

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
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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 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

to permit administration of those credits as advance consolidated payments. The working group reports to the Joint Standing Committee on Taxation and the Joint Standing Committee on Appropriations and Financial Affairs by February 1, 2020 and the two committees are authorized to submit related bills to the Second Regular Session of the 129th Legislature.

LD 1520 **An Act To Create and Sustain Jobs and Encourage Affordable Housing
through Development of Cooperatives and Employee-owned Businesses**

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LIBBY N DAUGHTRY M	OTP-AM	S-260

This bill supports employee-owned businesses and cooperatives in the following ways.

1. It excludes from Maine income tax the amount of gain, up to a maximum of \$750,000 recognized by a business owner in transferring the business to an employee stock ownership plan, eligible worker-owned cooperative, consumer cooperative or affordable housing cooperative.
2. It excludes from Maine income tax interest from loans that finance transfers of ownership from a business to an employee stock ownership plan, eligible worker-owned cooperative, consumer cooperative or affordable housing cooperative.
3. It requires the Department of Economic and Community Development, Office of Business Development to encourage and assist employee-owned businesses by requiring the office to: develop educational programs, including convening an annual conference on employee ownership issues; provide information about employee ownership and technical assistance to retiring business owners, employees of plants threatened with closure and entrepreneurs interested in creating businesses with broadly shared ownership; link Maine businesses interested in implementing employee ownership to available financial, technical and legal resources; and help businesses interested in implementing some form of employee ownership to obtain financing, as well as undertake other duties.
4. It requires the Commissioner of Economic and Community Development to give priority to employee-owned businesses, either established or in the process of becoming employee-owned, when providing loans or grants from funds or programs maintained by the department.
5. It requires the Maine Public Employees Retirement System to conduct a study to determine how funds held by the system may be invested responsibly in employee-owned businesses in this State and to report its findings to the Joint Standing Committee on Innovation, Development, Economic Advancement and Business, which is authorized to report out a bill to the Second Regular Session of the 129th Legislature based on the study and recommendations of the system.

Committee Amendment "A" (S-260)

This amendment requires the Department of Economic and Community Development, Office of Business Development to contract with a nonprofit development organization with relevant expertise to develop and manage the Maine Employee Ownership Center to provide information and programs to assist businesses in the transition to employee or cooperative ownership, rather than requiring the office to provide those services.

The amendment removes requirements that the Department of Administrative and Financial Services, Maine Revenue Services collect specified data and report annually to the Office of Program Evaluation and Government Accountability and that the Maine Public Employees Retirement System study investment of funds in employee-owned businesses.

The amendment also makes changes to facilitate the administration and evaluation of the deductions provided in the

Joint Standing Committee on Taxation

bill. The amendment also adds appropriations and allocations.

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 1585 An Act To Allow the City of Augusta To Adjust the Definition of "Original Assessed Value" for the City of Augusta's Performance Food Group Municipal Tax Increment Financing District and To Validate the Assessment, Commitment and Collection of Property Taxes Dedicated for the District for the Fiscal Years 2018-19 and 2019-20 **P & S 7
EMERGENCY**

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

This bill authorizes the City of Augusta to adjust the definition of "original assessed value" for the City of Augusta's Performance Food Group municipal tax increment financing district and to validate the assessment, commitment and collection of property taxes dedicated for the Performance Food Group municipal tax increment financing district for the fiscal years 2018-19 and 2019-20.

Enacted Law Summary

Private and Special Law 2019, chapter 7, authorizes the City of Augusta to adjust the definition of "original assessed value" for the City of Augusta's Performance Food Group municipal tax increment financing district and to validate the assessment, commitment and collection of property taxes dedicated for the Performance Food Group municipal tax increment financing district for the fiscal years 2018-19 and 2019-20.

Private and Special Law 2019, chapter 7 was enacted as an emergency measure effective May 30, 2019.

LD 1586 An Act To Promote Major Food Processing and Manufacturing Facility Expansion and To Create Jobs in Maine **PUBLIC 386
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T MARTIN J	OTP-AM	S-228

This bill, modeled on the tax credit for major business headquarters expansions, provides a tax credit to a food processing and manufacturing business that:

1. Is, and has been for the five years prior to application, a corporation or limited liability company organized under the laws of the State;
2. Has been headquartered in this State for the five years prior to application;
3. Pays at least 75% of its employees a salary that exceeds the income threshold for the county in which the facility that is the subject of the application is located;
4. Agrees to make an investment of at least \$35,000,000 in the construction or expansion in this State of a facility for that business; and
5. Adds a total of 40 new full-time employees by the end of the first year of qualifying for the tax credit, maintains that number for the next two years and then adds 20 more full-time employees, maintaining a total of 60 full-time