

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.

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Rep. John T. Buck

Rep. Peter E. Cianchette

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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.

Senate Amendment "E" to Committee Amendment "A" (S-570) would have replaced the original bill and Committee Amendment "A." The amendment would have reduced the sales tax from 6% to 5% effective October 1, 1998 and establishes the Tax Relief Guarantee Fund for the purposes of ensuring the continuation of tax relief. The amendment would have repealed the Tax Relief Fund for Maine Residents and the Tobacco Tax Relief Fund and would have required the State Controller to transfer any unexpended or unobligated balances to the Tax Relief Guarantee Fund.

Senate Amendment "F" to Committee Amendment "A" (S-573) would have decreased the amount of the homestead property tax exemption from \$7,500 to \$6,500 and repealed the snack tax.

Senate Amendment "G" to Committee Amendment "A" (S-638) would have decreased the amount of the homestead exemption to \$7,000 and changed the proposed percentage of rent constituting property taxes to 18%.

Senate Amendment "H" to Committee Amendment "A" (S-702) would have eliminated the provisions of the bill and the committee amendment and repealed the snack tax, expanded the circuit breaker program by reducing the tax to income thresholds from 4% and 8% to 3% and 6%, respectively, increasing the income thresholds in program year 1998 from \$25,700 for singles and \$40,000 for joint filers to \$40,000 and \$60,000, respectively, and raising the maximum benefit payment from \$1,000 to \$2,000. The amendment would have funded the repeal of the snack tax and the expansion of the circuit breaker program with funding from the Tax Relief Fund for Maine Residents and the Tobacco Tax Relief Fund.

LD 2239

An Act to Amend the Law Concerning Tax Base Sharing

PUBLIC 663

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MITCHELL E DAGGETT	OTP-AM	H-902

LD 2239 would provide that municipalities need not be contiguous in order to enter into a tax base sharing agreement and permit a tax base sharing agreement to provide that payments due to a party to the agreement may be made to a third party.

Committee Amendment "A" (H-902) provided that payments under a tax base sharing agreement that are made to another party or entity must be for purposes that have a general public benefit.

Enacted law summary

Public Law 1997, chapter 663 provides that municipalities need not be contiguous in order to enter into a tax base sharing agreement and permits a tax base sharing agreement to provide that payments due to a party to the agreement may be made to a third party if the purposes of the payment have a general public benefit.

LD 2240

An Act to Provide for Equitable Taxation of All Financial Institutions

PUBLIC 746