

# MAINE STATE LEGISLATURE

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*State Of Maine  
122nd Legislature*

*Second Regular Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Taxation*

*July 2006*

**Staff:**

*Julie S. Jones, Senior Analyst*

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

**Members:**

*Sen. Joseph C. Perry, Chair  
Sen. Ethan Strimling  
Sen. Jonathan T. E. Courtney*

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# Maine State Legislature



## Office of Policy and Legal Analysis Office of Fiscal and Program Review

### 122nd Maine Legislature Second Regular 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 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:

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 (Pocket Veto).....	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 August 23, 2006.

*Joint Standing Committee on Taxation*

**LD 2**                      **RESOLUTION, Proposing an Amendment to the Constitution of Maine To Limit the Rate of Change in Taxable Value of Primary Residences**                      **DIED BETWEEN BODIES**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERCY DAMON	OTP-AM    MAJ OTP-AM    MIN	H-1014

LD 2 proposed to amend the Constitution of Maine to authorize a municipality to limit the rate of change in the tax rate applicable to homestead land, defined as land that is exclusively and continuously owned by one or more residents of the State while the land remains the principal home of each owner, to the rate of change in the purchasing power of United States currency as consistently measured by a reliable index adopted by the Legislature.

This bill was originally considered by the Joint Select Committee on Property Tax Reform. It was recommitted to the Joint Standing Committee on Taxation and carried over by H.P. 1203 to the next special or regular session.

**Committee Amendment “C” (H-1014)** proposed to amend the Constitution of Maine to permit the Legislature to establish a system to limit the property tax on primary residences to no more than 10% of household income.

**LD 19**                      **An Act To Clarify the Law Regarding Transfer Tax Liability for Deeds between Domestic Partners**                      **DIED ON ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAZUREK	OTP-AM    MAJ ONTP        MIN	H-116

LD 19 proposed to include domestic partners, as defined in the Probate Code, as family members for purposes of the real estate transfer tax exemption for deeds between certain family members.

**Committee Amendment “A” (H-116)** proposed to restrict the exemption proposed by the bill to registered domestic partners.

This bill and its adopted amendment were carried over on the Special Appropriations Table by S.P. 640 to the next special or regular session of the 122nd Legislature and died on adjournment of the Second Regular Session.

**LD 74**                      **An Act To Increase Eligibility for the Property Tax Exemption for Veterans'**                      **INDEF PP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DAVIS G	OTP-AM	H-529

LD 74 proposed to increase the veterans' property tax exemption from \$5,000 to \$15,000.

## *Joint Standing Committee on Taxation*

**Committee Amendment “A” (H-529)** proposed to replace the bill and to expand eligibility for property tax exemptions to veterans of certain conflicts that do not currently qualify for the exemption.

This bill and its adopted amendment were carried over on the Special Appropriations Table by S.P. 640 to the next special or regular session of the 122<sup>nd</sup> Legislature.

This bill was removed from the Special Appropriations Table in the Second Regular Session and indefinitely postponed. The substance of this bill, as amended, was incorporated into the Supplemental Budget Bill as Public Law 2005, chapter 519, Part MMM, LD 1968, An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2006 and June 30, 2007.

<b>LD 118</b>	<b>An Act To Provide Tax Relief for People with Functional Limitations</b>	<b>DIED ON ADJOURNMENT</b>
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BOWLES DAVIS P	OTP-AM	H-108

LD 118 proposed to amend the sales tax exemption for prosthetic devices to include additional aids and mobility devices to accommodate a person's functional limitations.

**Committee Amendment “A” (H-108)** proposed to clarify the items qualifying for a sales tax exemption as prosthetic devices and mobility-enhancing equipment consistent with uniform definitions developed by the Streamlined Sales Tax Project.

This bill and its adopted amendment were carried over on the Special Appropriations Table by S.P. 640 to the next special or regular session of the 122<sup>nd</sup> Legislature and died on adjournment of the Second Regular Session.

<b>LD 169</b>	<b>An Act To Amend the Law Regarding Resale Certificates</b>	<b>INDEF PP</b>
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MOODY	OTP-AM    MAJ OTP-AM    MIN	H-78 S-122    COURTNEY

LD 169 proposed to repeal changes made in 2004 with regard to sales tax resale certificates that limited issuance of resale certificates to retailers with annual gross sales of \$10,000 or more and required the State Tax Assessor to annually review the gross sales status of each retailer prior to issuing the certificate for the next succeeding calendar year.

**Committee Amendment “A” (H-78)** proposed to change the threshold for issuance of resale certificates from \$10,000 to \$3,000 in annual gross sales and extended the duration of resale certificates from one year to 3 years.

**Senate Amendment “B” to Committee Amendment “A” (S-122)** proposed to make subsequent issuances of annual resale certificates effective for the next 5 calendar years.