

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 1816 Resolve, Authorizing the State Tax Assessor To Convey the Interest of
the State in Certain Real Estate in the Unorganized Territory**

RESOLVE 65

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PIOTTI PERRY J	OTP-AM	H-307

This resolve authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory, which were acquired by the State because of nonpayment of property tax.

Committee Amendment "A" (H-307)

This amendment incorporates a fiscal note.

Enacted Law Summary

Resolve 2007, chapter 65 authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory, which were acquired by the State because of nonpayment of property tax.

**LD 1819 RESOLUTION, Proposing an Amendment to the Constitution of Maine
To Restrict Tax Increases**

**DIED BETWEEN
HOUSES**

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

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

Part A requires approval of 2/3 of each House of the Legislature to alter the tax rate for income taxes, motor vehicle excise tax mill rates or general sales tax rates except when inadequate funds have been appropriated for debt payment.

Part B authorizes municipalities to opt out of the unreimbursed portion of the homestead exemption by holding a municipal referendum and would allow them to reverse that decision by a subsequent referendum.

Part C requires a 2/3 vote of a municipal legislative body to increase the local property tax mill rate or implement a sales tax at the municipal level and further requires that if a local sales tax is authorized, it must provide property or excise tax relief.

This resolution is presented as part of a tax reform proposal. See also LD 1833.

Committee Amendment "A" (S-271)

This amendment is the majority report of the Joint Standing Committee on Taxation.

Like the constitutional resolution, this amendment proposes 3 changes to the Constitution of Maine and provides that each change must be presented as a separate and independent question to the voters. Under the amendment, which clarifies the language of the resolution:

Joint Standing Committee on Taxation

1. Part A requires approval of 2/3 of each House of the Legislature to alter the statutory tax rates for income tax, motor vehicle excise tax or sales tax except when adequate funds have not been appropriated for debt payment;
2. Part B authorizes municipalities to opt out of the unreimbursed portion of the general homestead exemption by holding a municipal referendum subject to procedural conditions enacted by the Legislature and allows them to reverse that decision by a subsequent referendum; and
3. Part C authorizes municipalities to adopt a local sales tax subject to guidelines and procedures enacted by the Legislature. Revenues must be used to reduce property taxes.

Committee Amendment "B" (S-272)

This amendment is the minority report of the Joint Standing Committee on Taxation. It removes those parts of the constitutional resolution that required a 2/3 vote to alter certain taxes and that authorized a local sales tax. The amendment retains the authority of municipalities to opt out of the unreimbursed portion of the general homestead exemption by holding a municipal referendum subject to procedural conditions enacted by the Legislature and to reverse that decision by a subsequent referendum.

LD 1823 An Act To Exempt Certain Meals Provided to Food Service Employees from the Sales and Use Tax

**DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BERRY PERRY J	OTP-AM MAJ ONTP MIN	H-413 H-515 BERRY

This bill exempts from the sales and use tax meals, up to a maximum cost to the employer of \$6 per day, provided to an employee of an eating establishment while that employee is working.

Committee Amendment "A" (H-413)

This amendment incorporates a fiscal note.

House Amendment "A" (H-515)

This amendment clarifies that the exemption applies to meals provided without charge to an employee during hours while the employee is paid for working, and reduces the maximum cost to the employer of the meal subject to the exemption from \$6 to \$2.

This bill was placed on the Special Appropriations Table and died on adjournment.

LD 1833 An Act To Provide Property Tax and Income Tax Relief

CARRIED OVER

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

This bill provides a framework for property tax relief and income tax relief discussions in the following ways.

Part A increases the homestead property tax exemption from \$13,000 to \$50,000.