

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:

Julie S. Jones, Legislative Analyst

*Office of Fiscal and Program Review
5 State House Station
Augusta, ME 04333-0005
(207) 287-1635*



Maine State Legislature
OFFICE OF POLICY AND LEGAL ANALYSIS

13 State House Station, Augusta, Maine 04333-0013
 Telephone: (207) 287-1670
 Fax: (207) 287-1275

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).

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:

<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i>	<i>House & Senate disagree; bill died</i>
<i>DIED IN CONCURRENCE</i>	<i>One body accepts ONTP report; the other indefinitely postpones the bill</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</i>	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>NOT PROPERLY BEFORE THE BODY</i>	<i>Ruled out of order by the presiding officers; bill died</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed</i>
<i>ONTP</i>	<i>Ought Not To Pass report accepted</i>
<i>OTP ND</i>	<i>Committee report Ought To Pass In New Draft</i>
<i>OTP ND/NT</i>	<i>Committee report Ought To Pass In New Draft/New Title</i>
<i>P&S XXX</i>	<i>Chapter # of enacted Private & Special Law</i>
<i>PASSED</i>	<i>Joint Order passed in both bodies</i>
<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i>	<i>Bill held by Governor</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>

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

municipality would be able to raise additional revenues for education but only from additional assessments on primary residential property. The amendment also proposed to establish an Education Funding Stabilization Fund, funded by a portion of year-end surplus revenues for the purpose of ensuring adequate state funding for education in years when General Fund revenues do not provide adequate revenue for education funding. The amendment proposed to require notification on local budget documents of the impact of school and municipal budgets on property tax mill rates and direct the joint standing committee of the Legislature having jurisdiction over taxation matters to report out legislation to the First Regular Session of the 121st Legislature to extend the sales tax to services not currently taxed, to increase the sales tax on meals and lodging from 7% to 8% and to address the progressivity of the income tax.

LD 2087

RESOLUTION, Proposing an Amendment to the Constitution of Maine to Allow the Legislature to Establish Classes of Property for Purposes of Property Taxes to Fund

DIED BETWEEN BODIES

<u>Sponsor(s)</u>		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u> H-1053
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LD 2087 was a constitutional resolution offered by the Education Funding Reform Committee pursuant to Public Law 2001, chapter 439, Part SSS as part of a proposal presented by the committee to reduce the State's reliance on the property tax for funding public education. This constitutional resolution was accompanied by separate legislation to implement the changes proposed in the resolution and to provide further details of the proposal developed by the committee for further consideration by the Legislature. (See LD 2086.)

This constitutional resolution proposed to make two major changes in the constitutional requirements related to the property tax. The first change would permit the Legislature to establish classes of property and impose different maximum rates on the local property tax that could be imposed on each class of property for the purposes of funding local education costs. The second change would exempt personal property from taxation as long as certain personal property, as defined by the Legislature, is subject to an excise tax to be collected and retained by municipalities.

Committee Amendment "A" (H-1053) proposed to remove provisions from the original resolution proposing to exempt personal property from the property tax if an excise tax was established for that property and to clarify the language authorizing the Legislature to establish classes of property and to permit different tax rates for different classes of property for the purpose of funding public education from kindergarten to grade 12.