

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*

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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).

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

LD 2166

**An Act to Provide Flexibility in the Rate of Interest
Charged on Delinquent Taxes**

**PUBLIC 635
EMERGENCY**

Sponsor(s)
SULLIVAN

Committee Report
OTP-AM

Amendments Adopted
H-1028

LD 2166 proposed to allow a municipality to impose an interest rate up to the rate imposed during the previous property tax year in that municipality or a rate equal to the highest conventional rate of interest charged for commercial unsecured loans by banking institutions in the State on the first business day of the calendar year the vote is taken, whichever is greater.

Committee Amendment “A” (H-1028) proposed to provide an optional calculation for determining municipal interest rates for delinquent property taxes. The amendment proposed to permit municipalities to adopt an interest rate that is 2 percentage points higher than the rate established by the Treasurer of State if the rate established by the Treasurer is 2 percentage points or more lower than the rate established for the previous year.

Enacted Law Summary:

Public Law 2001, chapter 635 provides an optional calculation for determining municipal interest rates for delinquent property taxes. The amendment permits municipalities to adopt an interest rate that is 2 percentage points higher than the rate established by the Treasurer of State if the rate established by the treasurer is 2 percentage points or more lower than the rate established for the previous year. This bill was enacted as an emergency measure and took effect April 8, 2002.

LD 2205

**Resolve, to Adjust the Valuation of St. John Plantation as a
Result of a Fire**

**RESOLVE 119
EMERGENCY**

Sponsor(s)
MARTIN
MICHAUD

Committee Report
OTP-AM

Amendments Adopted
S-615
S-620 MARTIN

LD 2205 proposed to reduce the 2002 state valuation of St. John Plantation to \$9,480,000 to reflect reduced valuation resulting from a recent fire. This resolve also proposed to authorize St. John Plantation to seek an adjustment of its state valuation for the year 2003 without meeting the state average tax rate threshold required under the provisions of current law.

Committee Amendment “A” (S-615) proposed to add a mandate preamble and a fiscal note to the resolve.

Senate Amendment “A” (S-620) proposed to change the adjusted 2002 state valuation for St. John Plantation to \$10,630,000 to reflect more accurately the actual reduction in valuation.

Joint Standing Committee on Taxation

Enacted Law Summary:

Resolve 2001, chapter 119 reduced the 2002 state valuation of St. John Plantation to \$10,630,000 in recognition of the loss of value resulting from a recent fire. This bill was enacted as an emergency measure and took effect April 11, 2002.

LD 2210

An Act Relating to Tax Expenditure Review and Other Tax Reporting Requirements

PUBLIC 652

Sponsor(s)

Committee Report
OTP

Amendments Adopted

LD 2210 was reported out by the Committee pursuant to Resolve 2001, chapter 17. The bill proposed to implement the recommendations of the Joint Standing Committee on Taxation relating to tax expenditure review. The bill proposed to repeal the current tax expenditure review process and replace it with a process intended to provide effective legislative review of tax expenditures and provide an opportunity for legislative review of the State's tax policy and structure. The bill proposed to require the Bureau of Revenue Services to provide more detailed information regarding tax expenditures than is currently prepared and to authorize the Taxation Committee to review that information biennially. The Committee would also be authorized to perform other tax-related reviews. The bill also proposed to repeal several reports to the Legislature that are duplicative, obsolete or no longer considered necessary.

Enacted Law Summary:

Public Law 2001, chapter 652 was reported out by the Committee pursuant to Resolve 2001, chapter 17. The Act replaces the tax expenditure review process to provide more effective review to tax expenditures and to provide an opportunity for legislative review of the State's tax policy and structure. The Act also repeals several reports to the Legislature by the Bureau of Revenue Services that are duplicative, obsolete or no longer considered necessary.