

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

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

'An Act To Authorize a Local Option Sales Tax on Meals and Lodging and Provide Funding for Maine Rural Development'

Amend the bill in section 1 in §1819 in the headnote in the first 2 lines (page 1, lines 3 and 4 in L.D.) by striking out the following: "**treatment of opioid use disorder**" and inserting the following: '**rural development**'

Amend the bill in section 1 in §1819 by striking out all of subsection 2 (page 1, lines 12 to 16 in L.D.) and inserting the following:

'2. Authorization to impose local option sales tax. A municipality by referendum conducted pursuant to subsection 8 may impose a local option sales tax of 1% on prepared food and the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp.'

Amend the bill in section 1 in §1819 by striking out all of subsection 6 (page 1, lines 28 to 37 and page 2, lines 1 to 3 in L.D.) and inserting the following:

'6. Distribution of revenue. Quarterly, the assessor shall identify the amount of revenue attributable to each participating municipality under this section, subtract the costs of administering this section and certify the net amount for that municipality to the Treasurer of State for distribution pursuant to this subsection. From the net amount certified for a municipality under this subsection, the Treasurer of State shall make monthly payments as follows:

A. Seventy-five percent to the participating municipality; and

B. Twenty-five percent to the Maine Rural Development Authority established under Title 5, chapter 383, subchapter 9.

For the purposes of this subsection, the unorganized territory must receive reimbursement as if it is one municipality.

For purposes of this subsection, "costs of administering this section" means the lesser of the actual cost to the assessor of administering this section and 2% of the total revenue generated by a local option sales tax.'

Amend the bill in section 1 in §1819 by striking out all of subsection 7 (page 2, lines 4 to 6 in L.D.).

Amend the bill in section 1 in §1819 by striking out all of subsections 9 and 10 (page 2, lines 14 to 31 in L.D.) and inserting the following:

9. Referendum. The question of whether to impose a local option sales tax must be submitted to the legal voters of a municipality that seeks to impose the local option sales tax. The referendum question must indicate the rate of the local option sales tax.

The petition process and voting must be held and conducted in accordance with Title 30-A, sections 2528, 2529 and 2532 even if the municipality has not accepted the provisions of Title 30-A, section 2528. The voting at elections must be held and conducted in accordance with Title 21-A.

The municipal clerk shall make a return of the results, certify the results and send them to the Secretary of State. The Secretary of State shall forward the results to the assessor.

The local option sales tax may be discontinued by referendum conducted in the same manner as the referendum adopting the tax under this subsection.

10. Effective date of tax; acceptance by voters. A local option sales tax authorized by this section takes effect 120 days after the municipal referendum vote under subsection 8 if it is accepted by a majority of the legal voters voting at the election and the total number of votes cast equals or exceeds 20% of the total number of votes cast in the municipality in the most recent gubernatorial election, except that no local option sales tax may take effect before July 1, 2021.'

Amend the bill in section 1 in §1819 by renumbering the subsections to read consecutively.

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment provides that a municipality adopting a local option sales tax on meals and lodging is limited to a tax rate of 1% and provides that the tax must be assessed year-round. The amendment changes the distribution of local sales tax net revenue to 75% for the municipality imposing the tax and 25% to be distributed to the Maine Rural Development Authority. A local option sales tax may not take effect before July 1, 2021.

FISCAL NOTE REQUIRED
(See attached)