

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND SEVENTEENTH LEGISLATURE

SECOND SPECIAL SESSION
September 5, 1996 to September 7, 1996

ONE HUNDRED AND EIGHTEENTH LEGISLATURE

FIRST REGULAR SESSION
December 4, 1996 to March 27, 1997

FIRST SPECIAL SESSION
March 27, 1997 to June 20, 1997

THE GENERAL EFFECTIVE DATE FOR
FIRST REGULAR SESSION
NON-EMERGENCY LAWS IS
JUNE 26, 1997

FIRST SPECIAL SESSION
NON-EMERGENCY LAWS IS
SEPTEMBER 19, 1997

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
1997

PART F

Sec. F-1. Study tax relief and tax reform.

The Joint Standing Committee on Taxation shall study tax relief and tax reform. The study must include, but is not limited to, the following issues: broadening the sales tax base by eliminating current exemptions or exclusions. Specific focus must be made on the "rent-to-own" industry, income tax and revenue targeting.

1. Staff assistance. The committee shall request staffing assistance from the Legislative Council.

2. Reimbursement. The committee members are entitled to receive the legislative per diem, as defined in the Maine Revised Statutes, Title 3, section 2, for each day's attendance at meetings of the committee. All members of the committee are entitled to reimbursement for travel and other necessary expenses upon application to the Legislative Council. The Executive Director of the Legislative Council shall administer the committee budget.

3. Meetings. The committee may meet up to 4 times.

4. Report. The committee shall present its findings and any recommended legislation to the Second Regular Session of the 118th Legislature.

Sec. F-2. Allocation. The following funds are allocated from the Tax Relief Fund for Maine Residents to carry out the purposes of this Part.

1997-98

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Tax Committee Study

All Other	\$5,460
Provides funds for the per diem of legislative members, expenses and miscellaneous costs of the Joint Standing Committee on Taxation to study a number of remaining tax reform issues.	

PART G

Sec. G-1. Contingent effective date. This Act is effective only if the State Controller certifies that the transfer to the Tax Relief Fund for Maine Residents at the end of fiscal year 1996-97 is sufficient to make the allocations and transfers required by this Act. This Act is intended to meet the requirements of the Maine Revised Statutes, Title 5, section 1518, subsection 2.

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

Effective June 12, 1997, unless otherwise indicated.

CHAPTER 558

S.P. 674 - L.D. 1899

An Act Regarding the Restructuring of Contracts between Public Utilities and Qualifying Facilities

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

Sec. 1. 35-A MRSA §3204, sub-§1, ¶A, as enacted by PL 1997, c. 316, §3, is amended to read:

A. Contract with a qualifying facility, contract with a party other than a qualifying facility or affiliated interest entered into solely for the purpose of restructuring a contract with a qualifying facility or contract with a demand-side management or conservation provider, broker or host;

Sec. 2. PL 1997, c. 316, §5, 2nd ¶ is amended to read:

All existing electric utilities shall provide each qualifying facility, each party to a contract entered into solely for the purpose of restructuring a contract with a qualifying facility except an affiliated interest and each demand-side management or conservation provider, broker or host with whom it has contracts as of March 1, 2000 the option to have the contract or contracts:

See title page for effective date.

CHAPTER 559

S.P. 677 - L.D. 1901

An Act to Extend the Authorization for Federally Funded Positions to Establish a Military Rebuild Site at the Former Loring Air Force Base

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

Sec. 1. Position authorization. Notwithstanding the Maine Revised Statutes, Title 5, section 1583-A, the Commissioner of Defense and Veterans' Services is authorized to establish by financial order, upon the recommendation of the State Budget Officer

and approval by the Governor, for the fiscal years ending June 30, 1998 and June 30, 1999, the 41 positions authorized in Private and Special Law 1995, chapter 71. It is the intent of the Legislature that these positions terminate on June 30, 1999.

See title page for effective date.

CHAPTER 560

H.P. 1357 - L.D. 1904

An Act to Discourage Smoking, Provide Tax Relief and Improve the Health of Maine Citizens

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

PART A

Sec. A-1. 22 MRSA §1546 is enacted to read:

§1546. Tobacco Tax Relief Fund

1. Tobacco Tax Relief Fund established. The Tobacco Tax Relief Fund, referred to in this section as "the fund," is established as part of a program to address urgent tax relief needs of citizens of the State. Expenditures from the fund must be made as provided in this section.

2. Transfers to fund. Beginning November 1, 1997, the State Controller shall transfer to the fund money representing 37 mills per cigarette from the tax levied under Title 36, section 4365.

3. Payments from fund. After depositing funds under subsection 2, the State Controller shall make the following payments in the following order:

A. The State Controller shall transfer to the department for the Tobacco Prevention and Control Program established in section 272 funds sufficient for all allocations from the fund; and

B. No other funds may be expended without the recommendations of the joint standing committee of the Legislature having jurisdiction over tax matters and enacted by the full Legislature.

4. Nonlapsing fund. Any unexpended balance in the fund may not lapse, but must be carried forward to be used pursuant to subsection 3.

5. Transfer to General Fund. The State Controller shall transfer into the General Fund the revenues necessary to maintain the level of cigarette tax revenue at the level that was budgeted for the General Fund in fiscal years 1997-98 and 1998-99.

Beginning in fiscal year 1999-2000, the State Controller shall transfer to the General Fund the revenues necessary to maintain the level of cigarette tax revenue in the previous year less 3%. The Treasurer of State shall annually review the recommendations of the Consensus Revenue Forecasting Committee to determine whether any change in the reduction rate is required and, if so, shall change the rate accordingly.

Sec. A-2. 36 MRSA §4365, as repealed and replaced by PL 1997, c. 458, §6, is amended by adding a new 2nd paragraph to read:

Beginning November 1, 1997, as a public health measure, the tax imposed under this section is 37 mills per cigarette. The tax imposed pursuant to this section is dedicated to the Tobacco Tax Relief Fund established in Title 22, section 1546.

Sec. A-3. 36 MRSA §4365-D is enacted to read:

§4365-D. Rate of tax beginning November 1, 1997

Beginning November 1, 1997, the following provisions apply to cigarettes held for resale on that date.

1. Stamped rate. Cigarettes stamped at the rate of 18.5 mills per cigarette and held for resale after October 31, 1997 are subject to tax at the rate of 37 mills per cigarette.

2. Liability. A person possessing cigarettes for resale is liable for the difference between the tax rate of 37 mills per cigarette and the tax rate of 18.5 mills per cigarette in effect before November 1, 1997. Stamps indicating payment of the tax imposed by this section must be affixed to all packages of cigarettes held for resale as of November 1, 1997, except that cigarettes held in vending machines as of that date do not require that stamp.

3. Vending machines. Notwithstanding any other provision of this chapter, it is presumed that all cigarette vending machines are filled to capacity on November 1, 1997 and the tax imposed by this section must be reported on that basis. A credit against this inventory tax must be allowed for cigarettes stamped at the 37 mill rate placed in vending machines before November 1, 1997.

4. Payment. Payment of the tax imposed by this section must be made to the State Tax Assessor by February 1, 1998, accompanied by forms prescribed by the assessor and must be credited to the Tobacco Tax Relief Fund established in Title 22, section 1546.