

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

*State Of Maine
121st Legislature*

*Second Regular Session
and Second Special Session*

Bill Summaries

*Joint Standing Committee
on
Taxation*

May 2004

Staff:

Julie S. Jones, Legislative Analyst

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

Members:

*Sen. Stephen S. Stanley, Chair
Sen. Ethan Strimling
Sen. Richard A. Nass*

*Rep. David G. Lemoine, Chair
Rep. Joseph C. Perry
Rep. Bernard E. McGowan
Rep. Deborah L. Simpson*

*Rep. Arthur Lerman
Rep. Edward J. Suslovic
Rep. Harold A. Clough
Rep. Jonathan T. E. Courtney
Rep. Earle L. McCormick
Rep. Joshua A. Tardy*



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).

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
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 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

beginning April 1, 2004. Taxpayers would receive property tax relief payments beginning September 30, 2004.

The new program would have the following provisions:

1. Payments would be provided directly to Maine resident property taxpayers;
2. Under the homestead portion of the program, all Maine resident property owners, regardless of income level, would receive a homestead property tax relief payment equivalent to a \$14,000 property tax exemption based on local valuation and the local mil rate as long as the owner did not owe any back taxes on the claimed property;
3. Under the circuitbreaker portion of the program, the maximum benefit payment for low-income nonelderly households would be increased to \$1,250 from the current \$1,000 and the percentage of rent considered payment for property taxes would be increased to 20% from the current 18% for nonelderly households;
4. Low-income or elderly households would obtain both the homeowners benefit and the circuitbreaker benefit if those households qualified for both benefits; however, the total maximum benefit could not exceed the total amount of property taxes owed; and
5. The application deadlines and tax relief payment deadlines would be the same for all benefits under the new program: all applications would have to be submitted by April 15th and all payments would be made by the State Treasurer no later than September 30th of each year and subsequent claims for the same property by the same claimant could be done through the claimant's Maine income tax return or through a separate return.

The bill also proposed to authorize a municipality to develop a local program in which the property taxes would be frozen or increased only by the rate of inflation. Eligibility for the program would be limited to taxpayers who had occupied their homes for at least 20 years and who were in danger of losing the property due to inability to pay the property taxes. The municipality would recoup the lost revenue when the homes were sold or transferred. The program would require approval at a local option referendum.

LD 1824 was removed from Committee by the presiding officers without a Committee report near the end of the Second Special Session.

LD 1850

**Resolve, Regarding Legislative Review of Chapter 31:
Affordable Housing Development District - Recovery of Public
Revenue, a Major Substantive Rule of the Maine State Housing
Authority**

**RESOLVE 115
EMERGENCY**

Sponsor(s)

Committee Report
OTP

Amendments Adopted

LD 1850 proposed to authorize the Maine State Housing Authority to adopt Chapter 31: Affordable Housing Development District - Recovery of Public Revenue, a major substantive rule.

Joint Standing Committee on Taxation

Enacted Law Summary

Resolve 2003, chapter 115 authorizes the Maine State Housing Authority to adopt Chapter 31: Affordable Housing Development District - Recovery of Public Revenue, a major substantive rule.

Resolve 2003, chapter 115 was finally passed as an emergency measure and took effect March 24, 2004.

LD 1882	An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2004-2004-05	P & S 44 EMERGENCY
----------------	--	-----------------------------------

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP-AM	H-837

LD 1882 proposed to establish municipal cost components for state and county services provided to the unorganized territory that would be paid for by a municipality. The municipal cost components would constitute the property tax for the unorganized territory.

Committee Amendment “A” (H-837) proposed to make changes to reflect new budget information that became available after the bill was printed.

Enacted Law Summary

Private and Special 2003, chapter 44 establishes municipal cost components for state and county services provided to the unorganized territory that would be paid for by a municipality. The municipal cost components constitute the property tax for the unorganized territory.

Private and Special 2003, chapter 44 was enacted as an emergency measure and took effect April 14, 2004.

LD 1887	Resolve, To Reduce the State Valuation for the Town of Lincoln	RESOLVE 124
----------------	---	--------------------

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CATHCART CARR	OTP-AM	S-440

LD 1887 proposed to authorize the Town of Lincoln to request a reduction in its 2004 state valuation based on a sudden and severe disruption of valuation, caused by the bankruptcy of Eastern Pulp and Paper Co., pursuant to the Maine Revised Statutes, Title 36, section 208-A.

Committee Amendment “A” (S-440) proposed to correct the date from 2004 to 2005.