

MAINE STATE LEGISLATURE

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STATE OF MAINE
118TH LEGISLATURE

SECOND REGULAR SESSION
AND
SECOND SPECIAL SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
TAXATION

MAY 1998

MEMBERS:

Sen. Richard P. Ruhlin, Chair

Sen. Beverly C. Daggett

Sen. S. Peter Mills

Rep. Verdi L. Tripp, Chair

Rep. John L. Tuttle, Jr.

Rep. Bonnie Green

Rep. G. Steven Rowe

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Rep. Kenneth F. Lemont

Rep. John T. Buck

Rep. Peter E. Cianchette

Staff:

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ONE HUNDRED EIGHTEENTH LEGISLATURE
SECOND REGULAR AND SECOND SPECIAL SESSIONS

Summary Of Legislation Before The Joint Standing Committees
May 1998

We are pleased to provide this summary of bills that were considered by the Joint Standing Committees of the Maine Legislature. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this Session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills handled by the joint standing committees. It is organized by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet (www.state.me.us/legis/opla).

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

- CON RES XXX*..... Chapter # of Constitutional Resolution passed by both Houses
- CONF CMTE UNABLE TO AGREE*.....Committee of Conference unable to agree; bill died
- DIED BETWEEN BODIES*.....House & Senate disagree; bill died
- DIED IN CONCURRENCE*.....One body accepts ONTP report; the other indefinitely postpones the bill
- DIED ON ADJOURNMENT*.....Action incomplete when session ended; bill died
- EMERGENCY*.....Enacted law takes effect sooner than 90 days
- FAILED EMERGENCY ENACTMENT/FINAL PASSAGE*.....Emergency bill failed to get 2/3 vote
- FAILED ENACTMENT/FINAL PASSAGE*.....Bill failed to get majority vote
- FAILED MANDATE ENACTMENT*.....Bill imposing local mandate failed to get 2/3 vote
- INDEF PP*.....Bill Indefinitely Postponed
- ONTP*..... Ought Not To Pass report accepted
- OTP ND*..... Committee report Ought To Pass In New Draft
- OTP ND/NT*..... Committee report Ought To Pass In New Draft/New Title
- P&S XXX*..... Chapter # of enacted Private & Special Law
- PUBLIC XXX*..... Chapter # of enacted Public Law
- RESOLVE XXX*..... Chapter # of finally passed Resolve
- UNSIGNED*.....Bill held by Governor
- VETO SUSTAINED*.....Legislature failed to override Governor's Veto

Please note the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is June 30, 1998 and July 9, 1998 for the Second Special Session. Second Special Session laws include Public Laws beginning with Chapter 718, Private and Special Laws beginning with Chapter 82 and Resolves beginning with Chapter 117.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RUHLIN	OTP-AM MAJ	
DONNELLY	ONTP MIN	

LD 1824 was carried over from the First Special Session. The bill proposed the establishment of a system of tax revenue targets for state and local taxes. The targets would be recommended by the Governor based on the projections of the Consensus Economic Forecasting Commission and the Revenue Forecasting Committee and the advice of a State-Local Advisory Committee and adopted by the Legislature based upon review and recommendation of the Joint Standing Committee on Taxation. The targets would establish the amount of state and local revenue to be collected annually as a percentage of statewide personal income. The Governor’s proposed biennial budget and the budget enacted by the Legislature would be required to be consistent with adopted targets. Beginning with the 2000-2002 biennium, if state revenue exceeds the targets by .05% or more, 50% of the state portion would be placed in the Maine Rainy Day Fund and the remainder used to fund state obligations and for tax reductions. If local revenue, not counting the amount required to meet obligations not met by the State, exceeds the target by .05% or more, at least 50% of the noneducation portion is deducted from the municipality’s State-Municipal Revenue Sharing and used to redistribute to municipalities that did not exceed the targets and the remainder placed in a property tax reduction fund.

Committee Amendment "A" (S-618) (not adopted) would have permitted the use of excess revenues to pay existing or anticipated liabilities of the State and included in the list of state obligations reimbursement for law enforcement officers' appearances in District Court. The amendment would have removed provisions from the bill reducing State-Municipal Revenue Sharing if local revenue targets are exceeded and requires municipalities and school districts to provide notice of revenue targets in budget and tax documents. The amendment also would have added a state mandate preamble and a fiscal note to the bill.

House Amendment "A" to Committee Amendment "A" (H-1142) (not adopted) would have removed the state mandate preamble.

House Amendment "B" to Committee Amendment "A" (H-1151) (not adopted) would have removed the provisions of the bill requiring the state budget to be within revenue targets and make technical corrections.

Senate Amendment "A" to Committee Amendment "A" (S-684) (not adopted) would have removed provisions requiring the state budget to be within revenue targets and make technical corrections.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LIBBY	ONTP MAJ	
JOYNER	OTP-AM MIN	

LD 1853 was carried over from the First Special Session. The bill would have exempted from Maine income tax the distribution from an individual retirement account to the extent that the contributions to the account by the taxpayer were previously taxed by another jurisdiction.