

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
119TH LEGISLATURE

FIRST REGULAR SESSION

BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
TAXATION

AUGUST 1999

*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 1st 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 1st 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 OVER ..... Bill carried over to Second Regular Session*  
*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*  
*NOT PROPERLY BEFORE THE BODY ..... Ruled out of order by the presiding officers; bill died*  
*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*  
*READ AND PASSED ..... Joint Order passed by the House and Senate*  
*PASSED AS AMENDED ..... Joint Order passed as amended by the House and Senate*

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.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MARTIN TREAT	ONTP	

LD 1136 proposed to require the State Tax Assessor to establish income limits for the elderly low-cost drug program that are determined according to the federal nonfarm income poverty line beginning November 1, 1999.

Bills relating to the elderly low cost drug program were heard jointly with the Joint Standing Committee on Health and Human Services. Please see bills indexed for that Committee.

See also the “Part 2” budget bill, PL 1999, chapter 401, Part KKK.

**LD 1141                      An Act to Provide Fairness for Nondrinkers in Restaurants                      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SNOWE-MELLO DAVIS P	ONTP	

LD 1141 proposed to tax restaurant food for nondrinkers at a restaurant that has a liquor license at the same sales tax rate as food sold in a restaurant that does not have a liquor license.

**LD 1157                      An Act to Ensure the Payment of Real Estate Taxes on Transferred Property                      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GOODWIN	ONTP	

LD 1157 proposed to require the seller of real estate at the time of the closing to pay or post a bond in the amount of property taxes due on the real estate. After the closing, the new owner of the real estate would be required to notify the municipality of the share of taxes the new owner will pay. When the new owner’s share is paid, the municipality would be required to reimburse the previous owner for that share payment.

**LD 1167                      An Act to Establish the Local Option Tax on Liquor, Meals and Lodging                      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RAND GAGNON	ONTP	

LD 1167 proposed to allow municipalities to adopt a local option sales tax at a rate not to exceed 2% on liquor, meals and lodging that are provided within the municipal corporate limits and that are subject to the state sales tax. The State would be required to assess and collect the local option tax along with the state tax and return the revenue raised to the municipality. The State Tax Assessor would be required to determine the amount of revenue raised by each municipality’s local tax each month, subtract the administrative costs of the local tax and certify the amount to be returned to each municipality. The additional revenue raised by the local option tax must be used by the municipality to finance specifically approved major capital projects.

This bill was considered to be improperly presented because it is a bill to raise revenue with Senate sponsorship. Identical language with House sponsorship was introduced and carried over to the Second Regular Session. See LD 2024.

**LD 1174                    An Act to Revise the Business Equipment Property Tax Reimbursement Program                    ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TRIPP	ONTP	

LD 1174 proposed to limit reimbursement for personal property taxes on eligible business equipment (the BETR program) to 75% of taxes paid for property first placed in service after April 1, 1999. The bill also proposed to require the State Tax Assessor to establish a waiting list for payment of eligible claims if eligible claims exceed appropriations and to restore eligibility for reimbursement for cable television companies.

**LD 1177                    An Act to Amend the Property Tax Exemption for Hospitals                    ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DUDLEY MILLS	ONTP	

LD 1177 proposed to eliminate the property tax exemption for property leased by a hospital, health maintenance organization or blood bank.

**LD 1196                    An Act to Clarify the Amount of Meals and Lodging Tax Applicable When an Establishment Has Take-out and On-premise Food                    ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HARRIMAN	ONTP	

LD 1196 proposed to reduce to 5 1/2% the sales tax on the sale of prepared food for take out at an establishment licensed to serve liquor if the food is sold in an area separate from the area where liquor is being served.

**LD 1199                    An Act to Tax Docking Fees for Pleasure Boats Greater than 19 Feet in Length                    NOT PROPERLY BEFORE BODY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
NUTTING J GAGNON	ONTP    MAJ OTP-AM    MIN	

LD 1199 proposed to subject docking fees imposed on owners of recreational watercraft to the sales tax. The bill was ruled “not properly before the body” as a revenue measure with a Senate sponsor.