

MAINE STATE LEGISLATURE

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STATE OF MAINE
123RD LEGISLATURE
SECOND REGULAR AND FIRST SPECIAL SESSIONS



Summaries of bills, adopted amendments and laws enacted or finally passed
during the Second Regular or First Special Sessions of the 123rd Maine
Legislature coming from the

JOINT STANDING COMMITTEE ON TAXATION

May 2008

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STATE OF MAINE
123RD LEGISLATURE
SECOND REGULAR & FIRST SPECIAL SESSIONS



**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 Second Regular or First Special Sessions of the 123rd Maine Legislature.

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:

<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i>	<i>House & Senate disagree; bill died</i>
<i>DIED IN CONCURRENCE</i>	<i>One body accepts ONTP report; the other indefinitely postpones the bill</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</i>	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>NOT PROPERLY BEFORE THE BODY</i>	<i>Ruled out of order by the presiding officers; bill died</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed; bill died</i>
<i>ONTP (or Accepted ONTP report)</i>	<i>Ought Not To Pass report accepted; bill died</i>
<i>P&S XXX</i>	<i>Chapter # of enacted Private & Special Law</i>
<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i>	<i>Bill held by Governor</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>

The effective date for non-emergency legislation enacted in the Second Regular Session (R2) is June 30, 2008. The effective date for non-emergency legislation enacted in the First Special Session (S1) is July 18, 2008.¹ The effective date for legislation enacted as an emergency measure is specified in the enacted law summary for those bills. Any bill summarized in this document having an LD number less than 1932 was a bill carried over from the First Regular Session of the 123rd Legislature.

¹ The session in which each law was enacted or finally passed (R2 or S1) is included in Appendix C.

Joint Standing Committee on Taxation

17. Clarifies that the annual return filed by risk retention groups is to be filed with the State Tax Assessor rather than the Treasurer of State and that the due date of the return is March 15th rather than March 1st. The proposed changes make the requirements similar to those for other insurance taxes and reflect current Maine Revenue Services administrative policy;
18. Amends the forest management planning income tax credit to avoid double counting of certain expenses;
19. Amends provisions of the service provider tax law relating to telecommunications services to reflect current telecommunications technology;
20. Clarifies the meaning of "international flight" for purposes of exempting certain fuel used in international flights from the gasoline tax;
21. Clarifies provisions of the special fuel tax law by adding definitions;
22. Corrects a conflict created by Public Law 2007, chapters 410 and 444, which affected the same provision of law, by incorporating changes made by both laws;
24. Corrects a conflict created by Public Law 2007, chapters 372 and 437, which affected the same provision of law, by incorporating changes made by both laws;
25. Clarifies the authority of the State Tax Assessor to include in the establishment of the applicable tax mill rate in the unorganized territory the costs of payments that the unorganized territory district is obligated to make under a tax increment financing agreement entered into before July 1, 2008 and clarifies that the Treasurer of State is authorized to make the payments obligated under an unorganized territory tax increment financing agreement after the tax increment financing taxes are paid;
26. Clarifies that the premium charged for motor vehicle oil changes is not included in the sale price for purposes of the sales tax; and
27. Reenacts definitions that were repealed mistakenly in Public Law 2007, chapter 240.

LD 2192 An Act To Increase Access to Dental Care

PUBLIC 690

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SUTHERLAND	OTP-AM	H-902

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to provide sales and income tax incentives for 5 years to recent graduates from dental school or dentists practicing in another state to practice in underserved areas in Maine.

Committee Amendment "A" (H-902)

This amendment creates an income tax credit of up to \$15,000 beginning in 2009 for up to 5 new dentists in 2009 and 5 additional dentists in 2010 who agree to practice in underserved areas of the State for at least 5 years and requires the Department of Health and Human Services' oral health program to certify eligibility and to report on the effectiveness of the tax incentive in 2011.

Enacted Law Summary

Public Law 2007, chapter 690 creates an income tax credit of up to \$15,000 beginning in 2009 for up to 5 new dentists in 2009 and 5 additional dentists in 2010 who agree to practice in underserved areas of the State for at least 5 years and requires the Department of Health and Human Services' oral health program to certify eligibility and to report on the effectiveness of the tax incentive in 2011.

LD 2202 An Act To Allow a Municipality To Adopt a Program To Provide Property Tax Benefits to Senior Citizens

PUBLIC 635

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHEELER	OTP-AM	H-903

Joint Standing Committee on Taxation

This bill authorizes the Town of Kittery to establish a program to allow residents 60 years of age or older to provide volunteer service to the town in exchange for an abatement in real property taxes. The hourly rate of abatement is the same as the state minimum wage, with a maximum annual benefit of \$750 available. The abatement is in addition to other property tax benefit programs available to residents.

Service is not considered employment for purposes of workers' compensation or income taxes, but a volunteer is considered a public employee of the town while actually performing services for the town and remains eligible for unemployment compensation.

Committee Amendment "A" (H-903)

This amendment provides authority to municipalities to adopt property tax benefit programs for persons who are at least 60 years of age who provide volunteer services for the municipality.

Enacted Law Summary

Public Law 2007, chapter 635 provides authority to municipalities to adopt property tax benefit programs for persons who are at least 60 years of age who provide volunteer services for the municipality.

**LD 2217 Resolve, Authorizing the State Tax Assessor To Sell a Certain Parcel of
Land in the Unorganized Territory**

RESOLVE 214

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CARTER GOOLEY	ONTP MAJ OTP-AM MIN	H-946 S-583 GOOLEY

This resolve authorizes the State Tax Assessor to convey the interest of the State in 2 parcels of real estate in the unorganized territory.

Committee Amendment "A" (H-946)

This amendment removes provisions directing the sale of a certain parcel of real estate in Madrid Township and provides that the sale of the remaining parcel of real estate in the resolve must be to the estate of the former owner and, if the sale is not completed within the time provided, the parcel must be sold to the highest bidder pursuant to the bid process that applied to that parcel. The amendment also removes language relating to remediation of environmental hazards.

Senate Amendment "A" (S-583) to Committee Amendment "A"

This amendment adds back provisions directing the sale of a certain parcel of real estate in Madrid Township but varies from the bill in that it provides that the sale must be to the estate of the former owner and, if the sale is not completed within the time provided, that the parcel must be sold to the highest bidder pursuant to the bid process that applied to that parcel.

Enacted Law Summary

Resolve 2007, chapter 214 authorizes the State Tax Assessor to convey the interest of the State in 2 parcels of real estate in the unorganized territory to the estates of the former owners and, if sale is not completed within the time provided, the parcel must be sold to the highest bidder pursuant to the bid process that applied to that parcel. The amendment also removes language relating to remediation of environmental hazards.