

MAINE STATE LEGISLATURE

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STATE OF MAINE
124TH LEGISLATURE
SECOND REGULAR SESSION



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

JOINT STANDING COMMITTEE ON TAXATION

April 2010

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STATE OF MAINE

124TH 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 124th 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 & 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 of the 124th 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

business equipment that is exempt from property taxation.

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

ACCEPTED ONTP REPORT

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RAYE	ONTP MAJ 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 Study the Protection of Farms and Farmland Pertaining to Taxation

ONTP

<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 Taxes or Foreclosure

PUBLIC 489

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

Joint Standing Committee on Taxation

This amendment replaces the bill. It allows a municipality to establish a property tax deferral program for eligible senior citizens. In municipalities that offer the program, it allows homeowners to apply for a deferral of their property taxes if they are at least 70 years of age, occupy the eligible homestead, have lived in their home for at least 10 years and have a household income of less than 300% of the federal poverty level. The taxes may be deferred until the time that certain events occur, including the death of the homeowner or sale of the home, at which time the repayment of the taxes is required within an established time period, along with payment of interest at a rate of 0.5% above the annually established rate for delinquent taxes. The amendment provides procedures for the municipality to preserve the right to enforce a lien. It requires the municipality to use procedures in current law to enforce a lien and for foreclosure. It requires the municipality to provide a copy of a notice prepared by the State Tax Assessor, which describes the effect of deferral of property taxes and of the right of the municipality to foreclose on the tax lien mortgage, to each applicant for the program at the time of application. It also requires the municipality to provide a copy of this notice annually, in lieu of a property tax bill, along with an accounting of taxes deferred and interest accrued. It allows a municipality to repeal the program through the same procedure by which it was adopted; however, any taxes deferred under the program must continue to be deferred under the conditions of the program on the date it was ended.

Enacted Law Summary

Public Law 2009, chapter 489 allows a municipality to establish a property tax deferral program for eligible senior citizens. In municipalities that offer the program, it allows homeowners to apply for a deferral of their property taxes if they are at least 70 years of age, occupy the eligible homestead, have lived in their home for at least 10 years and have a household income of less than 300% of the federal poverty level. The taxes may be deferred until the time that certain events occur, including the death of the homeowner or sale of the home, at which time the repayment of the taxes is required within an established time period, along with payment of interest at a rate of 0.5% above the annually established rate for delinquent taxes. The law provides procedures for the municipality to preserve the right to enforce a lien. The municipality must use procedures in current law to enforce a lien and for foreclosure. The municipality must provide a copy of a notice prepared by the State Tax Assessor, which describes the effect of deferral of property taxes and of the right of the municipality to foreclose on the tax lien mortgage, to each applicant for the program at the time of application. The municipality must provide a copy of this notice annually, in lieu of a property tax bill, along with an accounting of taxes deferred and interest accrued. A municipality may repeal the program through the same procedure by which it was adopted; however, any taxes deferred under the program must continue to be deferred under the conditions of the program on the date it was ended.

LD 1253 An Act To Establish a Local Option Sales Tax

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CROCKETT P JACKSON	ONTP	

This bill was carried over from the First Regular Session. This bill allows a municipality to impose a local option sales tax of 3% or less by local referendum. Revenue from the local option sales tax is distributed as follows: 50% to the municipality, 25% to the county in which the municipality is located and 25% to the General Fund. The revenue received by the municipality and county must be used to reduce the property tax, either through specific programs, such as by funding a municipal property tax assistance program or funding the portion of the homestead property tax exemptions not funded by the State or generally stabilizing or lowering the projected property tax rate of the municipality or the county tax assessment.