

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*

*Rep. Richard G. Woodbury
Rep. Herbert E. Clark
Rep. Deborah J. Hutton
Rep. Thomas R. Watson
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Rep. Harold A. Clough
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Rep. Earle L. McCormick
Rep. Leonard Earl Bierman
Rep. Bruce Q. Hanley*

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).

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.

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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

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Residents Property Tax Program, the so-called “circuit breaker program,” from \$2,000 to \$5,000 and to increase the renters benefit from 20% to 22%.

LD 2026 **An Act To Implement Recommendations of the Study Commission Regarding Liveable Wages Concerning Conformity with Federal Tax Laws** **DIED BETWEEN BODIES**

<u>Sponsor(s)</u>	<u>Committee Report</u> ONTP MAJ OTP-AM MIN	<u>Amendments Adopted</u>
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LD 2026 was a recommendation of the Study Commission Regarding Liveable Wages established in Resolve 2005, chapter 128. The bill proposed to amend Maine's tax laws to achieve conformity with federal tax laws regarding the child care credit, personal exemption and child tax credit.

LD 2027 **An Act To Implement Recommendations of the Study Commission Regarding Liveable Wages Concerning the State Earned Income Tax Credit** **DIED BETWEEN BODIES**

<u>Sponsor(s)</u>	<u>Committee Report</u> ONTP MAJ OTP-AM MIN	<u>Amendments Adopted</u>
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LD 2027 was a recommendation of the Study Commission Regarding Liveable Wages, established in Resolve 2005, chapter 128, that proposed to expand the Maine earned income tax credit by increasing it to 30% of the federal credit and by making it refundable.

LD 2039 **An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2006-07** **PUBLIC 624 EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> H-952 S-630 MARTIN
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LD 2039 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-952) proposed statutory changes to apply growth limitations to spending and taxes under the municipal cost component that parallel state and local limitations and to direct the Commission to Study the Cost of Providing Certain Services in the Unorganized Territories to review the new growth limitations and make recommendations for retaining, amending or repealing those limitations to the joint standing committee