

MAINE STATE LEGISLATURE

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**STATE OF MAINE
119TH LEGISLATURE**

SECOND REGULAR SESSION

**BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
TAXATION**

JULY 2000

Staff:

Julie S. Jones, Legislative Analyst

**Office of Fiscal and Program Review
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Sen. Beverly C. Daggett
Sen. S. Peter Mills**

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MAINE STATE LEGISLATURE
 OFFICE OF FISCAL AND PROGRAM REVIEW

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TO: Members, Joint Standing Committee on Taxation
 FROM: Julie Jones, Legislative Analyst
 DATE: July, 2000
 RE: **BILL SUMMARIES, 119th LEGISLATURE, 2nd 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 2nd 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 2nd Regular Session (unless a later date is specified in a particular law) is August 11, 2000. 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:

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 amendment 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.

LD 2316

An Act to Prevent Gray Market Cigarette Sales

PUBLIC 616

<u>Sponsor(s)</u> MICHAUD	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> S-524
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LD 2316 was submitted by the Department of the Attorney General. The bill proposed to prohibit the sale of “gray-market” cigarettes, meaning cigarettes that are labeled for export, that are illegally labeled, that are imported in violation of federal law or that violate federal trademark or copyright laws.

Committee Amendment “A” (S-524) proposed to clarify the authority of law enforcement officers to seize and destroy gray market cigarettes and ensure the enforcement authority of contract officers with authority to enforce tobacco sales laws.

Enacted Law Summary:

Public Law 1999, chapter 616 prohibits the sale of gray market cigarettes and clarifies the authority of law enforcement officers and contract officers to enforce the law and to seize and destroy gray market cigarettes.

LD 2331

An Act to Expand Eligibility for the Veterans' Property Tax Exemption

**DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u> OTP-AM MAJ ONTP MIN	<u>Amendments Adopted</u> H-882
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LD 2331 proposed to implement the recommendations of the Committee to Study Standardized Periods of Military Service and Other Matters Related to the Award of State of Maine Veterans’ Benefits. The bill proposed to expand eligibility for the veterans' property tax exemption to all honorably discharged veterans who are 62 years of age or older beginning April 1, 2001. The bill also proposed that the State reimburse municipalities for 100% of the property tax revenues lost as a result of the veterans' property tax exemption authorized by the bill.

LD 2353

Resolve, Relating to the State Valuation for the Town of Milo

**RESOLVE 96
EMERGENCY**

<u>Sponsor(s)</u> DAVIS P	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> S-536
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LD 2353 proposed to provide that the 2000 state valuation for the Town of Milo must be based on a valuation that values the property of the Dexter Shoe Company factory in the Town of Milo at \$0 for the purposes of calculating state-municipal revenue sharing funds.

Committee Amendment “A” (S-536) proposed to replace the original bill and to permit the Town of Milo to apply for a reduction of its 2001 state valuation based on the reduction in value of the Dexter Shoe Company factory under the procedure authorized by current statute without meeting the statutory valuation threshold.

Enacted Law Summary:

Resolve 1999, chapter 96 permits the Town of Milo to apply for a reduction of its 2001 state valuation based on the reduction in value of the Dexter Shoe Company factory under the procedure authorized by current statute without meeting the statutory valuation threshold.

Resolve 1999, chapter 96 was enacted as an emergency measure effective April 3, 2000.

LD 2357

An Act to Amend the Maine Seed Capital Tax Credit Program

PUBLIC 752

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MACKINNON O'NEAL	OTP-AM	S-539 S-789 MICHAUD

LD 2357 proposed to increase the tax credit allowed under the Maine Seed Capital Tax Credit Program from 30% to 50% of the amount invested in a Maine business in any calendar year. The bill also proposed to increase the amount of the investment for which a tax credit would be available from \$200,000 to \$500,000 for any one business.

Committee Amendment "A" (S-539) proposed to authorize tax credit certificates for up to 1/2 of an investment made in or unconditionally committed to a private venture capital fund with a focus on investing in Maine companies. The current law limit of \$1,000,000 on aggregate tax credits that can be allocated to investments made by venture capital funds would be combined with the limit on credits for investing directly in Maine business. Investors in a fund collectively would not be entitled to a credit for any portion of ownership of a business in excess of 50%. The amendment proposed to increase the overall amount of tax credit authorized by \$1,000,000 in each year of 2001, 2002, 2003 and 2004, for a total authorized amount of \$12,000,000.

Senate Amendment "A" to Committee Amendment "A" (S-789) proposed to expand the Maine Seed Capital Tax Credit Program for a limited period. For investments made after the effective date of the bill and prior to July 1, 2001, the amendment proposed to increase the amount of a tax credit certificates from 30 % to 40% of an investment made in an eligible business or made in or unconditionally committed to a private venture capital fund provided the authority determines that the fund has a focus on investing in Maine companies. The remainder of the credit would be available to the investors once the venture capital fund made eligible investments. If the fund failed to make sufficient eligible investments within 3 years, the credit would be revoked. The current law limit on aggregate tax credits that can be allocated to investments made by venture capital funds would be combined with the limit on credits available for investment in businesses. Investors in a fund collectively would not be entitled to a credit for any portion of ownership of a business in excess of 50%.