

MAINE STATE LEGISLATURE

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STATE OF MAINE
123RD LEGISLATURE
FIRST REGULAR SESSION



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

JOINT STANDING COMMITTEE ON TAXATION

July 2007

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STATE OF MAINE

123RD 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 123rd 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

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 |

Joint Standing Committee on Taxation

This resolve requires the Department of Administrative and Financial Services, Bureau of Revenue Services to conduct a study to develop a tax increment financing proposal that will support the Washington County Development Authority's economic development programs and to report its findings, along with proposed legislation, to the Legislature and the Joint Standing Committee on Taxation by February 1, 2008.

Committee Amendment "A" (H-523)

This amendment replaces the study in the resolve with a review analyzing a state tax increment financing mechanism for Washington County and changes the department conducting the review to the Department of Economic and Community Development.

Enacted Law Summary

Resolve 2007, chapter 123 requires the Department of Economic and Community Development to conduct a review analyzing the potential for a state tax increment financing mechanism for Washington County.

LD 760 An Act To Reduce the Excise Tax on Certain Commercial Vehicles ONTP

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| JACKSON | ONTP | |

This bill provides a 50% decrease in the excise tax imposed on commercial vehicles that are driven on public ways less than 50% of the annual total miles driven.

LD 761 An Act To Enable Municipalities To Establish Municipal Land Banks Funded by Local Option Real Estate Transfer Taxes ONTP

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| RECTOR | ONTP | |

This bill authorizes municipalities to impose a municipal real estate transfer tax to fund a land bank program. Approval for both the tax and the land bank must be obtained by referendum. This bill places restrictions on the tax rate and uses of the tax.

LD 762 An Act To Enhance a Community's Capacity To Support Affordable Housing ONTP

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| PINGREE | ONTP | |

This bill allows a municipality to impose a local option real estate transfer tax of 1% on the transfer of single family residential property sold for more than \$500,000. Revenue from the tax must be distributed by the municipality levying the tax to local nonprofit housing organizations for the purpose of building, buying or developing affordable rental and owner-occupied housing in the municipality for individuals or families whose total adjusted gross income is less than 120% of the median income for the United States Department of Labor district in which the eligible property was sold. If the municipality does not have a local nonprofit housing organization, the municipality must send the revenue to the Maine State Housing Authority.