

MAINE STATE LEGISLATURE

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STATE OF MAINE
127TH LEGISLATURE
SECOND REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

**JOINT STANDING COMMITTEE ON APPROPRIATIONS AND
FINANCIAL AFFAIRS**

May 2016

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STATE OF MAINE

127TH LEGISLATURE

SECOND REGULAR SESSION



LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contains summaries of all LDs and adopted amendments and all laws enacted or finally passed during the Second Regular Session of the 127th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. An appendix provides a summary of relevant session statistics.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

CARRIED OVER..... carried over to a subsequent session of the Legislature
CON RES XXX..... chapter # of constitutional resolution passed by both houses
CONF CMTE UNABLE TO AGREE..... Committee of Conference unable to agree; legislation died
DIED BETWEEN HOUSES..... House & Senate disagreed; legislation died
DIED IN CONCURRENCE..... defeated in each house, but on different motions; legislation died
DIED ON ADJOURNMENT..... action incomplete when session ended; legislation died
EMERGENCY..... enacted law takes effect sooner than 90 days after session adjournment
FAILED, EMERGENCY ENACTMENT or PASSAGE..... emergency failed to receive required 2/3 vote
FAILED, ENACTMENT or FINAL PASSAGE..... failed to receive final majority vote
FAILED, MANDATE ENACTMENT..... legislation proposing local mandate failed required 2/3 vote
HELD BY GOVERNOR..... Governor has not signed; final disposition to be determined at subsequent session
LEAVE TO WITHDRAW..... sponsor's request to withdraw legislation granted
NOT PROPERLY BEFORE THE BODY..... ruled out of order by the presiding officer; legislation died
INDEF PP..... indefinitely postponed; legislation died
ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X... ought-not-to-pass report accepted; legislation died
P&S XXX..... chapter # of enacted private & special law
PUBLIC XXX..... chapter # of enacted public law
RESOLVE XXX..... chapter # of finally passed resolve
VETO SUSTAINED..... Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 127th Legislature is July 29, 2016. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

Joint Standing Committee on Appropriations and Financial Affairs

LD 1579 An Act Regarding the Maine Clean Election Fund

Veto Sustained

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP-AM ONTP	H-661 S-510 GRATWICK G

This bill specifies that the State Controller is directed to transfer \$2,500,000 from the General Fund to the Maine Clean Election Fund on or before June 30, 2016 instead of on or before January 1, 2017.

Committee Amendment "A" (H-661)

This amendment, which is the majority report of the committee, changes the date by which the State Controller is directed to transfer funds from the General Fund to the Maine Clean Election Fund from on or before June 30, 2016 to on or before August 1, 2016 and changes the amount of that transfer from \$2,500,000 to \$500,000.

Senate Amendment "A" To Committee Amendment "A" (S-510)

This amendment removes the emergency preamble and the emergency clause and changes the date of the 2nd transfer from on or before August 1, 2016 to on or before September 1, 2016.

LD 1583 An Act To Provide for Tax Conformity and Funding Methods

**PUBLIC 388
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
		S-354

This bill was reported ought to pass by a majority of the committee pursuant to joint order, S.P. 630.

Part A of this bill:

1. Decouples the Maine individual and corporate income taxes from the federal bonus depreciation deductions for taxable years beginning on or after January 1, 2015. In addition, it provides a Maine capital investment credit for taxable years beginning in 2015 with respect to depreciable property placed in service in Maine. The credit is equal to 9% of the amount of the net increase in depreciation attributable to the depreciation deduction claimed by the taxpayer under the Code, Section 168(k) with respect to property placed in service in the State during the taxable year for taxable corporations; for individuals the credit is 8% of such amount for tax years beginning in 2015;
2. Decouples Maine's individual and corporate income tax from the Code, Section 179 expensing deductions for tax years beginning on or after January 1, 2016. It enacts addition and subtraction modifications to reverse any increase allowed at the federal level for the first year the property is placed in service, and then to allow depreciation deductions for the remainder of the asset's life;
3. Decouples Maine's individual income tax from the teacher expense deduction under the Code, Section 62(a)(2) (D) by requiring an addition modification in the amount of the federal deduction;
4. Disallows for Maine itemized deduction purposes the federal deduction for mortgage insurance premiums treated as qualified residence interest; and
5. For taxable years beginning after 2017, decouples the Maine earned income tax credit from the increased federal 45% earned income tax credit rate for taxpayers with three or more qualifying children and from the higher

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phase-out thresholds for married individuals filing joint returns.

Part B transfers \$9,535,933 from the Tax Relief Fund for Maine Residents to the unappropriated surplus of the General Fund by the end of fiscal year 2015-16.

Part C deappropriates funds no longer needed for debt service costs.

Part D requires the State Controller to transfer the first \$153,447 of unexpended Personal Services savings that would otherwise lapse to the General Fund Salary Plan program to the General Fund unappropriated surplus at the close of fiscal year 2015-16. This Part also requires the State Controller to transfer funding from the General Fund Salary Plan program to the General Fund unappropriated surplus in the event that the full \$153,447 of Personal Services savings in this Part is not achieved.

Part E requires the State Controller to transfer the first \$1,034,880 of unexpended Personal Services savings that would otherwise lapse to the General Fund Salary Plan program to the General Fund unappropriated surplus at the close of fiscal year 2016-17. This Part also requires the State Controller to transfer funding from the General Fund Salary Plan program to the General Fund unappropriated surplus in the event that the full \$1,034,880 of Personal Services savings in this Part is not achieved.

Committee Amendment "A" (S-354)

This amendment is the minority report to the bill reported pursuant to joint order, S.P. 360.

Part A of this amendment:

1. Repeals, for taxable years beginning on or after January 1, 2016, the addition modification that decouples Maine's individual income tax law from the federal deduction for qualified tuition and related expenses under the United States Internal Revenue Code of 1986, Section 222; and
2. Decouples the Maine individual and corporate income taxes from the federal bonus depreciation deductions for taxable years beginning on or after January 1, 2015. It provides a Maine capital investment credit for taxable years beginning on or after January 1, 2015 with respect to depreciable property placed in service in Maine. The credit is equal to 9% of the amount of the net increase in depreciation attributable to the depreciation deduction claimed by the taxpayer under the United States Internal Revenue Code of 1986, Section 168(k) with respect to property placed in service in the State during the taxable year for taxable corporations; for individuals the credit is 8% of such amount for tax years beginning in 2015 and is 7% for tax years beginning on or after January 1, 2016.

Part B transfers \$9,535,933 from the Tax Relief Fund for Maine Residents to the unappropriated surplus of the General Fund by the end of fiscal year 2015-16.

Part C adjusts funding based on projected needs in the first year of the biennium in the Veterans Tax Reimbursement program, which provides an exemption of estates up to a specific value for veterans, under the Maine Revised Statutes, Title 36, section 653. Part C also deappropriates funds no longer needed for debt service costs in the Office of the State Treasurer.

Part D requires the State Controller to transfer \$194,312, by June 30, 2016, from available balances in Other Special Revenue Funds accounts within the Department of Environmental Protection to the General Fund unappropriated surplus.

Part E requires the State Controller to transfer the first \$6,750,000 of unexpended Personal Services savings that would otherwise lapse to the General Fund Salary Plan program to the General Fund unappropriated surplus at the close of fiscal year 2015-16. This Part also requires the State Controller to transfer funding from the General Fund Salary Plan program to the General Fund unappropriated surplus in the event that the full \$6,750,000 of Personal

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Services savings in this Part is not achieved.

Part F requires the State Controller to transfer the first \$6,750,000 of unexpended Personal Services savings that would otherwise lapse to the General Fund Salary Plan program to the General Fund unappropriated surplus at the close of fiscal year 2016-17. Part E also requires the State Controller to transfer funding from the General Fund Salary Plan program to the General Fund unappropriated surplus in the event that the full \$6,750,000 of Personal Services savings in this Part is not achieved.

Part G transfers the projected increases in funding to the Department of Education from casino revenues in the December 1, 2015 revenue forecast to the General Fund in each fiscal year of the 2016-2017 biennium. Part G also requires the State Controller to transfer \$767,507 from the K-12 Essential Programs and Services, Other Special Revenue Funds account in the Department of Education to the General Fund unappropriated surplus no later than June 30, 2016. It also requires the State Controller to transfer \$711,355 from the K-12 Essential Programs and Services, Other Special Revenue Funds account in the Department of Education to the General Fund unappropriated surplus no later than June 30, 2017.

Part H repeals Public Law 2015, chapter 267, Part T, which required the State Controller to transfer \$750,000 in each fiscal year of the 2016-2017 biennium, as a one-time transfer, from the General Fund unappropriated surplus to the Fund for Efficient Delivery of Local and Regional Services - Administration, Other Special Revenue Funds account within the Department of Administrative and Financial Services. Part H also reduces the allocation in the associated Other Special Revenue Funds account in both fiscal years of the biennium that would have received the transfer.

Part I repeals Public Law 2015, chapter 267, Part PP, which required the State Controller to transfer \$750,000 in each fiscal year of the 2016-2017 biennium, as a one-time transfer, from the General Fund unappropriated surplus to the Fund for Efficient Delivery of Educational Services, Other Special Revenue Funds account within the Department of Education. Part I also eliminates one-time funding for the consolidation of school administrative units.

Part J transfers the projected remaining balance of \$300,000 in fiscal year 2015-16 from the Dirigo Health Fund to the General Fund unappropriated surplus in addition to the transfer of \$700,000 enacted in Public Law 2015, chapter 267, Part W. Current law directs the State Controller to conduct recovery audits of payments made by state agencies to vendors at least once every 10 years.

Part K lapses the remaining balance of the audit recovery, after the amounts paid to the consultant, to the unappropriated surplus of the General Fund no later than June 30, 2016.

Enacted Law Summary

Public Law 2015, chapter 388 does the following.

Part A:

1. Repeals, for taxable years beginning on or after January 1, 2016, the addition modification that decouples Maine's individual income tax law from the federal deduction for qualified tuition and related expenses under the United States Internal Revenue Code of 1986, Section 222; and
2. Decouples the Maine individual and corporate income taxes from the federal bonus depreciation deductions for taxable years beginning on or after January 1, 2015. It provides a Maine capital investment credit for taxable years beginning on or after January 1, 2015 with respect to depreciable property placed in service in Maine. The credit is equal to 9% of the amount of the net increase in depreciation attributable to the depreciation deduction claimed by the taxpayer under the United States Internal Revenue Code of 1986, Section 168(k) with respect to property placed in service in the State during the taxable year for taxable corporations; for individuals the credit is 8% of such

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amount for tax years beginning in 2015 and is 7% for tax years beginning on or after January 1, 2016.

Part B transfers \$9,535,933 from the Tax Relief Fund for Maine Residents to the unappropriated surplus of the General Fund by the end of fiscal year 2015-16.

Part C adjusts funding based on projected needs in the first year of the biennium in the Veterans Tax Reimbursement program, which provides an exemption of estates up to a specific value for veterans, under the Maine Revised Statutes, Title 36, section 653. Part C also deappropriates funds no longer needed for debt service costs in the Office of the State Treasurer.

Part D requires the State Controller to transfer \$194,312, by June 30, 2016, from available balances in Other Special Revenue Funds accounts within the Department of Environmental Protection to the General Fund unappropriated surplus.

Part E requires the State Controller to transfer the first \$6,750,000 of unexpended Personal Services savings that would otherwise lapse to the General Fund Salary Plan program to the General Fund unappropriated surplus at the close of fiscal year 2015-16. This Part also requires the State Controller to transfer funding from the General Fund Salary Plan program to the General Fund unappropriated surplus in the event that the full \$6,750,000 of Personal Services savings in this Part is not achieved.

Part F requires the State Controller to transfer the first \$6,750,000 of unexpended Personal Services savings that would otherwise lapse to the General Fund Salary Plan program to the General Fund unappropriated surplus at the close of fiscal year 2016-17. Part E also requires the State Controller to transfer funding from the General Fund Salary Plan program to the General Fund unappropriated surplus in the event that the full \$6,750,000 of Personal Services savings in this Part is not achieved.

Part G transfers the projected increases in funding to the Department of Education from casino revenues in the December 1, 2015 revenue forecast to the General Fund in each fiscal year of the 2016-2017 biennium. Part G also requires the State Controller to transfer \$767,507 from the K-12 Essential Programs and Services, Other Special Revenue Funds account in the Department of Education to the General Fund unappropriated surplus no later than June 30, 2016. It also requires the State Controller to transfer \$711,355 from the K-12 Essential Programs and Services, Other Special Revenue Funds account in the Department of Education to the General Fund unappropriated surplus no later than June 30, 2017.

Part H repeals Public Law 2015, chapter 267, Part T, which required the State Controller to transfer \$750,000 in each fiscal year of the 2016-2017 biennium, as a one-time transfer, from the General Fund unappropriated surplus to the Fund for Efficient Delivery of Local and Regional Services - Administration, Other Special Revenue Funds account within the Department of Administrative and Financial Services. Part H also reduces the allocation in the associated Other Special Revenue Funds account in both fiscal years of the biennium that would have received the transfer.

Part I repeals Public Law 2015, chapter 267, Part PP, which required the State Controller to transfer \$750,000 in each fiscal year of the 2016-2017 biennium, as a one-time transfer, from the General Fund unappropriated surplus to the Fund for Efficient Delivery of Educational Services, Other Special Revenue Funds account within the Department of Education. Part I also eliminates one-time funding for the consolidation of school administrative units.

Part J transfers the projected remaining balance of \$300,000 in fiscal year 2015-16 from the Dirigo Health Fund to the General Fund unappropriated surplus in addition to the transfer of \$700,000 enacted in Public Law 2015, chapter 267, Part W. Current law directs the State Controller to conduct recovery audits of payments made by state agencies to vendors at least once every 10 years.

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Part K lapses the remaining balance of the audit recovery, after the amounts paid to the consultant, to the unappropriated surplus of the General Fund no later than June 30, 2016.

Public Law 2015, chapter 388 was enacted as an emergency measure effective March 10, 2016.

**LD 1597 An Act To Provide Supplemental Appropriations and Deappropriations
for the Judicial Department for the Fiscal Years Ending June 30, 2016
and June 30, 2017**

**PUBLIC 439
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HOBBS B	OTP-AM	H-631

This bill does the following.

1. It provides an hourly rate increase for guardians ad litem.
2. It provides funding for the guardian ad litem hourly rate increase from \$50 per hour to \$60 per hour to be consistent with the rate paid to court-appointed counsel.
3. It provides funding for an increase in the workweek of certain judicial branch employees from 37.5 hours per week to 40 hours per week.
4. It provides funding for an increase in fees charged by the Department of Administrative and Financial Services, Office of Information Technology to the judicial branch.
5. It deappropriates unused feasibility study funds.
6. It deappropriates funds no longer needed for debt services.

Committee Amendment "A" (H-631)

This amendment adds an effective date for funding for the increase in hours from a 37.5-hour workweek to a 40-hour workweek for the administrative bargaining unit, remaining employees in the professional and supervisory bargaining units and confidential nonmanagement employees and changes the appropriation from "All Other" to "Personal Services" and adds an effective date of July 1, 2016 to the changes in statute affecting the hourly rate of compensation for guardians ad litem. This amendment also clarifies that the deappropriation of funds no longer needed for courthouse feasibility studies and for debt service cost is for the 2016-2017 biennium only.

Enacted Law Summary

Public Law 2015, chapter 439 does the following.

1. It provides an hourly rate increase for guardians ad litem effective July 1, 2016.
2. It provides funding for the guardian ad litem hourly rate increase from \$50 per hour to \$60 per hour to be consistent with the rate paid to court-appointed counsel.
3. It provides funding for an increase in the workweek of certain judicial branch employees from 37.5 hours per week to 40 hours per week effective on the first pay period following July 1, 2016.
4. It provides funding for an increase in fees charged by the Department of Administrative and Financial Services, Office of Information Technology to the judicial branch.