

STATE OF MAINE
132ND LEGISLATURE
SECOND REGULAR SESSION



Disposition of bills and summaries of all laws enacted or finally passed

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

May 2026

STAFF:

LUCIA NIXON, PRINCIPAL ANALYST
OFFICE OF FISCAL AND PROGRAM REVIEW
5 STATE HOUSE STATION
AUGUSTA, ME 04333
(207) 287-1635
<http://legislature.maine.gov/ofpr>

MEMBERS:

SEN. MARGARET ROTUNDO, CHAIR
SEN. CAMERON RENY
SEN. SUSAN BERNARD

REP. DREW GATTINE, CHAIR
REP. MICHAEL F. BRENNAN
REP. HOLLY B. STOVER
REP. DEQA DHALAC
REP. AMBUREEN RANA
REP. ANN MATLACK
REP. JOHN "JACK" E. DUCHARME, III
REP. KENNETH WADE FREDETTE
REP. AMY BRADSTREET ARATA
REP. MARK JOHN BLIER

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

LD 2212 An Act Making Supplemental Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2026 and June 30, 2027

Public Law 2025, chapter 650 does the following.

Part A makes appropriations and allocations of funds for fiscal year 2026-27.

Part B makes appropriations and allocations of funds for approved reclassifications and range changes for fiscal year 2026-27.

Part C establishes the total cost of education from kindergarten to grade 12, the state contribution, the annual target state share percentage and the mill expectation for the local contribution for fiscal year 2026-27.

Part D authorizes limited-period positions funded with Federal Expenditure Funds - ARP State Fiscal Recovery funds to be extended through May 31, 2027, and authorizes the transfer of Federal Expenditures Fund - ARP State Fiscal Recovery funds within or between departments or agencies during fiscal year 2026-27.

Part E repeals the provision of law that requires that the cost of administration for the state employee health insurance program established in the Maine Revised Statutes, Title 5, chapter 13, subchapter 2, be funded from an administrative allowance negotiated by the State Employee Health Commission with the health benefit carrier. It also repeals the provision of law establishing a separate dedicated revenue account for the administration of the program, the State Employee Assistance Program and the workers' compensation unit. This Part removes the cross-reference to this fund from the provision of law establishing the State Employee Assistance Program and specifies that the Department of Administrative and Financial Services must receive and disburse funds made available to the State Employee Assistance Program through the state employee health insurance program. This Part also specifies that the reserve fund for the state employee health insurance program established in Title 5, section 286 is created within the Accident, Sickness and Health Insurance Internal Service Fund.

Part F changes from \$400,000 to \$4,000,000 the amount that the Governor, during a declared state of emergency and in accordance with rules adopted by the Commissioner of Agriculture, Conservation and Forestry, may distribute from the Maine Budget Stabilization Fund to nonprofit entities, including food banks, food pantries and soup kitchens, that provide or distribute food to low-income, indigent or unemployed individuals or households without charge. This Part also authorizes the Governor, during a declared state of emergency, to distribute without charge from the stabilization fund up to \$1,500,000 to the Maine State Housing Authority for administration of benefit payments for emergency heating assistance. This Part requires the Maine State Housing Authority to return any of the funds distributed if federal funding later becomes available. This Part authorizes the Governor, during a declared state of emergency, to distribute from the stabilization fund up to \$30,000,000 to the Department of Health and Human Services for administration of benefit payments for the Women, Infants and Children Special Supplemental

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

Food Program of the federal Child Nutrition Act of 1966 and the Supplemental Nutrition Assistance Program.

Part G requires any remaining balances of appropriations in the Department of Administrative and Financial Services, Information Services program and Developmental Services Oversight and Advisory Board program to carry forward each fiscal year.

Part H clarifies that interest earned on investments of money from internal service funds must be credited to the General Fund, unless otherwise specified.

Part I requires state postal services to be available to all departments and agencies of State Government and allows postal services to be available to the University of Maine System and political subdivisions, educational institutions or qualifying nonprofit organizations in the State. This Part also codifies the long-standing state purchasing card program as a component of the Department of Administrative and Financial Services, Bureau of General Services, Central Services Division.

Part J extends the authority for payments to the Loring Job Increment Financing Fund from 2026 to 2031 and increases from 50% to 100% the amount of the employment tax increment the State Tax Assessor is required to deposit into the Loring Job Increment Financing Fund.

Part K makes the following changes to tax laws.

1. It updates references to the United States Internal Revenue Code of 1986 contained in Title 36 to refer to the United States Internal Revenue Code of 1986 as amended through December 31, 2025.
2. It phases in Maine conformity with the federal deduction for domestic research or experimental expenditures over the period of 2026 to 2030, except that, for small businesses that meet the federal gross receipts test, conformity applies fully.
3. It decouples Maine tax law from federal tax law provisions that allow corporate taxpayers to immediately claim an income tax deduction for certain qualified production property constructed after January 19, 2025 and before January 1, 2029 and placed in service before January 1, 2031, by creating an addition modification to reflect the additional federal depreciation claimed as an income tax deduction in the first year, and by allowing subtraction modifications in subsequent years to reflect the depreciation taxpayers would have been eligible to claim as an income tax deduction in those years had they not elected to claim it as an income tax deduction in the first year.
4. It decouples Maine tax law from the federal qualified small business stock exclusion for stock acquired after July 3, 2025, and from the federal opportunity zone gain deferral and basis increases for investments in a qualified opportunity zone after December 31, 2026.
5. It maintains the current Maine standard deduction for tax year 2025, increases the standard deduction for tax year 2026 and conforms the Maine standard deduction with the federal

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

standard deduction for tax years beginning on or after January 1, 2027. It also repeals expired standard deduction and personal exemption provisions. In addition, it maintains the current references in the Maine dependent exemption tax credit to the federal child tax credit going forward and repeals provisions referencing the personal exemptions that are no longer needed after the federal enactment of Public Law 119-21.

6. It updates a reference to global intangible low-taxed income to net CFC tested income, as defined in federal law, to align with the federal income tax change.
7. It repeals the employer credit for family and medical leave for tax years beginning on or after January 1, 2026.

Part L amends the base year for the hospital tax from the hospital fiscal year ending in calendar year 2022 to the hospital fiscal year ending in calendar year 2024. This change applies retroactively to hospital tax due for the state fiscal year beginning July 1, 2025.

Part M consolidates and reorganizes the property tax exemptions for homesteads, veterans and persons who are legally blind into one-tiered homestead exemption beginning on or after April 1, 2027 as follows.

1. It provides a base exemption amount of up to \$25,000 of the just value of the homestead, with additional exemption amounts for veterans and individuals who are legally blind.
2. It provides additional exemptions for veterans based on age and disability ratings. The additional exemption for veterans eliminates complex service period requirements and age and disability requirements that exist in the current exemption for veterans, with all veterans eligible for at least a partial exemption.
3. It discontinues the existing property tax exemptions for veterans and individuals who are legally blind.
4. It reorganizes the administrative provisions for the homestead exemption.
5. It requires municipal reimbursement for all veterans and individuals who are legally blind at the existing homestead reimbursement rate of 76%.
6. It amends the abatement and the municipal veterans' assistance program to reflect the new veterans' exemption language.
7. It removes a reference to the existing veterans' exemption and adds a definition of "veteran" to the laws regarding the property tax fairness credit.

Part M also directs the State Tax Assessor to develop and make publicly available guidance regarding the consolidated homestead exemption, including the transition and continuation of eligibility provisions.

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

Part N enacts a pass-through entity tax for tax years beginning on or after January 1, 2026. The tax applies to each taxable year that the pass-through entity elects to be subject to the tax. The tax is equal to the distributive share of income of all qualified members multiplied by the highest marginal individual income tax rate, which is currently 7.15%, but does not include the 2% income tax surcharge. Qualified members may claim a refundable income tax credit equal to 90% of their distributive share of the pass-through entity tax paid.

Part O phases out reimbursement of taxes under the Business Equipment Tax Reimbursement program for property located at a retail sales facility and used primarily in retail sales activity. Reimbursement is reduced by 50% for taxes paid on retail property during calendar year 2027 and reimbursement may not be made taxes paid on retail property during calendar year 2028 and after.

Part P suspends the General Fund appropriation limitation for fiscal year 2026-27.

Part Q directs the State Controller to transfer \$6,678,121 to the unappropriated surplus of the General Fund from the interest earnings on the Federal Expenditures Fund - ARP State Fiscal Recovery fund and the Federal Expenditures Fund - ARP fund on or before June 30, 2026.

Part R directs the State Controller to transfer \$2,500,000 from available balance in the Reserve for General Fund Operating Capital to the unappropriated surplus of the General Fund.

Part S authorizes the Department of Administrative and Financial Services to transfer up to \$812,630 for fiscal year 2026-27 of available balances of Personal Services appropriations to the All Other line category in the Information Services program, General Fund to fund stabilization of geographic information system functions, including latency.

Part T does the following.

1. It establishes the Affordability Payment Program to provide a one-time \$300 payment to eligible recipients and transfers funds from the Maine Budget Stabilization Fund to fund the affordability payments.
2. It provides one-time funding through a transfer from the Maine Budget Stabilization Fund to the Department of Education, Maine School Safety Center program for safety measures including retrofitting buses with crossing arms and antipinch door sensors.
3. It provides one-time funding through a transfer from the Maine Budget Stabilization Fund to the Department of Health and Human Services, Office for Family Independence program and to the Office of MaineCare Services program for one-time technology adjustments and compliance with federal Public Law 119-21.
4. It provides one-time funding through transfers from the Maine Budget Stabilization Fund to the Maine State Housing Authority, Emergency Housing Relief Fund Program for the Community Aging in Place grant program and programs to provide emergency, transitional and permanent housing responses to homelessness and to the Housing Authority - State program to create affordable homes for ownership and rental across the state.

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

5. It provides one-time funding through a transfer from the Maine Budget Stabilization Fund to the Maine Office of Community Affairs for a 3-year pilot project to provide regionalized building code enforcement.
6. It provides one-time funding through a transfer from the Maine Budget Stabilization Fund to the Department of Health and Human Services, MaineCare Stabilization Fund to prevent a loss of services or increased cost of services to a MaineCare member due to a loss of state or federal funds or a change in state or federal law or policy.

Part U changes the name of the Farmers Drought Relief Grant Program to the Farmers Drought Resilience Program. It also changes the name of the Farmers Drought Relief Grant Program Fund to the Farmers Drought Resilience Program Fund.

Part V creates two new trusts within the land management and planning program to enable the investment of funds to provide perpetual funding for conservation easement monitoring and enforcement and the management of certain public reserved lands. It directs the State Controller to carry forward up to \$550,000 of unexpended balance in the Department of Agriculture, Conservation and Forestry, Bureau of Agriculture program, General Fund Account, All Other line category at the end of fiscal year 2025-26 to the next fiscal year to be used to replace the feed, seed and fertilizer database.

Part X directs the State Controller to carry forward up to \$1,500,000 of unexpended balance in the Capital Expenditures line category in the Department of Agriculture, Conservation and Forestry, Bureau of Agriculture program, General Fund account at the end of fiscal year 2025-26 to the Capital Expenditures line category for the next fiscal year in the Department of Agriculture, Conservation and Forestry, Bureau of Agriculture program, General Fund account to be used to replace the licensing and inspection database for the division of quality assurance and regulations.

Part Y directs the State Controller to carry forward up to \$750,000 of unexpended balance in the Capital Expenditures line category in the Department of Agriculture, Conservation and Forestry, Bureau of Agriculture program, General Fund account at the end of fiscal year 2025-26 to the Capital Expenditures line category for the next fiscal year in the Department of Agriculture, Conservation and Forestry, Bureau of Agriculture program, General Fund account to be used to upgrade the Cony Road facility in Augusta.

Part Z does the following.

1. It establishes the Fund to Maintain Access to Statewide Family Planning Services within the Department of Health and Human Services to provide a grant to one qualified provider to provide management and oversight of the delivery of family planning services in the State.
2. It requires the Department of Health and Human Services to provide funding to family planning services providers in the State if funding under Title X of the federal Public Health Service Act has been reduced or eliminated by the Federal Government or a provider has withdrawn from Title X funding due to the imposition of conditions attached to the funding.

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

3. It requires the Department of Health and Human Services to reimburse with state funds for family planning services provided to MaineCare members by a provider that may not be paid using federal funds pursuant to any federal law, including any services provided between July 1, 2025 and the effective date of this law.

Part AA authorizes the Department of Agriculture, Conservation and Forestry to transfer available balances of appropriations from the Personal Services to the All Other line category in order to fund early detection and rapid response to eradicate invasive stilt grass, stakeholder engagement in preparation for updating the Comprehensive Land Use Plan, an update to Maine's Official List of Threatened and Endangered Plants and an upgrade to the Maine Land Use Planning Commission Geographically Oriented Action Tracker database, geographic information system expenses, equipment and licenses needed to access the human resource management system.

Part BB directs the Department of Education to administer an early childhood nutrition grant program to eligible preschools.

Part CC authorizes the Department of Corrections to transfer balances from Personal Services appropriations to the General Fund, All Other line category within various Department of Corrections programs to fund rising electricity costs, Maine Criminal Justice Academy training costs, rising water and sewer utility costs and rising costs of contracting with Johnson Controls Fire Protection LP and Siemens Industry, Inc.

Part DD authorizes the Office of the Department of Defense, Veterans and Emergency Management to transfer available balances of Personal Services to the All Other line category to fund rising electricity costs.

Part EE directs the Department of Health and Human Services to provide support for federally qualified health centers to develop or expand the centers' capacity to provide access to affordably priced prescription drugs to patients by increasing the centers' ability to deliver pharmacy services to those patients. This Part provides that initial awards of funding must be made by December 15, 2026 and that the selection process must be performed by an evaluation team, the majority of whose members must be persons with training or experience in the operation and management of federally qualified health centers.

Part FF does the following.

1. It changes the membership of the Essential Support Workforce Advisory Committee to include a representative of the long-term care ombudsman program and a representative of an organization that provides personal care services in the home.
2. It applies a one-time cost-of-living adjustment of 3.07% for direct care services provided under certain sections of the MaineCare Benefits Manual and state-funded home and community-based services. The adjustment is applied beginning January 1, 2027.
3. It requires the Maine Health Data Organization and the Department of Health and Human Services to develop a plan to measure the State's care gap, defined as the difference between

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

the home and community-based services individuals are authorized to receive and services that individuals actually receive. It requires the organization to submit an annual report on the care gap to the joint standing committees of the Legislature having jurisdiction over health and human services matters and over appropriations and financial affairs beginning November 15, 2027.

Part GG requires a school board to adopt and implement a policy prohibiting student use of personal electronic devices, including cellular telephones, for the duration of the school day. This Part also directs the Department of Education, in coordination with the Maine School Management Association and other relevant stakeholders, to make available a model policy for school boards regarding this prohibition.

Part HH repeals Title 20-A, chapter 114-A, which establishes and governs the Fund for the Efficient Delivery of Educational Services. This Part also repeals provisions that reference that chapter or that fund.

Part II increases the maximum age allowed for enrollment in a public elementary or secondary school from 19 years of age at the start of a school year to 21 years of age at the start of a school year.

Part JJ includes as an allowable use of the Preschool Special Education Program Fund paying costs attributed to professional and administrative staff support to implement the provision of special education services to children eligible under Part B, Section 619 of the federal Individuals with Disabilities Education Act, 20 United States Code, Section 1400 et seq. It also clarifies that a school administrative unit's unexpended funds from an allocation of this fund at the end of a fiscal year must be carried forward to reduce the net preschool expenses in the next fiscal year.

Part KK moves the funding to support students 16 years of age or older and under 20 years of age who are no longer enrolled in public education from the essential programs and services funding calculation to the adult education program where these students are taking courses to attain high school equivalency diplomas.

Part LL adds an alternate data set to determine teacher eligibility for a national board certification salary supplement. The alternate data set is based on the percentage of students identified as economically disadvantaged for subsidy purposes under Title 20-A, chapter 606-B.

Part MM moves principal and interest costs for approved major capital projects from payment within the essential programs and services funding calculation to payment as targeted education funds. This action allows the essential programs and services funding calculation for each school administrative unit to be determined prior to inclusion of debt service costs and attributes debt service costs only to those school administrative units with approved major capital projects.

Part NN repeals the provision of law that authorizes the Commissioner of Education to expend and disburse funds from the Fund for the Efficient Delivery of Educational Services.

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

Part OO requires that remaining General Fund balances in the Department of Education, Special Services Team program be carried forward for use in the next fiscal year for the same purpose.

Part PP directs the transfer of \$16,651,457 in unencumbered balance forward from the General Purpose Aid for Local Schools program to the Child Development Services program within the Department of Education.

Part QQ authorizes the Department of Education to transfer Personal Services appropriations to the All Other line category within three programs to fund maintenance and licensing costs for an Internet-based application for free or reduced-price meals, annual hosting and maintenance costs for the department's grant management system and rising costs related to the adult education data system.

Part RR requires that remaining General Fund balances in the Department of Energy Resources, Department of Energy Resources program be carried forward for use in the next fiscal year.

Part SS authorizes the Department of Environmental Protection to transfer available balances of Personal Services appropriations to the Air Quality program, General Fund account, Capital Expenditures line category in order to fund the purchase of two ozone calibrator instruments, one ozone monitor instrument, one continuous, real-time air quality monitoring instrument, one zero air generator, two hydrogen sulfide analyzers, two trace-level dilution calibrators and two data loggers.

Part TT allows the Finance Authority of Maine to issue revenue obligation securities for energy distribution system projects or energy generating system projects that have been issued a certificate of approval by the authority before January 1, 2040, as opposed to current law, which prohibits the authority from issuing securities for such projects unless the project was issued a certificate prior to January 1, 2020. This Part also restores the authority of the Public Utilities Commission to issue a certificate of approval for an electric rate stabilization agreement under the Electric Rate Reform Act by extending the date after which no additional certificates may be issued from July 31, 1998 to July 31, 2040.

Part UU requires the State Controller to carry forward any unexpended balance remaining at the end of fiscal year 2025-26 in the Maine Fire Protection Services Commission, Maine Fire Protection Services Commission program, General Fund account, All Other line category from a Public Law 2023, chapter 459 appropriation into the next fiscal year to be used for fire service training facilities.

Part VV allows the Commissioner of Health and Human Services to accept donations or grants for the Maine Child Care Affordability Program from any source and provides that funds to support the program are nonlapsing.

Part WW requires the Department of Health and Human Services to establish reimbursement rates for Maine Veterans' Homes nursing facility services covered by the MaineCare program. It requires the MaineCare program to reimburse veterans' facilities for covered nursing home services on a per resident daily rate basis that is reasonable and adequate to cover the total

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

MaineCare allowable costs of operating veterans' facilities. The per diems developed must be adjusted for inflation to the same extent that reimbursement rates for nonveterans' nursing facilities are adjusted. This Part also requires the department to make a one-time supplemental payment to Maine Veterans' Homes residential care facilities in fiscal year 2026-27 to cover the difference between MaineCare payments and actual allowed MaineCare costs. This Part directs the department to use funds previously allocated or appropriated for supplemental payments to Maine Veterans' Homes nursing facilities for the purposes of this Part.

Part XX permits the Department of Health and Human Services to directly issue an annual heating assistance payment to households receiving assistance under the Supplemental Nutrition Assistance Program.

Part YY removes the requirement for the Department of Health and Human Services to provide \$3,000,000 annually to the Maine State Housing Authority to provide heating assistance for low-income families with children.

Part ZZ authorizes an extension of the expiration date to November 1, 2026 for all limited-period positions in State Government that are set to expire in June 2026 but are funded through fiscal year 2025-26 and are proposed to continue in the 2026-2027 biennium.

Part AAA clarifies that under Public Law 2025, chapter 388, Part II total payment amounts to private psychiatric hospitals may not exceed the lower of the total amount appropriated for supplemental payments to psychiatric hospitals and the amount exceeding federal payment limits.

Part BBB authorizes the Department of Health and Human Services to adopt emergency rules to implement any provisions of this law over which it has specific authority that have not been addressed by some other Part without the necessity of finding that immediate adoption is necessary to avoid a threat to public health, safety or welfare.

Part CCC lapses \$1,000,000 of unencumbered balance forward within the Department of Health and Human Services, State Supplement to Federal Supplemental Security Income program, General Fund account to the unappropriated surplus of the General Fund no later than June 30, 2027.

Part DDD lapses \$3,600,000 of the unencumbered balance forward in the General Fund carrying accounts of the Department of Health and Human Services in the All Other line category to the unappropriated surplus of the General Fund no later than June 30, 2026.

Part EEE authorizes the Department of Health and Human Services to transfer Personal Services appropriations to the All Other and Capital Expenditures line categories within General Fund accounts in certain programs to fund the replacement of the camera and access control system at Dorothea Dix Psychiatric Center and rate determinations for MaineCare services.

Part FFF establishes the Inland Fisheries Conservation and Enhancement Program within the Department of Inland Fisheries and Wildlife, Bureau of Resource Management to prioritize native inland fish conservation and the research, management and enhancement of the State's native inland fish populations; to implement actions to enhance native inland fish production and

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

stocking; and to conserve, protect and enhance sport fish fisheries. It requires the program, to the extent resources allow, to support additional research, investment and collaborative activities to support native inland fish and certain fisheries. It also requires the Commissioner of Inland Fisheries and Wildlife to submit an annual report to the Legislature summarizing the program's activities and expenditures from allocated funds.

Part GGG repeals and replaces the existing statute regarding the fish hatchery maintenance fund to provide that the fund must be used to support the engineering design, construction, maintenance and repair of current and additional fish hatcheries and feeding stations owned by the State. It provides that the fund may be used to pay for overtime personnel services costs for fish stocking and other hatchery-related work when operationally required. This Part also requires that \$2 from each fishing license sold be deposited into the fund and that money deposited pursuant to Title 29-A, section 456-C, subsection 3, paragraph A, subparagraph (1) must be credited to the fund.

Part HHH amends Public Law 2025, chapter 388, Part FF by increasing the amount of funding that the Judicial Department is authorized to transfer in fiscal years 2025-26 and 2026-27 from available balances in the Personal Services line category to the All Other line category within the General Fund from \$750,000 to \$1,250,000 in each year to fund temporary clerk services, marshal services contracts, guardians ad litem, interpreters and mental health services.

Part III authorizes the Judicial Department to transfer available Personal Services balances to the All Other line category in the Courts - Supreme, Superior and District program, General Fund account in order to fund iPad replacements and licensing fees, rising contract costs related to case management services, rising utility costs, rising interpreter costs, rising travel costs and the implementation of a new records management system. This Part also authorizes the Judicial Department to transfer available Personal Services balances to the All Other line category in the Courts - Supreme, Superior and District program, General Fund account to fund general facility improvements, additional file storage costs and increased lease costs at the Lincoln District Court location.

Part JJJ amends the law establishing the Division for the Blind and Visually Impaired to clarify its organizational structure, reflecting what has been in place since its creation within the Department of Labor. The division is part of the Bureau of Rehabilitation Services and the director of the division is not an appointee of the Commissioner of Labor.

Part KKK transfers \$38,409,609 from the Maine Budget Stabilization Fund to the unappropriated surplus of the General Fund.

Part LLL establishes the Marine Science Research and Boat Operations and Maintenance Fund within the Department of Marine Resources to provide funding to support marine science research, boat operations and boat maintenance.

Part MMM directs the State Controller to carry forward the remaining balance up to \$400,000 in the Department of Marine Resources, Bureau of Marine Science program, General Fund account, Capital Expenditures line category at the end of fiscal year 2025-26 to the next fiscal year until

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

fully expended to support the State's obligation related to costs for federal Public Assistance 406 Mitigation funding related to storm damages from January 2024.

Part NNN increases from 44 to 46 the number of judges the Governor must appoint to the District Court.

Part OOO directs the Department of Public Safety to establish, operate and maintain a sexual assault forensic examination kit tracking system. The system must provide relevant information for victims, both those who choose to report to a law enforcement agency and those who choose not to report, and other approved users regarding the processing, custody, analysis and destruction of evidence. The department is required to submit an annual report beginning January 1, 2028 to the joint standing committee of the Legislature having jurisdiction over criminal justice and public safety matters and the Governor concerning information related to the status of sexual assault forensic examination kits reported in the tracking system. This Part provides requirements for the tracking system and requires the department to adopt routine technical rules, including rules regarding participation in the tracking system, confidentiality and the operation of the tracking system.

Part OOO also directs that, by October 1, 2027, a law enforcement agency that receives, maintains, stores or preserves sexual assault forensic examination kits must complete an inventory of all kits in its possession and report its findings to the Department of Public Safety. The department must compile all agency reports and present findings of the inventory by January 1, 2028 to the joint standing committee of the Legislature having jurisdiction over criminal justice and public safety matters and at the same time post the report on the department's publicly accessible website. This Part amends a provision in Title 24 to require law enforcement agencies to store sexual assault forensic examination kits for 20 years for consistency with Public Law 2023, chapter 236 which changed a provision in Title 25 to require law enforcement agencies to store sexual assault forensic examination kits for 20 years.

Part PPP authorizes the Department of Public Safety to transfer Personal Services appropriations to the All Other and Capital Expenditures line categories within General Fund accounts in certain programs in order to fund a Maine Information and Analysis Center contract for firearms examiner services, eight 40-millimeter launchers, consoles at three emergency communications centers, a roof replacement at the K-9 office, a heat pump and generator for the Pittsfield barracks, an update to the security system at the Bangor barracks and rising food service costs.

Part QQQ repeals language related to tuition waivers for certain community college students and replaces it with language that establishes the Maine Free Community College Program. It requires the Maine Community College System to submit an annual report regarding the program to the Governor and the joint standing committees of the Legislature having jurisdiction over education matters and appropriations and financial affairs.

Part RRR transfers the statutory responsibilities for the oversight of manufactured housing manufacturers and manufactured housing communities currently held by the Manufactured Housing Board and administered by the Office of Professional and Occupational Regulation within the Department of Professional and Financial Services to the Maine Office of Community Affairs.

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

It eliminates the Manufactured Housing Board and transfers related accounts and balances to the Maine Office of Community Affairs. It provides transition authority to the Maine Office of Community Affairs to continue administering the related programs of Title 10, chapter 951 under current rules and authorizes the Maine Office of Community Affairs to develop and implement new rules in replacement. It also increases the surcharge on plan review fees collected through the Department of Public Safety, Office of the State Fire Marshal to fund the Technical Building Codes and Standards Board with respect to the Maine Uniform Building and Energy Code, the Division of Building Codes and Standards and the Maine Office of Community Affairs.

Part SSS authorizes an incremental increase in the minimum salary for certified teachers and career and technical education teachers from fiscal year 2027-28 to fiscal year 2029-30 and updates the statutory reference regarding minimum teacher salaries.

Part TTT directs the State Controller to transfer funding from the Department of Administrative and Financial Services, Adult Use Cannabis Public Health and Safety and Municipal Opt-in Fund, Other Special Revenue Funds account to the Department of Labor, Maine Apprenticeship Program, Other Special Revenue Funds account to support the continuation of one limited-period Career Center Consultant position through June 18, 2028.

Part UUU adjusts how the Maine Budget Stabilization Fund's interest earnings are distributed. It requires when the fund is below its statutory limitation of 18% that 50% of investment earnings are credited to the stabilization fund, 25% to the Irrevocable Trust Funds for Other Post-employment Benefits state employee plan and 25% to the Land for Maine's Future Trust Fund. It requires when the stabilization fund is at its statutory limitation of 18%, that 75% of the interest earnings are credited to the Irrevocable Trust Funds for Other Post-employment Benefits state employee plan and 25% to the Land for Maine's Future Trust Fund.

Part VVV requires the State Controller to carry forward at the end of fiscal year 2025-26 up to \$750,000 in unexpended balances in the Personal Services and All Other line categories in the Department of Secretary of State, Bureau of Corporations, Elections and Commissions program, after all financial commitments for obligations and budgetary adjustments have been made, to the next fiscal year in the All Other line category in the Department of Secretary of State, Bureau of Corporations, Elections and Commissions program. These funds are to be used to continue the modernization of systems and services provided to the public.

Part WWW authorizes the Child Development Services System to assess fees for supports, assistance and resources provided to school administrative units by regional support and service hubs and to bill school administrative units for those services. It also authorizes the Department of Education to adopt rules to establish billing rates for those services.

Part XXX provides that commercial wood haulers are eligible for the refund of sales tax or exemption from sales tax on the purchase or lease of depreciable machinery and equipment for use in commercial wood harvesting.

Part YYY requires the Department of Health and Human Services to distribute a one-time supplemental payment to acute care hospitals and to seek approval to implement a cost-of-living

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

adjustment for inpatient diagnosis-related group reimbursement rates under MaineCare. This Part also requires that any supplemental payments and increases to hospital inpatient reimbursement rates provided for in this Part with funding made available due to changing the base year of the hospital tax are contingent upon the Department of Health and Human Services seeking and being approved for any applicable Medicaid provider tax waivers from the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services.

Part ZZZ transfers \$13,029,115 from the Maine Budget Stabilization Fund within the Department of Administrative and Financial Services to the unallocated balance of the Highway Fund.

Part AAAA authorizes the State Controller to carry forward funding appropriated for debt service costs associated with the bonding authority granted in Public Law 2021, chapter 635, Part X in the Department of Education, Office of Workforce Development and Innovative Pathways program, General Fund account, All Other line category to the next fiscal year.

Part BBBB authorizes the State Controller to keep open the official system of general accounts of State Government for fiscal year 2025-26 to make post-closing entries and adjustments to carry out the provisions of this legislation. This provision is retroactive to the end of fiscal year 2025-26.

Part CCCC increases, for tax years beginning on or after January 1, 2026, the amount of the property tax fairness credit for individuals under 65 years of age from \$1,000 to \$1,500.

Part DDDD imposes an income tax surcharge of 2% on that portion of a taxpayer's Maine taxable income in excess of \$1,000,000 for single filers, \$1,500,000 for heads of households and \$1,500,000 for married persons filing jointly or surviving spouses and 1/2 of the applicable amount for married persons filing jointly or surviving spouses for married persons filing separately, which for 2026 is \$750,000. The dollar amounts are subject to cost-of-living adjustments beginning in 2027.

Part EEEE defines “low-income household” for the law regarding needs-based assistance for electricity customers and clarifies that funds appropriated in Part A for low-income electric ratepayer assistance are in addition to funds allocated for that purpose by the Public Utilities Commission.

Part FFFF provides that the 1998 Special Plan of the Maine Public Employees Retirement System applies to employees of the Office of Chief Medical Examiner within the Department of the Attorney General on August 1, 2026 or hired thereafter. It also provides that the 1998 Special Plan applies to persons in the employment of the Department of Health and Human Services on August 1, 2026 or hired thereafter who provide crisis outreach and crisis services to adults with developmental disabilities or intellectual disabilities in a community-based or residential setting and who have the job classification of Community Response Worker.

Part GGGG establishes the Maine Eviction Prevention Program as a permanent program within the Maine State Housing Authority. Public Law 2023, chapter 643, Part KKKK, section 3 established an eviction prevention pilot program within the authority.

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

Part HHHH transfers funds from the unappropriated surplus of the General Fund to the MaineCare Stabilization Fund and the Education Stabilization Fund.