

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

1. Cap yearly increases in municipal spending to a percentage based upon the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics;
2. Limit tax-exempt property to 10% of the area of a municipality;
3. Assess equally the square footage of all land in a municipality in the same land use zone, with exceptions for land with a higher social value, such as waterfront, farmland, forest land, open space, interstate access roads and railroad land, which would receive no or a reduced tax rate or the owners of that land would receive a tax credit;
4. Assess equally the square footage of all buildings in the same land use zone in a municipality and with access to the same utilities, for example, public water and sewer;
5. If there is a budget shortfall for a fiscal year, allow a municipality to assess a budget gap adjustment that would cover the shortfall as a percentage of the combined property values in sections 3 and 4 to be applied equally among all property owners in the municipality;
6. Implement a homestead exemption program for certain property owners in disadvantaged circumstances, such as property owners who are low-income or 65 years of age or older or who have a physical disability; and
7. Enhance municipal revenues based upon the fair market value of the property by a special assessment of a percentage of the capital gains incurred when a property changes ownership or is otherwise transferred; an increase in value when a change in property status occurs, such as the property's zoning, use, impact or connection to a utility; or an increase in value resulting from tax increment financing or infrastructure improvements.

**LD 1770 RESOLUTION, Proposing an Amendment to the Constitution of Maine
To Exempt 65-year-old Residents from Property Tax Increases**

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MACDONALD	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 person is at least 65 years of age and the property has an assessed value of no more than 150% of the median assessed value of housing in Maine. The rate of tax would be stabilized at the rate in effect 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. The State would be required to reimburse a municipality for any revenue lost due to the cap on property taxes.

**LD 1772 An Act To Require Nonresidents To Pay Sales Tax on Snowmobiles and
ATVs**

CARRIED OVER

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

Joint Standing Committee on Taxation

This bill repeals the exemption from the sales tax for sales of ATVs and snowmobiles to nonresidents.

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

LD 1784 An Act To Authorize Municipal Property Tax Deferral Programs

ONTP

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

This bill authorizes municipalities to establish property tax deferral programs for homesteads. The municipality would be able to restrict eligibility to persons who are 62 or older.

LD 1788 An Act To Equalize Tax Filing Status

CARRIED OVER

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

This bill requires domestic partners registered with the Department of Health and Human Services to file their income tax returns under the same requirements as for married persons.

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

**LD 1815 An Act To Create Jobs by Expanding Educational Opportunity for
Maine Residents**

ONTP

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

This bill provides a tax credit to reimburse educational loan payments for a Maine resident who earns an associate degree or a bachelor's degree in Maine and lives, works and pays taxes in Maine after earning that degree. Under an agreement with the State, a Maine resident who obtains an associate degree or a bachelor's degree from an accredited Maine junior college, college or university may take advantage of the credit. A person who qualifies may claim the credit for payments made during each year the person lives and works in Maine. In addition, the qualified person's employer, or, if the qualified person is an independent contractor, the entity contracting with that qualified person, may make the loan payments and claim the credit. The credit is limited to what the person actually pays in loan payments or to the amount that would be necessary to pay for an education in the University of Maine System or Maine Community College System, whichever is less.

See also LDs 53, 298, 368, 948 and 1856.