

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
122nd Legislature*

*First Regular Session and
First Special Session*

Bill Summaries

*Joint Standing Committee
on
Taxation*

August 2005

Members:

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

*Rep. Richard G. Woodbury
Rep. Herbert E. Clark
Rep. Deborah J. Hutton
Rep. Raymond G. Pineau
Rep. Thomas R. Watson
Rep. Harold A. Clough
Rep. H. Stedman Seavey, Jr.
Rep. Earle L. McCormick
Rep. Leonard Earl Bierman
Rep. Bruce Q. Hanley*

Staff:

Julie S. Jones, Senior Analyst

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



Maine State Legislature

OFFICE OF POLICY & LEGAL ANALYSIS

13 State House Station, Room 215 Cross State Office Building
Augusta, Maine 04333-0013
Telephone: (207) 287-1670
Fax: (207) 287-1275

122nd Legislature
First Regular Session and First Special Session

Summary of Legislation Considered by the Joint Standing Committees
August 2005

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 organized by committees 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. A subject index for each committee is included immediately before the bill summaries for that committee, and a numerical index by LD number is included 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:

- CARRIED OVER Bill Carried Over to Second Regular Session
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
OTP ND/NT..... Committee report Ought To Pass In New Draft/New Title
P&S XXX..... Chapter # of enacted Private & Special Law
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 the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is June 29, 2005; and for non-emergency legislation enacted in the First Special Session is September 17, 2005.

Joint Standing Committee on Taxation

If such a business were to add an employee, that employee could not have an ownership interest of 50% or more in the business and be considered a "qualified employee" for purposes of the business' obtaining a benefit.

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

LD 626 An Act Relating to the Sale of Foreclosed Property CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TWOMEY	ONTP MAJ	H-590
BRYANT B	OTP-AM MIN	
	OTP-AM MIN	

LD 626 proposed to require a municipality that forecloses on residential real estate to return the excess funds, after subtracting the tax lien, interest, fees for recording the lien, costs of mailing notice, court costs and any other expenses incurred in disposing of the real estate. Notice of the availability of the excess funds would be provided to the former owner within 30 days of sale of the real estate or 180 days of the foreclosure, whichever is sooner. If the former owner fails to claim the excess funds within 36 months, the municipality would be required to remit the excess funds to the Treasurer of State for credit to the General Fund. The bill proposed to require any municipality that has availed itself of the tax lien foreclosure process since January 1, 2000 to return any excess funds to the former owners.

Committee Amendment "A" (H-590), a minority report of the committee, proposed to require a municipality to place a notice in a newspaper of general circulation containing certain financial information related to the sale of a foreclosed property when the municipality experiences a net gain of \$10,000 or more from the sale.

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.

LD 632 An Act To Lower the Tax Burden for Small Businesses and Low- CARRIED OVER **income Families**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BOWEN	OTP-AM	H-586
COURTNEY		

LD 632 proposed to conform Maine income tax law to federal provisions concerning bonus depreciation and "Section 179" expensing by eliminating the required addition to income beginning in the 2005 tax year.

Committee Amendment "A" (H-586) proposed to incorporate changes enacted as part of Public Law 2005, chapter 12 and add a section making the earned income tax credit refundable and restoring that credit to 5% of the federal credit for tax years beginning in 2005.

Joint Standing Committee on Taxation

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.

LD 672 **An Act To Promote Ornamental Horticulture by Amending the** **CARRIED OVER**
Definition of "Commercial Agricultural Production"

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FLETCHER NUTTING J	OTP-AM	H-174

LD 672 proposed to restrict sales tax exemptions for certain agricultural products to those used in commercial agriculture and to expand the types of agricultural activities for which the exemptions are available. The bill also proposed to impose a sales tax on sales of automobile extended warranties.

Committee Amendment "A" (H-174) proposed to restrict the expansion of the agricultural sales tax exemptions proposed in the bill to products used in commercial production of greenhouse and nursery products. It also proposed to remove the expansion of the sales tax to automobile extended warranties.

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.