

# 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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## 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 1632    An Act To Impose Reasonable Limits on the Growth of State Government**

**ACCEPTED ONTP  
REPORT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CEBRA	ONTP   MAJ OTP-AM   MIN	

This bill is the so-called "Taxpayer Bill of Rights" or "TABOR" that was sent to referendum in November 2006, except that the restrictions imposed by TABOR on county, municipal or school governmental units have been removed in this bill. The bill proposes to restrain the growth in State Government by imposing expenditure limitations on State Government and by requiring a procedure of voter approval of tax and fee increases. Under this bill, growth in annual expenditures of the General Fund, the Highway Fund, quasi-governmental organizations and Other Special Revenue Funds are limited according to increases in population and inflation. Growth in budgets of state-level education institutions is limited according to increases in inflation and student enrollment. For the General Fund and Highway Fund budgets, revenues exceeding the expenditure limitation must be distributed by directing 20% of that excess to a budget stabilization fund and 80% of that excess to a tax relief fund. The budget stabilization funds may be used only in years when revenues are not sufficient to fund the level of expenditure permitted by the growth limits. The tax relief funds must be used to provide tax relief through refunds proportional to individual income tax personal exemptions claimed in the previous tax year or a decrease in motor fuels taxes. For quasi-governmental agencies and state agencies that manage Other Special Revenue Funds, the managers of those funds must report excess surpluses to the Legislature with a plan for refund of those revenues. Under this bill, an increase in revenue would be possible only by a 2/3 vote of each House of the Legislature and the approval of the voters of the State, if applicable.

**Committee Amendment "A" (H-613)**

This amendment incorporates a fiscal note.

**LD 1633    An Act To Provide a Sales Tax Exemption for College Textbooks**

**ONTP**

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

This bill provides a sales tax exemption for textbooks sold at colleges and universities.

**LD 1645    An Act To Clarify That Certain Separately Itemized Charges Are Subject to the Sales Tax on the Rental of Motor Vehicles**

**PUBLIC 444**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MOORE G	ONTP   MAJ OTP-AM   MIN	H-510 H-606    PIOTTI

This bill clarifies that separately itemized charges to recover title fees, registration fees, local excise tax and agent fees are subject to the sales tax on the rental of motor vehicles.

**Committee Amendment "A" (H-510)**

This amendment clarifies that the value of a motor vehicle rental for a period of less than one year is the total rental

## *Joint Standing Committee on Taxation*

charged to the lessee and includes maintenance and service contract fees, drop-off or pick-up fees, airport surcharges and mileage fees.

### **House Amendment "A" (H-606)**

This amendment requires car rental companies to provide the total cost of the car rental, including all fees, to the lessee at the time an estimated quote is provided.

### **Enacted Law Summary**

Public Law 2007, chapter 444 clarifies that separately itemized charges to recover title fees, maintenance and service fees, drop-off and pick-up fees, airport surcharges and mileage fees, registration fees, local excise tax and agent fees are subject to the sales tax on the rental of motor vehicles for a period of less than one year. Car rental companies are required to provide the total cost of the car rental, including all fees, to the lessee at the time an estimated quote is provided.

**LD 1646      RESOLUTION, Proposing an Amendment to the Constitution of Maine      ONTP**  
**To Provide Property Tax Relief to the Elderly and Disabled**

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

This resolution proposes to amend the Constitution of Maine to authorize the Legislature to require municipalities to limit tax increases on property owned and occupied for at least 5 years as a person's primary residence if that person is at least 60 years of age or that person is disabled and receiving federal assistance due to the disability. The amount of the tax increase would be limited to the rate of inflation. 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 1647      RESOLUTION, Proposing an Amendment to the Constitution of Maine      ONTP**  
**To Reduce Taxes for Affordable Housing**

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

This resolution proposes to amend the Constitution of Maine to provide for a 50% reduction in the valuation of affordable housing for purposes of property taxation. Affordable housing is defined as residential housing financed by a state or federal agency that assists low-income individuals in obtaining housing and that contains at least 6 rental units or residential housing that has at least 20% of its units set aside for households with income at or below 80% of the median income for the county in which the residential housing is located.

**LD 1648      An Act To Exempt Housing Owned by Nonprofit Organizations for      DIED BETWEEN**  
**People with Disabilities from the Municipal Service Fee Laws      HOUSES**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WAGNER	ONTP   MAJ OTP-AM   MIN	

This bill clarifies that property that is owned by a nonprofit organization that provides residential rental housing to persons with physical or mental disabilities is exempt from municipal property tax. This bill also exempts such