

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

DATE: April 5, 2001

(Filing No. S- 44)

Reproduced and distributed under the direction of the Secretary of the Senate.

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

SENATE AMENDMENT "M" 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	10,285	10,285

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

**GOVERNOR BAXTER SCHOOL FOR
THE DEAF**

**Governor Baxter School for
the Deaf**

Federal Expenditures Fund		
Personal Services		(764)
All Other		764
		<hr/>
Federal Expenditures Fund: Total		0
Other Special Revenue Funds		
Personal Services		(10,129)
All Other		10,129
		<hr/>
Other Special Revenue Funds: Total		0

EXECUTIVE DEPARTMENT

Blaine House

* General Fund		
All Other	10,000	
	<hr/>	
General Fund: Total	10,000	

**MAINE FIRE PROTECTION SERVICES
COMMISSION**

**Maine Fire Protection Services
Commission**

* General Fund		
Personal Services	(14,720)	(14,720)
All Other	14,720	14,720
	<hr/>	<hr/>
General Fund: Total	0	0

SECTION SUMMARY

	2001-02	2002-03
Section Summary - All Funds	20,285	10,285
Section Summary - General Fund	20,285	10,285
Section Summary - Federal Expenditures Fund	0	0
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.

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
HUMAN SERVICES, DEPARTMENT OF		
Nursing Facilities		
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
HUMAN SERVICES, DEPARTMENT OF		
Nursing Facilities		
All Other	\$4,684,656	\$4,886,950
Provides for the federal match for a cost-of-living adjustment for nursing facilities.		

PART AA

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

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

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

(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;

(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

(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.

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:

(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

(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

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.

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

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

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

B. 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 and the 2001-02 initial cushion set forth in
subsection 15, is less than the school administrative unit's
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.

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

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

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

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

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

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.

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

SENATE AMENDMENT "M" 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	Program Cost Total	<hr/> 279,405,682
14	Less Percentage Reduction pursuant to	
16	the Maine Revised Statutes, Title 20-A,	
16	section 15603, subsection 26-A, paragraph F	(13,914,403)
18	Adjusted Program Cost Total	<hr/> 265,491,279
20	Foundation Total - Combined Adjusted	
22	Operating and Program Cost	<hr/> \$1,271,435,607
24	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	
26	mills; program millage limit, 1.43 mills.	
28	Sec. AA-9. Foundation reduction percentages. This section	
30	establishes reduction percentages as follows: program cost	
30	reduction percentage, 4.98%; transportation operating reduction	
32	percentage, 4.98%.	
34	Sec. AA-10. Foundation appropriation. The foundation	
34	appropriation provided for General Purpose Aid for Local Schools	
36	for the fiscal year beginning July 1, 2001 and ending June 30,	
36	2002 is calculated as follows.	
38		2001-02
40		TOTAL
40		2001-02
40		STATE
42	Foundation Total - Combined Adjusted	
42	Operating and Program Cost	<hr/> \$1,271,435,607
44	Minimum State Subsidy	1,869,352
46	ADJUSTED FOUNDATION ALLOCATION	
48	TOTAL	<hr/> \$1,273,304,959
		\$600,857,743

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

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

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

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

Sec. AA-14. Debt service appropriation. The debt service 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.

	2001-02 TOTAL	2001-02 STATE
ADJUSTED DEBT SERVICE ALLOCATION TOTAL	\$82,218,587	\$58,446,035
COMBINED ADJUSTED FOUNDATION AND ADJUSTED DEBT SERVICE ALLOCATIONS TOTAL	\$1,355,523,546	\$659,303,778

Sec. AA-15. Adjustments and miscellaneous costs appropriation.
The adjustments and miscellaneous costs appropriation of state
funds for fiscal year 2001-02 for the purposes listed in this
section is as follows.

**2001-02
TOTAL**

Adjustments and Miscellaneous Costs

Cost of Geographic Isolation Adjustments	\$350,000
Cost of Quality Incentive Adjustments	0
Audit Adjustments	0
Cost of Reimbursement for Private School Services	201,000
Special Education Tuition and Board for State Wards and Other Pupils Placed Directly by the State	8,100,000
State Agency Clients	21,042,552
English as a 2nd Language	1,920,000
Out-of-district Placements	3,405,156
Long-term Drug Treatment Centers	65,952
Contract for Cost-of-education and Income Data	0
Learning Results Implementation	1,300,000
FY 2001-02 Cushion	4,650,000
FY 2001-02 2nd Tier Cushion	1,000,000
Total Adjustments	\$42,034,660

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

	2001-02 TOTAL	2001-02 STATE
2		
4		
ADJUSTMENTS AND MISCELLANEOUS		
5 COSTS TOTAL	\$42,034,660	\$42,034,660
6		
7		
FOUNDATION, DEBT SERVICE AND		
8 ADJUSTMENTS AND MISCELLANEOUS		
9 COSTS TOTAL	\$1,397,558,206	\$701,338,438

10

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

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

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

	2001-02	2002-03
32		
33		
Foundation	\$600,857,743	\$612,730,991
34 Debt Service	58,446,035	64,541,222
35 Adjustments	42,034,660	40,986,378
36		
37		
38 TOTALS	\$701,338,438	\$718,258,591

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

44 **Sec. AA-21. Appropriation.** The following funds are
45 appropriated from the General Fund to carry out the purposes of
46 this Part.
47
48

2001-02

2 **EDUCATION, DEPARTMENT OF**

4 **General Purpose Aid for**
6 **Local Schools**

8 All Other \$1,000,000

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

16 **PART BB**

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

22 **5. Transfers to funds.** On the last day of each month,
beginning ~~July-31,-2000,~~ the Treasurer of State shall transfer to
24 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
26 credited to the General Fund without any reduction. Any amounts
transferred to the Local Government Fund in excess of the annual
28 growth ceiling must be transferred to the Disproportionate Tax
Burden Fund.

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

34 **PART CC**

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

40 2001-02 2002-03

42 **HUMAN SERVICES, DEPARTMENT OF**

44 **Purchased Social Services**

46 All Other \$1,140,318 \$1,126,113

48 Provides funds for additional
50 infant, toddler and preschool

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

child care subsidies to
offset a deallocation from
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
14 subsidies to partially offset
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**

Forum Francophone

32 All Other \$75,000 \$75,000

34 Provides funding for office
36 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
place:

4 **§453-B. License fees**

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

10 **Sec. EE-3. Closure of 14 state liquor stores.** Notwithstanding any
other provision of law, the Department of Administrative and
12 Financial Services, Bureau of Alcoholic Beverages and Lottery
Operations is directed to implement the closure of 8 state liquor
14 stores by December 31, 2001. No sooner than June 1, 2002, but
not later than December 31, 2002, the department is directed to
16 close an additional 6 state liquor stores and to close additional
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
Administrative and Financial Services, Bureau of Alcoholic
24 Beverages and Lottery Operations may license up to 6 agency
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
municipality where a state liquor store has been closed. The
28 Department of Administrative and Financial Services, State Liquor
and Lottery Commission shall establish monthly discounts for all
30 agency stores. The issuance of an agency liquor store license
and the operation of agency liquor stores licensed pursuant to
32 this Part are governed by the Maine Revised Statutes, Title 28-A,
chapter 19.

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

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

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

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

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

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

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

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

22 **3. Duties.** The commission shall develop a plan to
24 effectuate an appropriate statewide liquor distribution system.
26 In developing its plan, the commission shall consider the effects
28 on wholesale distribution and sales of closing state liquor
30 stores and consider strategies for moving to a system that relies
32 on agency stores for all retail sales to the extent that does not
34 negatively affect state revenue.

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

48 **5. Staff assistance.** Upon approval of the Legislative
50 Council, the Office of Policy and Legal Analysis shall provide
52 staffing assistance to the commission.

54 **6. Compensation.** The members of the commission who are
56 Legislators are entitled to receive the legislative per diem, as
58 defined in the Maine Revised Statutes, Title 3, section 2, and
60 reimbursement for travel and other necessary expenses related to
62 their attendance at authorized meetings of the commission. Other
64 members of the commission who are not compensated by their
66 employers or other entities that they represent are entitled to
68 receive reimbursement for travel and other necessary expenses
70 related to their attendance at authorized meetings.

72 **7. Budget.** The chairs of the commission, with assistance
74 from the commission staff, shall administer the commission's
76 budget. The commission may not incur expenses exceeding its
78 approved budget. Upon request from the commission, the Executive
80 Director of the Legislative Council shall promptly provide the
82 commission and its staff with a status report on the commission's
84 budget, expenditures incurred and remaining available funds.

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

2001-02

LEGISLATURE

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

Personal Services	\$1,320
All Other	2,600
TOTAL	\$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.

Sec. EE-8. Calculation and transfer. Notwithstanding the Maine Revised Statutes, Title 5, section 1585, in fiscal year 2001-02 and 2002-03 the State Budget Officer shall calculate the amounts in section EE-5 that apply against each affected line category based on information submitted by the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations and shall transfer the calculated amounts by financial order upon the approval of the Governor. These transfers must be considered adjustments to allocations in fiscal years 2001-02 and 2002-03. The State Budget Officer shall provide 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 legal and veterans affairs with a report of the transferred amounts no later than September 30, 2002.

PART FF

Sec. FF-1. 36 MRSA §6651, sub-§§2-A, 4 and 5 are enacted to read:

2-A. Nonqualified service. "Nonqualified service" means any service engaged in this State by a person for another person or persons for a fee, retainer, commission or other valuable consideration, exclusive of activities engaged in for an employer by an employee, including, but not limited to, business services, professional services, personal services and recreational services. "Nonqualified service" does not include any qualified service and does not include the following activities or an activity by a person engaged in any of the following activities that is conducted predominantly in support of either the activities engaged in by that person or the business activity of that person related to those activities:

A. "Production" as defined in the first sentence of section 1752, subsection 9-B;

B. "Fabrication services" as defined by the first sentence of section 1752, subsection 2-C;

C. Wood harvesting operations and the severance of sand, gravel, oil, gas or other natural resources produced or severed from the soil or water; or

D. "Commercial agricultural production," "commercial aquacultural production" and "commercial fishing" as defined by section 2013, subsection 1.

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
4

6

8

16

18

22

26

32
34
36
38

46
48
50

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

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

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

Sec. HH-3. Sale of land; proceeds transferred. The Commissioner of Administrative and Financial Services shall transfer all proceeds from the sale of land consisting of the site of the former Maine State Prison in Thomaston to the Maine Rainy Day Fund.

PART II

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

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

Sec. II-2. 36 MRSA §5122, sub-§2, ¶M, as enacted by PL 1999, c. 708, §36 and c. 731, Pt. S, §3 and affected by §4, is repealed and the following enacted in its place:

M. An amount, for each recipient of benefits under an employee retirement plan, that is the lesser of:

(1) Six thousand dollars reduced by the total amount of social security benefits and railroad retirement benefits paid by the United States, but not less than \$0. The reduction does not apply to benefits paid under a military retirement plan; or

(2) The aggregate of benefits received under employee retirement plans and included in federal adjusted gross income.

For purposes of this paragraph, "employee retirement plan" means a state, federal or military retirement plan or any other retirement benefit plan established and maintained by an employer for the benefit of its employees under Section 401(a), Section 403 or Section 457(b) of the Code. "Employee retirement plan" does not include an individual retirement account under Section 408 of the Code, a Roth IRA under Section 408A of the Code, a rollover individual retirement account, a simplified employee pension under Section 408(k) of the Code or an ineligible deferred compensation plan under Section 457(f) of the Code. For purposes of this paragraph, "military retirement plan" means benefits received as a result of service in the active or reserve components of the Army, Navy, Air Force, Marines or Coast Guard;

Sec. II-3. 36 MRSA §5122, sub-§2, ¶N is enacted to read:

N. Interest or dividends on obligations or securities of this State and its political subdivisions and authorities to the extent included in federal adjusted gross income;

Sec. II-4. Application. That section of this Part that repeals and replaces the Maine Revised Statutes, Title 36, section 5122, subsection 2, paragraph M applies to tax years beginning on or after January 1, 2001.

PART JJ

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

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

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

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

PART KK

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

§13090-K. Tourism Marketing Promotion Fund

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

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

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

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

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

**ECONOMIC AND COMMUNITY DEVELOPMENT,
DEPARTMENT OF**

Office of Tourism

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

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

Office of Tourism

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

General Fund		2002-03
2	Positions - Legislative Count	(-7.000)
	Personal Services	(438,314)
4	All Other	(4,210,132)
6	Total	<hr/> (\$4,648,446)

8
10 **PART LL**

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

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

20 **2001-02**

22 **EDUCATION, DEPARTMENT OF**

24 **Maine Learning Technology Endowment**

26 All Other \$2,300,000

28 Provides funds to support the
30 implementation of a portion
32 of the learning technology
34 plan. The Commissioner of
36 Education shall report back
38 to the joint standing
40 committee of the Legislature
42 having jurisdiction over
44 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 **Sec. MM-1. Calculation and transfer.** The State Budget Officer
50 shall calculate the amount in section 2 of this Part that

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

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

	2001-02	2002-03
--	---------	---------

**ADMINISTRATIVE AND FINANCIAL
SERVICES, DEPARTMENT OF**

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

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

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

PART NN

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

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 \$25,813,943 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

provides that military retirement benefits are not subject to the offset for social security and railroad retirement benefits effective for tax years beginning on or after January 1, 2001. In the same Part, this amendment also corrects a conflict created by Public Law 1999, chapters 708 and 731, each of which enacted a new Maine Revised Statutes, Title 36, section 5122, subsection 2, paragraph M. This amendment resolves the conflict by reallocating one of the new paragraphs to be the Maine Revised Statutes, Title 36, section 5122, subsection 2, paragraph N.

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

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

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

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

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

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

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

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

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

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

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

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

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

SPONSORED BY: KEMBA LEMONT
(Senator LEMONT)

COUNTY: York