

# 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*

**LD 1434    An Act To Lower Maine Income Tax Rates**

**ONTP**

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

This bill decreases the top 2 income tax rates over a 4-year period, beginning with tax year 2007. The initial decrease is from 8.5% and 7% to 8% and 6.5%, respectively, and then a further 1% and 0.5% decrease in each rate, respectively, for the 2008, 2009 and 2010 tax years until both rates are 5%.

**LD 1443    Resolve, To Study the Funding Formula of Cumberland County To More Equitably Apportion the Taxes Paid to County Government**

**INDEF PP**

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

LD 1443 is a concept draft pursuant to Joint Rule 208.

It proposes to establish a study commission to conduct an impact study in Cumberland County on a new funding formula based on assessment and population factors to more equitably apportion taxes paid to county government. This resolve was indefinitely postponed without reference to Committee.

**LD 1444    An Act To Index the Veterans' Property Tax Exemptions to the Cost of Living**

**ONTP**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| BURNS<br>SHERMAN  | ONTP                    |                           |

This bill provides for annual inflation adjustments in veterans' property tax exemptions and for additional increases if federal funds can be identified to permit reimbursement to municipalities. The bill also requires the State Tax Assessor to explore federal and other sources of funding for veterans' exemptions and requires the Governor to seek assistance from the Maine Congressional Delegation in obtaining federal funds for that purpose.

**LD 1457    An Act To Preserve Home Ownership in the State by Reducing the Property Tax Burden**

**ONTP**

| <u>Sponsor(s)</u>   | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|---------------------|-------------------------|---------------------------|
| CUMMINGS<br>EDMONDS | ONTP                    |                           |

This bill amends the Maine Residents Property Tax Program, also known as the Circuitbreaker Program, by:

1. Decreasing the threshold percentage at which 100% of the benefit is payable from 8% to 6%; and
2. Increasing the maximum benefit to \$3,000.