

# 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

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## 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 1602 RESOLUTION, Proposing an Amendment to the Constitution of Maine  
To Reduce Homestead Property Taxes**

ONTP

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

This constitutional resolution proposes 3 changes to the Constitution of Maine and provides that each change must be presented as a separate and independent questions to the voters.

Part A of this resolution proposes to amend the Constitution of Maine to allow the Legislature to authorize a local option homestead property tax exemption.

Part B of this resolution proposes to amend the Constitution of Maine to allow the Legislature to authorize a local option property tax refund or tax forgiveness program based on a resident's ability to pay.

Part C of this resolution proposes to amend the Constitution of Maine to allow the Legislature to permit or require municipalities to adopt a tax rate on secondary residential property that is higher than the rate on other property, provided that the rate on the secondary residential property does not exceed the statewide average rate applied to other taxable property.

**LD 1610 An Act To Preserve Manufacturing in Maine**

ONTP

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

This bill extends the property tax exemption for eligible business equipment to qualified property used in manufacturing that was first subject to property tax in Maine before the start of the Business Equipment Tax Reimbursement program.

**LD 1613 An Act To Reduce Property Taxes through a Municipal Tax Deferral Program**

ONTP

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

This bill creates a municipal homestead property tax deferral program to defer indefinitely property taxes levied on the assessed value of a homestead above a base amount. Taxes that would be assessed on the property above this base value are deferred until the sale or transfer of the property to someone other than a family member or trust. When the property is sold or transferred or is no longer the homestead of the owner or, in the case of a trailer or houseboat, moved out of the State, the amount of the deferred property taxes for the last 3 years or since the last transfer or sale, whichever period is shorter, must be paid.

The program allows a spouse or other family member, such as a parent, sibling, child or grandchild, to continue the deferral as long as the spouse or other family member uses the property as a homestead. During the period of property tax deferral, the municipality holds a lien on the property against the deferred amount of property taxes.