

# MAINE STATE LEGISLATURE

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*State Of Maine  
120th Legislature*

*Second Regular Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Taxation*

*May 2002*

**Members:**

*Sen. Kenneth T. Gagnon, Chair  
Sen. Kenneth F. Lemont  
Sen. Richard Kneeland*

*Rep. Bonnie Green, Chair  
Rep. Stephen S. Stanley  
Rep. Rosita Gagne*

*Rep. Joseph C. Perry  
Rep. Bernard E. McGowan  
Rep. Janet L. McLaughlin  
Rep. Eleanor M. Murphy  
Rep. John T. Buck  
Rep. Randall L. Bumps  
Rep. David E. Bowles*

**Staff:**

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**Maine State Legislature**  
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**120th Legislature**  
**Second Regular Session**

**Summary Of Legislation Before The Joint Standing Committees**  
**May 2002**

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing select committees of the Maine Legislature this past session. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills considered by the committees. It is arranged alphabetically by committee name and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet ([www.state.me.us/legis/opla](http://www.state.me.us/legis/opla)).

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
PASSED	Joint Order passed in both bodies
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

Please note the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is July 25, 2002.

**Patrick T. Norton, Interim Director**  
**Offices located in Room 215 of the Cross Office Building**

## Joint Standing Committee on Taxation

### *Enacted Law Summary:*

Public Law 2001, chapter 669 reorganizes, clarifies and makes minor substantive changes to the laws relating to municipal development districts and tax increment financing districts.

**LD 2012**

**An Act to Expand the Maine Seed Capital Tax Credit Program**

**PUBLIC 642**

Sponsor(s)  
TESSIER  
TURNER

Committee Report  
OTP-AM

Amendments Adopted  
H-1014

LD 2012 proposed to modify the Maine Seed Capital Tax Credit Program by increasing the tax credit available for investments in businesses located in areas of the State with high unemployment. The bill also proposed to encourage the investment of private capital by allowing investors to obtain a tax credit on investments of up to \$500,000 per company, an increase from \$200,000 per company, and allowing each company to receive up to \$5,000,000 in investments for which investors may receive tax credits, up from \$1,000,000. The bill proposed to allow the tax credit to be taken over 4 years, rather than 7 years.

Committee Amendment “A” (H-1014) proposed to add a provision increasing to 60% the seed capital tax credit available for investments in eligible private venture capital funds that invest in eligible businesses in designated high unemployment areas. The amendment proposed to add the seed capital investment tax credit to the list of economic development incentives subject to reporting requirements.

### *Enacted Law Summary:*

Public Law 2001, chapter 642 modifies the Maine Seed Capital Tax Credit Program administered by the Finance Authority of Maine by increasing the tax credit available for investments in businesses located in areas of the State with high unemployment or for investments in private venture capital funds with investments in businesses in those areas. The Act allows investors to obtain a tax credit on investments of up to \$500,000 per company, an increase from \$200,000 per company, and allows each company to receive up to \$5,000,000 in investments for which investors may receive tax credits, up from \$1,000,000. The Act also adds the seed capital investment credit to the list of economic development incentives subject to reporting requirements.

**LD 2044**

**Resolve, to Require Agencies to Provide a List of Certain  
Paperwork Required of Maine Businesses**

**RESOLVE 111**

Sponsor(s)  
SULLIVAN  
BROMLEY

Committee Report  
OTP-AM

Amendments Adopted  
H-1016  
S-592 GOLDTHWAIT

LD 2044 proposed to direct the Department of Administrative and Financial Services, Bureau of Revenue Services to determine ways to reduce duplicative filings that are required of businesses in Maine and to report its findings to the 121st Legislature.

## Joint Standing Committee on Taxation

**Committee Amendment “A” (H-1016)** proposed to direct state agencies to provide the Secretary of State with a list of licenses, registrations, forms and reports required by the agencies to operate a business or conduct an occupation. The Secretary of State would be directed to compile a master list of licenses, registrations, forms and reports and submit the master list to the First Regular Session of the 121st Legislature by January 15, 2003.

**Senate Amendment “A” to Committee Amendment “A” (S-592)** proposed to remove the appropriations section from the committee amendment.

### *Enacted Law Summary:*

Resolve 2001, chapter 111 directs state agencies to provide the Secretary of State with a list of licenses, registrations, forms and reports required by the agencies to operate a business or conduct an occupation. The Secretary of State is directed to compile a master list of licenses, registrations, forms and reports and submit the master list to the First Regular Session of the 121st Legislature by January 14, 2003.

**LD 2086**

**An Act to Implement the Recommendations of the Education  
Funding Reform Committee**

**DIED BETWEEN  
BODIES**

Sponsor(s)

Committee Report  
OTP-AM MAJ  
ONTP-MIN

Amendments Adopted

LD 2086 was presented by the Education Funding Reform Committee pursuant to Public Law 2001, chapter 439, Part SSS as a proposal for reducing the State's reliance on the property tax for funding public education. This bill was accompanied by separate legislation to amend the Constitution of Maine to authorize aspects of the proposed changes. (See LD 2087.)

This bill proposed to establish property tax maximum mill rates for local costs for public education from kindergarten to grade 12. Mill rates would be limited to 6 mills for primary residential property, commercial, agricultural and industrial property, and tracts of undeveloped property not enrolled in a current use taxation program and 12 mills for all other property. Municipalities would be able to raise additional amounts for public education through the property tax but only from primary residential property. The bill proposed to repeal the homestead property tax exemption and require information regarding the impact of the changes to be included on property tax bills. The bill proposed to direct the joint standing committee of the 121st Legislature having jurisdiction over taxation matters to develop recommendations designed to generate the additional state revenue necessary to fund public education from kindergarten to grade 12. The committee would be directed to give special consideration to sales and use tax base expansions and to consider converting the State's sales and use tax to a gross receipts tax. The committee would also be directed to recommend an excise tax on personal property as partial replacement of property taxes on personal property and an education budget stabilization fund designed to ensure that adequate funds are available for education costs during periods when General Fund revenues do not keep pace with education costs.

**Committee Amendment “A” (H-1068)** proposed to replace the bill and to provide for a statutory referendum on establishing a cap on local property taxes of 12 mills on secondary residential property and 6 mills for all other property for the purpose of funding public education from kindergarten to grade 12. A