

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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MEMBERS:

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Sen. Beverly C. Daggett
Sen. S. Peter Mills*

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Rep. Peter E. Cianchette*



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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 OVERBill 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.

Public Law 1999, chapter 478 directs local assessors to consider sales in the secondary market in determining the just value of property, permits a time share developer to be excused from paying common expenses if the developer guarantees that common expenses will not exceed a stated amount and provides that the value of property for purposes of the real estate transfer tax does not include the amount of consideration attributable to vacation exchange rights, vacation services or club memberships and associated costs. A time-share developer or association of time-share owners is required to provide, on request, an itemized schedule of fees included in the sales price.

LD 1921 **An Act to Promote Land Conservation at the Local Level** **CARRIED OVER**

<u>Sponsor(s)</u> ETNIER		<u>Committee Report</u>		<u>Amendments Adopted</u>
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LD 1921 proposed to permit counties to impose a local option real estate transfer tax for the purpose of purchasing or improving public lands within the county. The tax may not exceed 5% of the state real estate transfer tax and may be imposed only if it is approved by the voters of the county. Revenues from the local option tax may be spent for purchasing or improving public lands in the county subject to recommendations of a county land conservation board.

This bill was carried over to the Second Regular Session.

LD 1940 **An Act to Create Standards of Eligibility Governing Certain Tax-exempt Organizations and to Phase in a Reduction of the Rate of Exemption to Reflect the Cost of Providing Essential Municipal Services** **CARRIED OVER**

<u>Sponsor(s)</u> DAGGETT		<u>Committee Report</u>		<u>Amendments Adopted</u>
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LD 1940 proposed to create a phased-in system that gradually limits the property tax exemption for all property that is currently 100% exempt except municipal, federal or church property or parcels of real estate that do not have structures built on them. The value of the exemption would be reduced 4% per year until the exemption reaches 60% of the property's just value in the year 2009, where it would remain. The bill also proposed to establish the following requirements that benevolent and charitable organizations must meet to qualify for exemption:

1. The organization must provide a significant portion of its services to a substantial class of persons who are legitimate subjects of charity or otherwise relieve the government of its burden;
2. The organization must report on its charitable performance annually to the municipal assessors and publish that report in a daily newspaper of general circulation; and
3. The organization must provide a salary and benefit package to its directors, trustees, officers, employees and agents that falls within a definition of "reasonable compensation" that is measured by a publication of the Department of Labor that lists Maine occupational wages.

This bill was carried over to the Second Regular Session.

LD 1953 **An Act to Fully Fund Primary and Secondary Education in the State** **ONTP**

<u>Sponsor(s)</u> VOLENIK	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 1953 proposed to repeal sales and use tax exemptions, exclusions and credits and appropriate the additional revenues to provide \$400,000,000 in each year of the biennium as additional state funding for primary and secondary education. The Department of Education would be required to submit the legislation necessary to implement the proposed new subsidy distribution to the next session of the Legislature. Any additional new revenue would be used to reduce the sales and use tax rates.

LD 1956 An Act to Limit the Number of Appeals Concerning a Property Tax Assessment ONTP

<u>Sponsor(s)</u> PIEH KILKELLY	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 1956 proposed to limit the appeal of a property tax assessment to one time if the applicant does not prevail in a decision by the board of assessment review.

LD 1959 An Act to Require Payment of the Excise Tax for First-time Vehicle Registration Only ONTP

<u>Sponsor(s)</u> SNOWE-MELLO DAVIS P	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 1959 proposed to change the basis for the motor vehicle excise tax to the purchase price of the vehicle, as evidenced by the bill of sale or the sales tax document instead of the maker's list price. This is the current practice for a commercial vehicle. The bill also provided that the excise tax on most vehicles would only be due in the first year of registration.

LD 1983 An Act to Assist Independent Contractors to Comply with State Tax Laws ONTP

<u>Sponsor(s)</u> HATCH CAREY	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 1983 proposed to clarify that the State must use the same criteria for determining status of an employee or independent contractor as is used by the federal Internal Revenue Service.

LD 2016 An Act to Provide a Reward for Certain Tax Information ONTP