## MAINE STATE LEGISLATURE

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## 117th MAINE LEGISLATURE

## **SECOND REGULAR SESSION-1996**

Legislative Document

No. 1888

H.P. 1380

House of Representatives, March 29, 1996

SEPH W. MAYO, Clerk

An Act Regarding the Maine Potato Board.

(EMERGENCY)

Reported by Representative SPEAR for the Joint Standing Committee on Agriculture, Conservation and Forestry pursuant to Joint Order H.P. 1368.

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Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

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Whereas, Public Law 1995, chapter 502 established the Maine Potato Board as an incorporated public instrumentality of the State effective March 1, 1996; and

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- Whereas, the timing of the transition of the Maine Potato Board from an agency of the State to an independent agency has a potentially detrimental impact on the application of retirement benefits to the Maine Potato Board's employees; and
- Whereas, there is a compelling need to clarify the retirement status of the Maine Potato Board's employees and have that clarification apply from March 1, 1996 onward; and
- Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of
  Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

- Sec. 1. 36 MRSA §4603, sub-§12 is enacted to read:
- 28 12. State employees for certain purposes. Notwithstanding subsection 9, employees of the board, including employees hired after the effective date of this section, are state employees for the purposes of the state retirement provisions of Title 5, Part 20 and the state employee health insurance program under Title 5, chapter 13, subchapter II.

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- Sec. 2. 36 MRSA §4606, first  $\P$ , as amended by PL 1995, c. 502, Pt. C, §18, is further amended to read:
- 38 Money received by the Treasurer of State under this chapter, including all receipts of taxes levied under section 4605, must be transferred to the board in its capacity as an independent 40 agency on a monthly basis and used for all activities of the board authorized under this chapter. The board shall pay a sum 42 to the State Tax Assessor representing the cost incurred by the State in collecting the taxes. Notwithstanding section 4603, 44 subsection 1, money received by the Treasurer of State under this chapter, including all receipts of taxes levied under section 46 4605, must be allocated or appropriated to the board by the 48 Legislature.

	3. Personnel; retirement; health insurance; accrued
	mefits. Employees of the Maine Potato Board must be
	ansferred from state employment to the Maine Potato Board in
its	s capacity as an independent agency.
	A. Employees of the Maine Potato Board continue to be
	treated as state employees for purposes of rights and
	benefits under the Maine State Retirement System. The
	retirement accounts of employees transferred to the board in
	its capacity as an independent agency must remain in the
	state regular plan. New employees also become members of the Maine State Retirement System under the state regular
	plan. The board shall make employer retirement plan
	contributions at the state regular plan rate. Employee
	retirement plan contributions must be at the state regular
	plan rate.
	B. Employees of the Maine Potato Board continue to be
	treated as state employees for the purposes of the state
	employee health insurance program. Board employees are
	entitled to receive the same retirement health benefits as
	state employees.
	C. The engryed frings havefits of employees twensferred to
	C. The accrued fringe benefits of employees transferred to the Maine Potato Board in its capacity as an independent
	agency, including vacation and sick leave, health and life
	insurance and retirement, remain with the transferred
	employee.
	Sec. 4. Retroactivity. This Act applies retroactively to March
1,	1996.
	Emergency clause. In view of the emergency cited in the
pre	eamble, this Act takes effect when approved.
r -	approvider
	FISCAL NOTE
	This bill clarifies the retirement and health insurance
	atus of Maine Potato Board employees. The board has budgeted
	ficient resources to provide for these payments. Any net
cha	ange in cost to the board is expected to be minor.
	STATEMENT OF FACT
	The bill provides that ample are 5 th with the control of the cont
are	The bill provides that employees of the Maine Potato Board e considered state employees for the purposes of the Maine

- State Retirement System and the state employee health insurance program. Public Law 1995, chapter 502 established the Maine Potato Board as an incorporated public instrumentality of the State effective March 1, 1996. It authorized the board to become a participating local district of the Maine State Retirement System. However, admission to the system is permitted annually on July 1st, leaving in question the retirement benefits of board employees between March 1, 1996 and the date of admission of a participating local district into the retirement system. This bill clarifies the retirement and health insurance status of the board's employees by making them state employees for the purposes of retirement and health insurance.
- The bill also clarifies that any funds received by the State Treasurer from the potato tax must be allocated to the Maine Potato Board by the Legislature.