

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

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Rep. John T. Buck

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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.

LD 1909**An Act to Ensure That Temporary Structure Property Is Subject to Taxation****ONTP**Sponsor(s)
NUTTINGCommittee Report
ONTPAmendments Adopted

LD 1909 proposed to add structures that are not affixed to the ground and that are used for storage to the list of items of personal property that remain subject to property taxation even though they are individually owned and have a just value of less than \$1,000.

LD 1923**An Act to Improve Employment Tax Increment Financing****PUBLIC 766**Sponsor(s)
VIGUECommittee Report
OTP-AMAmendments Adopted
H-818

LD 1923 proposed changes to the Maine Employment Tax Increment Financing Program. The bill would require that, in determining the number of new employees required to establish employer eligibility for the program, the wages of all net new employees be computed as an annual average rather than being considered individually for each new employee. The bill would provide that the percentage of payment based upon labor market unemployment rates be established for a 10-year period based upon unemployment rates at the time of application rather than on an annual basis. The bill would establish a 75% level of payment for eligible businesses in labor market areas of the State where the unemployment rate is more than twice the state average.

Committee Amendment "A" (H-818) provided that the percentage of payment for the first 5 years of an employment tax increment financing development program would be based on the labor market unemployment rate at the time of application. For the 2nd 5 years of the program, the percentage of payment would be established based on the labor market unemployment rate at the beginning of the 6th year. The amendment proposed to change the standard for the 75% level of payment from twice the state unemployment rate to 150% of the state unemployment rate. The amendment also adds a fiscal note.

Enacted law summary

Public Law 1997, chapter 766 provides that, in determining the number of new employees required to establish employer eligibility for the program, the wages of all net new employees be computed as an annual average rather than being considered individually for each new employee. The law provides that the percentage of payment based upon labor market unemployment rates be established for the first 5 years based upon unemployment rates at the time of application and for the 6th to 10th year based on unemployment rates at the beginning of the 6th year rather than on an annual basis. The law establishes a 75% level of payment for eligible businesses in labor market areas of the State where the unemployment rate is more than 150% of the state average.

LD 1927**An Act to Amend the Laws Regarding Tax Exemptions for Pollution Control Equipment****ONTP**