

# MAINE STATE LEGISLATURE

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



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

**JOINT STANDING COMMITTEE ON TAXATION**

June 2012

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# STATE OF MAINE

125<sup>TH</sup> LEGISLATURE  
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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 Second Regular Session of the 125<sup>th</sup> 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.

<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; legislation died</i>
<i>DIED BETWEEN HOUSES</i> .....	<i>House &amp; Senate disagreed; legislation died</i>
<i>DIED IN CONCURRENCE</i> .....	<i>defeated in each house, but on different motions; legislation died</i>
<i>DIED ON ADJOURNMENT</i> .....	<i>action incomplete when session ended; legislation died</i>
<i>EMERGENCY</i> .....	<i>enacted law takes effect sooner than 90 days after session adjournment</i>
<i>FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE</i> .....	<i>emergency failed to receive required 2/3 vote</i>
<i>FAILED, ENACTMENT or FINAL PASSAGE</i> .....	<i>failed to receive final majority vote</i>
<i>FAILED, MANDATE ENACTMENT</i> .....	<i>legislation proposing local mandate failed required 2/3 vote</i>
<i>HELD BY GOVERNOR</i> .....	<i>Governor has not signed; final disposition to be determined at subsequent session</i>
<i>LEAVE TO WITHDRAW</i> .....	<i>sponsor's request to withdraw legislation granted</i>
<i>NOT PROPERLY BEFORE THE BODY</i> .....	<i>ruled out of order by the presiding officer; legislation died</i>
<i>INDEF PP</i> .....	<i>indefinitely postponed; legislation died</i>
<i>ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X</i> ...	<i>ought-not-to-pass report accepted; legislation 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>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 125<sup>th</sup> Legislature is Thursday, August 30, 2012. 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 1655     An Act To Create a Sales Tax Exemption for the Sale and Delivery of Off-peak Electricity for Electric Thermal Storage Devices**

**PUBLIC 673  
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COURTNEY	OTP-AM	S-383

Current law exempts the sale of certain forms of energy, including heating oil, for residential heating, but taxes electricity used to charge electric thermal storage space and water heaters. This bill provides a sales tax exemption for off-peak residential electricity used for water and space heating similar to exemptions provided for other forms of energy.

**Committee Amendment "A" (S-383)**

This amendment incorporates a fiscal note.

**Enacted Law Summary**

Public Law 2011, chapter 673 provides a sales tax exemption for off-peak residential electricity used to charge electric thermal storage devices similar to exemptions provided for other forms of energy.

Public Law 2011, chapter 673 was enacted as an emergency measure effective May 21, 2012.

**LD 1680     An Act To Amend the Circuitbreaker Program To Include Claimants Occupying Property Pursuant to a Trust and To Require Proof of Payment of Rent**

**PUBLIC 513**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PLOWMAN	OTP-AM   MAJ ONTP   MIN	S-407

This bill increases the eligibility in the Circuitbreaker Program by allowing a person to qualify for benefits if that person is occupying a homestead under a trust that allows the person to transfer the property but continue to reside in it as a homestead until some specified future event. It requires a renter applying for benefits under Circuitbreaker Program to provide with the application either a notarized statement signed by the claimant or a letter signed by the claimant's landlord stating that the rent for the year that the Circuitbreaker Program benefit is claimed has been paid in full.

**Committee Amendment "A" (S-407)**

This amendment clarifies that a person occupying a homestead under a legally binding agreement may transfer the property but continue to reside in it as a home until some specified future event and be eligible to apply for benefits under the Circuitbreaker Program. It requires the State Tax Assessor to adopt routine technical rules to require, for applications filed on or after August 1, 2012, proof of rent paid when the application for benefits under the Circuitbreaker Program is based on rent paid of \$9,000 or more for the year.

**Enacted Law Summary**

Public Law 2012, chapter 513 clarifies that a person occupying a homestead under a legally binding agreement may transfer the property but continue to reside in it as a home until some specified future event and be eligible to apply

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for benefits under the Circuitbreaker Program. It requires the State Tax Assessor to adopt routine technical rules to require, for applications filed on or after August 1, 2012, proof of rent paid when the application for benefits under the Circuitbreaker Program is based on rent paid of \$9,000 or more for the year.

**LD 1693    An Act To Amend the Law Governing Abatements of Property Taxes for Infirmity or Poverty and the Administration of the Circuitbreaker Program**

**PUBLIC 552**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KESCHL KATZ	OTP-AM	H-754

This bill provides that benefits issued to a property owner under the Circuitbreaker Program are deemed available to contribute to the public charges for the purposes of calculating eligibility at the municipal level for a property tax abatement for reasons of infirmity or poverty. This bill changes the Circuitbreaker Program to specify that the reimbursement benefit is calculated based on the property taxes actually paid by the owner on that owner's homestead, rather than taxes accrued, and requires the claimant to provide proof of payment. It provides that any property taxes abated by a municipality for infirmity or poverty may not be claimed for purposes of calculating a refund under the Circuitbreaker Program.

**Committee Amendment "A" (H-754)**

This amendment changes the title and replaces the bill. It provides that, for purposes of calculating eligibility at the municipal level for property tax abatement for reasons of poverty or infirmity, municipal officers may set off or otherwise treat as available benefits provided under the Circuitbreaker Program when determining a person's ability to contribute to the public charges. It prohibits a claimant under the Circuitbreaker Program from seeking a refund on property taxes that were abated by a municipality based upon poverty or infirmity by excluding from the definition of "property taxes accrued" any taxes abated in the year for which the claimant is seeking relief.

**Enacted Law Summary**

Public Law 2011, chapter 552 provides that, for purposes of calculating eligibility at the municipal level for property tax abatement for reasons of poverty or infirmity, municipal officers may set off or otherwise treat as available benefits provided under the Circuitbreaker Program when determining a person's ability to contribute to the public charges. It prohibits a claimant under the Circuitbreaker Program from seeking a refund on property taxes that were abated by a municipality based upon poverty or infirmity by excluding from the definition of "property taxes accrued" any taxes abated in the year for which the claimant is seeking relief.

**LD 1699    An Act To Create Excise Tax Equity and Consistency for Buses**

**PUBLIC 646**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KNAPP	OTP-AM MAJ ONTP MIN	H-724

This bill provides that the motor vehicle excise tax on a bus manufactured in 2006 or after must be based on the purchase price of the bus rather than the maker's list price in the same manner as commercial trucks, truck tractors and special mobile equipment. The bill also provides for reimbursement to municipalities from the Municipal Excise Tax Reimbursement Fund.