

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
ONE HUNDRED AND THIRTEENTH LEGISLATURE  
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE ON  
TAXATION  
BILL SUMMARY



JUNE 1987

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ONE HUNDRED AND THIRTEENTH LEGISLATURE  
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE  
BILL SUMMARIES  
JUNE 1987

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The summaries are arranged by LD number under each committee.

All Adopted Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor if it is a floor amendment or the designation "COMMITTEE" if it is a committee amendment.

Final action for each bill is listed to the right of the title. If final House action and Senate action differ, both are listed.

Please let us know if you would prefer a different format or additional information and if the summaries are helpful.

Key to Committee Reports and Floor Action:

OTP	Ought to Pass
OTP-ND	Ought to Pass in New Draft
OTP-ND-NT	Ought to Pass in New Draft, New Title
OTP-A	Ought to Pass as Amended
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

LD AN ACT TO ESTABLISH THE PROCEDURE FOR NOTICE ONTP  
1065 AND FORECLOSURE OF DELINQUENT REAL PROPERTY  
TAXES IN MUNICIPALITIES WHEN THE PROPERTY  
OWNERS ARE UNKNOWN

Sponsor: ROLDE, Estes, McPherson  
Committee Report: ONTP

SUMMARY: Provides a procedure for a municipality to foreclose on real estate without actual notification to the owner when the owner cannot be located.

LD AN ACT TO ESTABLISH A TAX CREDIT FOR REMOVAL OF LVWD  
1077 ASBESTOS

Sponsor: BOTT, Zirnkilton, Twitchell, Cashman  
Committee Report: LVWD

SUMMARY: Provides an income tax credit for the removal of asbestos. The credit may not exceed 50% of the income taxes due for any tax year but may be carried over to subsequent years.

LD AN ACT TO PERMIT A LOCAL OPTION SALES TAX CARRY-OVER  
1081

Sponsor: SOUCY, Twitchell, Seavey  
Committee Report: CARRY-OVER

SUMMARY: This bill was held over by the Committee.

This bill allows municipalities to adopt a local sales and use tax. The tax cannot exceed 1%. The legislative body of the municipality is the entity which can choose whether or not to adopt such a tax.

The tax will apply to the sales of the same goods and services to which the state sales and use tax applies.

All the provisions regarding assessment, collection and enforcement of the state sales and use tax also apply to the local sales and use tax. The State shall assess and collect the local sales and use tax along with the state sales and use tax and return the revenue raised to the municipality. The municipality must notify the State Tax Assessor at least 90 days before the local tax goes into effect. This will give the State time to set up the procedures for administering the local tax.

The State Tax Assessor will determine how much revenue is raised through each municipality's local sales and use tax each month. He will then subtract his administration costs

due to the local sales and use tax and certify how much should be returned to each municipality. The Treasurer of State shall pay that amount to the municipalities each month.

The municipality must use the additional revenue to reduce the property tax burden in that municipality.

LD AN ACT TO PROVIDE MUNICIPALITIES WITH THE OPTION ONTP  
1085 OF ASSESSING SERVICE CHARGES ON TAX-EXEMPT  
PROPERTY

Sponsor: INGRAHAM, Brannigan, Nadeau, G. G., Zirnkilton  
Committee Report: ONTP (Majority)  
OTP (Minority)

SUMMARY: This bill is a recommendation of the majority of the Speaker's Select Committee on Tax Reform. Its purpose is to provide some relief from the burden of property taxes in municipalities with large amounts of tax exempt property by permitting municipalities the option of imposing service charges on that property. Municipalities that do not wish to impose service charges are not required to do so, and service charges may be imposed only after approval by a majority of voters at a referendum.

Service charges must be calculated according to the cost of providing the services and may cover any of the following services:

1. Fire protection;
2. Police protection;
3. Road maintenance and construction, traffic control, snow and ice removal, sidewalks and street lights; and
4. Sanitation service.

Municipalities choosing to impose service charges must adopt an ordinance which ensures that the following requirements are met.

1. The institution or organization must receive the service for which it is charged.
2. The service charge must reasonably reflect the value of that service.
3. A service charge imposed on any classification of tax exempt property shall be imposed on all institutions owning property in that classification.