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
Rep. H. Stedman Seavey, Jr.
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, <u>History and Final Disposition of Legislative Documents</u>, 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	
CONF CMTE UNABLE TO AGREE	
DIED BETWEEN BODIES	
DIED IN CONCURRENCE	One body accepts ONTP report; the other indefinitely postpones the bill
DIED ON ADJOURNMENT	
EMERGENCY	Enacted law takes effect sooner than 90 days
FAILED EMERGENCY ENACTMENT/FINAL PAS	SAGE Emergency hill 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	Bill failed to get majority vote Bill imposing local mandate failed to get 2/3 vote Ruled out of order by the presiding officers; bill died Bill Indefinitely Postponed Ought Not To Pass report accepted Committee report Ought To Pass In New Draft
<i>OTP ND</i>	
<i>OTP ND/NT</i>	
P&S XXX	
PUBLIC XXX	
RESOLVE XXX	
UNSIGNED	Bill held by Governor
VETO SUSTAINED	

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*.

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LD 1625 An Act To Fully Fund the Homestead Exemption

CARRIED OVER

Sponsor(s)	Committee Report		Amendments Adopted
COWGER	OTP-AM	MAJ	S-306
BOWLES	ONTP	MIN	

LD 1625 proposed to increase state reimbursement to municipalities for property taxes foregone due to the homestead property tax exemption to 100%.

Committee Amendment "A" (S-306) proposed to fund the increase in state reimbursement for the homestead exemption by a transfer of funds that are projected to be available in the Maine Budget Stabilization Fund and statewide deappropriations. The Commissioner of Administrative and Financial Services would be directed to present legislation to implement the deappropriations. If none were presented, the Governor would be directed to make curtailments consistent with the deappropriations.

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 1634 An Act To Impose a Real Estate Transfer Tax Based on the Value of the Property

ONTP

Sponsor(s)	Committee Report	Amendments Adopted
KOFFMAN	ONTP	_
PERRY J		

LD 1634 proposed to change the rate of the real estate transfer tax imposed on the buyer and seller of real property and the manner of imposition. The buyer of property would be charged a flat tax of \$2 per \$1,000 of value of the property being purchased. The seller of the property would be charged a tax rate dependent on the value of the property being sold, starting at \$2 per \$1,000 of value of the property for property valued at less than \$300,000, increased for every \$100,000 in property value by \$1 per \$1,000 of the value of the property being sold. A maximum tax rate of 1% of the value of the property being sold would be reached for property valued at \$1,000,000 or more. The revenue from the tax would be credited to the so-called circuit breaker reserve to fund the Maine Residents Property Tax Program except for 10%, which is retained by the county collecting the tax.

LD 1636

Resolve, To Study the Cost of the Provision of Certain Governmental Services in the Unorganized Territories

RESOLVE 125 EMERGENCY

Sponsor(s)	Committee Report	Amendments Adopted
DUPLESSIE	OTP-AM	H-587
MARTIN		

LD 1636 proposed to establish the Commission To Study the Cost of Providing Certain Services in the Unorganized Territories to study and report to the Legislature on the cost and funding for providing fire

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protection and preparedness services, land use planning services, education services and other services in the unorganized territories. The report would be due December 7, 2005.

Committee Amendment "A" (H-587) proposed to increase the membership of the Commission to Study the Cost of Providing Certain Services in the Unorganized Territories by adding 2 members of the House of Representatives, a county representative and 2 landowners and add additional qualifications for certain members. The amendment also proposed to specify August 1, 2005 as the deadline for the first meeting of the commission.

Enacted law summary

Resolve 2005, chapter 125 establishes the Commission To Study the Cost of Providing Certain Services in the Unorganized Territories to study and report to the Legislature on the cost and reimbursement for providing fire protection and preparedness services, land use planning services and education services in the unorganized territories. The report is due December 7, 2005.

Resolve 2005, chapter 125 was finally passed as an emergency measure effective June 23, 2005.

LD 1647 An Act To Award Income Tax Credits for Boiler or Furnace Systems That Reduce or Eliminate Certain Pollutants **CARRIED OVER**

Sponsor(s)	Committee Report	Amendments Adopted
DUDLEY	OTP-AM	H-628
PERRY J		

LD 1647 proposed to provide a credit against corporate income taxes to businesses that put into operation on or after June 1, 2005 a furnace or boiler system that burns organic material and eliminates nitrogen oxides without increasing other pollutants or reduces particulate emissions to a level that is 20% below standards established by the Department of Environmental Protection, Board of Environmental Protection. The credit would be equal to 1.5¢ per kilowatt-hour or its equivalent in heat energy produced by the furnace or boiler system. A business with an existing boiler or furnace system placed into operation prior to June 1, 2005 could qualify for the tax credit if it modified its boiler or furnace system to burn more cleanly, but only to the extent of the kilowatt-hours or equivalent heat energy attributable to the modification.

Committee Amendment "A" (H-628) proposed to extend the income tax credit to businesses that are not corporations, eliminate the transferability of credits, require certifications of eligible systems by the Department of Environmental Protection, clarify the application of the credit and repeal the credit after 5 years. The amendment also proposed to require the Department of Administrative and Financial Services, Bureau of Revenue Services to report annually on the use of the credit as part of its economic development incentive report.

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.