

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

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

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

MEMBERS:

SEN. JOSEPH C. PERRY, CHAIR
SEN. ETHAN STRIMLING
SEN. RICHARD A. NASS

REP. JOHN F. PIOTTI, CHAIR
REP. HERBERT E. CLARK
REP. ANNE M. RAND
REP. THOMAS R. WATSON
REP. DONALD E. PILON
REP. RANDY E. HOTHAM
REP. SCOTT E. LANSLEY
REP. KATHLEEN D. CHASE
REP. L. GARY KNIGHT
REP. RICHARD G. WOODBURY

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

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

Joint Standing Committee on Taxation

property from the ability of municipalities to levy charges on certain tax exempt property for the provision of services such as fire and police protection and water and sewer service.

Committee Amendment "A" (H-171)

This amendment narrows the scope of the bill by deleting the provision affecting converted residential housing and clarifying the provision providing an exception to municipal service charge authority for residential property owned by a nonprofit organization and used to provide housing and services to persons with certain disabilities.

LD 1649 An Act To Establish a Local Option Real Estate Transfer Tax for Homestead Tax Relief

ONTP

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

This bill does the following:

Part A allows a municipality, by referendum, to establish a local option real estate transfer tax of up to 2% on the transfer of single family homes. The revenue must be used to fund:

1. A local option circuitbreaker program;
2. A local option homestead property tax exemption program; or
3. The portion of the state homestead property tax exemption program that is not funded by the State; currently 50% of the property tax revenues lost as a result of the State homestead property tax exemption are not funded by the State.

Part B allows a municipality to adopt a local option homestead property tax exemption program.

LD 1652 An Act To Support County Corrections and Public Education

ONTP

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

Part A affects the imposition of sales tax by expanding the definition of "taxable service" for purposes of the imposition of sales tax to include amusement, recreational and personal services and consumer purchases of transportation services and professional, club or fraternal memberships and repeals certain sales tax exemptions.

Part B dedicates the revenue generated by Part A to reduce property taxes by providing funding for education, county corrections and regional capital improvement.