

MAINE STATE LEGISLATURE

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STATE OF MAINE
129TH LEGISLATURE
FIRST REGULAR SESSION



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

JOINT STANDING COMMITTEE ON TAXATION

August 2019

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STATE OF MAINE

129TH LEGISLATURE
FIRST REGULAR SESSION



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 129th 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 129th Legislature is Thursday, September 19, 2019. 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

combat zone. A veteran with a service-connected disability becomes eligible for a \$50,000 exemption if the disability is rated 50% to 90% and a \$100,000 exemption if the disability is rated 100%. A surviving unremarried spouse, minor child or parent who is receiving a pension based on the service of a deceased veteran qualifies for the same exemption the veteran would have been eligible for. A municipality is reimbursed for the constitutionally mandated 50% of the property tax revenue loss as a result of the enhanced exemption.

See also LDs 1042, 1194, 1271 and 1326.

This bill was carried over to any special or regular session, or both, of the 129th Legislature by joint order, H.P. 1322.

LD 164 An Act To Reduce Property Taxes for Maine Residents

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M PIERCE T	OTP-AM	S-231

This bill increases the total exemption under the Maine resident homestead property tax exemption program to \$50,000 for property tax years beginning on or after April 1, 2020. This bill also increases state reimbursement to municipalities for homestead property tax exemptions from 62.5% to 100% for property tax years beginning on or after April 1, 2020.

Committee Amendment "A" (S-231)

This amendment increases the homestead property tax exemption to \$30,000 instead of \$50,000 as in the bill and requires municipalities to include a statement on tax bills regarding the availability of the homestead tax exemption and providing information on how to apply. The amendment also adds an appropriations and allocations section.

Part H of the biennial budget, PL 2019, c. 343 increased the homestead exemption from \$20,000 to \$25,000 and state reimbursement to municipalities from 62.5% to 70%.

See also LDs 35, 77, 837, 1172, 1234 and 1448.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 193 An Act To Fully Fund and Restore State-Municipal Revenue Sharing

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HARNETT T	OTP-AM OTP-AM	H-260 S-174 CHIPMAN B

This bill restores state-municipal revenue sharing to 5% from 2% on January 1, 2019, six months earlier than currently provided in law.

Committee Amendment "A" (H-260)

This amendment, which is the majority report of the committee, incorporates a fiscal note.

Committee Amendment "B" (H-261)

Joint Standing Committee on Taxation

This amendment, which is the minority report of the committee, provides that the state-municipal revenue sharing percentage is 2.5% for fiscal year 2019-20 and 3% for fiscal year 2020-21 and returns to 5% in fiscal year 2021-22.

This amendment was not adopted.

Senate Amendment "A" (S-174)

This amendment removes the emergency preamble and emergency clause.

See also LDs 133, 444 and 1278.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 241	An Act To Adjust the Personal Property Tax Exemption for Farm Machinery	CARRIED OVER
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL M CARPENTER M	OTP-AM	H-335

This bill increases the amount of the exemption from personal property taxation for farm machinery from \$10,000 to \$45,000.

Committee Amendment "A" (H-335)

This amendment provides a time frame for implementation of the increase in the property tax exemption for farm machinery, provides administrative provisions for the Bureau of Revenue Services to enforce the exemption and verify required state reimbursement amounts and requires the State to reimburse municipalities for 100% of property taxes lost as a result of the increase in the exemption. This amendment also includes an appropriations and allocations section.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 268	An Act To Create a Credit under the Commercial Forestry Excise Tax for Landowners Using Businesses Based in the United States	HELD BY GOVERNOR
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T TIPPING R	OTP-AM	S-218 S-277 JACKSON T

This bill provides a credit against the commercial forestry excise tax for landowners who are based in the United States and who employ and retain businesses or contractors that are based in the United States, that employ at least 75% United States residents and that are current in the payment of all state and local taxes. The bill also requires recapture of the credit if a recipient is found to have been ineligible.

Committee Amendment "A" (S-218)

This amendment requires a landowner seeking the credit against the commercial forestry excise tax to obtain affidavits indicating that businesses or contractors retained by the landowner are based in the United States, that at least 75% of their employees are United States residents and that they are current in the payment of all state and