

# MAINE STATE LEGISLATURE

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*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  
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Rep. Earle L. McCormick  
Rep. Leonard Earl Bierman  
Rep. Bruce Q. Hanley*

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Maine State Legislature

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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

**LD 1343**                      **An Act To Simplify Rent and Property Tax Relief**                      **CARRIED OVER**

<u>Sponsor(s)</u> EDER STRIMLING		<u>Committee Report</u>		<u>Amendments Adopted</u>
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LD 1343 proposed that a claimant may apply for a benefit under the Maine Residents Property Tax Program on that claimant's individual income tax form.

This bill was carried over by H.P. 1203 to the next special or regular session of the 122nd Legislature.

**LD 1364**                      **An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2005-06**                      **P & S 9 EMERGENCY**

<u>Sponsor(s)</u>		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u> H-172
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LD 1364 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 constitute the property tax for the unorganized territory.

**Committee Amendment "A" (H-172)** proposed corrections to incorporate changes made in Public Law 2005, chapter 12.

### *Enacted law summary*

Private and Special 2005, chapter 9 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.

Chapter 9 was enacted as an emergency measure effective May 12, 2005.

**LD 1400**                      **An Act To Reduce Payments under the Business Equipment Tax Reimbursement Program and To Eliminate Double Dipping and Increase Conformity with the Internal Revenue Code**                      **CARRIED OVER**

<u>Sponsor(s)</u> MILLS P		<u>Committee Report</u>		<u>Amendments Adopted</u>
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LD 1400 proposed to reduce reimbursement under the Business Equipment Tax Reimbursement, BETR, program to 90% of taxes paid and to reduce BETR program reimbursement by the amount of reimbursement under a tax increment financing district.

## *Joint Standing Committee on Taxation*

The bill also proposed to increase the State's conformity with the federal Internal Revenue Code by incorporating the federal exemption amount into the state estate tax and by conforming to the federal tax deductibility of health saving accounts.

Reimbursement under the BETR program was reduced for one year to 90% of taxes paid for the application period beginning August 1, 2006 in Public Law 2005, chapter 457, Part BBB.

This bill was carried over by H.P. 1203 to the next special or regular session of the 122nd Legislature.

See also LD 1068 and LD 1557.

**LD 1437**                      **An Act To Broaden the Sales Tax Base and Lower the Sales and Use Tax and Service Provider Tax Rates**                      **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERCY PERRY J	ONTP	

LD 1437 proposed to repeal exemptions, credits and refunds under the sales and use tax and the service provider tax and lower the rate of those taxes from 5% to 2%.

**LD 1448**                      **An Act To Stabilize and Strengthen the MaineCare Program**                      **INDEF PP**

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

LD 1448 contained the following proposals.

Part A of this bill proposed to increase the tax on cigarettes by \$1 per pack beginning October 15, 2005.

Part B proposed to establish the MaineCare Stabilization Fund, an Other Special Revenue fund, to prevent the loss of services or increased costs of services under the MaineCare program under the Maine Revised Statutes, Title 22, chapter 855 or the elderly low-cost drug program under Title 22, section 254. Part B also proposed to require the collection of the full amount owed to the Department of Health and Human Services of rebates on injectable drugs administered in a health care facility.

Part C proposed to require the Department of Health and Human Services to contract for services to maximize Medicare billing and require coordination of benefits among the Medicare program and the MaineCare program and the elderly low-cost drug program. Part C also proposed to require the adoption of procedures to ensure the collection of interest on late drug rebate payments to the Department of Health and Human Services.

Part D proposed to maximize federal veterans' benefits, including reviews of eligibility by the Department of Health and Human Services, recovery of amounts owed for veterans' care and adoption or amendment of rules regarding administration of medication to veterans in long-term care facilities.