

MAINE STATE LEGISLATURE

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R. 018

L.D. 855

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DATE: (Filing No. H- 724)

APPROPRIATIONS AND FINANCIAL AFFAIRS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 655, L.D. 855, Bill, "An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2002 and June 30, 2003"

Amend the bill by striking out the title and substituting the following:

'An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2001, June 30, 2002 and June 30, 2003'

Further amend the bill by striking out everything after the title and before the summary and inserting in its place the following:

'Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the 90-day period may not terminate until after the beginning of the next fiscal year; and

Whereas, certain obligations and expenses incident to the operation of state departments and institutions will become due and payable prior to June 30, 2001; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of

COMMITTEE AMENDMENT

2 commission and for increased
overtime costs associated
4 with extending the office
hours of the commission prior
6 to elections.

8 **Sec. TTTT-9. Allocation.** The following funds are allocated
from Other Special Revenue funds to carry out the purposes of
this Part.

	2001-02	2002-03
ETHICS AND ELECTION PRACTICES, COMMISSION ON GOVERNMENTAL		
Commission on Governmental Ethics and Election Practices		
Positions	(1,000)	(1,000)
Personal Services	\$39,560	\$55,576
All Other	(\$39,560)	(\$55,576)

22 Allocates funds for one
24 General Counsel position and
deallocates funds from the
26 Maine Clean Election Fund to
fund the position.

COMMISSION ON GOVERNMENTAL ETHICS AND ELECTION PRACTICES TOTAL	\$0	\$0
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32 **Sec. TTTT-10. Retroactivity.** That section of this Part that
34 amends the Maine Revised Statutes, Title 21-A, section 1020-A,
subsections 4 and 5 applies retroactively to January 1, 2000.

38 **PART UUUU**

40 **Sec. UUUU-1. 36 MRSA §4365,** as amended by PL 2001, c. 396,
§31, is further amended to read:

42 **§4365. Rate of tax**

44 A tax is imposed on all cigarettes imported into this State
46 or held in this State by any person for sale at the rate of ~~37~~ 47
mills for each cigarette. Payment of the tax is evidenced by the
48 affixing of stamps to the packages containing the cigarettes. If
an individual purchases in any one month unstamped packages

2 containing cigarettes in a quantity greater than 2 cartons from a
person other than a licensed distributor or dealer, the tax may
4 be assessed directly against the purchaser by the State Tax
Assessor within 3 years from the date of the purchase.

6 **Sec. UUUU-2. 36 MRS §4365-E** is enacted to read:

8 **§4365-E. Application of cigarette tax rate increase**
effective September 1, 2001

10 The following provisions apply to cigarettes held for resale
12 on September 1, 2001.

14 1. **Stamped rate.** Cigarettes stamped at the rate of 37
mills per cigarette and held for resale after August 31, 2001 are
16 subject to tax at the rate of 47 mills per cigarette.

18 2. **Liability.** A person possessing cigarettes for resale is
liable for the difference between the tax rate of 47 mills per
20 cigarette and the tax rate of 37 mills per cigarette in effect
before September 1, 2001. Stamps indicating payment of the tax
22 imposed by this section must be affixed to all packages of
cigarettes held for resale as of September 1, 2001, except that
24 cigarettes held in vending machines as of that date do not
require that stamp.

26 3. **Vending machines.** Notwithstanding any other provision
of this chapter, it is presumed that all cigarette vending
28 machines are filled to capacity on September 1, 2001 and that the
tax imposed by this section must be reported on that basis. A
30 credit against this inventory tax must be allowed for cigarettes
stamped at the rate of 47 mills per cigarette placed in vending
32 machines before September 1, 2001.

34 4. **Payment.** Payment of the tax imposed by this section
36 must be made to the State Tax Assessor by January 1, 2002,
accompanied by forms prescribed by the assessor.

38 **Sec. UUUU-3. 36 MRS §4366-A, sub-§2**, as enacted by PL 1997,
40 c. 458, §10, is repealed and the following enacted in its place:

42 2. **Provided to sellers.** The State Tax Assessor shall
provide stamps suitable to be affixed to packages of cigarettes
44 as evidence of the payment of the tax imposed by this chapter.
The assessor may permit a licensed distributor to pay for the
46 stamps within 30 days after the date of purchase, if a bond
satisfactory to the assessor in an amount not less than the sale
48 price of the stamps has been filed with the assessor conditioned
upon payment for the stamps. The assessor shall sell cigarette

stamps to licensed distributors at the following discounts from their face value:

A. For stamps at the face value of 37 mills sold through August 31, 2001, 2.5%;

B. For stamps at the face value of 47 mills sold prior to July 1, 2002, 2.16%; and

C. For stamps at the face value of 47 mills sold on or after July 1, 2002, 2.03%.

Sec. UUUU-4. Effective date. That section of this Part that amends the Maine Revised Statutes, Title 36, section 4365 takes effect September 1, 2001.

PART VVVV

Sec. VVVV-1. 36 MRSA §1752, sub-§8-A, as enacted by PL 1991, c. 591, Pt. WW, §2 and affected by §4, is repealed and the following enacted in its place:

8-A. Prepared food. "Prepared food" means:

A. Meals served on or off the premises of the retailer;

B. Food and drinks that are prepared by the retailer and ready for consumption without further preparation; and

C. All food and drinks sold from an establishment whose sales of food and drinks that are prepared by the retailer account for more than 75% of the establishment's gross receipts.

"Prepared food" does not include bulk sales of grocery staples.

Sec. VVVV-2. 36 MRSA §1811, first ¶, as amended by PL 1999, c. 401, Pt. X, §1 and affected by §5, is further amended to read:

A tax is imposed on the value of all tangible personal property and taxable services sold at retail in this State. The rate of tax is 7% on the value of liquor sold in licensed establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43; 7% on the value of rental of living quarters in any hotel, rooming house, or tourist or trailer camp; 10% on the value of rental for a period of less than one year of an automobile; 7% on the value of prepared food sold--in--establishments--that--are--licensed--for--on-premises consumption-of-liquor-pursuant-to-Title-28-A,-chapter-43; and 5%

COMMITTEE AMENDMENT "A" to H.P. 655, L.D. 855

	Conservation	203,000	203,000
2	MHMRSAS	1,552,869	1,347,043
4	PART L, Section L-9	1,000,000	1,000,000
	PART X, Section X-7	690,058	956,886
6	PART AA, Section AA-1	5,000,000	
	PART GG, Section GG-1		(2,800)
8	PART HH, Section HH-1		(150,000)
	PART JJ, Section JJ-1		(88,363)
10	PART PP, Section PP-1		(1,781,768)
	PART JJJ, Section JJJ-1	(61,623)	(85,838)
12	PART PPP	20,000	30,000
	PART QQQ		(1,424)
14	PART ZZZ		95,531
	PART NNNN	66,355	66,355
16	PART UUUU	12,191,974	17,823,258
	PART VVVV	12,142,364	14,918,280
18			
	GENERAL FUND UNDEDICATED		
20	REVENUE, TOTAL	33,336,527	34,861,690

ADJUSTMENTS TO GENERAL FUND BALANCE

		2001-02	2002-03
24			
26	PART A		
	Public Safety	39,706	41,258
28			
	PART H, Section H-5	239,054	
30	PART I, Section I-2	104,916	110,613
	PART W, Section W-1	150,000	
32	PART W, Section W-2	2,550,000	
34			
	ADJUSTMENTS TO GENERAL FUND		
	BALANCE, TOTAL	3,083,676	151,871

HIGHWAY FUND UNDEDICATED REVENUE

		2001-02	2002-03
38			
40			
	PART PPP	30,000	45,000
42			

SUMMARY

46 Part A makes supplemental appropriations and allocations.

48 Part B makes supplemental appropriations and allocations
 50 from various governmental funds for approved reclassifications
 and range changes.

2 Part TTTT amends the penalties for late filing of
accelerated campaign reporting under the Maine Clean Election
4 Act. It also provides additional appropriations for increased
costs of the Commission on Governmental Ethics and Election
6 Practices and Other Special Revenue Funds allocations for one
additional General Counsel position.

8
 Part UUUU increases the cigarette tax from 74 cents to 94
10 cents per pack effective September 1, 2001 and reduces the amount
of the increase that licensed distributors retain.

12
 Part VVVV increases the sales tax on prepared food from 5%
14 to 7% and amends the definition of prepared food effective August
1, 2001.

16
 Part WWWW establishes the Tourism Marketing Promotion Fund
18 within the Department of Economic and Community Development and
dedicates a portion of meals and lodging tax collections to this
20 fund to fund the Office of Tourism program effective July 1, 2003.

22 Part XXXX provides funds for sexual assault and domestic
violence intervention and prevention.

24
 Part YYYY authorizes the expenditure of funding among
26 pharmaceutical benefits programs administered by the Department
of Human Services.

28
 Part ZZZZ authorizes certain balances to carry forward and
30 makes adjustments to appropriations to reflect the estimated
balances that will be carried forward. It also provides funding
32 for the State House renovation shortfall, legislative studies,
the civil rights team project and the Maine Biomedical Research
34 Fund. It also recognizes savings in the Department of Economic
and Community Development and utilizes some of the TANF reserve
36 funds within the Department of Human Services.