

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

Committee Amendment "A" (S-288)

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 treatment applies to tax years beginning on or after January 1, 2007.

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 1412 RESOLUTION, To Amend the Constitution of Maine To Protect Senior Property Owners

ONTP

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

This resolution proposes to amend the Constitution of Maine to authorize the Legislature to require municipalities to cap property taxes on property owned and occupied as a person's primary residence if that person is at least 65 years of age. The tax would be stabilized at the amount assessed on the property on the later of the property tax year in which the person attained 65 years of age or the year the person purchased the property. Upon transfer of the property to someone other than a family member of the owner, the property would assume the just value at the time of transfer. A municipality could choose not to participate by informing the State Tax Assessor of its choice.

LD 1413 An Act To Set Fees for Services for Tax-exempt Property in Municipalities

CARRIED OVER

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

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.

This bill was carried over to any special or regular session of the 123rd Legislature by joint order, H.P. 1369.

LD 1414 An Act To Support Farms and Limit Sprawl

PUBLIC 301

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PIOTTI	OTP-AM	H-407

This bill allows a municipality to enter into arrangements under which the municipality obligates itself to make farm support payments equal to property taxes to the owner of qualified farmland and the owner of that farmland grants to the municipality a limited 30-year easement protecting the farmland from development. The bill directs the Department of Agriculture, Food and Rural Resources to adopt major substantive rules governing such arrangements.

Joint Standing Committee on Taxation

Committee Amendment "A" (H-407)

This amendment provides that farm support payments may be an amount up to 100% of property taxes assessed by a municipality but no more than the fair market value of the easement provided to the municipality under the farm support arrangement. The amendment also provides that a qualified easement that is part of a farm support arrangement may be for any term not less than 20 years. The amendment also makes a technical change.

Enacted Law Summary

Public Law 2007, chapter 301 allows a municipality to enter into arrangements under which the municipality obligates itself to make farm support payments to an owner of qualified farmland who grants to the municipality an easement for at least 20 years protecting the farmland from development. Support payments may equal up to 100% of property taxes but no more than the fair market value of the easement. The Department of Agriculture, Food and Rural Resources is directed to adopt major substantive rules governing such arrangements.

LD 1432 An Act To Create a Voluntary Checkoff for the Income Tax Form for Forest Disease Prevention and Control

ONTP

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

This bill establishes the Tree Disease Prevention and Control Fund to assist the Director of the Bureau of Forestry in the Department of Conservation in monitoring the health of the forests, including maintaining a statewide surveillance system to detect and monitor insects, diseases and abiotic agents, including air pollution and acid deposition potentially injurious to the forest resources of the State, providing information and technical advice and assistance to individuals and other state and federal agencies on the identification and control of forest insects and diseases and conducting applied research related to the management of insects, diseases and abiotic agents potentially injurious to the forest resources of the State. The fund is supported by contributions through a voluntary checkoff on the income tax return form and through direct donations.

LD 1433 An Act Providing Senior Citizens with an Optional Deferred Payment Plan for the Payment of Property Taxes

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HARLOW SNOWE-MELLO	ONTP	

This bill allows a municipality to establish a municipal property tax deferral program. The program would allow a resident who is at least 65 years of age and whose annual income is not more than 300% of the poverty level to pay property taxes on that person's homestead at the rate that was in effect on that person's 65th birthday, the date the person purchased the homestead or April 1, 2007, whichever is later. The assessment remains at that level until the residence is sold or transferred, the person elects to stop participating or the person is no longer eligible to participate in the program. At that time, all property taxes assessed on the property but deferred because of participation in the program must be paid to the municipality. Deferred taxes that are not paid within the required time accrue interest.

In order to offset the temporary loss of revenue caused by persons participating in the program, the municipality may, upon approval of its voters, impose an additional assessment of up to 2% of the taxes deferred upon property in the municipality. The revenue from the additional assessment must be kept in a dedicated escrow account and used solely for the administrative costs of the program.