

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:

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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.

Enacted Law Summary:

Public Law 1999, chapter 768 provides criteria and a procedure for review of new and existing economic development incentives by the Department of Economic and Community Development. The law changes reporting dates, extends the repeal date for the economic development incentive review laws to August 1, 2002, requires withholding of reimbursement under the business equipment tax refund (BETR) program for businesses that fail to file required reports and makes administrative changes for the Economic Development Incentive Commission. Notice and due process rights are ensured and a one-time appropriation of \$20,000 is made to the Commission for studies, research and operating expenses.

LD 2501 **An Act to Strengthen Maine's Corporate Accountability Law** **ONTP**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| PINGREE GREEN | ONTP | |

LD 2501 proposed to add 3 new programs to the economic development incentive review laws, repeal the sunset date, expand reporting requirements under those laws and require that economic development incentives be suspended for businesses that do not comply with reporting requirements. See also LDs 2384, 2390, 2460 and 2516.

LD 2516 **An Act to Improve Standards for Public Assistance to Maine Employers** **VETO SUSTAINED**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|----------------------------------|---------------------------|
| PINGREE | OTP-AM MAJ ONTP MIN | S-637 S-784 MICHAUD |

LD 2516 proposed to establish living wage and benefit standards as requirements for receipt of economic development incentives under the economic development incentive laws and to provide penalties for willful violation of the living wage standards.

Committee Amendment “A” (S-637) proposed to replace the original bill and to require the suspension of benefits for new claimants under municipal tax increment financing, the jobs and investment tax credit, the research expense credit and the business equipment tax reimbursement program if employees do not meet wage and benefit standards. The amendment proposed a waiver of benefit reduction if the failure to meet standards results from economic hardship beyond the control of the claimant. The amendment also proposed to add an additional member of the Economic Development Incentive Commission.

Senate Amendment “B” (S-784) proposed to replace the Committee Amendment and to require the proration of benefits under municipal tax increment financing, the jobs and investment tax credit, the research expense credit and the business equipment tax reimbursement program based on the percentage of employees who have been employed for more than 90 days who meet wage standards.

This bill was vetoed by the Governor.

See also LDs 2384, 2390, 2460 and 2501.

LD 2518 An Act to Amend the Elderly Low-cost Drug Program

**PUBLIC 551
EMERGENCY**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| DUDLEY | OTP-AM | H-802 S-507 MICHAUD |

LD 2518 proposed to restore eligibility under the elderly low cost drug program for household members who were inadvertently dropped from eligibility when the laws establishing eligibility were amended during the First Regular Session of the 119th Legislature.

Committee Amendment “A” (H-802) proposed a one-year restoration of eligibility and authorized the Joint Standing Committee on Taxation to report out a bill that addresses eligibility beyond one year.

Senate Amendment “A” to Committee Amendment “A” (S-507) deleted an appropriation to the Bureau of Revenue Services for administrative costs.

See also LD 2644 (Public Law 1999, chapter 707), included in the bill summaries for the Joint Standing Committee on Health and Human Services which addressed eligibility for household members beyond the extension provided in LD 2518.

Enacted Law Summary:

Public Law 1999, chapter 551 provides a one-year restoration of eligibility for the Elderly Low-Cost Drug Program for formerly eligible household members who were inadvertently dropped from eligibility as a result of amendments to the program enacted in 1999.

Public Law 1999, chapter 551 was enacted as an emergency measure effective March 14, 2000.

LD 2524 An Act Concerning Technical Changes to the Tax Laws

**PUBLIC 708
EMERGENCY**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| RUHLIN | OTP-AM | S-641 S-652 RUHLIN |

LD 2524 is the annual bill submitted by the Bureau of Revenue Services. The bill proposed to make technical corrections, clarifications and minor substantive changes to various laws concerning taxation.

Committee Amendment “A” (S-641) proposed to make additional corrections clarifications and minor substantive changes to various tax laws.