

# MAINE STATE LEGISLATURE

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*State Of Maine  
121st Legislature*

*Second Regular Session  
and Second Special Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Taxation*

*May 2004*

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*Maine State Legislature*



*Office Of Policy And Legal Analysis  
Office Of Fiscal And Program Review*

*121st Maine Legislature  
Second Regular Session and  
Second Special Session*

*Summary Of Legislation Before The Joint Standing Committees*

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing and joint 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/billsumm.htm](http://www.state.me.us/legis/opla/billsumm.htm)).

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 &amp; 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>P&amp;S XXX</i> .....	<i>Chapter # of enacted Private &amp; 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 that the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is April 30, 2004; and non-emergency legislation enacted in the Second Special Session is July 30, 2004. Four bills (LD's 1572, 1629, 1636 and 1637) that were considered at the First Special Session in August 2003 are also included in these summaries.

*David C. Elliott, Director*  
**Offices located in Room 215 of the Cross Office Building**

*Joint Standing Committee on Taxation*

**LD 1674**

**An Act To Expand Property Tax Exemptions for Veterans to Cooperative Housing**

**INDEF PP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LESSARD MAYO	OTP-AM MAJ ONTP MIN	H-786

LD 1674 proposed to apply the property tax exemption for veterans to veterans or certain members of their family who have an ownership interest in a cooperative housing entity.

**Committee Amendment “A” (H-786)** proposed to replace the bill and establish a rebate program for veterans and their survivors who are not eligible for a property tax exemption because they live in cooperative housing. The rebate program would provide those veterans and their survivors with tax benefits equivalent to what they would receive if they were eligible for a property tax exemption.

This bill was indefinitely postponed when removed from the Special Appropriations Table.

**LD 1684**

**An Act To Make Retirement Benefits More Equitable by Imposing a Surcharge on Income from Congressional Retirement Benefits**

**DIED BETWEEN HOUSES**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DAVIS P	OTP- AM MAJ ONTP MIN	

LD 1684 proposed to impose a state income tax surcharge on the benefits of members of Congress received under the congressional retirement plan. The surcharge would be applied in 3 stages to take a progressively larger portion of the affected benefits as those benefits increase. In this regard, the surcharge would be similar to the 3-tiered reduction to Social Security benefits under the windfall elimination and offset provisions of Social Security law for retirees who receive benefits under both Social Security and another public pension plan.

**LD 1703**

**Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the Unorganized Territory**

**RESOLVE 104**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STANLEY LEMOINE	OTP	

LD 1703 proposed to authorize the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory that were acquired for nonpayment of property tax.

*Enacted Law Summary*

## *Joint Standing Committee on Taxation*

Resolve 2003, chapter 104 authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory that were acquired for nonpayment of property taxes.

**LD 1714**                      **An Act To Streamline the Sales Tax Credit for Worthless  
Accounts To Eliminate Unnecessary Burdens on Certain Maine  
Businesses and Consumers**                      **INDEF PP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DAMON SIMPSON	OTP AM MAJ ONTP MIN	S-451

LD 1714 proposed to allow an automobile retailer to claim the worthless account sales tax credit when the account is charged off by a company that provides financing primarily to customers of that automobile retailer. This bill also proposed to allow an automobile retailer who has not paid an assessment issued on or after October 1, 2002 for sales tax due on a worthless account to obtain a credit for the sales tax paid on that worthless account.

**Committee Amendment “A” (S-451)** proposed to change a reference from "entity" to "person" to clarify the definition of “related finance company”, remove the retroactivity provision and add an effective date.

This bill was indefinitely postponed when removed from the Special Appropriations Table.

**LD 1718**                      **An Act To Clarify the Sales Tax Exemptions Regarding Assisted  
Housing Programs**                      **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO DUDLEY	ONTP	

LD 1718 proposed to clarify that sales made to incorporated nonprofit assisted housing programs for the elderly licensed by the Department of Human Services would be exempt from taxation.

The provisions of this bill were included in LD 1813. See summary of LD 1813 below.