

# MAINE STATE LEGISLATURE

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DATE: 3/20/97

(Filing No. H- 74 )

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
118TH LEGISLATURE  
FIRST REGULAR SESSION

HOUSE AMENDMENT "GG" to COMMITTEE AMENDMENT "A" to H.P. 832, L.D. 1137, Bill, "An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 1998 and June 30, 1999"

Amend the amendment in Part E in section 1 in that part designated "~~\$1518.~~" by striking out all of subsection 1 (page 221, lines 19 to 24 in amendment) and inserting in its place the following:

'1. Tax Relief Fund for Maine Residents. There is created the Tax Relief Fund for Maine Residents, which must be used for the following purposes.

A. The fund must be used to increase the personal exemption amount authorized pursuant to Title 36, section 5126. The State Tax Assessor shall annually determine the amount of the increase allowable, in accordance with paragraph B, rounded down to the nearest \$50, within the resources available pursuant to subsection 2. If any increase is allowable, it is effective for the current taxable year and is incorporated into the income tax forms and instructions of the State Tax Assessor for that taxable year. Any increase pursuant to this section must be determined before the adjustment authorized in Title 36, section 5403. The adjustment otherwise required by this paragraph is not in effect for any taxable year in which the increase in the personal exemption for state income tax purposes would result in a personal exemption amount higher than that allowed for federal income tax purposes. Any unexpended balance in the Tax Relief Fund for Maine Residents remaining after the adjustment required by this paragraph is subject to paragraph C.

**HOUSE AMENDMENT**

2           B. In fiscal year 1997-98 only, the State Tax Assessor  
4           shall utilize only 50% of the resources available in the Tax  
6           Relief Fund for Maine Residents in determining the amount of  
8           the increase in the personal exemption allowable. In fiscal  
10           year 1998-99 and beyond, the State Tax Assessor shall  
12           utilize 100% of the resources available in the fund in  
14           determining the amount of the increase in the personal  
16           exemption allowable.

18           C. The joint standing committee of the Legislature having  
20           jurisdiction over taxation matters shall make  
22           recommendations to the Legislature on the method or methods  
24           to provide tax relief to citizens of the State utilizing  
26           available funds in the Tax Relief Fund for Maine Residents.'

28           Further amend the amendment in Part E in section 1 in that  
30           part designated "~~§1518.~~" in subsection 2 in paragraph D in the  
32           4th line (page 222, line 2 in amendment) by striking out the  
34           following: "last" and inserting in its place the following:  
36           'first'

38           Further amend the amendment in Part E by inserting at the  
40           end the following:

42           '**Sec. E-2. General Fund Revenue revised projections; reserving for**  
44           **tax receivables; fiscal year 1996-97.** Notwithstanding any other  
46           provision of law, the accepted revenue estimate for General Fund  
48           undedicated revenue in fiscal year 1996-97 may not be increased  
50           without approval by the Legislature. Notwithstanding any other  
52           provision of law, additional reserves for General Fund tax  
54           receivables may not be increased for fiscal year 1996-97 without  
56           approval of the Legislature.

58           **Sec. E-3. Appropriation.** The following funds are appropriated  
60           from the General Fund to carry out the purposes of this Part.

62           1997-98

64           **ADMINISTRATIVE AND FINANCIAL**  
66           **SERVICES, DEPARTMENT OF**

68           **Tax Relief Fund for Maine**  
70           **Residents**

72           Unallocated \$10,000,000

74           Provides funds as an initial investment in

2 the Tax Relief Fund for Maine Residents. In  
3 accordance with the provisions of the Maine  
4 Revised Statutes, Title 5, section 1518,  
5 subsection 1, paragraph B, 50% of these  
6 funds may be used in fiscal year 1997-98 to  
7 increase the personal exemption authorized  
8 pursuant to Title 36, section 5126 and the  
9 balance may be used in fiscal year 1998-99  
10 for the same purpose.'

11 Further amend the amendment in Part Z in section 1 in the  
12 2nd line (page 261, line 25 in amendment) by striking out the  
13 following: "\$500,000" and inserting in its place the following:  
14 '\$1,000,000' and in the 3rd line from the end (page 261, line 28  
15 in amendment) by striking out the following: "\$500,000" and  
16 inserting in its place the following: '\$1,000,000'

17 Further amend the amendment by striking out all of Part AA.

18 Further amend the amendment in Part GG in section 2 in  
19 subsection 12-A in the last line (page 266, line 40 in amendment)  
20 by striking out the following: "\$1,000,000" and inserting in its  
21 place the following: '\$850,000'

22 Further amend the amendment by inserting at the end before  
23 the emergency clause the following:

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27  
28 **PART XX**

29  
30 **Sec. XX-1. Education in the Unorganized Territory; lapsed**  
31 **balances.** Notwithstanding any other provision of law, \$400,000 of  
32 unencumbered balance carried forward from fiscal year 1995-96 in  
33 the Personal Services line category and \$300,000 of unencumbered  
34 balance carried forward from the All Other line category from  
35 fiscal year 1995-96 in the Education in the Unorganized Territory  
36 account in the Department of Education lapse to General Fund  
37 revenue in fiscal year 1996-97.

38  
39 **Sec. XX-2. Abandoned Property Fund; transfer of funds.**  
40 Notwithstanding any other provision of law, the State Controller  
41 is authorized to transfer \$100,000 in the Abandoned Property Fund  
42 to General Fund undedicated revenue no later than June 30, 1997.

43  
44 **Sec. XX-3. Transfer of funds.** Notwithstanding any other  
45 provision of law, the State Controller may transfer \$100,000 in  
46 additional fine revenue from the Bureau of Insurance account in  
47 the Department of Professional and Financial Regulation to  
48 General Fund undedicated revenue no later than June 30, 1997.

**Sec. XX-4. Transfer of funds.** Notwithstanding any other provision of law, the State Controller may transfer \$900,000 from the Bureau of Banking - Securities Division account in the Department of Professional and Financial Regulation to General Fund undedicated revenue no later than June 30, 1997.

**PART YY**

**Sec. YY-1. Appropriation.** The following funds are appropriated from the General Fund to carry out the purposes of this Part.

	1997-98	1998-99
<b>ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF</b>		
<b>Departments and Agencies - Statewide</b>		
Personal Services	(\$250,000)	(\$250,000)
Deappropriates funds from savings in workers' compensation rates for state employees.		

**Sec. YY-2. Allocation.** The following funds are allocated from the Highway Fund to carry out the purposes of this Part.

	1997-98	1998-99
<b>ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF</b>		
<b>Departments and Agencies - Statewide</b>		
Personal Services	(\$17,500)	(\$17,500)
Deallocates funds from savings in workers' compensation rates for state employees.		

**Sec. YY-3. Calculation and transfer.** Notwithstanding the Maine Revised Statutes, Title 5, section 1585, the State Budget Officer shall calculate the amount of savings identified in sections 1 and 2 that apply against each affected account in the Personal Service line category appropriations and allocations and

shall transfer the calculated amounts by financial order. These transfers are to be considered adjustments to appropriations and allocations. The State Budget Officer shall report to the joint standing committee of the Legislature having jurisdiction over appropriations and financial Affairs annually before June 15, 1998 and June 15, 1999 on the implementation of this Part.

**PART ZZ**

**Sec. ZZ-1. Appropriation.** The following funds are appropriated from the General Fund to carry out the purposes of this Part.

	1997-98	1998-99
<b>ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF</b>		

**Salary Plan**

Personal Services	(\$50,000)	(\$50,000)
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Deappropriates funds as a result of the continuation of the Voluntary Employee Incentive Program pursuant to provisions outlined in this Act.

**PART AAA**

**Sec. AAA-1. Appropriation.** The following funds are appropriated from the General Fund to carry out the purposes of this Part.

	1996-97
<b>HUMAN SERVICES, DEPARTMENT OF</b>	

**Intermediate Care - Payments to Providers**

All Other	(\$7,000,000)
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Deappropriates funds due to an anticipated surplus in fiscal year 1996-97 and deappropriates funds originally appropriated in fiscal year 1994-95 for the settlement on

the loss of federal financial participation for the former provider-specific gross receipts tax on nursing facilities.

DEPARTMENT OF HUMAN SERVICES
TOTAL (\$7,000,000)

PART BBB

Sec. BBB-1. Calculation and transfer. Notwithstanding the Maine Revised Statutes, Title 5, section 1585, the State Budget Officer shall calculate and apply against each affected account the amount of salary savings identified in section 2 of this Part and shall transfer the calculated amounts by financial order. These transfers are to be considered adjustments to appropriations. The State Budget Officer shall provide the Joint Standing Committee on Appropriations and Financial Affairs with a report of the transferred amounts no later than May 15, 1997.

Sec. BBB-2. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Part.

1996-97

HUMAN SERVICES, DEPARTMENT OF

Departmentwide

Personal Services (\$1,200,000)

Deappropriates funds from salary savings from various programs within the department.

DEPARTMENT OF HUMAN SERVICES
TOTAL (1,200,000)

MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES, DEPARTMENT OF

Departmentwide

Personal Services (300,000)

Deappropriates funds from salary savings from various programs within the department.

**DEPARTMENT OF MENTAL HEALTH,  
MENTAL RETARDATION AND SUBSTANCE  
ABUSE SERVICES**

2		
4	<b>TOTAL</b>	(300,000)
6	<b>TOTAL APPROPRIATIONS</b>	(\$1,500,000)

**PART CCC**

Sec. CCC-1. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Part.

		1997-98	1998-99
16	<b>TREASURER OF STATE, OFFICE OF</b>		
20	<b>Debt Service - Treasury</b>		
22	All Other	(\$1,158,900)	(\$1,178,000)
24	Deappropriates funds through		
26	the transfer of funds to the		
28	Debt Service account from the		
30	Debt Service Earnings		
32	account. This		
34	deappropriation and transfer		
36	are a result of interest		
38	earnings in the Debt Service		
40	Earnings account projected to		
42	be greater than originally		
44	budgeted.		
46	<b>OFFICE OF TREASURER OF STATE</b>		
48	<b>TOTAL</b>	(1,158,900)	(1,178,000)
50	<b>ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF</b>		
52	<b>Capital Construction/Repairs/ Improvements - Administration</b>		
54	Capital Expenditures	(150,000)	(150,000)
56	<b>DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES</b>		
58	<b>TOTAL</b>	(150,000)	(150,000)



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**TOTAL APPROPRIATIONS** (\$1,308,900) (\$1,328,000)'

Further amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

**FISCAL NOTE**

	1996-97	1997-98	1998-99
<b>APPROPRIATIONS/ ALLOCATIONS</b>			
General Fund	(\$4,000,000)	\$8,391,100	(\$1,628,000)
Highway Fund		(17,500)	(17,500)

**REVENUES**

General Fund	\$1,800,000	\$500,000	\$500,000
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This amendment will result in net General Fund savings over the biennium, including fiscal year 1996-97, of \$36,900. It decreases the General Fund cost of the bill by \$5,800,000 in fiscal year 1996-97, increases the General Fund cost of the bill by \$7,891,100 in fiscal year 1997-98 and decreases the General Fund cost by \$2,128,000 in fiscal year 1998-99.

The Tax Relief for Maine Residents Fund will increase the personal income tax exemption as a result of a General Fund appropriation and any transfers of certain General Fund surpluses. These increases in the personal income tax exemption will result in reductions of General Fund revenue below current projections beginning in the 2000-2001 biennium.

This amendment also decreases the Highway Fund cost of the bill by \$17,500 in fiscal year 1997-98 and \$17,500 in fiscal year 1998-99.

**SUMMARY**

This amendment accomplishes the following.

It amends Part E of the committee amendment as follows:

1. It prioritizes the expenditures authorized from the Tax Relief Fund for Maine Residents. The first use of the fund is to increase the personal exemption authorized for state income tax purposes. The Joint Standing Committee on Taxation is to make recommendations to the Legislature on further tax relief should there be remaining resources in the fund;

2. It clarifies that transfers to the Tax Relief Fund for Maine Residents in fiscal year 1999-2000 and thereafter are based on the first rather than last accepted revenue estimates;

3. It precludes the accepted General Fund revenue estimates for fiscal year 1996-97 and reserves for General Fund tax receivables for fiscal year 1996-97 from being increased without the approval of the Legislature; and

4. It provides a General Fund appropriation of \$10,000,000 in fiscal year 1997-98 to the Tax Relief Fund for Maine Residents as an initial investment. Fifty percent of funds in the fund may be used in fiscal year 1997-98 to increase the personal exemption and the remaining 50% must remain for use in fiscal year 1998-99.

It amends Part Z to increase the transfer from the Underground Oil Storage Replacement Fund to General Fund undedicated revenue from \$500,000 to \$1,000,000 in each year of the biennium.

It strikes Part AA of the amendment, which deappropriated \$4,500,000 from amounts available in fiscal year 1996-97 that would have otherwise lapsed.

It amends Part GG to reduce by \$150,000 the amount that must be transferred each year from the Capital Construction/Repairs/Improvements - Administration account to the Legislature's Reserve Fund for State House Preservation and Maintenance.

It adds a new Part XX, which:

1. Lapses \$700,000 in unencumbered balances forward in the Education in the Unorganized Territory program to General Fund revenue in fiscal year 1996-97;

2. Authorizes the transfer of \$100,000 from the Abandoned Property Fund to General Fund undedicated revenue in fiscal year 1996-97;

3. Authorizes the transfer of \$100,000 in fine money from the Bureau of Insurance account to General Fund undedicated revenue in fiscal year 1996-97; and

2 4. Authorizes the transfer of \$900,000 from the Bureau of  
4 Banking - Securities Division account to General Fund undedicated  
revenue in fiscal year 1996-97.

6 It adds Part YY, which identifies General Fund and Highway  
8 Fund savings from the workers' compensation rates for state  
employees.

10 It adds Part ZZ, which increases the savings identified in  
12 the Voluntary Employee Incentive Program.

14 It adds Part AAA, which deappropriates funds in fiscal year  
16 1996-97 from the Department of Human Services, Intermediate Care  
- Payments to Providers account from an anticipated surplus in  
18 fiscal year 1996-97 and from funds originally appropriated in  
fiscal year 1994-95 for the settlement on the loss of federal  
financial participation for the former provider-specific gross  
receipts tax on nursing facilities.

20 It adds Part BBB, which deappropriates \$1,500,000 in fiscal  
22 year 1996-97 from salary savings within the Department of Human  
Services and the Department of Mental Health, Mental Retardation  
24 and Substance Abuse Services.

26 It adds Part CCC, which:

28 1. Deappropriates funds from the Debt Service - Treasury  
30 account available from additional interest earnings in the Debt  
Service Earnings account; and

32 2. Deappropriates \$150,000 annually from the amount  
34 provided for capital construction, repairs and improvements.

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38 SPONSORED BY: George J. Kerr  
(Representative KERR)

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TOWN: Old Orchard Beach

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