

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

SEN. KEVIN L. RAYE
CHAIR

REP. ROBERT W. NUTTING
VICE-CHAIR

EXECUTIVE DIRECTOR
DAVID E. BOULTER



SEN. JONATHAN T. E. COURTNEY
SEN. BARRY J. HOBBS
SEN. DEBRA D. PLOWMAN
SEN. JUSTIN L. ALFOND
REP. PHILIP A. CURTIS
REP. EMILY ANN CAIN
REP. ANDRE E. CUSHING III
REP. TERRY HAYES

125TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

**MEETING OF LEGISLATIVE COUNCIL
MARCH 22, 2012
1:30 PM
REVISED AGENDA**

<u>Page</u>	<u>Item</u>	<u>Action</u>
	CALL TO ORDER	
	ROLL CALL	
1	SUMMARY OF THE FEBRUARY 23, 2012 MEETING OF THE LEGISLATIVE COUNCIL	Acceptance
	REPORTS FROM EXECUTIVE DIRECTOR AND STAFF OFFICE DIRECTORS	
12	▪ Executive Director's Report (Mr. Boulter)	Information
13	▪ Fiscal Report (Mr. Pennoyer)	Information
	REPORTS FROM COUNCIL COMMITTEES	
	• Personnel Committee (No Report)	
	• State House Facilities Committee (No Report)	
	OLD BUSINESS	
17	Item #1: Council Actions Taken By Ballot (No Action Required)	Information
	Item #2: Proposals for Production of New Legislator Orientation Video (Mr. Boulter)	Status Report and Recommendation

NEW BUSINESS

- | | | |
|-----------|---|-----------------------|
| 19 | Item #1: Consideration of After Deadline Bill Requests | Roll Call Vote |
| | Item #2: Submission of the <i>Measures of Growth in Focus 2012</i>
(Maine Economic Growth Council) – by separate attachment | Acceptance |
| 22 | Item #3: Report on ACF Committee’s Review of Seed Potato Board
(Joint Standing Committee on Agriculture, Conservation and Forestry) | Acceptance |
| | Item #4: Placement of Robert Indiana painting on permanent display in Cross
Building, Legislative Floor
(Mr. Boulter and Donna McNeil, Director, Maine Arts Commission) | Approval |

ANNOUNCEMENTS AND REMARKS

ADJOURNMENT

SEN. KEVIN L. RAYE
CHAIR
REP. ROBERT W. NUTTING
VICE-CHAIR



SEN. JONATHAN T. E. COURTNEY
SEN. BARRY J. HOBBS
SEN. DEBRA D. PLOWMAN
SEN. JUSTIN L. ALFOND
REP. PHILIP A. CURTIS
REP. EMILY ANN CAIN
REP. ANDRE E. CUSHING III
REP. TERRY HAYES

EXECUTIVE DIRECTOR
DAVID E. BOULTER

125TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

MEETING SUMMARY
February 23, 2012

CALL TO ORDER

Legislative Council Chair, Senate President Raye called the February 23, 2012 Legislative Council meeting to order at 1:36 p.m. in the Legislative Council Chamber.

ROLL CALL

Senators: President Raye, Senator Courtney, Senator Plowman, and Senator Hobbins

Senator Alfond arrived shortly after the start of the meeting.

Representatives: Speaker Nutting, Representative Curtis, Representative Cushing, and Representative Cain

Absent: Representative Hayes

Legislative Officers: David Madore, Assistant Secretary of the Senate
Heather Priest, Clerk of the House
David E. Boulter, Executive Director
Debra Olken, Human Resources Director
Marion Hylan Barr, Director, Office of Policy and Legal Analysis
Grant Pennoyer, Director, Office of Fiscal and Program Review
Suzanne Gresser, Revisor of Statutes
John Barden, Director, Law and Legislative Reference Library
Scott Clark, Director, Legislative Information Technology
Beth Ashcroft, Director, Office of Program Evaluation and Government
Accountability

Senate President Raye convened the meeting at 1:36 p.m. with a quorum of members present.

SUMMARY OF FEBRUARY 7, 2012 MEETING OF LEGISLATIVE COUNCIL

Motion: That the Meeting Summary of February 7, 2012 be accepted and placed on file. Motion by Representative Cushing. Second by Representative Cain. **Motion passed (8-0-0-2,** with Senator Alford and Representative Hayes absent).

REPORTS FROM EXECUTIVE DIRECTOR AND COUNCIL OFFICES

Executive Director's Report

David Boulter, Executive Director, reported on the following:

1. Status of Posting of Public Hearing Testimony Pilot Project

The pilot project to post written testimony received by joint standing committees at public hearings on legislation is underway, having begun during the week of February 6, 2012. Written testimony received during public hearings by the joint standing committees on Insurance and Financial Services, Marine Resources, Transportation, and Veterans and Legal Affairs is posted daily. Since the project began, testimony from 100 persons testifying on 18 different bills has been received and posted on-line. To date, the process has worked smoothly, a joint effort between committee clerks and Law and Legislative Reference Library staff. A software application developed by Legislative Information Technology staff facilitates sorting and categorizing the information and posting it to the appropriate location on the Legislature's website. Testimony is sorted by committee, LD #, date of testimony, and name and affiliation of person who presented the testimony.

Viewers may locate the testimony using several search options. [Mr. Boulter presented samples to Legislative Council members]. The pilot project will continue for the remainder of the session.

2. Front Page news link by Library

The Law and Legislative Reference Library has announced its new legislative service: *Front Page*, a webpage of news links and an RSS feed subscription service. This service provides legislators and others with the electronic version of a daily collection of news articles related to bills and other matters relevant to the Legislature. *Front Page* may be accessed from the legislature's webpage using a computer or alternatively using a mobile device by scanning the QR code that links directly to the applicable webpage.

Fiscal Report

Grant Pennoyer, Director, Office of Fiscal and Program Review, reported on the following:

Revenue Update

Total General Fund Revenue - FY 2012 (\$'s in Millions)						
	Budget	Actual	Var.	% Var.	Prior Year	% Growth
January	\$280.7	\$242.0	(\$38.7)	-13.8%	\$266.1	-9.1%
FYTD	\$1,584.5	\$1,554.7	(\$29.8)	-1.9%	\$1,549.6	0.3%

General Fund revenue was \$38.7 million (13.8%) under budget in January and \$29.8 (1.9%) for the fiscal year-to-date (FYTD). January's General Fund collections were 9.1% below collections of January 2011. All of the major taxes performed poorly relative to budget in January. The 4 tax categories affecting revenue sharing transfers were under budget by a combined \$36.5 million in January and \$29.7 for the fiscal year through January. January's Individual Income Tax revenue was \$18.8 million or 14.1% below January 2011. However, roughly \$15 million of the negative variance was due to a large number of refunds that were processed on January 31st. This extra processing day for refunds in January was not factored into the monthly distribution of budgeted revenue. Estimated payments in January for both individual and corporate income taxes were also substantially below budget. Finally, the initial positive performance for holiday sales tax collections in late November appears to have diminished in December.

Highway Fund Revenue Update

Total Highway Fund Revenue - FY 2012 (\$'s in Millions)						
	Budget	Actual	Var.	% Var.	Prior Year	% Growth
January	\$26.2	\$26.8	\$0.6	2.1%	\$25.7	4.1%
FYTD	\$167.4	\$168.9	\$1.6	0.9%	\$165.7	2.0%

Highway Fund revenue was \$0.6 million (2.1%) over budget in January and \$1.6 million (0.9%) for the FYTD. Gasoline prices at record highs for this time of year have produced substantial negative variances in gasoline tax collections each month since begin revised in the December 2011 Forecast. Fortunately, the performance of other fuel tax categories and other Highway Fund revenue categories has been sufficient to maintain a positive variance for total Highway Fund revenue and produce 2% growth for the FYTD.

Cash Update

General Fund cash balances continue to decline and have fallen roughly \$25 million below last year's levels for this period, despite a \$52 million improvement in reserve balances. The total cash pool in January was \$77 million below the previous year, but still is relatively strong. The performance of Individual Income Tax refunds over the next few weeks will be the key determinant as to whether external cash flow borrowing may be required this fiscal year.

Revenue Forecasting Schedule

Mr. Pennoyer presented the following preliminary recommendations of the Revenue Forecasting Committee made in preparation for the committee's March 1st reporting deadline. Although the Consensus Economic Forecasting Commission did not recommend any changes in its February update of the economic forecast, the Revenue Forecasting Committee reviewed recent revenue performance and 2011 economic data, which result in recommended net downward General Fund adjustments of \$13.0 million for the 2012-2013 biennium. The sales and income taxes affecting revenue sharing are revised downward in the 2012-2013 biennium by a net amount of \$30.0 million. These downward adjustments are partially offset by other net upward revisions, the largest of which are adjustments in the Estate Tax (\$11.8 million) and incorporating the General Fund share of the recent mortgage settlement (\$5.7 million). The impact of this revenue forecast on other funds is more modest.

Summary of March 2012 Revenue Revisions

Preliminary Recommendations

Millions of \$'s

General Fund Summary

	FY11 Actual	FY12	FY13	FY14	FY15
Current Forecast	\$2,945.0	\$2,956.3	\$3,030.3	\$2,974.1	\$3,094.6
Annual % Growth	6.9%	0.4%	2.5%	-1.9%	4.1%
Net Increase (Decrease)		(\$4.9)	(\$8.1)	(\$15.4)	(\$16.0)
Revised Forecast	\$2,945.0	\$2,951.4	\$3,022.2	\$2,958.7	\$3,078.7
Annual % Growth	6.9%	0.2%	2.4%	-2.1%	4.1%

Highway Fund Summary

	FY11 Actual	FY12	FY13	FY14	FY15
Current Forecast	\$311.4	\$317.9	\$318.9	\$321.1	\$323.2
Annual % Growth	0.1%	2.1%	0.3%	0.7%	0.6%
Net Increase (Decrease)		\$0.3	\$0.9	\$1.7	\$1.9
Revised Forecast	\$311.4	\$318.2	\$319.8	\$322.9	\$325.1
Annual % Growth	0.1%	2.2%	0.5%	1.0%	0.7%

Fund for a Healthy Maine Summary

	FY11 Actual	FY12	FY13	FY14	FY15
Current Forecast	\$54.4	\$54.5	\$54.0	\$54.3	\$53.9
Annual % Growth	-5.5%	0.3%	-1.0%	0.5%	-0.8%
Net Increase (Decrease)		(\$0.0)	(\$0.0)	(\$0.1)	(\$0.1)
Revised Forecast	\$54.4	\$54.5	\$54.0	\$54.2	\$53.8
Annual % Growth	-5.5%	0.3%	-1.0%	0.4%	-0.8%

Medicaid/MaineCare Dedicated Revenue Taxes Summary

	FY11 Actual	FY12	FY13	FY14	FY15
Current Forecast	\$148.0	\$151.8	\$154.4	\$154.4	\$154.4
Annual % Growth	5.7%	2.6%	1.7%	0.0%	0.0%
Net Increase (Decrease)		(\$0.4)	\$0.0	\$0.0	\$0.0
Revised Forecast	\$148.0	\$151.5	\$154.4	\$154.4	\$154.4
Annual % Growth	5.7%	2.3%	1.9%	0.0%	0.0%

Status of Legislative Studies

Marion Hylan Barr, Director of the Office of Policy and Legal Analysis, reported on the status of legislative studies. She reported that all legislative study committees have completed their work and their final reports have been printed. Ms. Hylan Barr stated that this will be her final status report this legislative session.

REPORTS FROM COUNCIL COMMITTEES

1. Personnel Committee

President Raye, Chair of the Personnel Committee, offered the following report.

The Personnel Committee met on February 23, 2012 and considered a request by a member of the Legislature's nonpartisan staff for temporary disability income benefits. The request was consistent with the provisions for temporary disability income benefits under the

Legislative Council's personnel policies and guidelines. Upon the recommendation of the Executive Director, the committee voted unanimously to approve the request. No Legislative Council action is required.

2. State House Facilities Committee

No report

Legislative Council Chair Raye asked if there was any objection to taking items out of order. There was no objection. The Chair then moved to **New Business, Item 1.**

NEW BUSINESS

Item #1: Consideration of After Deadline Bill Requests / Addendum

The Legislative Council then proceeded to consider and vote on the bill requests in accordance with the previously established protocol. Of the 33 bill requests, the council authorized 13 requests for introduction in the 2nd Regular Session of the 125th Legislature, 6 failed to be authorized, 3 were withdrawn, 6 had no action taken, and 3 were tabled until a future Legislative Council meeting. Of the 3 joint resolutions, the council authorized 1 request for introduction in the 2nd Regular Session of the 125th Legislature, 1 had no action taken, and 1 was tabled until a future Legislative Council meeting. The Legislative Council's actions on the requests are included on the attached list.

The Legislative Council then returned to the other items on its agenda.

OLD BUSINESS

Item #1: Legislative Council Actions Taken by Ballot

A. LR 2745 An Act to Require Forfeiture of Public Retirement System Benefits for Persons Convicted of Certain Crimes

Submitted by: Representative Leslie Fossel
Approved: February 8, 2012 Vote: 6 - 4 in favor

B. LR 2777 An Act to Require Notification of All Affected Facilities When Amending a Certificate of Need

Submitted by: Senator Kevin Raye
Approved: February 14, 2012 Vote: 10 - 0 in favor

C. LR 2762 An Act to Establish the Dairy Improvement Fund

Submitted by: Senator Debra Plowman
Approved: February 14, 2012 Vote: 10 - 0 in favor

D. LR 2754 **JOINT RESOLUTION Memorializing the President of the United State and the United States Congress to Adequately Fund the Low-Income Home Energy Assistance Program**

Submitted by: Senator Kevin Raye
Approved: February 8, 2012 Vote: 9 - 0 - 0 - 1 in favor

No further action by the Legislative Council was required.

Item #2: Production of New Legislator Orientation Video Proposals

Mr. Boulter reported that 5 proposals have been received in response to the request for proposals issued by the Office of the Executive Director for a firm to produce a new Legislator orientation video to replace the current outdated version. Mr. Boulter convened an internal team to evaluate the proposals. The review team has met several times to review the proposals and develop a recommendation. The Legislative Council asked Mr. Boulter to explore the potential of working with the New England School of Communications and other Maine colleges having media programs to produce the video. Mr. Boulter will present his findings and recommendation at the next Legislative Council meeting.

NEW BUSINESS

Item #2: Acceptance of Final Report of the Blue Ribbon Commission on Affordable Housing (February 2012)

The Blue Ribbon Commission on Affordable Housing submitted its 2012 Final Report for acceptance by the Legislative Council.

Motion: That the Legislative Council accept the 2012 Final Report of the Blue Ribbon Commission on Affordable Housing and place it on file. Motion by Senator Courtney. Second by Senator Plowman. **Motion passed (8-0-0-2, with Representatives Cushing and Hayes absent).**

Item #3: Acceptance of the Annual Report on Activities and Performance of the Office of Program Evaluation and Government Accountability (December 2011)

The Office of Program Evaluation and Government Accountability submitted its 2011 Annual Report on Activities and Performance for acceptance by the Legislative Council.

Motion: That the Legislative Council accept the 2011 Annual Report on Activities and Performance of the Office of Program Evaluation and Government Accountability and place it on file. Motion by Senator Courtney. Second by Representative Cain. **Motion passed (8-0-0-2, with Representatives Cushing and Hayes absent).**

Item #4: Request to Authorize Study and Remove from Study Table (Request by Rep. Fredette, Chair, Task Force on Franco-Americans)

The Legislative Council received a request by Representative Fredette, Co-Chair of the Task Force on Franco-Americans to authorize the study and remove it from the Study Table. Funding to fully support the task force must be from non-state funds.

Motion: That the Legislative Council authorize the study as proposed and remove it from the Study Table for final action by the Legislature, and further that all funds necessary to support the task force study be submitted to the Executive Director for approval prior to convening the task force. Motion by Speaker Nutting. Second by Senator Plowman. **Motion passed (8-0-0-2, with Representatives Cushing and Hayes absent).**

ANNOUNCEMENTS AND REMARKS

None

The Legislative Council meeting was adjourned at 2:29 p.m. on a motion by Representative Curtis, seconded by Senator Alford. **Motion passed (9-0-0-1, with Representative Hayes absent).**

**LEGISLATIVE COUNCIL ACTION ON
AFTER DEADLINE REQUESTS TO INTRODUCE LEGISLATION
SECOND REGULAR SESSION, 125th LEGISLATURE**

As of: February 23, 2012

		Action
SPONSOR: LR 2770	Sen. Bartlett, II, Philip L. An Act To Expand the Authorized Use of Emergency Preemptive Traffic Light Devices To Include Plow Trucks	FAILED
SPONSOR: LR 2809	Rep. Beavers, Roberta B. An Act To Ban the Sale and Use of Synthetic Drugs	PASSED
SPONSOR: LR 2747	Rep. Cebra, Richard M. An Act To Enact the Liberty Preservation Act	TABLED
SPONSOR: LR 2769	Rep. Cornell du Houx, Alexander M. An Act To Protect School Funding for Municipalities That Experience a Sudden and Severe Loss of Student Population	FAILED
SPONSOR: LR 2802	Rep. Curtis, Philip A. An Act Regarding the Regulation of Consumer Finance Companies	FAILED
SPONSOR: LR 2779	Rep. Dunphy, Larry C. An Act To Amend the Bingham Water District	PASSED
SPONSOR: LR 2803	Rep. Espling, Eleanor M. An Act To Strengthen the Procedures Regarding Parental Consent to Adoption	FAILED
SPONSOR: LR 2746	Rep. Fossel, Leslie T. An Act To Treat Party Formation Committees the Same as Ballot Question Committees for Purposes of the Campaign Finance Laws	PASSED
SPONSOR: LR 2750 TITLE CHANGE	Rep. Graham, Anne P. An Act To Allow a Property Tax Abatement When a Primary Residence on That Property Is Destroyed by Fire	PASSED
SPONSOR: LR 2772	Sen. Jackson, Troy D. An Act To Make the Forest Management and Harvest Plan Public Record	TABLED

SPONSOR: LR 2751	Sen. Katz, Roger J. An Act To Establish a Mechanism for the Forfeiture of a Person's Public Pension Benefits When that Person Is Convicted of a Felony Arising out of a Violation of the Public Trust	WITHDRAWN
SPONSOR: LR 2804	Sen. Katz, Roger J. Resolve, Authorizing the Lease of the Guy P. Gannett House in Augusta to a Nonprofit Organization for Use as a Museum	PASSED
SPONSOR: LR 2760	Rep. Keschl, Dennis L. Resolve, Establishing Surface Use Restrictions on Great Meadow Stream and the Northern Portion of North Bay on Great Pond	PASSED
SPONSOR: LR 2808	Rep. Knight, L. Gary An Act To Completely Exempt the Property of Houses of Religious Worship from Taxation	TABLED
SPONSOR: LR 2743	Rep. Russell, Diane An Act To Clarify the Voting Rights of People Who Are Not Natural-born	FAILED
SPONSOR: LR 2806	Sen. Saviello, Thomas B. An Act Regarding Eligibility for General Assistance	PASSED
SPONSOR: LR 2807	Sen. Saviello, Thomas B. Resolve, Directing the Department of Environmental Protection To Adopt Rules Pertaining to Petroleum Storage and Gravel Pits	PASSED
SPONSOR: LR 2782	Rep. Shaw, Michael A. An Act To Protect Firearm Ownership during Times of Emergency	PASSED
SPONSOR: LR 2788	Rep. Soctomah, Madonna M. An Act To Ensure the Genuineness of Products Reported To Be Crafted by Native Americans	WITHDRAWN
SPONSOR: LR 2789	Rep. Strang Burgess, Meredith N. An Act To Amend the Laws Concerning Municipal Inspections of Establishments	PASSED
SPONSOR: LR 2780	Sen. Thomas, Douglas A. An Act To Protect Native Landlocked Salmon Fisheries from Invasive Fish Species	PASSED

SPONSOR: **Rep. Tilton, Dianne C.** **PASSED**
 LR 2792 An Act To Amend the Laws Pertaining to the Maine
 Economic Improvement Fund

JOINT RESOLUTION

SPONSOR: **Rep. Cebra, Richard M.** **TABLED**
 LR 2744 JOINT RESOLUTION MEMORIALIZING THE
 PRESIDENT OF THE UNITED STATES AND THE
 UNITED STATES CONGRESS TO REPEAL
 PORTIONS OF THE NATIONAL DEFENSE
 AUTHORIZATION ACT CONCERNING THE
 INDEFINITE DETENTION OF UNITED STATES
 CITIZENS

JOINT RESOLUTION

SPONSOR: **Sen. Courtney, Jonathan T. E.** **PASSED**
 LR 2810 JOINT RESOLUTION MEMORIALIZING THE
 UNITED STATES CONGRESS TO REQUEST
 APPROVAL OF THE KEYSTONE XL PIPELINE
 PROJECT

ACTION ON REQUESTS PREVIOUSLY TABLED BY THE LEGISLATIVE COUNCIL

SPONSOR: **Sen. Alford, Justin L.** **Action**
 LR 2731 An Act To Define Cost Responsibility for Transporting
 Deaf and Hard-of-hearing Students to the Governor
 Baxter School for the Deaf **PASSED**

SPONSOR: **Rep. Berry, Seth A.** **FAILED**
 LR 2706 An Act To Prohibit Tax Credits and Exemptions for
 Businesses That Outsource Jobs to Another Country

SPONSOR: **Rep. Cushing, III, Andre E.** **TABLED 01/26/12**
 LR 2709 An Act To Improve the Accountability of Government
 Officials

SPONSOR: **Sen. Goodall, Seth A.** **TABLED 01/26/12**
 LR 2665 An Act To Update the Laws Concerning Defects in Real
 Estate Transfers

SPONSOR: **Sen. Courtney, Jonathan T. E.** **TABLED 11/01/11**
 LR 2319 An Act To Change Certain Effective Dates Regarding
 Guaranteed Access and the Purchase of Health Insurance
 from outside Maine

SPONSOR: **Rep. Maloney, Maeghan** **TABLED 11/01/11**
LR 2339 An Act To Limit Taxes on Pensions

SPONSOR: **Rep. Martin, John L.** **TABLED 11/01/11**
LR 2535 An Act To Repeal the Authority for an Insurer To Vary
the Premium Rate Based on Geographic Area

SPONSOR: **Sen. Raye, Kevin L.** **TABLED 11/01/11**
LR 2618 An Act To Clarify Municipal Budget Requirements within
an Alternative Organizational Structure

SPONSOR: **Rep. Sirocki, Heather W.** **TABLED 11/01/11**
LR 2357 ~~An Act To Improve Well Water Testing at Licensed Child~~ **WITHDRAWN**
~~Care Facilities~~

JOINT RESOLUTION

SPONSOR: **Rep. Keschl, Dennis L.** **TABLED 01/26/12**
LR 2408 JOINT RESOLUTION, MEMORIALIZING THE
PRESIDENT OF THE UNITED STATES AND THE
UNITED STATES CONGRESS TO TAKE ALL STEPS
NECESSARY TO BECOME ENERGY INDEPENDENT

SEN. KEVIN L. RAYE
CHAIR

REP. ROBERT W. NUTTING
VICE-CHAIR

EXECUTIVE DIRECTOR
DAVID E. BOULTER



SEN. JONATHAN T. E. COURTNEY
SEN. BARRY J. HOBBS
SEN. DEBRA D. PLOWMAN
SEN. JUSTIN L. ALFOND
REP. PHILIP A. CURTIS
REP. EMILY ANN CAIN
REP. ANDRE E. CUSHING III
REP. TERRY HAYES

125TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

Legislative Council

Executive Director's Report March 22, 2012

1. Energy Use Report by Efficiency Maine Trust

Efficiency Maine Trust completed its walkthrough audit of the Maine State House, that was begun earlier this year, conducted pursuant to Resolves 2011, c. 40: *Resolve, To Evaluate the Energy Use of the State House and the Burton M. Cross State Office Building*. The assessment identified several areas that provide opportunities for energy savings, including increased use of LED lighting, use of occupancy sensors for certain lighting, reducing air infiltration around doors and windows, increasing roof insulation and utilizing a water side economizer to eliminate the need to operate a "chiller" year-round as well as other HVAC efficiencies. The Efficiency Maine review focused on measures that would result in a simple payback of 7 years or less. Additional discussions with Efficiency Maine will be held to develop implementation strategies for the most cost-effective energy saving measures.

G:\Council\125th Legislative Council\ED report\Executive Director's report 2012-3-22.doc

Fiscal Briefing

Legislative Council Meeting

March 22, 2012

Prepared by the Office of Fiscal & Program Review

1. General Fund Revenue Update (see attached table)

Total General Fund Revenue - FY 2012 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
February	\$132.4	\$137.8	\$5.3	4.0%	\$131.1	5.1%
FYTD	\$1,717.0	\$1,692.4	(\$24.5)	-1.4%	\$1,680.7	0.7%

General Fund revenue was \$5.3 million (4.0%) over budget in February, but remained \$24.5 (1.4%) below budget for the fiscal year-to-date (FYTD), prior to adjusting for the Revenue Forecasting Committee's (RFC) March revenue forecast that revised General Fund revenue downward in FY 2012 by \$4.9 million. January's General Fund collections were 9.1% below collections of January 2011. All of the major taxes with the exception of Individual Income Tax recovered from poor performances in January. Corporate Income Tax was buoyed in February by 2 major audits. Processing of Individual Income Tax returns has been well ahead of prior years due to the increase in the percentage of returns filed electronically. These earlier than projected refunds are the primary reason for the \$30.5 million negative variance through February in this category.

Fines, Forfeits and Penalties revenue was ahead of budget in February by \$1.0 million. Although this positive variance is good news given the recent performance of this category, a delay in the processing of the February distributions of Judicial Department revenue until March overstates this positive variance by \$0.5 million.

2. Highway Fund Revenue Update

Total Highway Fund Revenue - FY 2012 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
February	\$25.6	\$25.8	\$0.1	0.4%	\$25.1	2.4%
FYTD	\$193.0	\$194.7	\$1.7	0.9%	\$190.9	2.0%

Highway Fund revenue was \$0.1 million (0.4%) over budget in February and \$1.7 million (0.9%) for the FYTD. This positive variance was in spite of continuing negative variances for Gasoline Tax collections, which were under budget by almost \$1 million in February. The RFC adjusted this category downward, but the off-model adjustment did not anticipate monthly variances of the magnitude experienced recently. Fortunately, the performance of other fuel tax categories and other Highway Fund revenue categories has been sufficient to maintain a positive variance for total Highway Fund revenue and produce 2.0% growth for the FYTD.

3. Cash Update

General Fund cash balances continue to decline with February's average General Fund internal borrowing being \$65.3 million higher than last February. Despite this decline, the State still may be able to avoid external cash flow borrowing this fiscal year absent major surprises and assuming individual income tax refunds decline as expected.

4. MaineCare Spending Update

The last 3 MaineCare weekly cycle payments have been lower than prior payments this fiscal year. At this point, it is uncertain how much of this reduction in weekly spending might be related to the recent corrections of eligibility status in the MaineCare system.

General Fund Revenue
Fiscal Year Ending June 30, 2012 (FY 2012)
February 2012 Revenue Variance Report

Fiscal Briefing - Page 2 of 4

Revenue Category				Fiscal Year-To-Date					FY 2012 Budgeted Totals
	February '12 Budget	February '12 Actual	February '12 Var.	Budget	Actual	Variance	Variance %	% Change from Prior Year	
Sales and Use Tax	58,616,491	60,704,045	2,087,554	591,050,007	589,836,316	(1,213,691)	-0.2%	4.8%	962,086,370
Service Provider Tax	4,256,512	4,085,233	(171,279)	31,011,050	28,712,798	(2,298,252)	-7.4%	-10.5%	53,877,680
Individual Income Tax	47,894,823	40,240,023	(7,654,800)	885,277,708	854,764,615	(30,513,093)	-3.4%	0.0%	1,451,207,209
Corporate Income Tax	4,500,636	9,503,305	5,002,669	120,547,196	124,033,706	3,486,510	2.9%	6.9%	200,628,491
Cigarette and Tobacco Tax	10,380,879	11,051,190	670,311	95,371,548	95,630,368	258,820	0.3%	-0.6%	142,123,350
Insurance Companies Tax	905,936	829,682	(76,254)	13,099,714	15,403,953	2,304,239	17.6%	23.0%	76,215,000
Estate Tax	2,555,612	3,442,410	886,798	17,315,576	19,027,027	1,711,451	9.9%	-15.6%	33,163,673
Other Taxes and Fees *	8,172,836	8,218,267	45,431	73,216,610	72,463,405	(753,205)	-1.0%	-14.5%	129,106,975
Fines, Forfeits and Penalties	2,548,576	3,558,453	1,009,877	17,284,513	17,076,229	(208,284)	-1.2%	-9.5%	26,665,321
Income from Investments	(2,153)	(4,200)	(2,047)	118,981	190,954	71,973	60.5%	4.4%	47,206
Transfer from Lottery Commission	3,826,430	4,372,566	546,136	33,481,264	34,943,848	1,462,584	4.4%	6.7%	50,700,000
Transfers to Tax Relief Programs *	(6,280,506)	(3,028,225)	3,252,281	(107,810,809)	(108,280,182)	(469,373)	-0.4%	-3.6%	(113,068,263)
Transfers for Municipal Revenue Sharing	(9,257,732)	(7,430,246)	1,827,486	(66,619,877)	(65,130,209)	1,489,668	2.2%	0.6%	(96,205,719)
Other Revenue *	4,329,611	2,211,505	(2,118,106)	13,606,659	13,734,386	127,727	0.9%	-19.0%	39,726,812
Totals	132,447,951	137,754,009	5,306,058	1,716,950,140	1,692,407,214	(24,542,926)	-1.4%	0.7%	2,956,274,105

* Additional detail by subcategory for these categories is presented on the following page.

General Fund Revenue
Fiscal Year Ending June 30, 2012 (FY 2012)
February 2012 Revenue Variance Report

Revenue Category				Fiscal Year-To-Date					FY 2012 Budgeted Totals
	February '12 Budget	February '12 Actual	February '12 Var.	Budget	Actual	Variance	Variance %	% Change from Prior Year	
Detail of Other Taxes and Fees:									
- Property Tax - Unorganized Territory	0	0	0	12,414,698	12,043,355	(371,343)	-3.0%	1.2%	13,261,016
- Real Estate Transfer Tax	798,845	738,092	(60,753)	5,601,149	5,331,734	(269,415)	-4.8%	-43.8%	9,767,309
- Liquor Taxes and Fees	1,468,984	1,393,320	(75,664)	13,256,098	13,752,646	496,548	3.7%	1.0%	20,467,530
- Corporation Fees and Licenses	541,625	866,539	324,914	2,080,895	2,402,174	321,279	15.4%	6.6%	7,697,099
- Telecommunication Personal Prop. Tax	0	0	0	(2,646,902)	(2,543,388)	103,514	3.9%	-10134.1%	9,641,734
- Finance Industry Fees	1,904,581	2,035,850	131,269	15,647,568	16,224,000	576,432	3.7%	2.2%	23,265,980
- Milk Handling Fee	157,327	88,038	(69,289)	875,112	739,074	(136,038)	-15.5%	-73.6%	1,504,426
- Racino Revenue	740,158	667,604	(72,554)	6,588,481	6,401,766	(186,715)	-2.8%	3.7%	10,553,603
- Boat, ATV and Snowmobile Fees	292,005	269,743	(22,262)	2,491,305	2,363,276	(128,029)	-5.1%	-5.1%	4,763,561
- Hunting and Fishing License Fees	1,410,038	1,270,350	(139,688)	11,535,991	10,487,734	(1,048,257)	-9.1%	-8.2%	16,161,752
- Other Miscellaneous Taxes and Fees	859,273	888,731	29,458	5,372,215	5,261,034	(111,181)	-2.1%	-40.0%	12,022,965
Subtotal - Other Taxes and Fees	8,172,836	8,218,267	45,431	73,216,610	72,463,405	(753,205)	-1.0%	-14.5%	129,106,975
Detail of Other Revenue:									
- Liquor Sales and Operations	2,606	4,950	2,344	17,657	22,750	5,093	28.8%	24.4%	7,596,943
- Targeted Case Management (DHHS)	946,853	545	(946,308)	3,950,012	3,344,349	(605,663)	-15.3%	-63.6%	4,868,524
- State Cost Allocation Program	1,153,602	1,161,564	7,962	8,148,104	8,541,310	393,206	4.8%	-9.1%	14,101,011
- Unclaimed Property Transfer	0	0	0	0	0	0	N/A	N/A	2,333,420
- Toursim Transfer	0	0	0	(9,419,745)	(9,419,745)	0	0.0%	-4.1%	(9,419,745)
- Transfer to Maine Milk Pool	(58,090)	(132,731)	(74,641)	(746,244)	(252,906)	493,338	66.1%	93.7%	(980,670)
- Transfer to STAR Transportation Fund	0	0	0	(3,196,872)	(3,196,872)	0	0.0%	-3.1%	(3,196,872)
- Other Miscellaneous Revenue	2,284,640	1,177,178	(1,107,462)	14,853,747	14,695,500	(158,247)	-1.1%	1.2%	24,424,201
Subtotal - Other Revenue	4,329,611	2,211,505	(2,118,106)	13,606,659	13,734,386	127,727	0.9%	-19.0%	39,726,812
Detail of Transfers to Tax Relief Programs:									
- Me. Resident Prop. Tax Program (Circuitbreaker)	(1,000,000)	(1,240,409)	(240,409)	(38,411,226)	(38,640,668)	(229,442)	-0.6%	-4.9%	(42,083,286)
- BETR - Business Equipment Tax Reimb.	(4,422,283)	(1,442,416)	2,979,867	(49,984,811)	(50,502,907)	(518,096)	-1.0%	1.7%	(51,552,995)
- BETE - Municipal Bus. Equip. Tax Reimb.	(858,223)	(345,400)	512,823	(19,414,772)	(19,136,606)	278,166	1.4%	-17.4%	(19,431,982)
Subtotal - Tax Relief Transfers	(6,280,506)	(3,028,225)	3,252,281	(107,810,809)	(108,280,182)	(469,373)	-0.4%	-3.6%	(113,068,263)
Inland Fisheries and Wildlife Revenue - Total	1,834,457	1,583,690	(250,767)	14,723,188	13,560,977	(1,162,211)	-7.9%	-7.7%	21,916,376

Highway Fund Revenue
Fiscal Year Ending June 30, 2012 (FY 2012)
February 2012 Revenue Variance Report

Revenue Category				Fiscal Year-To-Date					FY 2012 Budgeted Totals
	February '12 Budget	February '12 Actual	February '12 Var.	Budget	Actual	Variance	% Variance	% Change from Prior Year	
Fuel Taxes:									
- Gasoline Tax	15,608,393	14,720,700	(887,693)	120,979,347	118,871,337	(2,108,010)	-1.7%	-0.6%	200,580,000
- Special Fuel and Road Use Taxes	3,486,102	3,585,710	99,608	26,115,352	27,024,604	909,252	3.5%	2.6%	44,200,000
- Transcap Transfers - Fuel Taxes	(1,402,812)	(1,345,307)	57,505	(12,297,691)	(12,249,477)	48,214	0.4%	-0.2%	(17,974,807)
- Other Fund Gasoline Tax Distributions	(390,326)	(368,109)	22,217	(3,528,450)	(3,493,958)	34,492	1.0%	-0.1%	(5,115,905)
Subtotal - Fuel Taxes	17,301,357	16,592,994	(708,363)	131,268,558	130,152,506	(1,116,052)	-0.9%	0.0%	221,689,288
Motor Vehicle Registration and Fees:									
- Motor Vehicle Registration Fees	4,377,893	4,547,509	169,616	39,978,394	40,754,736	776,342	1.9%	1.4%	64,805,936
- License Plate Fees	213,448	247,743	34,295	1,984,108	2,087,426	103,318	5.2%	4.0%	3,345,309
- Long-term Trailer Registration Fees	1,637,429	1,339,980	(297,449)	5,314,303	5,869,056	554,753	10.4%	4.0%	8,884,523
- Title Fees	705,268	1,027,452	322,184	6,925,918	7,707,637	781,719	11.3%	10.0%	11,044,291
- Motor Vehicle Operator License Fees	637,833	702,179	64,346	5,768,347	5,411,504	(356,844)	-6.2%	41.6%	9,124,826
- Transcap Transfers - Motor Vehicle Fees	0	0	0	(7,622,416)	(7,553,821)	68,595	0.9%	-2.4%	(14,844,300)
Subtotal - Motor Vehicle Reg. & Fees	7,571,871	7,864,862	292,991	52,348,654	54,276,538	1,927,884	3.7%	5.8%	82,360,585
Motor Vehicle Inspection Fees	119,200	383,596	264,396	1,923,600	2,202,152	278,552	14.5%	7.2%	2,982,500
Other Highway Fund Taxes and Fees	72,153	90,155	18,002	836,355	843,050	6,695	0.8%	1.2%	1,313,165
Fines, Forfeits and Penalties	101,359	0	(101,359)	697,357	574,779	(122,578)	-17.6%	-29.3%	1,103,049
Interest Earnings	8,704	8,898	194	62,158	66,102	3,944	6.3%	-20.8%	97,701
Other Highway Fund Revenue	474,346	815,137	340,791	5,886,912	6,583,155	696,243	11.8%	17.4%	8,388,443
Totals	25,648,990	25,755,642	106,652	193,023,594	194,698,281	1,674,687	0.9%	2.0%	317,934,731

**Legislative Council Actions
Taken by Ballot Since the
February 23, 2012 Council Meeting**

Request for Introduction of Legislation

- A. LR 2818 **An Act to Establish a Presidential Primary in the State**
- Submitted by: Senator Kevin Raye
Approved: February 28, 2012 Vote: 10 - 0 in favor
- B. LR 2825 **An Act to Improve Environmental Oversight and Streamline Permitting for Mining in Maine**
- Submitted by: Representative John Martin
Approved: March 1, 2012 Vote: 10 - 0 in favor
- C. LR 2834 **An Act to Enhance Opportunities for the Sale of Lottery Tickets**
- Submitted by: Senator Debra Plowman
Approved: March 7, 2012 Vote: 10 - 0 in favor
- D. LR 2839 **An Act to Clarify the Regulation of Private Natural Gas Pipelines**
- Submitted by: Senator Kevin Raye
Approved: March 9, 2012 Vote: 10 - 0 in favor
- E. LR 2813 **An Act to Clarify Authorized Associations of Veterinary Practice**
- Submitted by: Senator Seth Goodall
Approved: March 9, 2012 Vote: 9 - 0 - 1 - 0 in favor
- F. LR 2829 **An Act Requiring Communication of Mammographic Breast Density Information to Patients**
- Submitted by: Representative Terry Hayes
Approved: March 13, 2012 Vote: 10 - 0 in favor
- G. LR 2845 **An Act to Establish a Competitive Bid Process for Future Casinos and Slot Machine Facilities**
- Submitted by: Representative Michael Beaulieu
Approved: March 15, 2012 Vote: 9 - 0 - 1 - 0 in favor

H. LR 2819 **JOINT RESOLUTION Memorializing the President of the United States and the Congress of the United States to Improve the Process Used to Negotiate and Approve International Trade Agreements**

Submitted by: Representative Joyce Maker
Approved: March 6, 2012 Vote: 10 - 0 in favor

I. LR 2744 **JOINT RESOLUTION Memorializing the President of the United States and the United States Congress to Repeal Portions of the National Defense Authorization Act Concerning the Indefinite Detention of United States Citizens**

Submitted by: Representative Richard Cebra
Approved: March 14, 2012 Vote: 6 – 1 – 3 – 0 in favor

G:\Council\125th Legislative Council\Ballot\Actions Taken by Ballot by since 2012-2-23 meeting.doc

LEGISLATIVE COUNCIL
AFTER DEADLINE REQUESTS TO INTRODUCE LEGISLATION
SECOND REGULAR SESSION 125th LEGISLATURE
As of: March 15, 2012

Action

SPONSOR: **Rep. Clark, Herbert E.**
LR 2836 An Act To Allow the Town of Millinocket To Sue the
 State To Recover the Full Amount Due to Millinocket
 Due to a Sudden and Severe Disruption of Valuation

SPONSOR: **Sen. Patrick, John L.**
LR 2846 An Act To Protect the Integrity of the Voting Process

SPONSOR: **Rep. Prescott, Kerri L.**
LR 2817 An Act To Allow the Use of Tax Increment Financing
 Revenue To Fund School Costs in Brunswick and
 Topsham

JOINT RESOLUTION

SPONSOR: **Rep. Boland, Andrea M.**
LR 2838 JOINT RESOLUTION MEMORIALIZING THE
 UNITED STATES CONGRESS TO IMPLEMENT THE
 RECOMMENDATIONS OF THE FEDERAL
 COMMISSION TO ASSESS THE THREAT TO THE
 UNITED STATES FROM ELECTROMAGNETIC
 PULSE ATTACK AND THE RECOMMENDATIONS
 OF THE NATIONAL ASSOCIATION OF
 REGULATORY UTILITY COMMISSIONERS TO
 PROTECT THE ELECTRIC TRANSMISSION AND
 DISTRIBUTION INFRASTRUCTURE

JOINT RESOLUTION

SPONSOR: **Sen. Sherman, Roger L.**
LR 2843 JOINT RESOLUTION MEMORIALIZING THE
 UNITED STATES CONGRESS TO ADDRESS THE
 ISSUE OF SALE AND DISTRIBUTION OF MEAT
 AND POULTRY

TABLED BY THE LEGISLATIVE COUNCIL

Action

SPONSOR: **Rep. Cebra, Richard M.**
LR 2747 An Act To Enact the Liberty Preservation Act

TABLED 02/23/12

SPONSOR: LR 2709	Rep. Cushing, III, Andre E. An Act To Improve the Accountability of Government Officials	TABLED 01/26/12
SPONSOR: LR 2665	Sen. Goodall, Seth A. An Act To Update the Laws Concerning Defects in Real Estate Transfers	TABLED 01/26/12
SPONSOR: LR 2772	Sen. Jackson, Troy D. An Act To Make the Forest Management and Harvest Plan Public Record	TABLED 02/23/12
SPONSOR: LR 2808	Rep. Knight, L. Gary An Act To Completely Exempt the Property of Houses of Religious Worship from Taxation	TABLED 02/23/12
SPONSOR: LR 2319	Sen. Courtney, Jonathan T. E. An Act To Change Certain Effective Dates Regarding Guaranteed Access and the Purchase of Health Insurance from outside Maine	TABLED 11/01/11
SPONSOR: LR 2339	Rep. Maloney, Maeghan An Act To Limit Taxes on Pensions	TABLED 11/01/11
SPONSOR: LR 2535	Rep. Martin, John L. An Act To Repeal the Authority for an Insurer To Vary the Premium Rate Based on Geographic Area	TABLED 11/01/11
SPONSOR: LR 2618	Sen. Raye, Kevin L. An Act To Clarify Municipal Budget Requirements within an Alternative Organizational Structure	TABLED 11/01/11

ADDENDUM
LEGISLATIVE COUNCIL
AFTER DEADLINE REQUEST TO INTRODUCE LEGISLATION
SECOND REGULAR SESSION 125th LEGISLATURE
After: March 15, 2012

Action

SPONSOR: **Rep. Beaulieu, Michael G.**
LR 2860 An Act To Amend the Charter of the Lewiston-Auburn
Water Pollution Control Authority

SPONSOR: **Sen. Brannigan, Joseph C.**
LR 2866 Resolve, To Require the Office of Program Evaluation
and Government Accountability To Conduct an
Independent and Internal Audit of the Operations of the
Department of Health and Human Services

SPONSOR: **Rep. Cushing, III, Andre E.**
LR 2868 An Act To Support Members of Law Enforcement
Community as a Result of Medical Need or Unusual
Hardship

SPONSOR: **Rep. Harmon, R. Ryan**
LR 2858 An Act To Protect Clean Water by Prohibiting Hydraulic
Fracturing

SPONSOR: **Rep. Harmon, R. Ryan**
LR 2867 An Act To Include in the Fuel Tax Refund Fuel Used for
Agriculture or Forestry Purposes

JOINT RESOLUTION

SPONSOR: **Rep. Berry, Seth A.**
LR 2869 JOINT RESOLUTION MEMORIALIZING
CONGRESS TO ADOPT THE MAIN STREET
FAIRNESS ACT

JOINT RESOLUTION

SPONSOR: **Rep. Knight, L. Gary**
LR 2871 JOINT RESOLUTION MEMORIALIZING THE
CONGRESS OF THE UNITED STATES TO ADOPT
THE MARKETPLACE FAIRNESS ACT

JOINT RESOLUTION

SPONSOR: **Sen. Raye, Kevin L.**
LR 2870 JOINT RESOLUTION MEMORIALIZING THE
CONGRESS OF THE UNITED STATES TO REFORM
THE FEDERAL TOXIC SUBSTANCES CONTROL
ACT OF 1976

SENATE

ROGER L. SHERMAN, DISTRICT 34, CHAIR
MICHAEL D. THIBODEAU, DISTRICT 23
ELIZABETH M. SCHNEIDER, DISTRICT 30

JILL IPPOLITI, LEGISLATIVE ANALYST
MEGAN RICKER, COMMITTEE CLERK



HOUSE

PETER E. EDGECOMB, CARIBOU, CHAIR
DEAN A. CRAY, PALMYRA
JEFFERY A. GIFFORD, LINCOLN
RUSSELL J. BLACK, WILTON
KAREN D. FOSTER, AUGUSTA
JEFFREY L. TIMBERLAKE, TURNER
JEFF M. McCABE, SKOWHEGAN
ANDREW R. O'BRIEN, LINCOLNVILLE
PETER S. KENT, WOOLWICH
JAMES F. DILL, OLD TOWN

STATE OF MAINE

ONE HUNDRED AND TWENTY-FIFTH LEGISLATURE

COMMITTEE ON AGRICULTURE, CONSERVATION AND FORESTRY

MEMORANDUM

To: Senator Kevin L. Raye, Chair of the Legislative Council
Representative Robert W. Nutting, Vice Chair of the Legislative Council

From: Sen. Roger L. Sherman, Senate Chair
Rep. Peter E. Edgecomb, House Chair
Joint Standing Committee on Agriculture, Conservation and Forestry

Re: Review of the Seed Potato Board under the State Government Evaluation Act

We are writing to inform you that in April of 2011 the Joint Standing Committee on Agriculture, Conservation and Forestry voted to waive review of the Seed Potato Board under the Government Evaluation Act during the 125th Legislature. Oversight and management responsibilities for the Seed Potato Board were transferred from the Department of Agriculture, Food, and Rural Resources to the Maine Potato Board under PL 2009, chapter 379. This transition was completed in 2010.

The ACF Committee had reviewed the Seed Potato Boards's responsibilities for production, distribution and sales of seed potatoes immediately prior to the transfer. In 2010 and early in 2011, the committee received briefings on the transition from Don Flannery, Executive Director of the Maine Potato Board and from Seth Bradstreet, then Commissioner of Agriculture. Mr. Flannery has continued to provide updates on seed potato operations. We are directing the Maine Potato Board to report to the joint standing committee having jurisdiction over agricultural matters no later than January 15, 2012 with a summary of the production, distribution and sales of seed potatoes in 2010, 2011 and 2012.

The Joint Standing Committee on Agriculture, Conservation and Forestry is recommending that the Seed Potato Board no longer be subject to review under the Government Evaluation Act. The Legislative committee of jurisdiction can and will continue to communicate directly with the Maine Potato Board on seed potato operations and request information specific to seed potato operations and facilities as needed.