

# 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

**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

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.

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organizations that receive such contributions are subject to reporting requirements. The credit is not available to a person who designates any part of the contribution for the direct benefit of a dependent of the person.

**LD 1554    An Act To Assist Snowmobile Clubs with Local Property Taxes**

**ONTP**

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

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to permit a municipality to compensate a snowmobile club subject to property tax for the public benefits provided by the club to the municipality.

**LD 1555    An Act To Remove the Tax-exempt Status on Land Purchased by Nonprofit Groups for Conservation**

**ONTP**

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

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to repeal the property tax exemption for certain land if the land is purchased by a nonprofit organization for conservation or preservation purposes and the owner restricts public access to the land for recreational purposes such as hiking, camping, hunting, trapping, fishing or snowmobiling. The bill would apply to land purchased in blocks of 100 or more acres either as a single parcel or in an aggregate of contiguous acres. The bill also proposes to remove such land from eligibility for current use valuation under the Maine Tree Growth Tax Law unless the land is maintained for commercial production.

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

**CARRIED OVER**

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

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

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

**LD 1557    RESOLUTION, Proposing an Amendment to the Constitution of Maine To Cap the Property Tax on the Primary Residence of a Person 65 Years of Age or Older**

**ONTP**

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

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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 date by which the person attained 65 years of age or 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.

**LD 1558     An Act To Improve the Process for Adjustment for Sudden and Severe  
Disruption of Valuation**

**PUBLIC 322**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WOODBURY	OTP-AM	H-360

This bill changes the procedures for providing relief to municipalities that have experienced a sudden and severe loss of taxable valuation attributable to a single property taxpayer. The procedures in current law have become outdated because of recent changes to the school funding formula and are not flexible enough to deal with the variety of situations presented. The bill replaces the current procedures for adjustment of state valuation by permitting municipalities to apply to the State Tax Assessor for a determination at any time and requiring the State Tax Assessor to determine not only the amount of the adjustment but also the appropriate time period to which the adjustment should apply. The bill affects distributions for general purpose aid for local schools and state-municipal revenue sharing. The bill provides that funds needed to relieve affected municipalities will be paid from the Maine Budget Stabilization Fund rather than risking reductions in distributions to other municipalities.

**Committee Amendment "A" (H-360)**

This amendment adds a requirement that the State Tax Assessor provide an annual report to the joint standing committee of the Legislature having jurisdiction over taxation matters containing information regarding requests for adjustment to equalized valuation.

**Enacted Law Summary**

Public Law 2007, chapter 322 changes the procedures for providing relief to municipalities that have experienced a sudden and severe loss of taxable valuation attributable to a single property taxpayer. Chapter 322 replaces the current outdated procedures for adjustment of state valuation by permitting municipalities to apply to the State Tax Assessor for a determination at any time and requiring the State Tax Assessor to determine not only the amount of the adjustment but also the appropriate time period to which the adjustment should apply. Distributions for general purpose aid for local schools and state-municipal revenue sharing are affected, and adjustments are made using funds from the Maine Budget Stabilization Fund rather than risking reductions in distributions to other municipalities. The State Tax Assessor is required to report annually on requests for adjustments using the authorized procedure.

**LD 1559     RESOLUTION, Proposing an Amendment to the Constitution of Maine  
To Freeze Property Tax Bills for Certain Residents 65 Years of Age or  
Older**

**ONTP**

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

This resolution proposes to amend the Constitution of Maine to authorize the Legislature to prohibit municipalities from increasing the taxes imposed on property owned by a person who is at least 65 years of age who has occupied that property for at least 10 years as that person's primary residence.