

# MAINE STATE LEGISLATURE

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# 117th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1995

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Legislative Document

No. 650

H.P. 469

House of Representatives, February 28, 1995

**An Act to Accelerate the Amortization of the Maine State Retirement System.**

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Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative REED of Falmouth.  
Cosponsored by Representative: KERR of Old Orchard Beach.

2 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 5 MRSA §1517** is enacted to read:

6 **§1517. Transfer to Retirement Allowance Fund**

8 At the close of each fiscal year, the State Controller shall  
10 transfer from the unappropriated surplus of the General Fund to  
12 the Retirement Allowance Fund established in section 17251 an  
14 amount equal to 1/2 of the balance remaining after all other  
16 required transfers from the excess of total General Fund revenues  
received over accepted estimates in that fiscal year and all  
required deductions of appropriations, financial commitments,  
designated funds, transfers from the unappropriated surplus of  
the General Fund or transfers from the available balance  
remaining in the General Fund have been made.

18 General Fund revenue estimates may be made once during the  
20 First Regular Session of the Legislature and adjustments to these  
22 accepted revenue estimates may be made once during the Second  
24 Regular Session of the Legislature without mandatory transfer of  
26 funds to the Retirement Allowance Fund. If adjustments are made  
to those initial estimates presented to each regular session of  
the Legislature, an amount equal to 1/2 of the excess of the  
estimated revenue over the amounts required by law to be set  
aside for other purposes must be appropriated to the Retirement  
Allowance Fund.

28 **Sec. 2. 5 MRSA §17253, sub-§3** is enacted to read:

30 **3. Components of unfunded liability contribution.** The  
32 annual valuation report prepared by the actuary in accordance  
34 with section 17107 must include identification of the impact on  
36 the employer contribution rate of any excess General Fund  
revenues transferred to the Retirement Allowance Fund pursuant to  
section 1517.

38 **Sec. 3. 30-A MRSA §5683**, as amended by PL 1993, c. 707, Pt.  
40 N, §1, is repealed.

42 **STATEMENT OF FACT**

44 This bill repeals the Property Tax Relief Fund and enacts a  
46 similar mechanism to help reduce the unfunded liability of the  
48 Maine State Retirement System. If there are any excess revenues  
50 in a fiscal year, the Retirement Allowance Fund would receive 50%  
of the amount remaining after all other required transfers are  
made. The Maine State Retirement System's actuary is required to  
calculate the impact each transfer has on the employer  
contribution rate.