

MAINE STATE LEGISLATURE

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STATE OF MAINE
127TH 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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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 127th 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.

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 127th 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

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

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

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

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

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

Joint Standing Committee on Taxation

amusement parks, participation fees, including for bowling, golf or skiing, and fees for entertainment services, including those provided by bands, orchestras, disc jockeys and comedians.

LD 581 An Act To Clarify the Municipal Development District Law

ONTP

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

This bill defines the terms "blighted area" and "credit enhancement agreement" in the municipal development district laws and provides a mechanism for the use of credit enhancement agreements in blighted areas. It also requires greater advance notice of public hearings on development districts and broadens the range of parties entitled to receive direct notice of such hearings.

LD 590 An Act To Exempt a Fee for a Paper or Plastic Single-use Carry-out Bag from Tax

**PUBLIC 150
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAVIELLO CAMPBELL R	OTP-AM	S-15

This bill exempts from sales tax any fee placed on a paper or plastic single-use carry-out bag.

Committee Amendment "A" (S-15)

This amendment incorporates a fiscal note.

Enacted Law Summary

Public Law 2015, chapter 150 excludes from sales tax any amount charged for a paper or plastic carry-out bag.

Public Law 2015, chapter 150 was enacted as an emergency measure effective June 9, 2015.

LD 592 An Act To Extend to Certain Fruit and Vegetable Growers the Sales Tax Exemption for Fuel

**Died On
Adjournment**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE MCCABE	OTP-AM ONTP	S-136

Current law allows a person to request a refund of the amount of sales tax paid on the purchase of electricity used in commercial agricultural production. Current law also provides an exemption from sales tax for 95% of the sale price of fuel and electricity purchased for use at a manufacturing facility.

This bill, beginning January 1, 2016, extends the sales tax exemption for fuel to a greenhouse facility that occupies at least 1,000,000 square feet of indoor space that is operated by an agricultural employer that employs at least 100 employees and is engaged in the year-round commercial production of fruits or vegetables. The ability of that agricultural employer to obtain a refund for sales tax paid on electricity used in commercial agriculture production is not affected by this bill.