

# STATE OF MAINE 119TH LEGISLATURE

## FIRST REGULAR SESSION

# BILL SUMMARIES JOINT STANDING COMMITTEE ON TAXATION

## **AUGUST 1999**

MEMBERS: Sen. Richard P. Ruhlin, Chair Sen. Beverly C. Daggett Sen. S. Peter Mills

Rep. Kenneth T. Gagnon, Chair Rep. Bonnie Green Rep. Thomas M. Davidson Rep. Patrick Colwell Rep. Stephen S. Stanley Rep. David G. Lemoine Rep. Kenneth F. Lemont Rep. Eleanor M. Murphy Rep. John T. Buck Rep. Peter E. Cianchette

Staff: Julie S. Jones, Legislative Analyst

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### MEMORANDUM

To: Members, Joint Standing Committee on Taxation

From: Julie S. Jones, Legislative Analyst

Date: August, 1999

Re: Bill Summaries, 119th Legislature, 1st Regular Session

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the Joint Standing Committee on Taxation during the lst Regular Session of the 119th Legislature. The summary describes each bill or order and relevant amendments as well as the final action. Also included is a statistical summary of bill activity by the committee. Please note the effective date for all non-emergency legislation enacted in the lst Regular Session (unless a later date is specified in a particular law) is September 18, 1999. Joint orders are effective when passed.

The document is organized for convenient reference to information on bills handled by the committee this session. It is organized by bill (LD) number and two indices are located at the back of the document that group bills by subject and by LD number. 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:

CARRIED OVERBill carried over to Second Regular Session	n
CON RES XXX Chapter # of Constitutional Resolution passed by both House	s
CONF CMTE UNABLE TO AGREE Committee of Conference unable to agree; bill died	1
DIED BETWEEN BODIES	1
DIED IN CONCURRENCE One body accepts ONTP report; the other indefinitely postpones the bil	1
DIED ON ADJOURNMENT	
EMERGENCY	
FAILED EMERGENCY ENACTMENT/FINAL PASSAGEEmergency bill failed to get 2/3 vote	
FAILED ENACTMENT/FINAL PASSAGE	
FAILED MANDATE ENACTMENTBill imposing local mandate failed to get 2/3 vote	; 0
NOT PROPERLY BEFORE THE BODY	
INDEF PPBill Indefinitely Postponed	
ONTP	1
OTP ND/NT Committee report Ought ToPass In New Draft/New Title	
P&S XXXChapter # of enacted Private & Special Law	
PUBLIC XXXChapter # of enacted Public Law	
RESOLVE XXX Chapter # of finally passed Resolve	2
UNSIGNEDBill held by Governor	r
VETO SUSTAINED Legislature failed to override Governor's Veto	
READ AND PASSEDJoint Order passed by the House and Senate	
PASSED AS AMENDEDJoint Order passed as amended by the House and Senate	2

A complete summary of bills for all committees will be available in the very near future. Copies will be on file in the Law and Legislative Reference Library and Senate and House offices. You will also soon be able to access these bill summaries from our website.

I hope you find this information useful. If you have any questions or suggestions, please do not hesitate to contact this office.

Best wishes for an enjoyable summer.

This amendment also proposed to prevent a reduction to the Local Government Fund due to the application of Title 36, section 1811 or any other law providing for transfers from sales and income tax revenue. It is intended to make clear that the Local Government Fund, from which state-municipal revenue sharing is distributed, must be credited with amounts based on the State's total sales and use tax and income tax receipts regardless of the operation of any other inconsistent law.

Senate Amendment "A" to Committee Amendment "A" (S-467) proposed a transfer from the Maine Rainy Day Fund in lieu of the sales tax reserve. The sales tax reserve was used to finance Public Law 1999, chapter 401, the "Part 2" budget bill.

#### Enacted law summary

Public Law 1999, chapter 528 authorizes the transfer of \$1,152,347 from the Maine Rainy Day Fund to the Local Government Fund in fiscal year 1999-00. This sum represents the amount that would have been transferred to the Local Government Fund if the 4-month reserving of money authorized in the Maine Revised Statutes, Title 36, section 1811 had not been interpreted and applied to preclude that transfer.

The law also prohibits a reduction to the Local Government Fund due to any future application of Title 36, section 1811 or any other law providing for transfers from sales and income tax revenue. It is intended to make clear that the Local Government Fund, from which state-municipal revenue sharing is distributed, must be credited with amounts based on the State's total sales and use tax and income tax receipts regardless of the operation of any other inconsistent law.

LD 969	An Act to Exempt Food That is Medically Necessary From Sales Tax	ONTP
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Sponsor(s)	C
DAVIDSON	

Committee Report ONTP Amendments Adopted

LD 969 proposed to include in the definition of a grocery staple exempt from the sales tax an item sold on a written certification of a person's physician that the item is a medical necessity to the health of the person for whom the item is being purchased.

#### LD 979 An Act to Use Funds From the Sale of Utility Company Properties to ONTP Help Offset Ice Storm 1998 Expenses

Sponsor(s)	Committee Report	Amendments Adopted
CAREY	ONTP	_

LD 979 proposed to set aside corporate income taxes attributable to the sale of assets pursuant to electric restructuring in a separate account to be used, subject to the direction of the Public Utilities Commission, to reimburse electric utilities for expenses incurred in remedying damages caused by the ice storm of 1998.

See also LD 1500 under the summaries for the Joint Standing Committee on Utilities which proposed to use the same revenues for assistance to low-income electric consumers.

#### LD 982 An Act to Reimburse Municipalities for the Property Tax Loss for ONTP County Property that is Used but not Leased by the State