

# 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

**STAFF:**

ELIZABETH F. COOPER, LEGISLATIVE ANALYST  
WILLIAM B. GARDINER, LEGISLATIVE ANALYST  
OFFICE OF FISCAL AND PROGRAM REVIEW  
5 STATE HOUSE STATION  
AUGUSTA, ME 04333  
(207) 287-1635

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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**

6. It requires the joint standing committee of the Legislature having jurisdiction over taxation matters, by April 1, 2017, to review data regarding contributions made through checkoffs and the costs to the Department of Administrative and Financial Services, Bureau of Revenue Services for administration of the checkoffs and authorizes the committee to submit a bill to the 128th Legislature to implement any recommendations resulting from the review.

**LD 1835 An Act To Restore Equity in Revenue Sharing**

**PUBLIC 656**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ALFOND	OTP-AM MAJ ONTP MIN	S-501

This bill changes the distribution of revenue-sharing funds from the Disproportionate Tax Burden Fund, commonly referred to as "revenue sharing 2," from municipalities with an equalized property tax rate exceeding 10 mills to municipalities with an equalized property tax rate exceeding the statewide average property tax rate.

**Committee Amendment "A" (S-501)**

This amendment implements over several years a change in the distribution of revenue-sharing funds from the Disproportionate Tax Burden Fund, commonly referred to as "revenue sharing 2," from municipalities with an equalized property tax rate exceeding 10 mills to municipalities with an equalized property tax rate exceeding the statewide average property tax rate. The phased-in change may occur only if the total revenue-sharing distribution as established in statute is being provided without reduction or transfer. In addition, the adjustment of the reduction factor in the revenue sharing 2 distribution formula from 10 mills to the statewide average property tax rate is accomplished through an adjustment of no more than 1/2 of one mill per year until the statewide average property tax rate is reached.

**Enacted Law Summary**

Public Law 2011, chapter 656 implements over several years a change in the distribution of revenue-sharing funds from the Disproportionate Tax Burden Fund, commonly referred to as "revenue sharing 2," from municipalities with an equalized property tax rate exceeding 10 mills to municipalities with an equalized property tax rate exceeding the statewide average property tax rate. The phased-in change may occur only if the total revenue-sharing distribution as established in statute is being provided without reduction or transfer. In addition, the adjustment of the reduction factor in the revenue sharing 2 distribution formula from 10 mills to the statewide average property tax rate is accomplished through an adjustment of no more than 1/2 of one mill per year until the statewide average property tax rate is reached.

**LD 1847 An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2012-13**

**PUBLIC 591  
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP-AM	H-804

This bill is submitted pursuant to Title 36, section 1604.

It establishes municipal cost components for state and county services provided to the unorganized territory that would be paid for by a municipality. The determination of the municipal cost components is necessary for the

## *Joint Standing Committee on Taxation*

establishment of a mill rate and the levy of the Unorganized Territory Educational and Service Tax.

### **Committee Amendment "A" (H-804)**

This amendment makes mathematical corrections to include the reimbursement to the Passamaquoddy Tribe for governmental services to benefit nonreservation Indian Township property owners that was inadvertently left out of the bill.

### **Enacted Law Summary**

Public Law 2011, chapter 591 establishes municipal cost components for state and county services provided to the unorganized territory that would be paid for by a municipality. The determination of the municipal cost components is necessary for the establishment of a mill rate and the levy of the Unorganized Territory Educational and Service Tax.

Public Law 2011, chapter 591 was enacted as an emergency measure effective April 4, 2012.

## **LD 1878      An Act To Allow Abatement of Property Taxes Due to Hardship**

**PUBLIC 624**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GRAHAM DIAMOND	OTP-AM MAJ ONTP MIN	H-855

This bill provides a mechanism for a person whose house is rendered uninhabitable by fire to obtain reimbursement or abatement of property taxes paid or owed on that house for the balance of the tax year following the fire as long as certain conditions are met:

1. The house must be the primary residence of the person; and
2. The person must obtain a report from the municipal fire inspector for the municipality in which the house is located or from the Department of Public Safety, Office of the State Fire Marshal stating that the house is uninhabitable due to fire. Alternatively, the person may use an order to vacate the premises issued by the State Fire Marshal or a public safety inspector as proof of uninhabitability.

If a person meets these conditions, the municipal officers, or the State Tax Assessor for the unorganized territory, may reimburse or abate any amount up to the amount of property taxes paid or owed on the house only, prorated to reflect the number of days left in the property tax year.

Current law requires municipal fire inspectors or the State Fire Marshal to investigate every instance when property is damaged or destroyed by fire. This bill requires the investigating official, when the fire occurs at a residence, to indicate on the investigation report whether the residence is habitable following the fire and to issue a copy of the report to the owner of the residence, if requested.

### **Committee Amendment "A" (H-855)**

This amendment changes the title and replaces the bill. Current law provides for a property tax abatement for a person who, due to poverty or infirmity, is unable to contribute to the public charges. This amendment changes the law to provide for a property tax abatement for a person who, due to "hardship" rather than "infirmity", is unable to contribute to the public charges.

### **Enacted Law Summary**