

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
124<sup>TH</sup> LEGISLATURE  
SECOND REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed during  
the Second Regular Session of the 124<sup>th</sup> Maine Legislature coming from the

**JOINT STANDING COMMITTEE ON TAXATION**

April 2010

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# STATE OF MAINE

124<sup>TH</sup> LEGISLATURE  
SECOND 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 Second Regular Session of the 124<sup>th</sup> 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>CARRIED OVER</i> .....                             | <i>Carried over to a subsequent session of the Legislature</i>                 |
| <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 HOUSES</i> .....                      | <i>House &amp; 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&amp;S XXX</i> .....                              | <i>Chapter # of enacted Private &amp; 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 of the 124<sup>th</sup> Legislature is Monday, July 12, 2010. 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 662      An Act To Phase Out the Distribution of the Disproportionate Tax Burden Fund under the State-municipal Revenue Sharing Program over a 5-year Period**

**ONTP**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| SHAW<br>DIAMOND   | ONTP                    |                           |

This bill was carried over from the First Regular Session. It is a concept draft pursuant to Joint Rule 208, which proposes to gradually restore over a 5-year period the system of distributing state-municipal revenue sharing to the system that was in place prior to 2000 by reestablishing the pre-2000 Local Government Fund system as the sole method of distributing state-municipal revenue sharing on and after fiscal year 2014-15.

**LD 788      An Act To Aid Municipalities and the Unorganized Territory in the Reduction of Property Taxes**

**ACCEPTED ONTP  
REPORT**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| CHASE<br>NASS R   | ONTP MAJ<br>OTP-AM MIN  |                           |

This bill was carried over from the First Regular Session. It provides that, beginning in fiscal year 2010-11, 10% of sales tax revenue growth, which is the increase in sales tax revenue for that fiscal year over the amount of revenue generated in fiscal year 2010-11, must be returned to the municipality or unorganized territory where the growth occurred. The municipality or unorganized territory must use the amount received to reduce property tax levies.

**LD 839      An Act To Authorize an Alternative Calculation of the Property Growth Factor for Municipalities with Exempt Personal Property**

**PUBLIC 545**

| <u>Sponsor(s)</u>   | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|---------------------|-------------------------|---------------------------|
| GILBERT<br>BRYANT B | OTP MAJ<br>ONTP MIN     |                           |

This bill was carried over from the First Regular Session. This bill authorizes a municipality that has a significant amount of personal property in its tax base to include the value of newly introduced personal property in the calculation of the municipality's property growth factor under the property tax limitation system even though that newly introduced personal property may be business equipment that is exempt from property taxation.

**Enacted Law Summary**

Public Law 2009, chapter 545 authorizes a municipality that has a significant amount of personal property in its tax base to include the value of newly introduced personal property in the calculation of the municipality's property growth factor under the property tax limitation system even though that newly introduced personal property may be

***Joint Standing Committee on Taxation***

business equipment that is exempt from property taxation.

**LD 931      An Act To Expand the Economic Development Benefit of Tax      ACCEPTED ONTP**  
**Increment Financing in Counties That Include Unorganized Territories      REPORT**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| RAYE              | ONTP MAJ<br>OTP MIN     |                           |

This bill was carried over from the First Regular Session. It allows a development program for a development district or tax increment financing district located within the unorganized territory of a county to fund the development activity for that county.

**LD 993      An Act To Implement the Recommendations of the Commission To      ONTP**  
**Study the Protection of Farms and Farmland Pertaining to Taxation**

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

This bill was carried over from the First Regular Session. It provides that amounts used to demonstrate eligibility under the farm and open space tax laws must be from the sale of agricultural products as defined in the Maine Revised Statutes, Title 7, section 152. It also provides for towns to be reimbursed 90% of the revenue lost for farmland classified under the farm and open space tax laws. It also provides a transferable income tax credit for voluntary contributions of farmland for conservation and for conservation easements of farmland that qualify as charitable donations under the federal income tax. The credit is equal to 15% of the value of the donation up to \$250,000 for corporate donors and \$100,000 for other donors. The credit is refundable up to 20% per year.

**LD 1121      An Act To Protect Elderly Residents from Losing Their Homes Due to      PUBLIC 489**  
**Taxes or Foreclosure**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| CHASE<br>NASS R   | OTP-AM                  | H-621                     |

This bill was carried over from the First Regular Session. It provides a Senior Property Tax Deferral Program for persons 65 years of age or older. This bill requires 0.5% of the real estate transfer tax paid to the State to be deposited in a fund to be used to fund the Senior Property Tax Deferral Program. The bill also provides that a lien for unpaid property taxes may not be foreclosed against the homestead of a person who is at least 65 years of age and has lived in the homestead for at least 10 years until the property is transferred by deed or upon death.

**Committee Amendment "A" (H-621)**