

MAINE STATE LEGISLATURE

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STATE OF MAINE
125TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

JOINT STANDING COMMITTEE ON TAXATION

July 2011

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STATE OF MAINE
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LEGISLATIVE DIGEST OF BILL SUMMARIES AND
ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 125th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD 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 LD is noted to the right of the LD title. The following describes the various final actions.

CARRIED OVER carried over to a subsequent session of the Legislature
CON RES XXX..... chapter # of constitutional resolution passed by both houses
CONF CMTE UNABLE TO AGREE..... Committee of Conference unable to agree; legislation died
DIED BETWEEN HOUSES..... House & Senate disagreed; legislation died
DIED IN CONCURRENCE..... defeated in each house, but on different motions; legislation died
DIED ON ADJOURNMENT..... action incomplete when session ended; legislation died
EMERGENCY..... enacted law takes effect sooner than 90 days after session adjournment
FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE emergency failed to receive required 2/3 vote
FAILED, ENACTMENT or FINAL PASSAGE..... failed to receive final majority vote
FAILED, MANDATE ENACTMENT legislation proposing local mandate failed required 2/3 vote
HELD BY GOVERNOR..... Governor has not signed; final disposition to be determined at subsequent session
LEAVE TO WITHDRAW..... sponsor's request to withdraw legislation granted
NOT PROPERLY BEFORE THE BODY ruled out of order by the presiding officer; legislation died
INDEF PP..... indefinitely postponed; legislation died
ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X... ought-not-to-pass report accepted; legislation died
P&S XXX..... chapter # of enacted private & special law
PUBLIC XXX..... chapter # of enacted public Law
RESOLVE XXX..... chapter # of finally passed resolve
VETO SUSTAINED..... Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 125th Legislature is September 28, 2011. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

Joint Standing Committee on Taxation

LD 764 An Act To Ensure That Municipalities Refund Amounts Collected in Excess of Tax Liens ONTP

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

Under current law, if a municipality forecloses on a parcel of real estate for failure to pay taxes owed on that real estate, the municipality is under no obligation to return any funds that exceed the amount owed in taxes after the sale of the property.

This bill requires a municipality that forecloses on residential real estate to return the excess funds, after subtracting the tax lien, interest, fees for recording the lien, costs of mailing notice, court costs, taxes that would have been assessed while the property was held by the municipality and any other expenses incurred in disposing of the real estate. Notice of the availability of the excess funds must be provided to the former owner within 30 days of sale of the real estate or 180 days of the foreclosure, whichever is sooner. If the former owner fails to claim the excess funds within 36 months after notice of the availability of excess funds, the municipality must remit the excess funds to the Treasurer of State for credit to the General Fund.

LD 805 An Act To Decrease the Tax Burden on Maine's Seniors DIED ON ADJOURNMENT

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VOLK	OTP-AM MAJ ONTP MIN	H-165

This bill provides a 50% income tax credit to taxpayers who are 60 years of age and older.

Committee Amendment "A" (H-165)

This amendment strikes the bill. It phases in the income tax credit for seniors 65 years of age or older over a 5-year period beginning in 2014 and clarifies the application of the credit to married persons when only one person has reached 65 years of age.

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

LD 808 An Act Regarding Property Taxes in the Unorganized Territories ONTP

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

This bill provides that an increase in the assessed value of a parcel of land in the unorganized territory that exceeds 25% of its previously assessed value must be phased in so that the assessed value of a parcel of land increases by no

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more than 25% in a single year.

LD 809 An Act Regarding the Fairness of Sales Tax on Certain Precious Metals Purchases ONTP

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

This bill exempts from sales tax every sale of gold, silver, platinum and palladium bars, bullion and coins that is \$1,000 or greater in value.

LD 822 An Act To Remove Taxes on Equipment Used for Business ONTP

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

This bill extends the business equipment property tax exemption to office furniture, including tables, chairs, desks, bookcases, filing cabinets and modular office partitions, and to otherwise eligible property located at a retail sales facility with interior customer selling space that is smaller than 20,000 square feet.

LD 823 An Act To Amend the Law Governing Tax Increment Financing Districts PUBLIC 287

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ROCHELO HOBBINS	OTP-AM MAJ ONTP MIN	H-460

This bill changes the definition of "original assessed value" related to municipal development districts from the "assessed value" of the district to the "taxable assessed value" of the district. The bill repeals the requirement that a project financed through municipal bonded indebtedness must be completed within 5 years of the commissioner's approval of the designation of the tax increment financing district. It allows municipalities that choose to use tax increment financing to cover costs related to economic development to use the funds for grants in addition to revolving loan funds and investment funds. It increases the maturity date on the bonds that a municipality may authorize to finance project costs from 20 to 30 years from the date of issuance.

Committee Amendment "A" (H-460)

This amendment replaces the bill and changes the requirement, repealed in the bill, that a project financed through municipal bonded indebtedness must be completed within 5 years of the commissioner's approval of the designation of the tax increment financing district by extending the period for completion to 8 years.

Enacted Law Summary

Public Law 2011, chapter 287 changes the requirement that a project financed through municipal bonded