

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
127<sup>TH</sup> LEGISLATURE  
FIRST REGULAR SESSION



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

**JOINT STANDING COMMITTEE ON TAXATION**

August 2015

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**STAFF:**

JULIE JONES, SENIOR LEGISLATIVE ANALYST  
OFFICE OF FISCAL AND PROGRAM REVIEW  
5 STATE HOUSE STATION  
AUGUSTA, ME 04333  
(207) 287-1635

# STATE OF MAINE

127<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* contains summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 127<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. An appendix provides a summary of relevant session statistics.

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 First Regular Session of the 127<sup>th</sup> Legislature is October 15, 2015. 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 503      An Act To Provide Local Sales Tax Increment Disbursements**

**Accepted Majority  
(ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SCHNECK COLLINS	ONTP OTP-AM	

This bill requires payments beginning in fiscal year 2017-18 to municipalities of an amount, as determined by the State Tax Assessor, equal to five percent of the difference between the sales and use tax revenue attributable to the municipality in a fiscal year and the comparable amounts for fiscal year 2016-17, referred to as the "local sales tax increment." The base year for determining the local sales tax increment is reset in fiscal year 2020-21 and every four years thereafter. The amount received may not reduce any other state aid or revenue sharing received by that municipality, and the municipality must use the amount received to reduce property taxes by the same amount. The Unorganized Territory Education and Services Fund receives the local sales tax increment payment for the unorganized territory and is subject to the same requirement to use the revenue to reduce property taxes.

**Committee Amendment "A" (H-231)**

This amendment, the minority report of the committee, removes the requirement in the bill that a municipality use local sales tax increment revenue to reduce the property tax levy and clarifies the timing of the calculation of the sales tax increment.

**LD 514      An Act To Amend the Laws Governing the Location of Motor Vehicle  
Excise Tax Collection for Motor Vehicles Owned by Public Utilities**

**PUBLIC 98**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BUCKLAND SAVIELLO	OTP-AM	H-94

This bill treats public utilities like other corporations and partnerships by requiring the payment of excise tax to the place where the owner has a permanent location where its motor vehicles are kept rather than the location where its registered or main office is located..

**Committee Amendment "A" (H-94)**

This amendment adds an effective date of January 1, 2017.

**Enacted Law Summary**

Public Law 2015, chapter 98 requires a public utility to pay motor vehicle excise tax to the place where the utility has a permanent location where its motor vehicles are kept rather than the location where its registered or main office is located.

**LD 519      An Act To Allow Telecommunications Infrastructure Investment in  
Development Districts for Municipalities and Plantations**

**ONTP**

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

## *Joint Standing Committee on Taxation*

This bill adds cellular telephone towers and broadband infrastructure to the list of authorized project costs in the tax increment financing laws governing development districts.

**LD 541      An Act To Promote Sustainability in Home Ownership for First-time Home Buyers      ONTP**

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

This bill expands the homestead property tax exemption to include homeowners who have owned a homestead for less than 12 months but have completed a state-approved home ownership education course.

**LD 542      An Act To Reduce Property Taxes      ONTP**

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

This bill is a concept draft pursuant to Joint Rule 208 which proposes to reduce the property tax burden by improving property tax relief programs.

**LD 550      An Act To Improve the Process for Obtaining an Adjustment in State Valuation Due to Sudden and Severe Reduction in Municipal Valuation      PUBLIC 236 EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CAMPBELL R ROSEN	OTP-AM	H-323

This bill provides that, for fiscal year 2015-16 and beyond, in the event a municipality is approved for an adjustment to its state property valuation due to a sudden and severe disruption in its municipal valuation, that adjusted state valuation is the property fiscal capacity for purposes of determining municipal contributions under the school funding formula. This bill also provides that the 2015 valuation of the paper mill located in the Town of Bucksport is equal to its 2014 valuation and sets the property fiscal capacity for the Town of Bucksport at \$568,950 [sic] for fiscal year 2015-16.

**Committee Amendment "A" (H-323)**

This amendment strikes the provisions of the bill amending the school funding formula and regarding the Town of Bucksport and instead amends one of the conditions of eligibility for an adjustment of state valuation for sudden and severe disruption of municipal valuation by providing that a municipality is eligible if the municipality's equalized tax rate of residential property following the sudden and severe disruption in municipal valuation exceeds the most recent state average of residential property for which data is available.

**Enacted Law Summary**

Public Law 2015, chapter 236 amends one of the conditions of eligibility for an adjustment of state valuation for sudden and severe disruption of municipal valuation by providing that a municipality is eligible if the municipality's equalized tax rate of residential property following the sudden and severe disruption in municipal valuation exceeds the most recent state average of residential property for which data is available.