

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
123<sup>RD</sup> LEGISLATURE  
FIRST REGULAR SESSION



Summaries of bills and adopted amendments and laws enacted or finally passed during the First Regular Session of the 123<sup>rd</sup> Maine Legislature coming from the

**JOINT STANDING COMMITTEE ON TAXATION**

July 2007

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# STATE OF MAINE

123<sup>RD</sup> LEGISLATURE

FIRST REGULAR SESSION

## LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS



This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all bills and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 123<sup>rd</sup> Maine Legislature, which was in session from December 6, 2006 to June 21, 2007.

The *Digest* is arranged alphabetically by committee, and within each committee by LD number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. The appendices include a summary of relevant session statistics, an index of all bills by LD number and an index of enacted laws by law type and chapter number.

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 (or Accepted ONTP report).....	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.....	Bill held by Governor
VETO SUSTAINED.....	Legislature failed to override Governor's Veto

Please note that the effective date for non-emergency legislation enacted in the First Regular Session is **September 20, 2007**. The effective date for legislation enacted as an emergency measure is specified in the enacted law summary for those bills.

# Joint Standing Committee on Taxation

## Enacted Law Summary

Resolve 2007, chapter 26 provides legislative authorization for adoption of a major substantive rule, of the Department of Administrative and Financial Services, Bureau of Revenue Services, Chapter 324: ConnectME Tax Reimbursements, regarding reimbursement of sales tax on machinery and equipment used to develop advanced communications technology infrastructure.

Resolve 2007, chapter 26 is an emergency measure that took effect May 16, 2007.

**LD 735      An Act To Provide an Income Tax Exemption for Active Duty Military Pay and Disability Military Pay      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VAUGHAN SULLIVAN	ONTP	

This bill exempts from income tax income received by an individual for active duty in the Armed Forces of the United States or as compensation for a disability as a veteran of the Armed Forces of the United States.

**LD 736      An Act To Require Notification before Withdrawal of Land from Classification under the Maine Tree Growth Tax Law for Failure To File Certain Statements      PUBLIC 425**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WATSON MARTIN	OTP-AM	H-577

This bill requires the State Tax Assessor or municipal assessor to provide notice to a landowner who fails to timely file the sworn statement and allow the landowner 6 months to file the sworn statement to avoid having the parcel withdrawn from valuation under the tree growth tax law.

### Committee Amendment "A" (H-577)

This amendment replaces the bill and provides that before withdrawing land from classification under the Maine Tree Growth Tax Law the local tax assessor must have provided notice to the owner of the deadline for filing required statements and allowed the landowner 60 days to respond to the notice. The amendment also adds a mandate preamble.

## Enacted Law Summary

Public Law 2007, chapter 425 provides that before withdrawing land from classification under the Maine Tree Growth Tax Law the local tax assessor must provide notice to the owner of the deadline for filing required statements and allow the landowner 60 days to respond to the notice.

**LD 737      An Act To Promote Forest Management Planning and Certification      CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WATSON MARTIN		H-585

## *Joint Standing Committee on Taxation*

This bill increases the tax credit for forest management planning from a maximum of \$200 every 10 years to a maximum of \$400 every 10 years. This bill also includes the cost of obtaining independent 3rd-party certification and recertification of the forest land from a licensed professional forester as an expense that may be applied towards the credit.

### **Committee Amendment "A" (H-585)**

This amendment clarifies the expansion in the bill of the credit to the cost of 3rd-party certification and recertification and provides that the total amount of credits claimed by an individual in any 10-year period may not exceed \$400.

This bill was removed from the Special Appropriations Table, recommitted and carried over to any special or regular session of the 123rd Legislature by joint order, H.P. 1369.

**LD 738      An Act To Assist the Community Affected by the Closure of the Cutler Naval Base**

**P & S 21  
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GERZOFSKY EDMONDS	OTP-AM	H-558

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to relax restrictions on the creation of new state tax increment financing districts to allow a municipality that has lost a military base to establish a tax increment financing district.

### **Committee Amendment "A" (H-558)**

This amendment replaces the bill and authorizes the Commissioner of Economic and Community Development to approve as tax increment financing project costs for the former naval base in Cutler certain costs related to school, public safety and recreation improvements to make the area more attractive for residential and commercial development.

### **Enacted Law Summary**

Private and Special Law 2007, chapter 21 authorizes the Commissioner of Economic and Community Development to approve as tax increment financing project costs for the former naval base in Cutler certain costs related to school, public safety and recreation improvements to make the area more attractive for residential and commercial development.

Private and Special Law 2007, chapter 21 is an emergency measure that took effect June 20, 2007.

**LD 739      Resolve, Directing the Department of Economic and Community Development To Review and Report on Whether a State Tax Increment Financing Structure Should Be Established To Support Economic Development in Washington County**

**RESOLVE 123**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERRY A RAYE	OTP-AM	H-523