

# MAINE STATE LEGISLATURE

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*M*  
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L.D. 300

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DATE: *April 5, 2001*

(Filing No. S-43)

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**STATE OF MAINE  
SENATE  
120TH LEGISLATURE  
FIRST REGULAR SESSION**

SENATE AMENDMENT "L" to COMMITTEE AMENDMENT "A" to H.P. 256, L.D. 300, 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, 2002 and June 30, 2003"

Amend the amendment in Part A in section 25 under the caption "DEPARTMENT OF THE SECRETARY OF STATE" in the first part relating to "\*\*\*SUMMARY - DEPARTMENT OF THE SECRETARY OF STATE" under the heading "Other Special Revenue Funds" by striking out all of the 2nd line (page 165, line 48 in amendment) and inserting in its place the following:

'Positions - Legislative Count (20.500) (20.500)'

Further amend the amendment in Part A by striking out all of section 26 and inserting in its place the following:

'Sec. A-26. Appropriations and allocations. The following appropriations and allocations are made as corrections to amounts in section 25 of this Part.'

**FY 2001-02      FY 2002-03**

**CONSERVATION, DEPARTMENT OF  
Land Use Regulation Commission**

* General Fund		
Personal Services	\$10,285	\$10,285
General Fund: Total	<u>10,285</u>	<u>10,285</u>

**SENATE AMENDMENT**

SENATE AMENDMENT "L" to COMMITTEE AMENDMENT "A" to H.P. 256,  
L.D. 300

2	<b>GOVERNOR BAXTER SCHOOL FOR THE DEAF</b>		
4	<b>Governor Baxter School for the Deaf</b>		
6	Federal Expenditures Fund		
8	Personal Services		(764)
	All Other		764
10			<hr/>
12	Federal Expenditures Fund: Total		0
14	Other Special Revenue Funds		
	Personal Services		(10,129)
	All Other		10,129
16			<hr/>
18	Other Special Revenue Funds: Total		0
20	<b>EXECUTIVE DEPARTMENT</b>		
22	<b>Blaine House</b>		
24	* General Fund		
	All Other	10,000	
26		<hr/>	
	General Fund: Total	10,000	
28	<b>MAINE FIRE PROTECTION SERVICES COMMISSION</b>		
30	<b>Maine Fire Protection Services Commission</b>		
32	* General Fund		
34	Personal Services	(14,720)	(14,720)
36	All Other	14,720	14,720
38		<hr/>	<hr/>
	General Fund: Total	0	0
40	<b>SECTION SUMMARY</b>		
42	Section Summary - All Funds	20,285	10,285
	Section Summary - General Fund	20,285	10,285
44	Section Summary - Federal Expenditures Fund	0	0
46	Section Summary - Other Special Revenue Funds	0	0

Further amend the amendment by striking out all of Parts C, M, O, P, V and X.

# SENATE AMENDMENT

Further amend the amendment by inserting after Part Y the  
following:

**PART Z**

**Sec. Z-1. Cost of living adjustment.** Any facility that accepts the cost-of-living adjustment for fiscal years 2001-02 and 2002-03 provided in this Part must provide an increase of no less than 3% in salaries and benefits to all front-line employees according to the "Principles of Reimbursement for Nursing Facilities." For purposes of this section, "front-line employees" means all employees who work in the facility, excluding the administrator.

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

	2001-02	2002-03
<b>HUMAN SERVICES, DEPARTMENT OF</b>		
<b>Nursing Facilities</b>		
All Other	\$2,363,649	\$2,453,017

Provides funds for a cost-of-living adjustment for nursing facilities pursuant to the "Principles of Reimbursement for Nursing Facilities."

**Sec. Z-3. Allocation.** The following funds are allocated from the Federal Expenditures Fund to carry out the purposes of this Part.

	2001-02	2002-03
<b>HUMAN SERVICES, DEPARTMENT OF</b>		
<b>Nursing Facilities</b>		
All Other	\$4,684,656	\$4,886,950

Provides for the federal match for a cost-of-living adjustment for nursing facilities.

2

PART AA

4

Sec. AA-1. 20-A MRSA §15602, sub-§§15 and 15-A are enacted to read:

6

15. Cushion in fiscal year 2001-02. The following cushion is established for fiscal year 2001-02.

8

10

A. A school administrative unit is eligible for a cushion if it meets the following criteria:

12

(1) The school administrative unit's fiscal year 2000-01 mills raised for education as calculated by the department is equal to or greater than 8.33 mills;

14

16

(2) The school administrative unit's per pupil fiscal capacity for operating costs in 2001-02 is equal to or less than \$700,942; and

18

20

(3) The school administrative unit's state share of subsidy for fiscal year 2001-02 for operating costs and program costs, excluding the state share of bus purchases plus minimum subsidy, is less than the state share of subsidy for fiscal year 2000-01 for operating costs and program costs, excluding the state share of bus purchases plus minimum subsidy, and the 2000-01 cushion provision.

22

24

26

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30

B. A school administrative unit that is eligible for a cushion based on the criteria set forth in paragraph A must receive a cushion equal to the lesser of:

32

34

(1) The amount that the school administrative unit's state share of subsidy for fiscal year 2001-02 for operating costs and program costs, excluding the state share of bus purchases plus minimum subsidy, is less than the amount that the school administrative unit's state share of subsidy would have been for fiscal year 2001-02 for operating costs and program costs, excluding the state share of bus purchases plus minimum subsidy, if the per pupil guarantee had been \$4,307, the reduction percentage had been 9.97% and the statewide factor had been .54552. This amount may be prorated, so that the statewide sum of all cushion amounts does not exceed \$4,650,000; or

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(2) The amount that the school administrative unit's state share of subsidy for fiscal year 2001-02 for operating costs and program costs, excluding the state share of bus purchases plus minimum subsidy, is less

2 than the state share of subsidy for fiscal year 2000-01  
3 for operating costs and program costs, excluding the  
4 state share of bus purchases plus minimum subsidy, and  
5 the 2000-01 cushion provision.

6 15-A. Tier 2 cushion in fiscal year 2001-02. The following  
7 tier 2 cushion is established for fiscal year 2001-02. This  
8 cushion must be calculated and distributed after distribution of  
9 the cushion set forth in subsection 15.

10 A school administrative unit is eligible for a prorated share of  
11 the 2nd tier cushion of \$1,000,000 if the school administrative  
12 unit meets the following criteria:

13 **14**

14 A. The school administrative unit has a per pupil valuation  
15 of less than \$400,000; and

16  
17 B. The school administrative unit's state share of subsidy  
18 for fiscal year 2001-02 for operating costs and program  
19 costs, excluding the state share of bus purchases plus  
20 minimum subsidy and the 2001-02 initial cushion set forth in  
21 subsection 15, is less than the school administrative unit's  
22 state share of subsidy for fiscal year 2000-01 for operating  
23 costs and program costs, excluding the state share of bus  
24 purchases plus minimum subsidy and the 2000-01 cushion  
25 provision.

26  
27 **Sec. AA-2. 20-A MRSA §15653, sub-§1, as amended by PL 1999,**  
28 **c. 731, Pt. D, §2, is further amended to read:**

29 **30**

30 **1. Per pupil guarantee.** The Legislature shall annually  
31 establish a per pupil guarantee. For fiscal year 1999-00, the  
32 per pupil guarantee is \$4,020 and, for fiscal year 2000-01, the  
33 per pupil guarantee is \$4,307 and, for fiscal year 2001-02, the  
34 per pupil guarantee target is \$4,687. In the subsequent 2 fiscal  
35 years, it is the intent of the Legislature to achieve the per  
36 pupil guarantee targets established in this subsection.

37 **38**

38 ~~B. For fiscal year 2001-02 the per pupil guarantee target~~  
39 ~~is \$4,687.~~

40  
41 **C. For fiscal year 2002-03 the per pupil guarantee target**  
42 **is \$5,204.**

43 **44**

44 The intent of the Legislature is to achieve a per pupil guarantee  
45 that matches projected spending in fiscal year 2002-03.  
46 Beginning in fiscal year 2001-02 2002-03, if the appropriation  
47 and any increase in the mill rate determined by the Legislature  
48 to be needed under this section are not sufficient to achieve  
49 both the targeted reduction percentage in section 15603,  
50

subsection 26-A, paragraph F and the targeted per pupil  
guarantee, then the per pupil guarantee must advance toward the  
targeted per pupil guarantee in the same proportion as the  
reduction percentage is lowered toward the targeted reduction  
percentage.

**Sec. AA-3. 20-A MRSA §15653, sub-§4,** as amended by PL 1999,  
c. 731, Pt. D, §3, is further amended to read:

**4. Statewide local share.** For fiscal year 2000-01 2001-02,  
the statewide local share amount of the operating costs  
allocation is based on the sum of the amounts determined by  
multiplying for each unit ~~7.02~~ 7.57 mills times the unit's  
property fiscal capacity. In subsequent years the mill rate is  
~~7.02~~ 7.57 mills, except that the Legislature shall determine if  
an increase is needed to achieve the targeted per pupil guarantee  
under this section.

**Sec. AA-4. Learning results implementation.** The Commissioner  
of Education may expend and disburse from the Adjustments and  
Miscellaneous Costs Appropriation an amount not to exceed  
\$1,300,000 in order to carry out the purposes of Public Law 1995,  
chapter 649, sections 5 and 8.

**Sec. AA-5. Basic elementary and secondary per pupil operating  
rates.** The basic elementary per pupil operating rate for fiscal  
year 2001-02 is \$4,416, and the basic secondary per pupil  
operating rate for fiscal year 2001-02 is \$5,101. The foundation  
per pupil operating rate for fiscal year 2001-02 is \$4,629.

**Sec. AA-6. Per pupil guarantee and statewide factor.** The per  
pupil guarantee for the 2001-02 fiscal year is \$4,687. The  
statewide factor for fiscal year 2001-02 is .60290.

**Sec. AA-7. Foundation allocation.** The foundation allocation of  
state and local funds for fiscal year 2001-02 for the purposes  
listed in this section is as follows.

	<b>2001-02 TOTAL</b>
<b>Operating</b>	
Per Pupil Guarantee pursuant to the Maine Revised Statutes, Title 20-A, section 15653, subsection 1	\$1,005,944,328
<b>Program Costs</b>	
Early Childhood	783,846

SENATE AMENDMENT "L" to COMMITTEE AMENDMENT "A" to H.P. 256,  
L.D. 300

2	Special Education (Local)	162,112,589
4	Special Education (Tuition and Board)	15,209,459
6	Vocational Education	28,084,448
8	Transportation Operating	68,215,340
10	Bus Purchases	5,000,000
12	<b>Program Cost Total</b>	<u>279,405,682</u>
14	Less Percentage Reduction pursuant to	
16	the Maine Revised Statutes, Title 20-A,	
	section 15603, subsection 26-A, paragraph F	(13,914,403)
18	<b>Adjusted Program Cost Total</b>	<u>265,491,279</u>
20	<b>Foundation Total - Combined Adjusted</b>	
	<b>Operating and Program Cost</b>	<u>\$1,271,435,607</u>

22           **Sec. AA-8. Foundation subsidy indexes.** This section  
24 establishes mill rates pursuant to the Maine Revised Statutes,  
26 Title 20-A, chapter 606 as follows: operating cost millage, 8.04  
mills; program millage limit, 1.43 mills.

28           **Sec. AA-9. Foundation reduction percentages.** This section  
30 establishes reduction percentages as follows: program cost  
32 reduction percentage, 4.98%; transportation operating reduction  
percentage, 4.98%.

34           **Sec. AA-10. Foundation appropriation.** The foundation  
36 appropriation provided for General Purpose Aid for Local Schools  
for the fiscal year beginning July 1, 2001 and ending June 30,  
2002 is calculated as follows.

38		<b>2001-02</b>	<b>2001-02</b>
40		<b>TOTAL</b>	<b>STATE</b>
42	<b>Foundation Total - Combined Adjusted</b>		
	<b>Operating and Program Cost</b>	\$1,271,435,607	\$598,988,391
44	Minimum State Subsidy	1,869,352	1,869,352
46	<b>ADJUSTED FOUNDATION ALLOCATION</b>		
48	<b>TOTAL</b>	<u>\$1,273,304,959</u>	<u>\$600,857,743</u>



SENATE AMENDMENT "L" to COMMITTEE AMENDMENT "A" to H.P. 256,  
L.D. 300

2           **Sec. AA-11. Debt service allocation.** The debt service  
allocation of state and local funds for fiscal year 2001-02 for  
4 the purposes listed in this section is as follows.

	<b>2001-02</b>
	<b>TOTAL</b>
<b>8 Debt Service Costs</b>	
10           Principal and Interest	\$72,157,115
12           Approved Leases	7,493,693
14           Insured Value Factor	2,702,356
<b>16 Debt Service Cost Total</b>	<hr/> 82,353,164
18           Less Percentage Reduction of Insured	
20           Value Factor pursuant to the Maine	
22           Revised Statutes, Title 20-A, section	
15603, subsection 26-A, paragraph F	(134,577)
<b>Adjusted Debt Service Cost Total</b>	<hr/> \$82,218,587

24           **Sec. AA-12. Debt service subsidy indexes.** This section  
26 establishes mill rates pursuant to the Maine Revised Statutes,  
Title 20-A, chapter 606 as follows: operating cost millage, 8.04  
28 mills; debt service millage limit, 0.50 mills.

30           **Sec. AA-13. Debt service reduction percentages.** This section  
establishes reduction percentages as follows: insured value  
32 factor reduction percentage, 4.98%.

34           **Sec. AA-14. Debt service appropriation.** The debt service  
appropriation provided for General Purpose Aid for Local Schools  
36 for the fiscal year beginning July 1, 2001 and ending June 30,  
2002 is calculated as follows.

	<b>2001-02</b>	<b>2001-02</b>
	<b>TOTAL</b>	<b>STATE</b>
<b>42 ADJUSTED DEBT SERVICE ALLOCATION</b>		
<b>TOTAL</b>	\$82,218,587	\$58,446,035
<b>46</b>	<b>2001-02</b>	<b>2001-02</b>
<b>48</b>	<b>TOTAL</b>	<b>STATE</b>
<b>50 COMBINED ADJUSTED FOUNDATION AND</b>		
<b>ADJUSTED DEBT SERVICE ALLOCATIONS</b>		
<b>TOTAL</b>	\$1,355,523,546	\$659,303,778

2

**Sec. AA-15. Adjustments and miscellaneous costs appropriation.**

4

The adjustments and miscellaneous costs appropriation of state funds for fiscal year 2001-02 for the purposes listed in this section is as follows.

6

8

**2001-02  
TOTAL**

**10**

**Adjustments and Miscellaneous Costs**

12

Cost of Geographic Isolation Adjustments \$350,000

14

Cost of Quality Incentive Adjustments 0

16

Audit Adjustments 0

18

Cost of Reimbursement for Private School Services 201,000

20

22

Special Education Tuition and Board for State Wards and Other Pupils Placed Directly by the State 8,100,000

24

26

State Agency Clients 21,042,552

28

English as a 2nd Language 1,920,000

30

Out-of-district Placements 3,405,156

32

Long-term Drug Treatment Centers 65,952

34

Contract for Cost-of-education and Income Data 0

36

Learning Results Implementation 1,300,000

38

FY 2001-02 Cushion 4,650,000

40

FY 2001-02 2nd Tier Cushion 1,000,000

42

**Total Adjustments \$42,034,660**

44

**Sec. AA-16. Adjustments and miscellaneous costs appropriation.**

46

The adjustments and miscellaneous costs appropriation provided for General Purpose Aid for Local Schools for the fiscal year beginning July 1, 2001 and ending June 30, 2002 is calculated as follows.

48

50

	<b>2001-02 TOTAL</b>	<b>2001-02 STATE</b>
2		
4		
ADJUSTMENTS AND MISCELLANEOUS		
COSTS TOTAL	\$42,034,660	\$42,034,660
6		
8		
FOUNDATION, DEBT SERVICE AND		
ADJUSTMENTS AND MISCELLANEOUS		
COSTS TOTAL	\$1,397,558,206	\$701,338,438
10		

12       **Sec. AA-17. Limit of State's obligation.** If the State's  
 14 continued obligation for any individual program contained in  
 16 sections 7, 10, 11, 14, 15 and 16 of this Part exceeds the level  
 18 of funding provided for that program, any unexpended balances  
 occurring in other programs may be applied to avoid proration of  
 payments for any individual program. Any unexpended balances  
 from sections 7, 10, 11, 14, 15 and 16 of this Part may not lapse  
 but must be carried forward for the same purpose.

20       **Sec. AA-18. Appropriations.** Sections 2 to 16 of this Part  
 22 may not be construed to require the State to provide payments  
 24 that exceed the appropriation of funds for General Purpose Aid  
 for Local Schools for the fiscal year beginning July 1, 2001 and  
 ending June 30, 2002.

26       **Sec. AA-19. Component funding.** In accordance with the Maine  
 28 Revised Statutes, Title 20-A, section 15607, subsection 3,  
 component funding within the General Purpose Aid for Local  
 Schools General Fund account for the fiscal years 2001-02 and  
 30 2002-03 is as follows.

	<b>2001-02</b>	<b>2002-03</b>
32		
34		
Foundation	\$600,857,743	\$612,730,991
36		
Debt Service	58,446,035	64,541,222
Adjustments	42,034,660	40,986,378
38		
TOTALS	<u>\$701,338,438</u>	<u>\$718,258,591</u>

40       **Sec. AA-20. Transfer of general purpose aid.** Notwithstanding any  
 42 other provision of law, at the close of fiscal year 2000-01  
 following the end of that fiscal year, the State Controller shall  
 44 transfer \$350,000 in the general purpose aid for local schools to  
 the unappropriated surplus of the General Fund.

46       **Sec. AA-21. Appropriation.** The following funds are  
 48 appropriated from the General Fund to carry out the purposes of  
 this Part.

2001-02

2

EDUCATION, DEPARTMENT OF

4

General Purpose Aid for  
Local Schools

6

8

All Other

\$1,000,000

10

Provides funding for a 2nd tier of cushion  
funding to assist school administrative  
units with low valuation.

12

14

16

PART BB

18

Sec. BB-1. 30-A MRSA §5681, sub-§5, as repealed and replaced  
by PL 1999, c. 731, Pt. U, §5, is amended to read:

20

22

5. Transfers to funds. On the last day of each month,  
~~beginning July 31, 2000,~~ the Treasurer of State shall transfer to  
the Local Government Fund an amount equal to ~~5.1%~~ 5.2% of the  
receipts from the taxes imposed under Title 36, Parts 3 and 8 and  
credited to the General Fund without any reduction. Any amounts  
transferred to the Local Government Fund in excess of the annual  
growth ceiling must be transferred to the Disproportionate Tax  
Burden Fund.

24

26

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30

Sec. BB-2. Effective date. That section of this Part that  
amends the Maine Revised Statutes, Title 30-A, section 5681,  
subsection 5 takes effect January 1, 2003.

32

34

PART CC

36

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

38

40

2001-02

2002-03

42

HUMAN SERVICES, DEPARTMENT OF

44

Purchased Social Services

46

48

All Other

\$1,140,318

\$1,126,113

50

Provides funds for additional  
infant, toddler and preschool

SENATE AMENDMENT "L" to COMMITTEE AMENDMENT "A" to H.P. 256,  
L.D. 300

2 child care subsidies to  
offset a deallocation from  
4 the Fund for a Healthy Maine  
in Part B.

6 **Purchased Social Services**

8 All Other 250,000 283,569

10 Provides funds for additional  
12 school-aged child care  
subsidies to partially offset  
14 a deallocation from the Fund  
for a Healthy Maine in Part B.

16 **DEPARTMENT OF HUMAN SERVICES**  
18 **TOTAL** \$1,390,318 \$1,409,682

20 **PART DD**

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

26 2001-02 2002-03

28 **ECONOMIC AND COMMUNITY**  
30 **DEVELOPMENT, DEPARTMENT OF**

32 **Forum Francophone**

34 All Other \$75,000 \$75,000

36 Provides funding for office  
space and expenses. It is  
38 the intent of the Legislature  
that legislative funding for  
40 the Forum Francophone Des  
Affaires not continue beyond  
42 the end of fiscal year  
2002-03 without affirmative  
44 action by the Legislature.

46 **PART EE**

48 **Sec. EE-1. 28-A MRSA §403,** as amended by PL 1997, c. 755,  
50 §1, is repealed.

2           **Sec. EE-2. 28-A MRSA §453-B**, as repealed and replaced by PL  
3           1993, c. 509, §5, is repealed and the following enacted in its  
4           place:

6           **§453-B. License fees**

8           The initial license fee for an agency liquor store is \$2,000  
9           and the renewal fee for an annual license is \$300.

10           **Sec. EE-3. Closure of 14 state liquor stores.** Notwithstanding any  
11           other provision of law, the Department of Administrative and  
12           Financial Services, Bureau of Alcoholic Beverages and Lottery  
13           Operations is directed to implement the closure of 8 state liquor  
14           stores by December 31, 2001. No sooner than June 1, 2002, but  
15           not later than December 31, 2002, the department is directed to  
16           close an additional 6 state liquor stores and to close additional  
17           stores based on the recommendations of the Commission to Develop  
18           a Plan to Implement the Closure of State Liquor Stores.

20           **Sec. EE-4. State liquor stores to be closed**

22           **1. Replacement of state liquor stores.** The Department of  
23           Administrative and Financial Services, Bureau of Alcoholic  
24           Beverages and Lottery Operations may license up to 6 agency  
25           stores in a municipality with a population over 20,000 where a  
26           state liquor store has been closed and up to 3 agency stores in a  
27           municipality where a state liquor store has been closed. The  
28           Department of Administrative and Financial Services, State Liquor  
29           and Lottery Commission shall establish monthly discounts for all  
30           agency stores. The issuance of an agency liquor store license  
31           and the operation of agency liquor stores licensed pursuant to  
32           this Part are governed by the Maine Revised Statutes, Title 28-A,  
33           chapter 19.

34           **2. Requirement of at least one replacement agency liquor  
35           store before closing.** A state liquor store may not be closed  
36           unless at least one replacement agency liquor store with a  
37           federal wholesale registration and licensed as a reselling agent  
38           has been licensed within 10 miles of the state store being closed  
39           or unless the Director of the Bureau of Alcoholic Beverages and  
40           Lottery Operations within the Department of Administrative and  
41           Financial Services determines that reasonable alternative access  
42           is available to persons who previously purchased spirits from the  
43           state liquor store being closed.

44           **3. Assistance to employees.** The State shall provide  
45           assistance within existing programs to employees who are laid off  
46           as a result of the closing of state liquor stores. This  
47           assistance may include, but is not limited to, retraining, career  
48

2 planning and assistance in obtaining other employment and may be  
provided before or after an employee leaves state employment.

4 **4. Funding employee assistance.** Notwithstanding any other  
6 provision of law, the State Budget Officer is authorized to  
transfer by financial order upon approval of the Governor amounts  
8 between line categories within the Alcoholic Beverages - General  
Operations program during fiscal year 2001-02 to provide up to  
10 \$450,000 to fund employee assistance costs for full-time and  
part-time state liquor store employees for whom reasonable  
12 alternative state government employment is not available or can  
not be found, and the Department of Administrative and Financial  
14 Services, Bureau of Employee Relations shall negotiate with the  
applicable bargaining agent regarding the assistance provided as  
16 well as the eligibility criteria for assistance. The State  
Budget Officer shall provide quarterly status reports to the  
18 joint standing committees of the Legislature having jurisdiction  
over appropriations and financial affairs and legal and veterans  
20 affairs beginning April 30, 2001. The report must include an  
update on the implementation of this section and all transfers  
22 from the General Fund Salary Plan program.

24 **Sec. EE-5. Commission to Develop a Plan to Implement the Closure  
of State Liquor Stores.** The Commission to Develop a Plan to  
26 Implement the Closure of State Liquor Stores is established in  
accordance with the following.

28 **1. Membership.** The commission consists of the following  
members:

- 30 A. Two Senators, appointed by the President of the Senate;
- 32 B. Two members of the House of Representatives, appointed  
34 by the Speaker of the House;
- 36 C. One member representing the employees of state liquor  
stores, appointed jointly by the President of the Senate and  
38 the Speaker of the House;
- 40 D. Two owners of agency liquor stores, appointed jointly by  
the President of the Senate and the Speaker of the House;
- 42 E. One representative of the Department of Administrative  
44 and Financial Services, Bureau of Alcoholic Beverages and  
Lottery Operations, appointed by the Governor; and
- 46 F. One representative of the Department of Public Safety,  
48 Bureau of Liquor Enforcement, appointed by the Governor.

2           **2. Appointments; meetings.** Appointments must be made no  
3 later than 30 days after the effective date of this Act. The  
4 first named Senate member is the Senate chair; the first named  
5 House member is the House chair. The appointing authorities  
6 shall notify the Executive Director of the Legislative Council  
7 once the appointments have been made. The Executive Director of  
8 the Legislative Council shall notify the chairs when all  
9 appointments have been made. The chairs of the commission shall  
10 call and convene the first meeting of the commission any time  
11 after the effective date of this Act.

12           **3. Duties.** The commission shall develop a plan to  
13 effectuate an appropriate statewide liquor distribution system.  
14 In developing its plan, the commission shall consider the effects  
15 on wholesale distribution and sales of closing state liquor  
16 stores and consider strategies for moving to a system that relies  
17 on agency stores for all retail sales to the extent that does not  
18 negatively affect state revenue.

20           **4. Report.** The commission shall submit its report,  
21 together with legislation necessitated by the closing of state  
22 liquor stores, to the Second Regular Session of the 120th  
23 Legislature no later than January 31, 2002. If the commission  
24 requires an extension of time to make its report, it may apply to  
25 the Legislative Council, which may grant the extension.

26           **5. Staff assistance.** Upon approval of the Legislative  
27 Council, the Office of Policy and Legal Analysis shall provide  
28 staffing assistance to the commission.

30           **6. Compensation.** The members of the commission who are  
31 Legislators are entitled to receive the legislative per diem, as  
32 defined in the Maine Revised Statutes, Title 3, section 2, and  
33 reimbursement for travel and other necessary expenses related to  
34 their attendance at authorized meetings of the commission. Other  
35 members of the commission who are not compensated by their  
36 employers or other entities that they represent are entitled to  
37 receive reimbursement for travel and other necessary expenses  
38 related to their attendance at authorized meetings.

40           **7. Budget.** The chairs of the commission, with assistance  
41 from the commission staff, shall administer the commission's  
42 budget. The commission may not incur expenses exceeding its  
43 approved budget. Upon request from the commission, the Executive  
44 Director of the Legislative Council shall promptly provide the  
45 commission and its staff with a status report on the commission's  
46 budget, expenditures incurred and remaining available funds.

48



2           **Sec. EE-6. Appropriation.** The following funds are  
appropriated from the General Fund to carry out the purposes of  
this Part.

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**2001-02**

**LEGISLATURE**

**Commission to Develop a Plan to  
Implement the Closure of State  
Liquor Stores**

Personal Services	\$1,320
All Other	2,600
<b>TOTAL</b>	<hr/> \$3,920

Provides funds for the per diem and expenses  
of legislative members and other eligible  
members of the Commission to Develop a Plan  
to Implement the Closure of State Liquor  
Stores and to print the required report.

**Sec. EE-7. Allocation.** The following funds are allocated from  
the Alcoholic Beverage Fund to carry out the purposes of this  
Part.

**2001-02            2002-03**

**ADMINISTRATIVE AND FINANCIAL  
SERVICES, DEPARTMENT OF**

**Alcoholic Beverages - General  
Operation**

Unallocated	(\$100,684)	(\$1,998,640)
-------------	-------------	---------------

Deallocates funds from  
savings that result from  
closing 8 state liquor stores  
by December 31, 2001, the  
elimination of discount store  
provisions and closing an  
additional 6 state liquor  
stores by December 31, 2002  
but no earlier than June 1,  
2002.



Activities conducted by a person in support of any of its activities listed in paragraphs A to D or any qualified service engaged in by that person include, without limitation, management, administration, marketing, purchasing, design, engineering, repair, maintenance, operation of support and auxiliary equipment, distribution, accounting, financing, billing, payroll, workers' compensation, accounts payable, accounts receivable, medical, risk management, labor relations, training, human resources, legal, packaging, storage, research and development, quality control and environmental, security, safety and fire protection.

**4. Qualified service.** "Qualified service" means any of the following when provided by one person to another for a fee, retainer, commission or other consideration: construction services; printing; retail and wholesale services exclusive of those performed at or in support of retail facilities; modification of real or tangible personal property; development of computer software; leasing by a lessor of property that would be eligible for reimbursement under this chapter had the property been owned by the lessee rather than the lessor; services provided by financial institutions as defined by section 5206-D, subsection 8; services provided by credit unions authorized to do business in this State pursuant to Title 9-B, section 131, subsection 12-A; services provided by insurance companies subject to taxation under chapter 357; internet access services; computer system services, including, but not limited to, maintenance, support, development, management, operation, communication, training, help desk, data processing, research, analysis, troubleshooting and similar services involving computer systems; repair, maintenance, refitting, refurbishing or upgrading commercial or military watercraft and all machinery, equipment and other property attached to or located on such watercraft and related to the use of such watercraft; and transportation services. "Qualified service" also includes any activity by a person engaged in a qualified service that is conducted predominantly in support of either the qualified service engaged in by that person or the business activity of that person related to that qualified service.

**5. Retail sales facility.** "Retail sales facility" means a physical structure or portion of a physical structure located in the State and predominantly utilized as a facility to serve customers who are physically present at the facility for the purpose of selecting and purchasing goods or a nonqualified service at retail.

Sec. FF-2. 36 MRSA §6652, sub-§1-B, as enacted by PL 1997, c. 24, Pt. C, §14, is amended to read:

1-B. **Certain property excluded.** Notwithstanding any other provision of law, reimbursement pursuant to this chapter may not be made with respect to the following property:

A. Office furniture, including without limitation tables, chairs, desks, bookcases, filing cabinets and modular office partitions; and

B. Lamps and lighting fixtures;

C. Property predominantly employed by the person in possession of it either in the provision of a nonqualified service or in support of the provision of a nonqualified service being provided by that person, exclusive of property used by a person in providing a nonqualified service to an affiliate when that property would be eligible for reimbursement if it were owned by that affiliate; and

D. Property employed by the person in possession of it either in a retail sales facility or employed predominantly in the support of such a facility. Property employed in support of a retail sales facility does not include property employed predominantly in one or more qualified services or in one or more of the activities listed in section 6651, subsection 6, paragraphs A to D by any person or in any activity in support thereof or the business activity of that person related to such qualified services or listed activities.

~~This subsection applies~~ In the case of construction in progress and inventory parts, eligibility must be determined as if the item were currently in use as intended. Paragraphs A and B apply to property tax years beginning after April 1, 1996. Property affected by ~~this subsection~~ paragraphs A and B that was eligible for reimbursement pursuant to chapter 915 of property taxes paid for the 1996 property tax year is grandfathered into the program and continues to be eligible for reimbursements for up to 12 years, unless it subsequently becomes ineligible. Paragraphs C and D apply to property tax years beginning after April 1, 2000. Property affected by paragraphs C and D that was eligible for reimbursement pursuant to this chapter for property taxes paid for the 2000 property tax year is grandfathered into the program and continues to be eligible for reimbursement to the extent permitted by this chapter as it existed on September 1, 2000, unless it subsequently becomes ineligible. Property used in the provision of a nonqualified service or in support of the provision of a nonqualified service and property used in a retail sales facility or in support of a retail sales facility includes, without limitation, property used in management, marketing, purchasing, distribution, accounting and research and development.



2 Services to be made available by financial order upon the  
3 recommendation of the State Budget Officer and approval of the  
4 Governor to be used for the demolition and site remediation of  
5 the Maine State Prison in Thomaston. Funds transferred from the  
6 Maine Rainy Day Fund for this purpose in fiscal year 2001-02 may  
7 only be in addition to other funds made available by the  
8 Legislature.

10 **Sec. HH-2. Transfer to Capital Construction/Repairs/Improvements**

11 **- Admin.** Notwithstanding any other provision of law, at the  
12 close of fiscal year 2000-01, the State Controller shall transfer  
13 to the Capital Construction/Repairs/Improvements - Admin program  
14 in the Department of Administrative and Financial Services from  
15 the available balance remaining in the General Fund after the  
16 deduction of all appropriations, financial commitments or other  
17 designated funds an amount not to exceed \$3,800,000 for the  
18 demolition and site remediation of the Maine State Prison at  
19 Thomaston. These funds may be made available by financial order  
20 for expenditure by allotment in fiscal year 2001-02 upon the  
21 recommendation of the State Budget Officer and approval of the  
22 Governor. Funds transferred into the Capital  
23 Construction/Repairs/Improvements - Admin program in the  
24 Department of Administrative and Financial Services for this  
25 purpose do not lapse but must be carried forward from year to  
26 year until the purposes of the transfer have been fulfilled.

28 **Sec. HH-3. Sale of land; proceeds transferred.** The Commissioner

29 of Administrative and Financial Services shall transfer all  
30 proceeds from the sale of land consisting of the site of the  
31 former Maine State Prison in Thomaston to the Maine Rainy Day  
32 Fund.

34 **PART II**

36 **Sec. II-1. 36 MRSA §5122, sub-§2, ¶L,** as amended by PL 1999, c.  
37 708, §35 and c. 731, Pt. S, §2 and affected by §4 and amended by  
38 c. 790, Pt. A, §49, is repealed and the following enacted in its  
39 place:

40 L. For income tax years beginning on or after January 1,  
41 2000, an amount equal to the total premiums spent for  
42 qualified long-term care insurance contracts as defined in  
43 the Code, Section 7702B(b), as long as the amount subtracted  
44 is reduced by the long-term care premiums claimed as an  
45 itemized deduction pursuant to section 5125;



	2001-02	2002-03
<b>2</b>		
<b>4</b>	<b>HUMAN SERVICES, DEPARTMENT OF</b>	
<b>6</b>	<b>Nursing Facilities</b>	
<b>8</b>	All Other	(\$2,363,649) (\$2,453,017)
<b>10</b>	Provides for the	
<b>12</b>	deappropriation of funds as a	
<b>14</b>	result of savings based on a	
	reprojection of estimates.	
<b>16</b>	<b>DEPARTMENT OF HUMAN SERVICES</b>	
	<b>TOTAL</b>	<b>(\$2,363,649) (\$2,453,017)</b>

**18**        **Sec. JJ-2. Allocation.** The following funds are allocated from  
**20** the Federal Expenditures Fund to carry out the purposes of this  
Part.

	2001-02	2002-03
<b>22</b>		
<b>24</b>	<b>HUMAN SERVICES, DEPARTMENT OF</b>	
<b>26</b>	<b>Nursing Facilities</b>	
<b>28</b>	All Other	(\$4,684,656) (\$4,886,950)
<b>30</b>	Provides for the deallocation	
<b>32</b>	of federal matching funds as	
	a result of savings based on	
<b>34</b>	a reprojection of estimates.	
<b>36</b>	<b>DEPARTMENT OF HUMAN SERVICES</b>	
	<b>TOTAL</b>	<b>(\$4,684,656) (\$4,886,950)</b>

**38**

**PART KK**

**40**

**42**        **Sec. KK-1. 5 MRSA §13090-K** is enacted to read:

**44**        **§13090-K. Tourism Marketing Promotion Fund**

**46**        **1. Fund established.** The Tourism Marketing Promotion Fund  
**48** is established in the Department of Economic and Community  
Development, Office of Tourism as a nonlapsing dedicated account.

**50**        **2. Source of fund.** On or before July 30, 2002, the State  
Controller shall transfer to the Tourism Marketing Promotion Fund



2 \$6,842,290 from the General Fund sales and use tax revenues.  
3 Beginning July 1, 2003 and every July 1st thereafter, the State  
4 Controller shall transfer to the Tourism Marketing Promotion Fund  
5 an amount, as certified by the State Tax Assessor, that is  
6 equivalent to 7% of the 7% tax imposed on tangible personal  
7 property and taxable services pursuant to Title 36, section 1811,  
8 for the first 6 months of the prior fiscal year after the  
9 reduction for the transfer to the Local Government Fund as  
10 described by Title 30-A, section 5681, subsection 5. Beginning  
11 on October 1, 2003 and every October 1st thereafter, the State  
12 Controller shall transfer to the Tourism Marketing Promotion Fund  
13 an amount, as certified by the State Tax Assessor, that is  
14 equivalent to 7% of the 7% tax imposed on tangible personal  
15 property and taxable services pursuant to Title 36, section 1811,  
16 for the last 6 months of the prior fiscal year after the  
17 reduction for the transfer to the Local Government Fund. The tax  
18 amount must be based on actual sales for that fiscal year and may  
19 not consider any accruals that may be required by law. The  
20 amount transferred from General Fund sales and use tax revenues  
21 does not affect the calculation for the transfer to the Local  
22 Government Fund.

23 3. Restrictions. A minimum of 10% of the funds received by  
24 the Tourism Marketing Promotion Fund in accordance with  
25 subsection 2 must be used for regional marketing promotion and  
26 regional special events promotion.

27 **Sec. KK-2. Appropriations and allocations.** The following  
28 amounts are appropriated and allocated as follows.

29 **ECONOMIC AND COMMUNITY DEVELOPMENT,**  
30 **DEPARTMENT OF**

31 **Office of Tourism**

32 New Initiative: Allocates funds from the newly established  
33 Tourism Marketing Promotion Fund to increase tourism promotion.

34 <b>Other Special Revenue Funds</b>	<b>2002-03</b>
35 All Other	\$2,193,844
36 Total	<hr/> 2,193,844

37 **Office of Tourism**

38 New Initiative: Provides for the deappropriation of funds to  
39 permit the transfer of 7 positions and program operations from  
40 the General Fund to the Other Special Revenue Funds program  
41 account.

42

SENATE AMENDMENT "L" to COMMITTEE AMENDMENT "A" to H.P. 256,  
L.D. 300

<b>General Fund</b>		<b>2002-03</b>
2	Positions - Legislative Count	(-7,000)
	Personal Services	(438,314)
4	All Other	(4,210,132)
6	Total	<hr/> (\$4,648,446)

8

## PART LL

10

12 **Sec. LL-1. Transfer.** The Public Utilities Commission shall  
order Verizon to transfer \$2,000,000 from the unexpended balance  
14 of the School and Library Network project as of June 30, 2001 to  
the Maine Learning Technology Endowment no later than August 1,  
2001.

16

18 **Sec. LL-2. Appropriation.** The following amounts are  
appropriated from the General Fund.

20

**2001-02**

22

## EDUCATION, DEPARTMENT OF

24

### Maine Learning Technology Endowment

26

All Other \$2,300,000

28

30

32

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44

Provides funds to support the  
implementation of a portion  
of the learning technology  
plan. The Commissioner of  
Education shall report back  
to the joint standing  
committee of the Legislature  
having jurisdiction over  
appropriations and financial  
affairs and the joint  
standing committee of the  
Legislature having  
jurisdiction over education  
and cultural affairs no later  
than December 31, 2002 on the  
effectiveness of the learning  
technology plan.

46

## PART MM

48

50 **Sec. MM-1. Calculation and transfer.** The State Budget Officer  
shall calculate the amount in section 2 of this Part that

2 applies against each General Fund account for all departments and  
3 agencies based on the proportionate share of salaries and wages  
4 in the Personal Services appropriations in the affected accounts  
5 and on the historical attrition rate for the affected departments  
6 and agencies, except for General Fund accounts in the following  
7 departments: Department of Corrections, Department of Inland  
8 Fisheries and Wildlife and Department of Mental Health, Mental  
9 Retardation and Substance Abuse Services. Notwithstanding the  
10 Maine Revised Statutes, Title 5, section 1585, the State Budget  
11 Officer shall distribute the calculated amounts as appropriated  
12 adjustments.

13 **Sec. MM-2. Appropriation.** The following funds are  
14 appropriated from the General Fund to carry out the purposes of  
15 this Part.

16 2001-02 2002-03

17 **ADMINISTRATIVE AND FINANCIAL**  
18 **SERVICES, DEPARTMENT OF**

19 **Departments and Agencies -**  
20 **Statewide - Salary Savings**

21 

Personal Services	(\$2,000,000)	(\$2,000,000)
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22 Deappropriates funds from  
23 salary savings generated by  
24 vacancies that occur from  
25 projected turnover to double  
26 the budgeted savings from  
27 these vacancies.

28 **Sec. MM-3. Adjustment in subsequent fiscal years.** Beginning  
29 with the biennial budget for fiscal years 2002-04 and 2004-05,  
30 recommendations made by the Governor to the Legislature for  
31 Personal Services appropriations and allocations in all accounts  
32 must be reduced by an amount equivalent to 1.6% of projected  
33 salaries and wages.

34 **PART NN**

35 **Sec. NN-1. Working capital advance.** Beginning in July 1,  
36 2003, the State Controller is authorized to provide an annual  
37 advance up to \$37,500,000 from the General Fund to the Fund for a  
38 Healthy Maine established in the Maine Revised Statutes, Title  
39 22, section 1511 to provide funds for allocations from the Fund  
40 for a Healthy Maine. These funds must be returned to the General  
41 Fund as the first priority from the amounts credited to the Fund

SENATE AMENDMENT "L" to COMMITTEE AMENDMENT "A" to H.P. 256,  
L.D. 300

for a Healthy Maine pursuant to the Maine Revised Statutes, Title  
22, section 1511, subsection 2, paragraph A.

**Sec. NN-2. Transfer.** On or before June 30, 2003, the State  
Controller shall transfer \$23,990,000 from the Fund for a Healthy  
Maine established in the Maine Revised Statutes, Title 22,  
section 1511 to the General Fund.

## PART OO

**Sec. OO-1. Transfer of funds.** Notwithstanding the Maine  
Revised Statutes, Title 20-A, Part 9, the Commissioner of  
Administrative and Financial Services shall transfer \$51,500,000  
from the Maine Learning Technology Endowment to the  
unappropriated surplus of the General Fund no later than June 30,  
2002.'

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

## FISCAL NOTE

This amendment will decrease the General Fund cost of the  
bill by \$350,000 in fiscal year 2000-01 and by \$26,155,583 in  
fiscal year 2001-02 and will increase the General Fund cost of  
the bill by \$15,784,554 in fiscal year 2002-03. Based on the  
estimated year-ending balances, this amendment maintains a  
balanced General Fund budget.

## SUMMARY

This amendment accomplishes the following.

1. It strikes from the committee amendment Part M, which  
closed the state liquor stores, and replaces it with a delayed  
closure of the state stores. It directs the Department of  
Administrative and Financial Services to close 8 state liquor  
stores by December 31, 2001 and an additional 6 stores no sooner  
than June 1, 2002, but not later than December 31, 2002, and  
establishes a commission to develop a plan to implement an  
appropriate statewide liquor distribution system.

2. It eliminates Part O, which increased the cigarette tax,  
and Part P, which increased the sales tax on prepared food. It

2 provides that military retirement benefits are not subject to the  
offset for social security and railroad retirement benefits. In  
4 the same Part, this amendment also corrects a conflict created by  
Public Law 1999, chapters 708 and 731, each of which enacted a  
6 new Maine Revised Statutes, Title 36, section 5122, subsection 2,  
paragraph M. This amendment resolves the conflict by  
8 reallocating one of the new paragraphs to be the Maine Revised  
Statutes, Title 36, section 5122, subsection 2, paragraph N.

10 3. It amends the law that provides for reimbursement by the  
State of certain property taxes paid by businesses. Certain  
12 property is currently excluded from the BETR program, and, with  
these changes, certain additional property will be excluded on a  
14 prospective basis.

16 4. It increases the percentage of state-municipal revenue  
sharing to 5.2% from 5.1% beginning January 2003.

18 5. It transfers \$51,500,000 from the Maine Learning  
20 Technology Endowment to the General Fund. The amendment  
appropriates \$2,300,000 to the endowment to implement a portion  
22 of the plan and requires the Commissioner of Education to report  
back to the Legislature on the effectiveness of the technology  
24 expenditures. It also requires Verizon to transfer \$2,000,000  
from the School and Library Network project to the Maine Learning  
26 Technology Endowment.

28 6. It replaces Part C and it provides funding for a 2nd  
tier of cushion funding for general purpose aid for local  
30 schools. This amendment also provides for the transfer of  
unobligated balances from general purpose aid for local schools  
32 and the Maine Rainy Day Fund to the General Fund.

34 7. It doubles the amount of budgeted savings from projected  
vacancies to realize an additional \$2,000,000 per year in  
36 personal services savings.

38 8. It transfers to the General Fund the estimated remaining  
balance in the Fund for a Healthy Maine at the end of fiscal year  
40 2002-03. To address the cash flow needs of the programs funded  
from the Fund for a Healthy Maine, the amendment authorizes a  
42 working capital advance from the General Fund to avoid delays in  
program implementation until the April 2004 Tobacco Settlement  
44 Payment is received. Fiscal year 2003-04 is the first year when  
no January payment is scheduled.

46 9. It provides funds for a 3% cost-of-living adjustment for  
48 nursing facilities.

SENATE AMENDMENT "L" to COMMITTEE AMENDMENT "A" to H.P. 256,  
L.D. 300

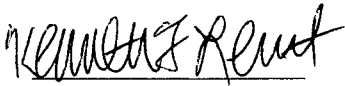
2 10. It replaces Part V, which provided for the demolition  
of the Maine State Prison in Thomaston as an appropriation.  
4 Instead, the amendment funds the demolition through the use of  
lapsed balances, or the Maine Rainy Day Fund if lapsed balances  
6 are insufficient to fund the cost.

8 11. It replaces Part X, which established the Tourism  
Marketing Promotion Fund that was funded through an increase of  
10 the tax on prepared foods. A similar proposal is implemented,  
dedicating 7% of the tax on meals and lodging taxed at 7% to  
12 generate approximately the same amount of revenue for tourism  
promotion as the committee amendment.

14 12. It provides additional appropriations for infant,  
toddler and preschool child care subsidies, school-aged childcare  
16 subsidies and full-day, year-round Head Start programs to offset  
deallocations from Part B.

18 13. It appropriates \$75,000 in each year of the biennium to  
20 the Forum Francophone Des Affairs. This amendment also expresses  
the intent of the Legislature that such legislative funding will  
22 not continue beyond the end of fiscal year 2002-03 without  
affirmative action by the Legislature.

24 14. It transfers \$2,000,000 from the Abandoned Property  
26 Fund resulting from the liquidation of securities held in excess  
of 3 years to the unappropriated surplus of the General Fund.

30  
32 SPONSORED BY:   
(Senator LEMONT)

34 COUNTY: York  
36