

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

STAFF:

JULIE S. JONES, SENIOR ANALYST
ALEXANDRA AVORE, LEGISLATIVE ANALYST
OFFICE OF FISCAL AND PROGRAM REVIEW
5 STATE HOUSE STATION
AUGUSTA, ME 04333
(207)287-1635

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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.

Joint Standing Committee on Taxation

**LD 1298 An Act To Amend the Definition of "Working Waterfront Land" To
Include Land Used for Marine Trades**

ONTP

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

This bill amends the definition of "working waterfront land" under the law authorizing current use tax valuation to include land providing access to or supporting the conduct of commercial marine activities.

LD 1400 An Act To Amend the Laws Governing the Taxation of Partnerships

**DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERRY J	OTP-AM MAJ ONTP MIN	S-460

This bill provides that in the case of a professional service partnership, the aggregate amount of income that may be considered as derived from or connected with sources in this State and allocated to all qualified nonresident partners may not exceed the total income of the partnership, as reduced by the aggregate amount of income allocated to those partners who are residents of this State or nonqualified nonresident partners. This treatment is retroactive to January 1, 2001.

Committee Amendment "B" (S-460)

This amendment limits the scope of the bill to partnership income related to the practice of law or accountancy. It provides additional clarification regarding the calculation of income by specifying the method for determining reasonable compensation. It also adds an appropriations and allocations section.

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

**LD 1413 Resolve, To Review the Law Governing Municipal Service Charges for
Tax-exempt Property**

RESOLVE 146

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BLANCHETTE	OTP-AM	H-655

This bill allows a municipality to assess fees for certain services provided to a tax-exempt institution, other than houses of religious worship, that have assets with a taxable value of more than \$10,000,000 if not for the property tax exemption.

Committee Amendment "A" (H-655)

This amendment replaces the bill with a resolve and requires the State Tax Assessor to convene a study group of interested parties to review Maine law related to municipal service charges to tax-exempt property. The study group must issue its report and recommendations to the joint standing committee of the Legislature having jurisdiction over taxation matters by December 15, 2008.

Enacted Law Summary

This amendment replaces the bill with a resolve and requires the State Tax Assessor to convene a study group of

Joint Standing Committee on Taxation

interested parties to review Maine law related to municipal service charges to tax-exempt property. The study group must issue its report and recommendations to the joint standing committee of the Legislature having jurisdiction over taxation matters by December 15, 2008.

LD 1556 An Act To Recouple Maine Estate Tax with Federal Estate Tax

**DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KNIGHT	OTP-AM MAJ ONTP MIN	H-633

This bill amends the Maine estate tax to conform to the federal estate tax, beginning January 1, 2007.

Committee Amendment "A" (H-633)

This amendment changes the application date of the bill from deaths occurring on or after January 1, 2007 to deaths occurring on or after January 1, 2008. It also makes technical changes to the estate tax law necessary to accomplish the intent of the bill.

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

LD 1582 An Act Reduce Maine's Tax Burden over a 10-year Period

ONTP

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

This bill puts in place a 10-year plan to reduce Maine's tax burden by establishing a statewide tax burden reduction factor that would gradually lower taxes over time. The bill also defines procedures necessary to override the tax burden reduction limits imposed in the 10-year plan. The changes proposed by this bill are subject to approval by the voters at a referendum vote in November 2007.

LD 1584 An Act To Authorize Arbitration of Property Tax Valuation Disputes

**ACCEPTED ONTP
REPORT**

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

This bill allows a property owner appealing a property assessment to submit the decision of a local board of assessment review to binding arbitration and specifies the procedure for selecting a neutral arbitrator and participating in binding arbitration. A decision to submit to binding arbitration stays a municipality's appeal to the Superior Court.