

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

LD 1571 An Act To Clarify the Tax Credit for Pollution-reducing Boilers **ONTP**

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

This bill amends the income tax credit for pollution-reducing boilers to specify that corn pellets or kernels are included as organic material that may be burned to produce energy and qualify for the credit. This bill also repeals the law providing a sunset date of December 31, 2009 for the expiration of the credit.

LD 1578 An Act To Encourage Municipal Cooperation **ONTP**

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

This bill exempts from the property tax municipal property located in another municipality and the property of a regional council formed by 2 or more municipalities.

LD 1579 An Act To Increase Fairness in Municipal Spending Caps **ONTP**

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

This bill amends the municipal spending cap laws to exempt bond payments made by municipalities for state or federally mandated public improvement projects.

LD 1580 An Act To Allow Tree Growth Land Transfer to Family Members **ONTP**

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

This bill allows a 5-acre or smaller plot of land to be withdrawn from taxation under the Maine Tree Growth Tax Law and transferred once to a family member without penalty for withdrawal.

LD 1581 An Act To Promote Economic Recovery in Maine **ONTP**

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

This bill changes the State's tax burden goal for 2015 to be at or below the median for all states and requires that the calculation of the State's state and local tax burden relative to other states be based solely on Maine's state and local tax collections without adjustments by the State Tax Assessor for the State's unique expenditure

Joint Standing Committee on Taxation

tax relief programs. The bill also requires the Governor to include in the biennial budget document a detailed financial plan that calculates a target percentage and the legislative changes required to achieve Maine's state and local tax burden goal.

This bill also adjusts the spending limits enacted by Public Law 2005, chapter 2 to require the State's state and local tax burden to be at or below the median of all states, rather than within the middle 1/3 of states, before the growth limitation factor for the state, municipal, county and school district spending limits are changed. See also LD 395.

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

CARRIED OVER

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

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.

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

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

CARRIED OVER

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

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.

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

LD 1588 An Act To Enact the 2007 Tax Reform and Tax Relief Act

ONTP

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

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

This bill proposes to enact the 2007 Tax Reform and Tax Relief Act to bring together 3 major categories of tax reform and tax relief into a comprehensive package that would be sent to referendum for voter ratification. The major components are:

1. Ten-Year Tax Burden Reduction Plan. The first part of the bill draws on aspects of the so-called "Taxpayer Bill of Rights," and the so-called "LD 1," and establishes a statewide tax burden reduction factor, applied