

February 16, 2011

Dear MADA Member:

The 2011-2012 session of the Maine Legislature began in early January with a significantly different group of Legislators. With the shift in Legislative leadership, the numerous first-time Representatives and Senators, and totally revamped staffs assisting the Senate, the House, and Legislative committees, it has been a slow start in addressing the nearly 1800 proposals expected to be facing legislative action.

To date, approximately 30% of the expected legislative documents (LDs) have been printed. The accompanying pages briefly describe LDs of interest to MADA. Many of these LDs will be monitored to determine any real impact on dealerships, but a sizable number will be the subject of MADA conversations with certain Legislators as well as testimony at committee public hearings and worksessions.

We have sent dealers email communications about LD 186, the Sunday sales proposal. We thank you all for your attention to that issue, as nearly every dealer is opposed. We will report to you Thursday evening on the public hearing.

Among the LDs printed to date, you will note the attention being given to the motor vehicle safety inspection program, sales tax, dealership licensing, health insurance, and regulatory reform. MADA has been, and will continue to be, significantly involved in these discussions. Your Board of Directors has already reviewed a number of these issues, and will continue to set MADA policy at their monthly meetings.

If you have comments or questions on any of these LDs, please contact your MADA office, or email me directly at [tom@maineautodealers.com](mailto:tom@maineautodealers.com).

Future Legislative News communications will detail MADA efforts on specific issues, as well as provide Legislative decisions on the LDs identified.

Sincerely,

Thomas T. Brown, Jr.  
President

TTB/net

Enclosure

# M. A. D. A.

## LEGISLATIVE NEWS

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2011-L-1

- LD 1 Regulatory Reform - Governor's bill with details coming.
- LD 7 Exempts manufacturer rebates from Maine sales tax if assigned by purchaser to dealership.
- LD 9 Moves revenue growth into special fund to finance lowering income tax to 4.5%, and increases to \$30,000 the income threshold below which families do not pay income tax.
- LD 14 Major substantive rule regarding volume fees for financial institutions.
- LD 52 Dedicates approximately 4.5% of sales tax revenue to Highway Fund.
- LD 53 Allows insured person to select rental vehicle company.
- LD 58 Prohibits enforcement in Maine of new federal healthcare law.
- LD 60 Expands Maine COBRA health insurance option for laid off employees up to 18 months longer.
- LD 62 Allows bids for State Purchases to be submitted in printed hard-copy format.
- LD 64 Seat-belt violations become secondary offenses.
- LD 79 Excise tax to be based on 90% (change from 100%) of MSRP.
- LD 88 Requires that Maine Revenue Services make available a website containing the list of sales tax exemption certificate holders.
- LD 112 Requires surrender of any license or registration issued to a person violating Litter Control Act.
- LD 117 Excise tax on corporate vehicles (including utilities) paid to permanent location of vehicles, not main office.
- LD 125 Raises (doubles) minimum auto insurance to 50K = Property; 100K = Death; 250K = Multiple; 20K = Medical.
- LD 136 Changes (reduces) the eligibility exemption for unemployment benefits.
- LD 140 Allows net operating loss carry-forward for 2009 and 2010 - federal tax law conformity.

- LD 144 Concept draft re: effect on motor vehicles of magnesium chloride.
- LD 152 Disallows employment discrimination for persons convicted of a crime unless conviction related to employment functions.
- LD 159 Requires DEP site location & storm water rules to be major substantive rules subject to Legislative review.
- LD 162 Exempts antique autos from muffler requirements.
- LD 169 Employers of 51 or more must allow a veteran to take November 11 (Veterans Day) off with pay.
- LD 176 No retroactive assessment of sales or use tax unless certain notifications have been made.
- LD 186 Repeals Sunday closing.
- LD 198 Concept draft re: safety inspection program.
- LD 221 Revises the placement options for the motorcycle safety inspection sticker, terminates a valid motorcycle inspection sticker upon transfer of the plate to another motorcycle, and creates one registration sticker for motorcycles.
- LD 226 Allows New England-wide purchase of health insurance, IF all states requirements can be met.
- LD 235 Exempts antique motorcycles from the safety inspection law.
- LD 239 Provides a sales tax exemption for coal, oil, wood or gas bought to heat a business.
- LD 246 Requires all vehicles manufactured after 2010, except hybrids, to operate with headlights on, with violations treated as secondary offenses.
- LD 265 Requires a complete review of motor vehicle dealer licensing requirements, both laws and rules.
- LD 269 Allows employers to establish work-sharing programs while helping employees with partial unemployment benefits and reducing unemployment costs for employers.
- LD 281 Requires enforcement actions for violations of environmental law to be brought within 5 years.
- LD 283 Vehicles operating at 40 mph or more must be clear of snow, ice, hail and sleet.
- LD 288 Allows municipalities to increase their fees for registering vehicles.
- LD 301 Changes abandoned vehicle laws to 14 day thresholds, from 7 days, before the vehicle can be claimed by the repair facility.
- LD 357 Repeals the motor vehicle safety inspection program.

- LD 370** Increases motor vehicle safety inspection fees to \$16.50 for the standard inspection and \$21.50 for the emissions inspection.
- LD 383** Eliminates the annual indexing of the gas tax.
- LD 402** Prohibits users of a consumer credit score from assigning a low credit score, or reducing a credit score, if the consumer can demonstrate ability to meet his/her financial obligations without borrowing on credit.
- LD 415** Allows a sales tax credit on trade-in of core parts.
- LD 423** Repeals Maine's Estate Tax.
- LD 436** Excise Tax would be based on the actual purchase price.
- LD 437** Changes the motor vehicle safety inspection program: creates a 2-year inspection until the vehicle is 7 model years old; exempts motor vehicles being driven on a dealer plate.
- LD 447** Raises the minimum wage to \$7.75 on October 1, 2011 and to \$8.00 on October 1, 2012.
- LD 455** Creates a study for health insurance purchasing across state lines in New England.
- LD 473** Allows purchase of health insurance from other states IF certain requirements are met.
- LD 477** Requires mufflers on motorcycles.
- LD 480** Allows motor vehicle repair facilities to use up their existing inventory of lead wheel weights.
- LD 496** Allows health insurance policies to provide incentives to participants who obtain certain medical services outside of local geographic areas.
- LD 516** Adjusts limits on hours worked by 16 and 17 year olds, and conforms Maine law to federal law regarding employment of minors.
- LD 517** Limits health insurance carriers from requiring certain medications and prior authorizations in prescription coverages.
- LD 521** Allows an income tax credit for a business which hires a person who has not been employed for 6 months.
- LD 527** Increases the insurance required on rental motor vehicles.
- LD 553** Studies certain strategies for reducing Maine's dependence on oil, including higher use of electric and hybrid units as well as incentives for retirement of older vehicles.
- LD 570** Allows use of traffic surveillance cameras to enforce motor vehicle laws.
- LD 571** Changes the basis of sales tax on used vehicles, with exclusive use of receipt or bill of sale.
- LD 574** Extends the 14-day temporary plate to 30 days.