

MAINE STATE LEGISLATURE

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L.D. 289

(Filing No. S-215)

STATE OF MAINE
SENATE
112TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "B" to S.P. 91, L.D. 289,
Bill, "AN ACT to Implement the Recommendations of the
State Compensation Commission."

Amend the bill by striking out everything after
the enacting clause and inserting in its place the
following:

'Sec. 1. 2 MRSA §1, last ¶, as amended by PL
1983, c. 477, Pt. E, sub-pt. 24, §§1 and 2, is re-
pealed and the following enacted in its place:

Until the first Wednesday of January, 1987, the
Governor shall receive an annual salary of \$35,000.
Beginning the first Wednesday of January, 1987, the
Governor shall receive an annual salary of \$70,000.

The annual salary of the Governor shall be re-
viewed in the 2nd year of each gubernatorial term in
office by the State Compensation Commission.

Sec. 2. 3 MRSA §2-A, sub-§1, as amended by PL
1983, c. 812, §2 and c. 853, Pt. D, §§1 and 2, is re-
pealed and the following enacted in its place:

1. State Compensation Commission established.
There is established the State Compensation Commis-
sion, to consist of 5 members appointed in January of
every odd-numbered year as follows: One member shall
be appointed by the President of the Senate; one mem-
ber shall be appointed by the Speaker of the House of
Representatives; one member shall be appointed by the
Senate Minority Leader; one member shall be appointed
by the House Minority Leader; and one member shall be
appointed by a majority of the preceding 4 commis-
sioners and shall serve as chairman of the commis-
sion. The 5 members shall be residents of the State,

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1 appointed from the public. No one may be appointed
2 who is a Legislator at the time of his appointment.

3 All members shall be appointed for terms to coincide
4 with the legislative biennium. Vacancies shall be
5 filled in the same manner as the original appoint-
6 ments, for the balance of the unexpired term. The
7 commission shall be appointed in January at the First
8 Regular Session of each Legislature.

9 The commission may request staff support from the
10 Legislative Council.

11 The members of the commission shall be compensated as
12 authorized by Title 5, chapter 379.

13 Sec. 3. 3 MRSA §2-A, sub-§2, as amended by PL
14 1983, c. 853, Pt. D, §§1 and 2, is further amended to
15 read:

16 2. Duties of commission. Not later than May 1st
17 of every odd-numbered year and January 15th of every
18 even-numbered year, the commission shall submit to
19 the Legislature an interim report of the commission
20 and not later than November 15th of every even-
21 numbered year, a final report of the commission .
22 The reports shall contain: A description of the com-
23 mission's activities; the recommendations of the com-
24 mission; the reasons for its recommendations; drafts
25 of any legislation required to implement its recom-
26 mendations; and any other material that commission
27 members may wish to submit.

28 Prior to reporting as required in this subsection,
29 and subsequent to giving public notice, the commis-
30 sion shall hold a public hearing on the report. Sub-
31 sequent to reporting, the commission shall meet, if
32 requested, with the Governor, the Legislative Council
33 and legislative committees to discuss the report.

34 The report shall contain recommendations for: All
35 compensation of the Governor, justices and judges,

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1 constitutional officers, Legislators, Clerk and As-
2 sistant Clerk of the House of Representatives, Secre-
3 tary and Assistant Secretary of the Senate and repre-
4 sentatives of Indian tribes, including, but not lim-
5 ited to, all payments for salaries, meals, housing,
6 travel, mileage, constituent services and all other
7 expenses and allowances, including additional pay-
8 ments made for additional services by any justice,
9 judge, constitutional officer, President of the Sen-
10 ate, Speaker of the House of Representatives and mem-
11 bers of legislative leadership. As established in
12 Title 2, section 1, in the 2nd year of each guberna-
13 torial term of office, the report shall contain a
14 recommendation for all compensation of the Governor.
15 The report may contain other recommendations.

16 Sec. 4. 4 MRSA §1302, sub-§3, ¶C, as amended by
17 PL 1983, c. 863, Pt. B, §§19 and 45, is repealed.

18 Sec. 5. 4 MRSA §1351, sub-§§1 and 3, as amended
19 by PL 1983, c. 863, Pt. B, §§22 and 45, are further
20 amended to read:

21 1. Age 60. Any member may retire on or after his
22 60th birthday if he has at least 10 years of credit-
23 able service as a judge;

24 3. Early retirement. Any member who has com-
25 pleted at least 25 years of creditable service, as a
26 judge, may retire any time before his 60th birthday.
27 The retirement allowance shall be determined in ac-
28 cordance with section 1352, except that it shall be
29 reduced by multiplying the retirement allowance by a
30 fraction which represents the ratio of the amount of
31 a life annuity due at age 60 to the amount of a life
32 annuity due at the age of retirement. The tables of
33 annuities in effect at the date of retirement shall
34 be used for this purpose.

35 Sec. 6. 4 MRSA §1352, sub-§4, as repealed and
36 replaced by PL 1983, c. 863, Pt. B, §§24 and 45, is
37 repealed and the following enacted in its place:

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1 4. Minimum benefit. Each judge in service on
2 December 1, 1984, who is 50 years of age or older on
3 that date shall be entitled to a minimum benefit
4 equal to 75% of the salary as of June 30, 1984, for
5 the position from which the judge retired, increased
6 by 6%, compounded annually, for each year or part of
7 a year served subsequent to June 30, 1984, up to and
8 including June 30, 1989, the total shall be increased
9 by an amount equal to the cost-of-living factor
10 granted the previous September, as determined pursu-
11 ant to section 1358, compounded annually.

12 Sec. 7. 4 MRSA §1358, as amended by PL 1983, c.
13 863, Pt. B, §§36 and 45, is further amended to read:

14 §1358. Cost-of-living and other adjustments

15 1. Cost-of-living adjustments. Retirement Ex-
16 cept as provided in subsection 2, paragraph A,
17 retirement allowances under this chapter shall be ad-
18 justed as follows.

19 A. The board shall automatically adjust allow-
20 ances, beginning in September 1985, and each Sep-
21 tember thereafter, by any percentage change in
22 the Consumer Price Index from July 1st through
23 June 30th, but only to a maximum annual increase
24 or decrease of 4%. The board shall determine the
25 cost of these adjustments and shall include them
26 in their budget requests, if necessary.

27 B. Whenever the annual percentage change in the
28 Consumer Price Index from July 1st to June 30th
29 exceeds 4%, the board shall adjust allowances as
30 set out in paragraph A and shall report the ad-
31 justment and the actual increase or decrease in
32 the Consumer Price Index to the Legislature dur-
33 ing February of the following year.

34 C. Adjustments under this section shall be ap-
35 plied to the allowances of all retirees who have

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1 been retired for at least 6 months before the ad-
2 justment takes effect. Beneficiaries of deceased
3 retirees shall be eligible for the adjustment
4 provided in this section at the same time the de-
5 ceased retiree would have been eligible.

6 D. The amount of a retirement allowance payable
7 under this chapter shall not be less than the
8 retiree received on the effective date of his re-
9 tirement.

10 2. Retirement allowances. Retirement allowances
11 under section 1352, subsection 4.

12 A. Beginning in July 1985, and each July there-
13 after, through July 1989, retirement allowances
14 under section 1352, subsection 4, shall be in-
15 creased by 6% compounded annually.

16 B. Beginning in September 1990, and each Septem-
17 ber thereafter, retirement allowances under sec-
18 tion 1352, subsection 4, shall be adjusted as
19 provided in subsection 1.

20 Sec. 8. Appropriation. The following funds are
21 appropriated from the General Fund to carry out the
22 purposes of this Act.

23 1985-86 1986-87

24 EXECUTIVE DEPARTMENT

25 Administration-Executive-
26 Governor's Office

27 Personal Services \$12,140

28 Provides funds for
29 salary increase to
30 the Governor effec-
31 tive the first
32 Wednesday in January

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1 of 1987.

2 Emergency clause. In view of the emergency cited
3 in the preamble, this Act shall take effect when ap-
4 proved.

5 FISCAL NOTE

6 Section 1 of this bill will require a \$12,140
7 General Fund appropriation in fiscal year 1986-87 to
8 fund a salary increase for the Governor.'

9 STATEMENT OF FACT

10 This amendment implements the recommendations of
11 the final report of the State Compensation Commission
12 as follows.

13 1. Governor (Sections 1 and 3): It increases
14 the Governor's salary to \$70,000, effective in Janu-
15 ary, 1987. This increase is designed to compensate
16 for the steady erosion in purchasing power over the
17 last 10 years and to return the gubernatorial salary
18 level to one that is comparable to gubernatorial sal-
19 aries in peer states.

20 In addition, it provides a new method for periodic
21 review and revision of the Governor's salary. The
22 State Compensation Commission will review the salary
23 of and establish a salary level for the Governor ev-
24 ery 4 years.

25 2. State Compensation Commission (Section 2):
26 This section changes the manner by which members of
27 the State Compensation Commission shall be appointed
28 and establishes a January appointing date for mem-
29 bers. Delayed appointments in the past have severe-
30 ly limited the time available for the members and
31 their staff to accomplish their statutory mandated

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1 objectives.

2 3. Judicial Retirement (Sections 4, 5, 6 & 7):
3 These sections clarify the language regarding the
4 minimum retirement benefit for judges in the transi-
5 tion zone to ensure that cost-of-living adjustments
6 are not added to the retirement benefit twice. These
7 sections also allow any prior state service to be
8 used to determine eligibility for retirement purposes
9 as a judge. Current law allows only judicial service
10 to be used to determine eligibility for retirement as
11 a judge. In either case, prior state service may be
12 used to calculate the benefits of a judge, once the
13 judge is eligible for retirement.

14 Further details of the State Compensation Commis-
15 sion's recommendations may be found in the final re-
16 port.

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Reported by the Minority for the Committee on Appropriations
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