

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
129<sup>TH</sup> 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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SEN. HEATHER SANBORN  
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# STATE OF MAINE

129<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 129<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.

*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 129<sup>th</sup> 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***

**LD 1069     An Act To Amend the Tax Expenditure Review Process**

**PUBLIC 161**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R	OTP	

This bill changes dates for the submission to the Legislature of tax expenditure reports by the joint standing committee of the Legislature having jurisdiction over taxation matters and the date for submission to the committee of certain materials by the Office of Program Evaluation and Government Accountability. These changes are made to accommodate previous reporting changes made with regard to full evaluations of tax expenditures and to facilitate a more efficient review of all tax expenditure provisions.

**Enacted Law Summary**

Public Law 2019, chapter 161, changes dates for the submission to the Legislature of tax expenditure reports by the joint standing committee of the Legislature having jurisdiction over taxation matters and the date for submission to the committee of certain materials by the Office of Program Evaluation and Government Accountability. These changes are made to accommodate previous reporting changes made with regard to full evaluations of tax expenditures and to facilitate a more efficient review of all tax expenditure provisions.

**LD 1070     An Act To Reduce the Number of Domestic Assaults and Suicides By  
Increasing the Tax on Alcohol**

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CARDONE B GRATWICK G	ONTP	

This bill increases the premium tax on spirits from \$1.25 to \$1.50 per proof gallon, the excise tax on malt liquor from 35 cents to 50 cents per gallon, the excise tax on wine, fortified wines and hard cider by various amounts and the sales tax on liquor sold in licensed establishments from 8% to 10%.

**LD 1074     An Act To Establish a Tax on Water Extracted for Bottling in Order To  
Secure the Economic Future of Rural Maine**

**Accepted Majority  
(ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GRAMLICH L CARPENTER M	ONTP OTP-AM	

This bill creates an excise tax of 12¢ per gallon on the extraction of groundwater or surface water for commercial bottling for sale. Revenue from the tax must be used to improve the economy of the State by supporting the expansion and improvement of high-speed broadband access and by providing tuition grants for up to two years for postsecondary education.

**Committee Amendment "A" (H-637)**

This amendment, which is the minority report of the committee, reduces the proposed tax on the extraction of bottled water from 12¢ per gallon to 5¢ per gallon and provides that the revenue, after subtraction of administrative costs, is credited to the Highway Fund. The amendment also includes statutory referendum provisions to ensure that the tax will not take effect unless approved by the voters at a statewide election and changes dates to reflect the referendum timing.

*Joint Standing Committee on Taxation*

This amendment was not adopted.

**LD 1076     An Act To Account for Market Change in the Adult Use Marijuana Excise Tax**

**CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BERRY S		

This bill changes the excise tax on adult use marijuana cultivation facilities from a tax based on quantity to a tax based on a percentage of the average market price for the category of marijuana sold. The bill requires the average market price to be determined quarterly by the Department of Administrative and Financial Services. The tax would not apply to sales by a cultivation facility to a licensee with which it is vertically integrated.

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

**LD 1110     An Act To Establish a Local Option for Sales Tax**

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GRAMLICH L CHIPMAN B	ONTP	

This bill allows a municipality to impose a local option sales tax if approved by referendum of the voters in that municipality. The referendum question must identify the rate of the local option sales tax, the categories of taxable items the local option sales tax will apply to and the purposes for which the revenue will be used. The local option sales tax would be collected and administered by the State in the same manner as the sales and use tax. Revenue from the local option sales tax is distributed to the municipality imposing the local option sales tax. Revenue received by a municipality may not be used to reduce or eliminate funding otherwise due the municipality under other provisions of law.

See also LDs 65, 156, 609 and 1254.

**LD 1122     An Act To Expand Tax Increment Financing**

**PUBLIC 148**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M TIPPING R	OTP-AM	S-75

This bill expands the types of projects eligible for tax increment financing for municipalities and plantations by including public safety facilities instead of just fire stations, as in the current law.

**Committee Amendment "A" (S-75)**

This amendment, like the bill, expands the types of projects eligible for tax increment financing by including public safety facilities instead of only fire stations as allowed under current law. The amendment defines "public safety facility" and caps the percentage of tax increment financing funds per development district that may be used for public safety facilities located outside the district.