State Tax Assessor. The report must include the information required by the State Tax Assessor to determine the taxpayer's excise tax reimbursement entitlement. The State Tax Assessor may extend the September 1st filing deadline for a period not to exceed one year for good cause.

**2. Reimbursement.** The State Tax Assessor shall determine the reimbursement to be paid to a taxpayer filing a return pursuant to subsection 1. The reimbursement is the amount that is the smaller of:

A. The amount determined by computing the total excise tax credit entitlement during the most recently completed period from July 1st to June 30th for which a taxpayer has filed a return pursuant to subsection 1. An excise tax credit accrues for each vehicle excise tax paid in the prior completed period for which the associated Maine registration was surrendered prior to the

expiration of the associated 12-month excise tax period, unless the excise tax was credited to another registration, in which case the 12-month period continues to run in association with the replacement registration. The amount of the credit is equal to the amount of the excise tax paid in order to register the original vehicle multiplied by a fraction, the numerator of which is the number of complete months short of 12 months during which the registration was surrendered and the denominator is 12; or

B. Three-tenths of the amount of tax paid to the State by the taxpayer resulting from the tax on the rental of automobiles for a period of less than one year during the most recently completed period from July 1st to June 30th.

**3. Treasurer of State; notification.** Upon the determination of the reimbursement amount to be paid to a vehicle owner or rental company, the State Tax Assessor shall inform the Treasurer of State of the determination and the Treasurer of State shall make the reimbursement. These reimbursements must be accounted for and paid as sales and use tax refunds. Unless the reimbursement is paid before November 1st of the year in which the report required in subsection 1 is filed or within 60 days of the filing of that report, whichever is later, interest at the rate provided in section 186 must be paid for the period of time that transpires after the deadline before payment is made.

**Sec. 9. Appropriation.** The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1994-95

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

**Bureau of Taxation**

Positions	(1.0)
Personal Services	\$9,815
All Other	180,000
Capital Expenditures	7,645

Provides funds for a Senior Revenue Agent position effective April 1, 1995, computer system modifications and operational expenses.

**DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES**  
**TOTAL**

\$197,460

**Sec. 10. Effective date.** That section of this Act that amends the Maine Revised Statutes, Title 36, section 1811, first paragraph takes effect August 1, 1994. That section of this Act that enacts a new last paragraph to Title 36, section 1811 takes effect January 1, 1995. That section of this Act that enacts Title 36, section 2015 takes effect July 1, 1995.

See title page for effective date, unless otherwise indicated.

**CHAPTER 702**

**S.P. 592 - L.D. 1651**

**An Act to Promote Flexibility in Health Care Delivery Systems**

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

**PART A**

**Sec. A-1. 24 MRSA §2301**, as amended by PL 1979, c. 377, is further amended to read:

**§2301. Purposes**

Any corporation organized under special Act of the Legislature or under Title 13, chapter 81 for the following purposes may be authorized by the ~~commissioner~~ superintendent on the terms and conditions provided for in this chapter; ~~except that where when~~ such a corporation was heretofore previously organized by special Act of the Legislature, this chapter ~~shall does not apply where when~~ inconsistent with ~~such that~~ that Act as ~~heretofore previously~~ previously amended:

**1. Nonprofit hospital service plans.** To establish, maintain and operate nonprofit hospital service plans; whereby hospital care may be provided by hospitals or groups of hospitals with which such a corporation has a contract for ~~such that~~ such those purpose; to ~~such those~~ such those persons or groups of persons as ~~who~~ who become subscribers to ~~said that~~ said that plan under a contract ~~which that~~ which that entitles each subscriber to certain hospital care, and the hospital or hospitals ~~so~~ so contracting with such a corporation ~~shall be~~ shall be ~~are~~ are governed by this chapter and by ~~such the~~ such the provisions of Title 24-A as ~~shall become~~ shall become ~~that are~~ that are applicable as provided in this chapter;