

# 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:**

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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 1972**

**An Act To Preserve Maine's Working Waterfront**

**PUBLIC 609**

<u>Sponsor(s)</u> DAMON PERCY	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> S-602
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LD 1972 was a concept draft pursuant to Joint Rule 208 that proposed to implement an amendment to the Constitution of Maine approved by the voters in November 2005 to permit the Legislature to authorize current use taxation of waterfront land that is used for or that supports commercial fishing activities.

**Committee Amendment “A” (S-602)** proposed statutory language to implement the amendment to the Constitution of Maine approved by the voters in 2005.

The amendment proposed to implement current use valuation of working waterfront land according to a process that is similar to the current use valuation of open space land. Working waterfront land would be land used at least 50% to provide access to or support the conduct of commercial fishing activities. Current use value would be the value of the land if it were required to remain in its current use as working waterfront land. Assessors would be directed to determine current use value by eliminating valuation factors unrelated to working waterfront use and by comparison to similar types of uses. If there is insufficient data to support comparative valuation, the assessor could use a formula that reduces the valuation of the working waterfront land based on the percentage of use as working waterfront land and the existence of permanent restrictions on use.

A penalty would be established for withdrawal of land from current use valuation as working waterfront land. The penalty would be the same as for withdrawal from tree growth current use valuation and would be equal to the higher of the difference in taxes that would have been paid over the previous 5 years and a percentage of the difference between the current use value and the just value on the date of withdrawal. The percentage would be 30% for land that has been classified for 10 years or less and decrease one percentage point each year until it reaches 20% after the land has been classified for 20 years.

The amendment also proposed to require the State Tax Assessor, in conjunction with interested parties, to analyze and report on sales experience of working waterfront land every 2 years and to make recommendations to improve the effectiveness of working waterfront current use valuation.

### *Enacted law summary*

Public Law 2005, chapter 609 implements an amendment to the Constitution of Maine adopted by the voters in November 2005 to permit the Legislature to provide for the current use valuation for property tax purposes of waterfront land used for or to support commercial fishing activities.

Chapter 609 provides for current use valuation of working waterfront land according to a process that is similar to the current use valuation of open space land. Working waterfront land is land used at least 50% to provide access to or support the conduct of commercial fishing activities. Current use value is the value of the land if it were required to remain in its current use as working waterfront land. Assessors are directed to determine current use value by eliminating valuation factors unrelated to working waterfront use and by comparison to similar types of uses. If there is insufficient data to support comparative valuation, the assessor may use a formula that reduces the valuation of the working waterfront land based on the percentage of use as working waterfront land and the existence of permanent restrictions on use.

## Joint Standing Committee on Taxation

A penalty is established for withdrawal of land from current use valuation as working waterfront land. The penalty is the same as for withdrawal from tree growth current use valuation and is equal to the higher of the difference in taxes that would have been paid over the previous 5 years and a percentage of the difference between the current use value and the just value on the date of withdrawal. The percentage is 30% for land that has been classified for 10 years or less and decreases one percentage point each year until it reaches 20% after the land has been classified for 20 years.

Chapter 609 also requires the State Tax Assessor, in conjunction with interested parties, to analyze and report on sales experience of working waterfront land every 2 years and to make recommendations to improve the effectiveness of working waterfront current use valuation.

**LD 1989**                      **Resolve, Directing the State Board of Property Tax Review To Accept and Review the Appeal Filed by the Town of Palermo**                      **RESOLVE 134 EMERGENCY**

<u>Sponsor(s)</u> WESTON PIOTTI	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> S-464
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LD 1989 proposed to require the State Board of Property Tax Review to consider the appeal filed by the Town of Palermo on December 8, 2005 regarding the 2006 valuation of the town as determined by Maine Revenue Services.

**Committee Amendment “A” (S-464)** proposed to remove language from the emergency preamble that might appear to relate to the merits of the appeal filed by the Town of Palermo and change the date by which a decision must be rendered by the State Board of Property Tax Review.

### *Enacted law summary*

Resolve 2005, chapter 134 requires the State Board of Property Tax Review to consider the appeal filed by the Town of Palermo on December 8, 2005 regarding the 2006 valuation of the town as determined by Maine Revenue Services and requires a decision to be rendered no later than 30 days after the effective date of the Resolve.

Resolve 2005, chapter 134 was finally passed as an emergency measure effective March 13, 2006.

**LD 2025**                      **An Act To Implement Recommendations of the Study Commission Regarding Liveable Wages Concerning the Circuit Breaker Program**                      **DIED BETWEEN BODIES**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	ONTP      MAJ	H-910
	OTP-AM    MIN	

LD 2025 was a recommendation of the Study Commission Regarding Liveable Wages, established in Resolve 2005, chapter 128. The bill proposed to increase the maximum refund amount for homeowners under the Maine