

# 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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# 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*

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.

*Joint Standing Committee on Taxation*

Public Law 2015, chapter 236 was enacted as an emergency measure effective June 23, 2015.

**LD 565      An Act To Authorize Municipalities To Impose Service Charges on  
Tax-exempt Property Owned by Certain Nonprofit Organizations**

**ONTP**

Sponsor(s)

LOCKMAN  
GRATWICK

Committee Report

ONTP

Amendments Adopted

This bill authorizes a municipality to impose service charges on property that is exempt from property tax because it is owned and used by entities in the following categories: benevolent and charitable institutions; literary and scientific institutions; chambers of commerce and boards of trade; fraternal organizations operating under a lodge system; and property jointly owned or used by those entities. Service charges may not be imposed on property exempt as a house of worship or parsonage or a veterans' organization.

Service charges may only be imposed if:

1. The property is owned by an entity that owns exempt property in the municipality that would have a total assessed value of at least \$1,000,000 if assessed for property tax purposes;
2. The property is owned by, rented to or otherwise occupied by a person or entity that provides any employee or independent contractor providing professional management services with compensation, exclusive of health benefits, in excess of four times the median household income for the county in which the property is located;
3. The municipality adopts by referendum an ordinance imposing service charges;
4. The municipality imposes service charges on all other property in that municipality that is within the same category of exempt property;
5. The calculation of service charges imposed by municipalities is based on the square footage of building space that is exempt from taxation unless the municipality determines that a different measure more accurately represents the cost of services for which the service charges are imposed; and
6. Service charges must be reduced by any payments made or services provided to the municipality by the exempt entity in lieu of taxes.

The bill provides that municipal ordinances adopted before the effective date of the legislation remain valid even if they do not comply with the new requirements. The bill retains the requirement in current law that service charges may not exceed two percent of the entity's gross annual revenue.

**LD 575      An Act To Provide Property Tax Relief to Maine's Working Families**

**ONTP**

Sponsor(s)

MAREAN  
LIBBY

Committee Report

ONTP

Amendments Adopted

This bill increases the Maine resident homestead property tax exemption from \$10,000 to \$20,000. In order to offset the increased cost to the State of reimbursing municipalities for the revenue loss attributable to the increase in the homestead exemption, this bill also extends the sales and use tax to amusement, entertainment and recreation services, such as admission fees to entertainment venues and performances, including movies, theaters and