

MAINE STATE LEGISLATURE

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STATE OF MAINE
123RD LEGISLATURE
SECOND REGULAR AND FIRST SPECIAL SESSIONS



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

JOINT STANDING COMMITTEE ON TAXATION

May 2008

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STATE OF MAINE
123RD LEGISLATURE
SECOND REGULAR & FIRST SPECIAL SESSIONS



**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 Second Regular or First Special Sessions of the 123rd Maine Legislature.

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:

<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i>	<i>House & Senate disagree; bill died</i>
<i>DIED IN CONCURRENCE</i>	<i>One body accepts ONTP report; the other indefinitely postpones the bill</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</i>	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>NOT PROPERLY BEFORE THE BODY</i>	<i>Ruled out of order by the presiding officers; bill died</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed; bill died</i>
<i>ONTP (or Accepted ONTP report)</i>	<i>Ought Not To Pass report accepted; bill died</i>
<i>P&S XXX</i>	<i>Chapter # of enacted Private & Special Law</i>
<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i>	<i>Bill held by Governor</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>

The effective date for non-emergency legislation enacted in the Second Regular Session (R2) is June 30, 2008. The effective date for non-emergency legislation enacted in the First Special Session (S1) is July 18, 2008.¹ The effective date for legislation enacted as an emergency measure is specified in the enacted law summary for those bills. Any bill summarized in this document having an LD number less than 1932 was a bill carried over from the First Regular Session of the 123rd Legislature.

¹ The session in which each law was enacted or finally passed (R2 or S1) is included in Appendix C.

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The amendment also changes some dates to reflect implementation time frames anticipated in the bill.

Enacted Law Summary

Public Law 2007, chapter 541 implements the recommendations of the Commission to Study the Cost of Providing Certain Services in the Unorganized Territories established by Resolve 2005, chapter 125.

Part A provides authority for county commissioners to impose service fees for certain types of services provided in the unorganized territory. Service fees must be based on the actual cost of providing the service, imposed only on persons actually receiving the service and imposed on all similarly situated persons receiving the service. Revenues must be used to reduce property taxes.

Part B changes the method of assessing areas under the jurisdiction of the Maine Land Use Regulation Commission for the cost of providing services. The unorganized territory will be assessed a fee equal to .013% of state valuation. Towns and plantations under the jurisdiction of the Maine Land Use Regulation Commission will be assessed a fee equal to .015% of state valuation, reflecting a higher amount of commission activities in those areas. The commission is required to report during the First Regular Session of the 124th Legislature regarding financial matters.

Part C provides that the Commissioner of Education may not provide or reimburse parents for providing transportation for students over roads that have not been accepted by the county as public roads or that do not meet Department of Transportation standards. Reimbursement to parents for transportation of a student will not be permitted beginning in fiscal year 2009-10.

Part D requires the State Controller to establish an Unorganized Territory Education and Services Fund that is in accordance with the standards of a governmental accounting standards board as they apply to financial statements.

Part E increases the fee paid to agents collecting motor vehicle and watercraft excise taxes in the unorganized territory from \$4 to \$6.

Part F makes technical changes to update language and statutory references and repeals an obsolete provision in the laws relating to the funding of services in the unorganized territory.

Part G authorizes county commissioners to enact an ordinance related to road construction, repair and maintenance on roads in the unorganized territory in which the county has a property interest.

LD 952 An Act To Reduce the Income Tax

DIED BETWEEN
HOUSES

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

This bill specifies how the Tax Relief Fund for Maine Residents is to be used to provide tax relief. It requires the State Tax Assessor to annually adjust the income tax rates and nontaxable income amount using funds in the Tax Relief Fund for Maine Residents. The bill specifies that 50% of the revenue is to be used to decrease individual income tax rates and 50% is to be used to increase the earned income tax credit. The new rates and credit would be applicable for the immediately succeeding tax year only. If insufficient funds exist to decrease the tax rates by at least one quarter of a percentage point each and increase the earned income tax credit by 5

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percentage points, then the assessor is prohibited from making any adjustment for that year.

LD 961 An Act To Authorize an Alternative Calculation of the Property Growth Factor for Industrial Municipalities **ONTP**

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

This bill provides an alternative method for municipalities with significant amounts of personal property in their tax base to calculate their property growth factor for the purposes of determining their property tax levy limit under the system in Public Law 2005, chapter 2, also known as "LD 1." Specifically, this bill allows municipalities with personal property growth exceeding 5% to calculate the property growth factor either on the basis of the previous year's data or the average of the 2 previous years' data in order to address the potential year-to-year volatility in property growth.

LD 1001 An Act To Eliminate the Property Tax on Business Equipment Owned by Small Retailers **DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COURTNEY	ONTP MAJ OTP-AM MIN	S-459 S-543 STRIMLING

This bill extends the business equipment property tax exemption to eligible property located at a retail sales facility with interior customer selling space that is smaller than 20,000 square feet.

Committee Amendment "B" (S-459)

This amendment incorporates a fiscal note.

Senate Amendment "A" (S-543)

This amendment prevents a statutory conflict.

This bill was placed on the Special Appropriations Table and died on adjournment.

LD 1094 An Act To Exempt from the Sales Tax Water Used in Agricultural Production **DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PIOTTI	OTP-AM MAJ ONTP MIN	H-654

This bill adds water to the current sales tax exemption for products used in commercial agricultural crop production.

Committee Amendment "A" (H-654)

This amendment changes the effective date of the bill to August 1, 2008 and provides for the repeal of the exemption after 3 years.