

MAINE STATE LEGISLATURE

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A. Is receiving a grant under Section 330 of the federal Public Health Services Act; or

B. Is receiving funding under contract with the recipient of a grant under Section 330 of the federal Public Health Services Act, is identified as a subrecipient in the Section 330 grantee's approved scope of work and meets the requirements to receive a grant under Section 330 of that Act.

2. **Contracted services.** When a federally qualified health center otherwise meeting the requirements of subsection 1 contracts with a managed care plan for the provision of Medicaid services, the department shall reimburse that center the difference between the payment received by the center from the managed care plan and 100% of the reasonable cost, reduced by the total copayments for which members are responsible, incurred in providing the services within the scope of service approved by the federal Health Resources and Services Administration or the commissioner. Any such managed care contract must provide payments for the services of a center that are not less than the level and amount of payment that the managed care plan would make for services provided by an entity not defined as a federally qualified health center.

Sec. K-12. 22 MRSA §3174-AA is enacted to read:

§3174-AA. Mail order drugs

The department shall require MaineCare members to purchase maintenance drugs by mail order when substantial cost efficiencies can be obtained by doing so.

Sec. K-13. 22 MRSA §3521, last ¶, as enacted by PL 1999, c. 790, Pt. B, §3, is amended to read:

The department shall, after hearing, in a manner consistent with the Maine Administrative Procedure Act, adopt rules governing eligibility, application procedures, services covered and reimbursement procedures, including member responsibility for a \$10 copayment for prescriptions; a \$10 copayment for an office visit to a physician, optometrist or optician; and a \$50 copayment for a hospital procedure or an ambulatory surgical center procedure. The authority to adopt rules granted by this paragraph is deemed to be the same authority granted by former section 3501-B.

Sec. K-14. 22 MRSA §3790, sub-§1, as enacted by PL 1997, c. 530, Pt. B, §1, is amended to read:

1. **Established.** The department shall establish a student financial aid program based on need for up to 2000 participants known as the Parents as Scholars Program, referred to in this section as the "program," to aid needy students who have dependent children and who are matriculating in postsecondary undergraduate 2-year and 4-year degree-granting education programs. Enrollees in the program must be provided with a package of student aid that includes aid for living expenses equivalent to that provided pursuant to chapter 1053-B, medical assistance pursuant to chapter 855 and services equivalent to those provided pursuant to chapter 1054-A. A family that ceases to receive aid under this chapter as a result of increased child support or increased hours of, or increased income from, employment is eligible to receive transitional support services in accordance with section 3762, subsection 8. The program must be supported with funds other than federal block grant funds provided under the United States Social Security Act, Title IV-A, except that federal funds may be used in accordance with federal law if their use does not result in the imposition of conditions of participation or program requirements other than those established by this chapter.

Sec. K-15. Review cost sharing requirements. The department shall review the cost sharing requirements in the MaineCare program in consultation with the Medicaid Advisory Committee and, by February 15, 2005, submit a report including proposed legislation to the Joint Standing Committee on Health and Human Services for restructuring cost-sharing in the MaineCare program in a manner that places the least burden on those with the lowest incomes. The legislation must include a monthly aggregate cap that may vary by household income for each MaineCare household on which these costs are imposed.

Sec. K-16. Pursuit of federal funding for disproportionate share shortfall for institutions for mental disease and periodic reports. The Commissioner of Human Services and the Commissioner of Behavioral and Developmental Services shall work with the State's 2 freestanding, nonprofit psychiatric hospitals and the Maine Congressional Delegation to advocate for the elimination of the current federal cap on disproportionate share funds that are available for institutions for mental disease, or for other federal reforms, that would ensure adequate federal funding for the population served by those hospitals. The commissioners shall report their progress in writing 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 health and human services matters no later than April 15, 2003 and quarterly thereafter over the state fiscal years ending June 30, 2004 and June 30, 2005. The initial report must quantify the impact of

reforms to MaineCare reimbursement and other program changes and savings projected to address the federal funding shortfall over the biennium. Subsequent quarterly reports must provide appropriate updates on funding and federal advocacy.

Sec. K-17. Suspension of inflation and return on equity payments to nursing facilities. Notwithstanding any other provisions of law, the Department of Human Services may not include in its reimbursement of nursing facilities under the MaineCare program any amounts designed to provide for inflation adjustments or a return on equity capital for state fiscal years 2003-04 and 2004-05.

Sec. K-18. Merger. The Department of Human Services and the Department of Behavioral and Developmental Services shall merge into a single department to perform the duties of both departments. The departments shall commence merger activities immediately. The departments shall cooperate with any other entities of State Government and community providers involved in accomplishing this merger. The merger must:

1. Streamline services to clients;
2. Provide central points of contact for clients needing multiple services;
3. Coordinate use of contracts for service;
4. Maximize funding sources;
5. Minimize administrative overhead;
6. Eliminate duplication of services and administrative activities; and
7. Otherwise create efficiencies and cost-savings in the provision of services.

The departments shall participate in producing a plan to implement the merger, which must be submitted along with any necessary implementing legislation to the Second Regular Session of the 121st Legislature by January 1, 2004.

PART L

Sec. L-1. 12 MRSA §7017, sub-§1-A is enacted to read:

1-A. Inflation adjustment. Beginning in fiscal year 2004-05, and every biennium thereafter, the commissioner may

adjust any or all fees for licenses and permits and other fees collected by the department pursuant to this Part to maintain parity with the Consumer Price Index as defined in Title 36, section 5402, subsection 1. The adjustment must equal the percentage change in the annual average Consumer Price Index over the 2 most recent calendar years. The adjustment must then be rounded to yield a fee change to the closest 50¢.

Sec. L-2. 12 MRSA §7017, sub-§9, as enacted by PL 2001, c. 690, Pt. A, §1, is amended to read:

9. Fiscal Stability Program. The Fiscal Stability Program is established to ensure that the general public and hunters and anglers share the cost of the fish and wildlife conservation programs of the Department of Inland Fisheries and Wildlife. To achieve this goal, beginning with the 2004-2005 2006-2007 biennial budget and for each biennial budget thereafter, the biennial budget submitted by the executive branch must include a General Fund appropriation of 18% of the department's requested biennial budget. General Fund appropriations to the Fiscal Stability Program may not be considered to be amounts appropriated to the department under the Constitution of Maine, Article IX, Section 22.

Sec. L-3. 12 MRSA §7081 is enacted to read:

§7081. Temporary assessment on licenses, permits and registrations

Notwithstanding any other provision of this Part, an additional temporary assessment of \$3 is imposed on every license, permit, application, registration or other fee pursuant to this Part that is issued for the registration periods beginning January 1, 2004 and January 1, 2005, except the additional temporary assessment for ATV registrations is \$13 for residents and \$30 for nonresidents. The additional temporary \$3 assessments for snowmobile registrations and the \$13 and \$30 additional temporary assessments for ATV registrations are effective for the registration periods beginning on July 1, 2003 and July 1, 2004. Temporary assessments must be collected at the time a license, permit, application, registration or other fee is issued and credited in full to the department. This section is repealed on June 30, 2005.

Sec. L-4. 12 MRSA §7463-A, sub-§6, ¶B, as amended by PL 2001, c. 690, Pt. A, §11 and affected by §18, is further amended to read:

- B. For nonresidents:

- (1) Ten dollars for a one-chance application;
- (2) Twenty dollars for a 3-chance application;
- (3) Thirty dollars for a 6-chance application; and
- (4) Fifty dollars for a 10-chance application; ~~multiple 10-chance options may be purchased. After June 30, 2005, a nonresident may not file more than one 10-chance application per year.~~

Sec. L-5. Fee restructuring. The Commissioner of Inland Fisheries and Wildlife shall develop a plan to restructure the fees associated with licenses, permits and other services of the Department of Inland Fisheries and Wildlife for the purpose of achieving fairness and reducing the dependency of the department on other revenue sources. The plan must be delivered by March 31, 2003 to the Joint Standing Committee on Inland Fisheries and Wildlife, and the committee may report out legislation implementing the plan.

PART M

Sec. M-1. Intent; judicial assessments. It is the intent of the Legislature that the Judicial Department, under its authority to assess fine amounts under the Maine Revised Statutes, Title 29-A, sections 1601, 1770 and 2074, review and increase the amounts assessed for violations of those sections as appropriate.

PART N

Sec. N-1. 34-A MRSA §1402, sub-§11 is enacted to read:

11. Report requirement. The commissioner shall report annually, no later than January 4th of each year, to the joint standing committee of the Legislature having jurisdiction over criminal justice and public safety matters and the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs regarding recidivism information including, but not limited to:

A. The number of juvenile offenders in the correctional facilities and their reoffending rates;

B. The number of incarcerated adults who were adjudicated as having committed a juvenile offense; and

C. The recidivism rates of juvenile offenders as adults.

PART O

Sec. O-1. 27 MRSA §105 is repealed.

Sec. O-2. 27 MRSA §106 is amended to read:

§106. Libraries controlled by associations assisted by towns

Any town or city in which there is a library owned or controlled by a corporation or association or by trustees may levy and assess a tax and make appropriation therefrom annually to procure from such ~~that~~ library the free use of its books for all the inhabitants of the town or city, under such ~~those~~ restrictions and regulations ~~as shall insure necessary to ensure~~ the safety and good usage of the books. ~~Such library shall then be considered a free public library within the meaning of this chapter and said town or city shall be entitled to the benefits of section 105.~~

Sec. O-3. 27 MRSA §107 is repealed.

PART P

Sec. P-1. 27 MRSA §83, sub-§5, as enacted by PL 1991, c. 622, Pt. V, §3, is amended to read:

5. Establish fees. To establish fees for admission to the Maine State Museum and miscellaneous services. All revenues derived from these fees must be reported ~~and paid to the Treasurer of State~~ credited as undedicated revenue to the General Fund.

PART Q

Sec. Q-1. 5 MRSA §13054, sub-§§1 and 2, as enacted by PL 1987, c. 534, Pt. A, §§17 and 19, are amended to read:

1. Commissioner. "Commissioner" means the Commissioner of Tourism, Economic and Community Development.

2. Department. "Department" means the Department of Tourism, Economic and Community Development.

Sec. Q-2. Revision clause. Wherever in the Maine Revised Statutes the words "Department of Economic and Community Development" appear or reference is made to that department or those words, they are amended to read and mean "Department of

Tourism, Economic and Community Development" or "department," as appropriate, and the Revisor of Statutes shall implement this revision when updating, publishing or republishing the statutes.

PART R

Sec. R-1. 4 MRSA §116, first ¶, as amended by PL 2001, c. 617, §1 and c. 698, §1 and affected by §7, is repealed and the following enacted in its place:

All revenue received by the Supreme Judicial or Superior Court, whether directly or pursuant to an agreement entered into with the Department of Administrative and Financial Services, Bureau of Revenue Services, from fines, forfeitures, penalties, fees and costs accrues to the State, except as otherwise provided under section 1057; Title 7, section 3910-A; Title 12, sections 3055 and 4508; Title 17, section 1015; Title 22, section 1653; Title 29-A, section 2602; and Title 34-A, section 1210-A, subsection 9.

Sec. R-2. 4 MRSA §163, sub-§1, as amended by PL 2001, c. 617, §2 and c. 698, §2 and affected by §7, is repealed and the following enacted in its place:

1. District Court funds. Except as otherwise provided by law, all fines, forfeitures, surcharges, assessments and fees collected in any division of the District Court or by the violations bureau must be paid to the clerk of that District Court, who shall deposit them in a special account in a timely manner. Once each month, the clerk shall remit the sums to the Treasurer of State, who shall credit them to the General Fund. At the same time, the clerk shall remit the sums that have been collected in accordance with section 1057; Title 5, chapter 316-A; Title 7, section 3910-A; Title 17, section 1015; Title 29-A, section 2411, subsection 7; and Title 34-A, section 1210-A, subsection 9. Funds received by the clerk as bail in criminal cases must be deposited daily in a special account. The clerk shall deposit the funds in an interest-bearing account unless the clerk determines that it is not cost-effective to do so. Interest accrued in the account is the property of and accrues to the State. The forfeiture and setoff of bail is governed as otherwise provided by law.

The court shall file a monthly report with the State Auditor itemizing the amount of fines, surcharges and assessments imposed and to whom each is payable.

Sec. R-3. 4 MRSA §1057, sub-§2-A, as amended by PL 1997, c. 395, Pt. O, 1, is further amended to read:

2-A. Surcharge imposed. A surcharge of 12% 14% must be added to every fine, forfeiture or penalty imposed by any court in this State, which, for the purposes of collection and collection procedures, is considered a part of the fine, forfeiture or penalty. All funds collected as a result of this surcharge must be deposited monthly in the Government Operations Surcharge Fund. One-sixth Two-sevenths of the surcharge collected must be paid to the Maine Criminal Justice Academy to supplement current funds for training and recertification of part-time and full-time law enforcement officers. This subsection takes effect January 1, 2001 or when the funding for the operation of the Judicial Department's computer system lapses, whichever occurs first.

Sec. R-4. 4 MRSA §1057-A, as amended by PL 2001, c. 698, §3 and affected by §7, is repealed.

Sec. R-5. 5 MRSA §948, sub-§1, ¶B, as enacted by PL 1983, c. 729, §4, is repealed.

Sec. R-6. 5 MRSA §948, sub-§1, ¶F, as amended by PL 2001, c. 559, Pt. EE, §1, is repealed.

Sec. R-7. 5 MRSA §948, sub-§1, ¶H, as amended by PL 1989, c. 648, §1, is repealed.

Sec. R-8. 22 MRSA §1555-B, sub-§9, as enacted by PL 1997, c. 305, §5, is amended to read:

9. Distribution of fines. Fines and forfeitures collected pursuant to subchapter I 1 and this subchapter must be credited as follows: one half to the General Fund and 1/2 to be deposited in a nonlapsing account to be paid to law enforcement agencies of the Maine Criminal Justice Academy for the purpose of providing funds for training and recertification of part-time and full-time law enforcement officers.

Sec. R-9. 25 MRSA §1541, sub-§6, as amended by PL 2001, c. 552, §1, is further amended to read:

6. Establishment of fees. The State Bureau of Identification may charge a fee to nongovernmental organizations individuals, governmental organizations that are engaged in licensing and governmental organizations that are not a governmental entity of the State, a county of the State or a municipality of the State for each criminal history record check requested for noncriminal justice purposes pursuant to Title 16, chapter 3, subchapter VIII. The requestor shall provide a name and date of birth for each record being requested. A request

made pursuant to 5 United States Code, Section 9101 must be accompanied by fingerprints. A governmental organization that is engaged in licensing may charge an applicant for the cost of the criminal history record check. The commissioner shall establish a schedule of fees that covers the cost of providing these services. Revenues generated from these fees must be credited to the General Fund ~~and the Highway Fund in an amount consistent with currently budgeted allotments and allocations.~~

Sec. R-10. 25 MRSA §2902, sub-§7, as amended by PL 2001, c. 559, Pt. KK, §4, is repealed.

Sec. R-11. 34-A MRSA §1210-A, sub-§9, as enacted by PL 2001, c. 698, §5 and affected by §7, is amended to read:

9. Surcharge imposed. In addition to the 12% ~~14%~~ surcharge collected pursuant to Title 4, section 1057 ~~and the 3% surcharge collected pursuant to Title 4, section 1057-A,~~ an additional 1% surcharge must be added to every fine, forfeiture or penalty imposed by any court in this State, which for the purposes of collection and collection procedures is considered a part of the fine, forfeiture or penalty. Except as provided in subsection 10, all funds collected pursuant to this subsection are nonlapsing and must be deposited monthly in the County Jail Prisoner Support and Community Corrections Fund that is administered by the department. Except as provided in subsection 10, all funds collected pursuant to this subsection must be distributed to counties that have experienced at least a 10% increase in their total annual jail operating budget or to counties that have issued bonds for the construction of a new jail or renovation of an existing jail and that meet all other requirements under subsection 4. Funds distributed to counties pursuant to this subsection must be used for the sole purpose of funding costs of the support of prisoners detained or sentenced to county jails and for establishing and maintaining community corrections.

Sec. R-12. Retroactivity. Those sections of this Part that repeal and replace the Maine Revised Statutes, Title 4, section 116, first paragraph and section 163, subsection 1 apply retroactively to August 1, 2002.

PART S

Sec. S-1. Transfer of funds. Notwithstanding any other provision of law, the State Controller shall transfer \$95,869 in fiscal year 2003-04 and \$53,834 in fiscal year 2004-05 in savings from the Bureau of Elections and Commissions, Administrative Services and Corporations, Other Special Revenue Funds account in

the Department of the Secretary of State to the unappropriated surplus of the General Fund no later than June 30, 2004 and June 30, 2005.

Sec. S-2. Transfer of funds. Notwithstanding any other provision of law, the State Controller shall transfer \$10,000 in fiscal year 2003-04 and \$10,000 in fiscal year 2004-05 in savings from the Archives, Other Special Revenue Funds account in the Department of the Secretary of State to the unappropriated surplus of the General Fund no later than June 30, 2004 and June 30, 2005.

PART T

Sec. T-1. 4 MRSA §8-A, as enacted by PL 1981, c. 241, is amended by amending the headnote to read:

§8-A. Rules on courts records and unclaimed property

Sec. T-2. 4 MRSA §8-A, sub-§2, as enacted by PL 1981, c. 241, is amended to read:

2. Unclaimed property. To provide, after reasonable notice to interested parties or their attorneys, for the transfer to the Treasurer of State for disposition as abandoned unclaimed property in the manner provided by Title 33, sections ~~1367 1958~~ and ~~1358 1959~~ of property in the possession or custody of the courts of this State as a result of civil or criminal litigation.

Sec. T-3. 5 MRSA §135, as amended by PL 1999, c. 401, Pt. HHH, §1, is further amended to read:

§135. Deposit of state funds; limitations

The Treasurer of State may deposit the money, including trust funds of the State, in any ~~of the national bank or in any banking institutions or institution, trust companies or company,~~ state or federal savings and loan ~~associations~~ association or mutual savings banks bank organized under the laws of this State or ~~in any national bank or banks or state or federal savings and loan associations located in the State, having a location in the State~~ except as provided in chapter 161. Before making a deposit, the Treasurer of State must consider the rating of the banking institution, trust company, state or federal savings and loan association or mutual savings bank on its most recent assessment conducted pursuant to the federal Community Reinvestment Act, 12 United States Code, Section 2901. When there is excess money in the State Treasury that is not needed to meet current obligations, the Treasurer of State may invest, with

the concurrence of the State Controller or the Commissioner of Administrative and Financial Services and with the consent of the Governor, those amounts in bonds, notes, certificates of indebtedness or other obligations of the United States and its agencies and instrumentalities that mature not more than 24 36 months from the date of investment or in repurchase agreements secured by obligations of the United States and its agencies and instrumentalities that mature within the succeeding 24 36 months, prime commercial paper, tax-exempt obligations and corporate bonds rated "AAA" that mature not more than 36 months from the date of investment, banker's acceptances or shares of an investment company registered under the federal Investment Company Act of 1940, whose shares are ~~registered under the United States--Securities--Act--of--1933~~ marketed through so-called "no-load" money market mutual funds that maintain a constant share price, only if the investments of the investment company are limited to ~~obligations of the United States or any agency or instrumentality, corporate or otherwise, of the United States or repurchase agreements secured by obligations of the United States or any agency or instrumentality, corporate or otherwise, of the United States~~ the securities allowed by this section. The Treasurer of State may participate in the securities loan market by loaning state-owned bonds, notes or certificates of indebtedness of the Federal Government, only if loans are fully collateralized by treasury bills or cash. The Treasurer of State shall seek competitive bids for investments except when, after a reasonable investigation, it appears that an investment of the desired maturity is procurable by the State from only one source. Interest earned on those investments of money must be credited to the respective funds, except that interest earned on investments of special revenue funds must be credited to the General Fund of the State. Effective July 1, 1995, interest earned on investments of the Highway Fund must be credited to the Highway Fund. Interest earned on funds of the Department of Inland Fisheries and Wildlife must be credited to the General Fund. Interest earned on funds of the Baxter State Park Authority must be credited to the Baxter State Park Fund. This section does not prevent the deposit for safekeeping or custodial care of the securities of the several funds of the State in banks or safe deposit companies in this State or any other state, nor the deposit of state funds required by the terms of custodial contracts or agreements negotiated in accordance with the laws of this State. All custodial contracts and agreements are subject to the approval of the Governor.

The Treasurer of State may accept component unit and nonstate funds into custody and invest those funds along with excess state funds as prescribed in this section.

For the purpose of this section only, tax-exempt obligations and securities are limited exclusively to tax-exempt commercial paper and tax-exempt bonds maturing in less than 2 years.

No sum exceeding an amount equal to 25% of the capital, surplus and undivided profits of any trust company or national bank or a sum exceeding an amount equal to 25% of the reserve fund and undivided profit account of a mutual savings bank or state or federal savings and loan associations shall may be on deposit therein at any one time. The restriction shall does not apply to deposits subject to immediate withdrawal available to meet the payment of any bonded debts or interest or to pay current bills or expenses of the State. The restriction shall does not apply to deposits which that are secured by the pledge of certain securities as collateral, nor to deposits fully covered by insurance. Such collateral shall must be in an amount equal to such deposit. The Treasurer of State may require, in the discretion of the Treasurer of State, collateralization or insurance for the full amount of any deposit of public funds, whether held by an institution permitted under this section or by a vendor contracted to collect or disburse public funds. The value of the securities so pledged shall must be determined by the Treasurer of State on the basis of market value. The Treasurer of State shall review the value of securities pledged on January 2nd and July 2nd of each year. The collateral shall must consist of securities in which savings banks may invest as provided in Title 9-B, chapter 55 or obligations issued or fully insured or guaranteed by the United States, an agency or instrumentality thereof or a United States government sponsored corporation. The securities shall must be held in a depository institution approved by the Treasurer of State and pledged to indemnify the State of Maine against any loss. Notice of such hypothecation at the time of deposit shall must be given to the Treasurer of State by the depository institution and a copy of said notice shall be mailed to the State Department of Audit.

It is the intent of the Legislature that the Treasurer of State shall seek competitive bids whenever possible prior to the selection of investments under this section.

The Treasurer of State may deposit an amount not to exceed \$4,000,000 in each calendar year with responsible financial institutions authorized to do business in the State at a rate of return not more than 2% per year below the rate of return otherwise obtainable had the funds been invested with such financial institutions for a similar term, as determined by the treasurer, for periods not to exceed one year, provided that each such financial institution covenants with the treasurer as a condition of the deposit to loan an amount at least equal to the amount so deposited with the financial institution by the

2 treasurer under this paragraph to agricultural enterprises
 3 located within the State for agricultural purposes. All the
 4 loans must be at interest rates which ~~that~~ are below the interest
 5 rates the loans would have borne under existing market conditions
 6 and loan standards of the financial institution but for the deposit
 7 by the treasurer under this paragraph, and the interest
 8 rates must fully reflect the savings to the financial institution
 9 due to the reduced interest rate paid on the deposit.
 10 Notwithstanding any provisions of this section to the contrary,
 11 the treasurer shall ~~is~~ not be obligated to seek competitive bids
 12 for investments or deposits pursuant to this paragraph. The
 13 Finance Authority of Maine shall provide assistance to the
 14 treasurer in implementing this paragraph. For purposes of this
 15 section, "agricultural enterprises" means a business involving
 16 cultivating soil, producing crops and raising livestock or their
 17 by-products. In adopting rules to implement this paragraph, the
 18 treasurer shall consider criteria targeting loans under the
 19 program to geographic areas of financial need and borrowers who
 20 are new entrants to agriculture, and may establish limits on
 21 deposits to any one financial institution and limits on deposits
 22 supporting loans to any one borrower.

23 The Treasurer of State may deposit an amount not to exceed
 24 \$4,000,000 in each calendar year with responsible financial
 25 institutions authorized to do business in the State at a rate of
 26 return not more than 2% per year below the rate of return
 27 otherwise obtainable had the funds been invested with such
 28 financial institutions for a similar term, as determined by the
 29 treasurer, for periods not to exceed one year, provided that each
 30 such financial institution covenants with the treasurer as a
 31 condition of the deposit to loan an amount at least equal to the
 32 amount so deposited with the financial institution by the
 33 treasurer under this paragraph to commercial enterprises approved
 34 by the treasurer pursuant to this paragraph. All the loans shall
 35 ~~must~~ be at interest rates which ~~that~~ are below the interest rates
 36 the loans would have borne under existing market conditions and
 37 loan standards of the financial institution but for the deposit
 38 by the treasurer under this paragraph, and the interest rates
 39 shall ~~must~~ fully reflect the savings to the financial institution
 40 due to the reduced interest rate paid on the deposit.
 41 Notwithstanding any provisions of this section to the contrary,
 42 the treasurer shall ~~is~~ not be obligated to seek competitive bids
 43 for investments or deposits pursuant to this paragraph. The
 44 Finance Authority of Maine shall provide assistance to the
 45 treasurer in implementing this paragraph. For purposes of this
 46 paragraph, eligible commercial enterprises are for-profit
 47 businesses with 20 or fewer employees or annual sales of less
 48 than \$2,500,000, whose sales of services or products are
 49 primarily out of state or which ~~that~~ are manufacturers, which
 50 ~~that~~ are primarily owned and operated by Maine residents or by

2 corporations which ~~that~~ are primarily owned and operated by Maine
 3 residents, when the treasurer determines that not less than one
 4 job will be created or retained per \$20,000 of deposited funds.
 5 The maximum loan to any borrower for which a deposit may be
 6 applied under this paragraph is \$200,000, and businesses shall ~~be~~
 7 ~~are~~ eligible to receive subsidies pursuant to this paragraph for
 8 a maximum of an aggregate of 24 months. In adopting rules to
 9 implement this paragraph, the treasurer shall consider criteria
 10 targeting loans under the program to geographic areas of
 11 financial need, and may establish limits on deposits to any one
 12 financial institution, further limits on deposits supporting
 13 loans to any one borrower, and further restrictions on
 14 eligibility.

15 **Sec. T-4. 10 MRSA §3751, last ¶**, as repealed and replaced by PL
 16 1977, c. 707, §3, is amended to read:

17 The contents of an opened safe or box, if unclaimed, shall
 18 ~~must~~ be disposed of according to Title 33, chapter 27 ~~41~~.

19 **Sec. T-5. 10 MRSA §3953**, as repealed and replaced by PL 1979,
 20 c. 641, §1, is amended to read:

21 **§3953. Disposal of residue**

22 After satisfying the lien and the reasonable costs and
 23 expenses accrued, the residue shall ~~must~~ be disposed of according
 24 to Title 33, chapter 27 ~~41~~.

25 **Sec. T-6. 10 MRSA §4009**, as amended by PL 1979, c. 641, §2,
 26 is further amended to read:

27 **§4009. Disposal of proceeds**

28 Money paid into court may be paid over to the person legally
 29 entitled to it, on motion and order of the court. If it is not
 30 called for at the first term after it is paid into court, it
 31 shall ~~must~~ be presumed abandoned ~~unclaimed~~ and disposed of
 32 according to Title 33, chapter 27 ~~41~~.

33 **Sec. T-7. 11 MRSA §7-206, sub-§(5)**, as amended by PL 1979, c.
 34 641, §3, is further amended to read:

35 (5) The warehouseman may satisfy his ~~the~~ lien from the
 36 proceeds of any sale or disposition under this section but must
 37 hold the balance for delivery on the demand of any person to whom
 38 he ~~the warehouseman~~ would have been bound to deliver the goods,
 39 or dispose of it according to Title 33, chapter 27 ~~41~~.

2 **Sec. T-8. 11 MRSA §7-210, sub-§(6)**, as amended by PL 1979, c.
3 641, §4, is further amended to read:

4 (6) The warehouseman may satisfy his ~~the~~ lien from the
5 proceeds of any sale pursuant to this section but must hold the
6 balance, if any, for delivery on demand to any person to whom he
7 ~~the warehouseman~~ would have been bound to deliver the goods, or
8 dispose of it according to Title 33, chapter 27 41.

10 **Sec. T-9. 14 MRSA §6013**, as affected by PL 1997, c. 508, Pt.
11 A, §3 and amended by Pt. B, §3, is further amended to read:

12 **§6013. Property unclaimed by tenant**

13 Any property with a total value of \$500 or more that is
14 abandoned or unclaimed by a tenant following the tenant's
15 vacating the rental unit must be disposed of according to Title
16 33, chapter 41.

17 The landlord shall place in storage in a safe, dry, secured
18 location any property with a total value of less than \$500 that
19 is abandoned or unclaimed by a tenant following the tenant's
20 vacating the rental unit. The landlord shall send written notice
21 by first class mail with proof of mailing to the last known
22 address of the tenant concerning the landlord's intent to dispose
23 of the abandoned unclaimed property. The notice must include an
24 itemized list of the items and containers of items of property
25 abandoned unclaimed. If the tenant claims the property within 14
26 days after the notice is sent, the landlord shall continue to
27 store the property for at least 10 days after the tenant's
28 response to allow the tenant time to take possession of the
29 property. The landlord may condition the release of the property
30 to the tenant upon the tenant's payment of all rental arrearages,
31 damages and costs of storage. If the property remains unclaimed
32 after the 14th day after notice has been sent or after the 10th
33 day after the tenant claims the property, the landlord may sell
34 the property for a reasonable fair market price and apply all
35 proceeds to rental arrearages, damages and costs of storage and
36 sale. All remaining balances must then be forwarded to the
37 Treasurer of State.

38 **Sec. T-10. 14 MRSA §6324**, as affected by PL 1997, c. 508, Pt.
39 A, §3 and amended by Pt. B, §4, is further amended to read:

40 **§6324. Proceeds of sale**

41 After first deducting the expenses incurred in making the
42 sale, the mortgagee shall disburse the remaining proceeds in
43 accordance with the provisions of the judgment. The mortgagee
44 shall file a report of the sale and the disbursement of the

2 proceeds therefrom with the court and shall mail a copy to the
3 mortgagor at the mortgagor's last known address. This report
4 need not be accepted or approved by the court, provided that the
5 mortgagor or any other party in interest may contest the
6 accounting by motion filed within 30 days of receipt of the
7 report, but any such challenge may be for money only and does not
8 affect the title to the real estate purchased by the highest
9 bidder at the public sale. Any deficiency must be assessed
10 against the mortgagor and an execution must be issued by the
11 court therefor. In the event the mortgagee has been the
12 purchaser at the public sale, any deficiency is limited to the
13 difference between the fair market value of the premises at the
14 time of the public sale, as established by an independent
15 appraisal, and the sum due the mortgagee as established by the
16 court with interest plus the expenses incurred in making the
17 sale. Any surplus must be paid to the mortgagor, the mortgagor's
18 successors, heirs or assigns in the proceeding. If the mortgagor
19 has not appeared personally or by an attorney, the surplus must
20 be paid to the clerk of courts, who shall hold the surplus in
21 escrow for 6 months for the benefit of the mortgagor, the
22 mortgagor's successors, heirs or assigns and, if the surplus
23 remains unclaimed after 6 months, the clerk shall pay the surplus
24 to the Treasurer of State to be credited to the General Fund
25 until it becomes abandoned unclaimed under the Uniform Unclaimed
26 Property Act, and report and pay it to the State in accordance
27 with that Act.

28 **Sec. T-11. 18 MRSA §1655**, as repealed and replaced by PL
29 1979, c. 641, §5, is amended to read:

30 **§1655. Distribution of balance**

31 When there is in the hands of a public administrator an
32 amount of money more than is necessary for the payment of the
33 deceased's debts and for other purposes of administration, if no
34 widow, widower or heirs of the deceased have been discovered, the
35 administrator shall must be required by the judge to deposit it
36 with the Treasurer of State, who shall receive it and dispose of
37 it according to Title 33, chapter 27 41.

38 **Sec. T-12. 18-A MRSA §3-619, sub-§(e)**, as repealed and replaced
39 by PL 1981, c. 268, §3, is amended to read:

40 (e) When there are assets, other than real property,
41 remaining in the hands of such public administrator after the
42 payment of the decedent's debts and all costs of administration
43 and no heirs have been discovered, the public administrator shall
44 must be ordered by the judge to deposit them with the Treasurer
45 of State, who shall receive them and dispose of them according to
46 Title 33, chapter 27 41. These assets shall must, for the

purposes of Title 33, chapter 27 ~~41~~, be presumed abandoned unclaimed when the judge orders the public administrator to deposit them with the Treasurer of State.

Sec. T-13. 18-A MRSA §3-914, as enacted by PL 1979, c. 540, §1, is amended to read:

§3-914. Disposition of unclaimed assets

(A) If an heir, devisee or claimant cannot ~~can not~~ be found, the personal representative shall distribute the share of the missing person to his ~~the person's~~ conservator, if any, otherwise it shall ~~must~~ be disposed of according to Title 33, chapter 27 ~~41~~.

Sec. T-14. 24-A MRSA §4551, as repealed and replaced by PL 1977, c. 707, §7, is amended to read:

§4551. Disposition of unclaimed funds

All unclaimed moneys ~~money~~ held and owing by any life insurer doing business in this State shall ~~must~~ be disposed of according to Title 33, chapter 27 ~~41~~.

Sec. T-15. 25 MRSA c. 401 is amended by repealing the chapter headnote and enacting the following in its place:

CHAPTER 401

DISPOSAL OF UNCLAIMED, LOST OR STOLEN PERSONAL PROPERTY BY LAW ENFORCEMENT AGENCIES

Sec. T-16. 27 MRSA §601, sub-§§1 and 2, as enacted by PL 1981, c. 258, are amended to read:

1. Property to be considered abandoned. Any property held by a museum or historical society within the State which ~~that~~ is held for 25 years or more, and to which no person has made claim shall ~~be~~ ~~is~~ deemed to be abandoned and, notwithstanding Title 33, chapter 27 ~~41~~, shall ~~become~~ ~~becomes~~ the property of the museum or society, provided that the museum or society has complied with subsection 2.

2. Notice. The museum or society shall first cause to be published in at least one newspaper of general circulation in the county in which the museum or society is located at least once a week for 2 consecutive weeks a notice and listing of the property. The notice shall ~~must~~ contain:

A. The name and last known address, if any, of the last known owner of the property;

B. A description of the property; and

C. A statement that if proof of claim is not presented by the owner to the museum or society and if the owner's right to receive the property is not established to the museum's or society's satisfaction within 65 days from the date of the 2nd published notice, the property will be deemed abandoned and shall become the property of the museum or society.

Sec. T-17. 30-A MRSA §3862, sub-§3, as enacted by PL 1987, c. 737, Pt. A, §2 and Pt. C, §106; amended by PL 1989, c. 6; c. 9, §2; and c. 104, Pt. C, §§8 and 10, is further amended to read:

3. Proceeds. After using the proceeds from the sale to satisfy the lien and any costs that may accrue, the keeper shall dispose of any remainder according to Title 33, chapter 27 ~~41~~.

Sec. T-18. 33 MRSA §1953, sub-§1, ¶C, as amended by PL 2001, c. 439, Pt. L, §1, is further amended to read:

C. Stock or other equity interest in a business association or financial organization, including a security entitlement under Title 11, Article 8, except for property described in paragraph Q, 5 ~~3~~ years after the earlier of:

(1) The date of the most recent dividend, stock split or other distribution unclaimed by the apparent owner; or

(2) The date of the 2nd mailing of a statement of account or other notification or communication that was returned as undeliverable or after the holder discontinued mailings, notifications or communications to the apparent owner;

Sec. T-19. 33 MRSA §1953, sub-§1, ¶D, as enacted by PL 1997, c. 508, Pt. A, §2 and affected by §3, is amended to read:

D. A debt of a business association or financial organization, other than a bearer bond or an original issue discount bond, 5 ~~3~~ years after the date of the most recent interest payment unclaimed by the apparent owner;

Sec. T-20. 33 MRSA §1953, sub-§1, ¶E, as amended by PL 1999, c. 284, §1, is further amended to read:

E. A demand, savings or time deposit 5 3 years after the earlier of maturity or the date of the last indication by the owner of interest in the property. In the case of certain types of deposits, the following rules apply:

(1) In the case of a time deposit that is automatically renewable and whose term is longer than one year, at the date of maturity following the 5th renewal of the deposit after the last indication of interest by the owner; and

(2) In the case of a deposit for the benefit of a minor, the later of 5 3 years after the last indication of interest by the owner or the date on which the minor reaches 18 years of age;

Sec. T-21. 33 MRSA §1953, sub-§1, ¶G, as amended by PL 1999, c. 232, §1, is further amended to read:

G. A gift certificate, 3 years after December 31st of the year in which the certificate was sold; the amount abandoned unclaimed is the price paid by the purchaser for the gift certificate, except that the amount abandoned unclaimed is 60% of the certificate's face value if the issuer of the certificate does not impose a dormancy charge or period of limitations on the owner's right to redeem the certificate at 100% of face value;

Sec. T-22. 33 MRSA §1953, sub-§1, ¶O, as amended by PL 2001, c. 439, Pt. L, §2, is further amended to read:

O. All other property, 5 3 years after the owner's right to demand the property or after the obligation to pay or distribute the property arises, whichever first occurs;

Sec. T-23. 33 MRSA §1954, sub-§1, as enacted by PL 1999, c. 294, §1, is amended to read:

1. Contents of safe deposit box or other safekeeping depository. Tangible property held in a safe deposit box or other safekeeping depository in this State in the ordinary course of the holder's business and proceeds resulting from the sale of the property permitted by other law are presumed abandoned if the property and proceeds remain unclaimed by the owner for more than 5 3 years after expiration of the lease or rental period on the box or other depository.

Sec. T-24. 33 MRSA §1958, as enacted by PL 1997, c. 508, Pt. A, §2 and affected by §3, is amended by repealing and replacing the headnote to read:

§1958. Report of property presumed abandoned

Sec. T-25. 33 MRSA §1959, as enacted by PL 1997, c. 508, Pt. A, §2 and affected by §3, is amended by repealing and replacing the headnote to read:

§1959. Payment or delivery of property presumed abandoned

Sec. T-26. 33 MRSA §1960, as enacted by PL 1997, c. 508, Pt. A, §2 and affected by §3, is amended to read:

§1960. Notice and publication of unclaimed property

1. Publication. The administrator shall publish a notice no later than November 30th of the year next following the year in which abandoned unclaimed property has been paid or delivered to the administrator. The notice must be published in a newspaper of general circulation in this State. The advertisement must be in a form that, in the judgment of the administrator, is likely to attract the attention of the apparent owner of the unclaimed property. The form must contain:

A. The name of each person appearing to be the owner of the property, as set forth in the report filed by the holder;

B. The last known address or location of each person appearing to be the owner of the property, if an address or location is set forth in the report filed by the holder;

C. A statement explaining that property of the owner is presumed to be abandoned and has been taken into the protective custody of the administrator; and

D. A statement that information about the property and its return to the owner is available to a person having a legal or beneficial interest in the property, upon request to the administrator.

2. Publication not required. The administrator is not required to advertise the name and address or location of an owner of property having a total value less than \$50 \$250 or information concerning a traveler's check, money order or similar instrument.

Sec. T-27. 33 MRSA §1963, as amended by PL 2001, c. 714, Pt. X, §1, is further amended by repealing and replacing the headnote to read:

§1963. Public sale of unclaimed property

2 **Sec. T-28. 33 MRSA §1964**, as enacted by PL 1997, c. 508, Pt.
A, §2 and affected by §3, is amended to read:

4 **§1964. Deposit of funds**

6 **1. Deposit of funds; Unclaimed Property Fund; records.** The
8 administrator shall promptly deposit in the ~~Abandoned Unclaimed~~
Property Fund of this State all funds received under this Act,
10 including the proceeds from the sale of ~~abandoned unclaimed~~
property under section 1963. The ~~Abandoned Unclaimed~~ Property
12 Fund is a permanent account and may not lapse, but must be
carried forward. The administrator shall record the name and
14 last known address of each person appearing from the holders'
reports to be entitled to the property and the name and last
16 known address of each insured person or annuitant and beneficiary
and with respect to each policy or annuity listed in the report
18 of an insurance company, its number, the name of the company and
the amount due.

20 **2. Authorized expenditures; transfer of funds.** The
22 administrator may deduct:

- 24 A. Expenses of sale of ~~abandoned unclaimed~~ property;
- 26 B. Costs of mailing and publication in connection with
~~abandoned unclaimed~~ property;
- 28 C. Reasonable service charges; and
- 30 D. Expenses incurred in examining records of holders of
property and in collecting the property from those holders;
32 ~~and~~
- 34 ~~E. Personal service expenditures for the unclaimed property
36 manager.~~

38 At the end of each year or more often, the administrator shall
transfer to the General Fund all money in the ~~Abandoned Unclaimed~~
40 Property Fund that is in excess of \$150,000 ~~\$500,000~~.

42 **Sec. T-29. 33 MRSA §1965, sub-§2**, as enacted by PL 1997, c.
508, Pt. A, §2 and affected by §3, is amended to read:

44 **2. Prescribed form.** A claim of another state to recover
46 escheated or ~~abandoned unclaimed~~ property must be presented in a
form prescribed by the administrator who shall decide the claim
48 within 90 days after it is presented. The administrator shall
allow the claim upon determining that the other state is entitled
50 to the ~~abandoned unclaimed~~ property under subsection 1.

2 **Sec. T-30. 33 MRSA §1971, sub-§4**, as enacted by PL 1997, c.
508, Pt. A, §2 and affected by §3, is amended to read:

4 **4. Confidentiality and use of documents and working
6 papers.** Information derived from annual reports from holders or
otherwise communicated to the administrator or the
8 administrator's agents concerning ~~abandoned unclaimed~~ property is
confidential and not available for public inspection to the
10 extent the administrator finds necessary to protect the interests
of the holder, the owner, this State and the public welfare.
12 Documents and working papers obtained or compiled by the
administrator or the administrator's agents, employees or
14 designated representatives in the course of conducting an
examination are confidential and are not public records, but the
16 documents and papers may be:

- 18 A. Used by the administrator in the course of an action to
collect unclaimed property or otherwise enforce this Act;
- 20 B. Used in joint examinations conducted with or pursuant to
an agreement with another state, the Federal Government or
22 any other governmental subdivision, agency, or
instrumentality;
- 24 C. Produced pursuant to subpoena or court order; or
- 26 D. Disclosed to the ~~abandoned or unclaimed~~ property office
of another state for that state's use in circumstances
28 equivalent to those described in this subsection, if the
other state is bound to keep the documents and papers
30 confidential.

34 **Sec. T-31. 33 MRSA §1974, sub-§1**, as enacted by PL 1997, c.
508, Pt. A, §2 and affected by §3, is amended to read:

36 **1. Agreements with other states.** The administrator may
38 enter into an agreement with another state to exchange
information relating to ~~abandoned unclaimed~~ property or its
possible existence. The agreement may permit the other state, or
40 another person acting on behalf of a state, to examine records as
authorized in section 1971. The administrator by rule may
42 require the reporting of information needed to enable compliance
with an agreement made under this section and prescribe the form.

44 **Sec. T-32. 34-A MRSA §3040**, as amended by PL 1991, c. 314,
46 §46, is further amended to read:

48 **§3040. Clients' property presumed abandoned**

Any property abandoned or unclaimed by a client in a correctional or detention facility must be disposed of according to Title 33, chapter 27 41.

Sec. T-33. 34-B MRSA §1434, as enacted by PL 1983, c. 459, §7, is amended to read:

§1434. Resident's property presumed abandoned

Any property abandoned or unclaimed by a resident of a state institution shall must be disposed of according to Title 33, chapter 27 41.

PART U

Sec. U-1. Energy savings required. All state agencies are directed to implement measures to reduce energy consumption within their agencies. Conservation measures to be initiated must include regulating temperatures within offices to 68 degrees during the heating season and 75 degrees during the cooling season, use of lower wattage lighting or fewer lights wherever possible without affecting basic operation or safety and shutting off computers and other electronic equipment when not in use. Vehicle use must be reduced to the minimum amount necessary to carry out the agency mission. Each agency shall train its staff to make necessary changes to meet this mandate and to identify other opportunities for energy savings within the workplace. The Department of Administrative and Financial Services, Bureau of General Services shall provide agencies with additional actions that can be taken to reduce energy usage.

PART V

Sec. V-1. 36 MRSA §4641-B, sub-§4, as enacted by PL 2001, c. 559, Pt. I, §4 and affected by §15, is amended to read:

4. Distribution of State's share of proceeds. The State Tax Assessor shall pay all net receipts received pursuant to this section to the Treasurer of State, and shall at the same time provide the Treasurer of State with documentation showing the amount of revenues derived from the tax imposed by section 4641-A, subsection 1 and the amount of revenues derived from the tax imposed by section 4641-A, subsection 2. The Treasurer of State shall credit 1/2 of the revenues derived from the tax imposed by section 4641-A, subsection 1 to the General Fund and shall monthly pay the remaining 1/2 of such revenues to the Maine State Housing Authority, which shall deposit the funds in the Housing Opportunities for Maine Fund created in Title 30-A,

section 4853, except that in fiscal year 2003-04 and fiscal year 2004-05, \$7,500,000 of the remaining 1/2 of those revenues must be transferred to the General Fund before any payments are made to the Maine State Housing Authority. The Treasurer of State shall credit to the General Fund all of the revenues derived from the tax imposed by section 4641-A, subsection 2.

Sec. V-2. Savings required. Notwithstanding any other provision of law, the Maine State Housing Authority shall implement measures to generate savings from existing resources to maintain assistance to the homeless at the 2002-03 level of assistance, amounting to \$2,400,000. The Maine State Housing Authority shall maintain the 2002-03 level of support in each year of the 2004-2005 biennium.

PART W

Sec. W-1. 30-A MRSA §5681, sub-§5, ¶¶A and B, as amended by PL 2001, c. 714, Pt. Y, §1, are further amended to read:

- A. For months beginning before July 1, 2003 2005, 5.1%; and
- B. For months beginning on or after July 1, 2003 2005, 5.2%.

Sec. W-2. Local Government Fund; distribution. Notwithstanding the Maine Revised Statutes, Title 30-A, section 5681 or any other provision of law, the Treasurer of State shall withhold \$1,000,000 from the amounts scheduled to be distributed in the month of July 2004 from the Local Government Fund.

The funds withheld may be authorized for distribution by the Commissioner of Administrative and Financial Services to municipalities that have demonstrated that they have adopted administrative and other service-delivery practices that achieve cost savings in operating funds related to administrative services and that the money has been directed for property tax relief.

The Department of Administrative and Financial Services shall establish criteria through which a municipality may demonstrate that it has adopted practices that have achieved or will achieve in a time period set by the department the savings and property tax relief. The department shall establish these criteria in consultation with the Executive Department, State Planning Office and the Maine Municipal Association.

Prior to the end of fiscal year 2004-05, a municipality may apply to the Commissioner of Administrative and Financial Services for a distribution from the Local Government Fund. The

commissioner, or the commissioner's designee, shall apply the established criteria to determine whether, and in what amount, to disburse money to the municipality.

At the end of fiscal year 2004-05 any remaining funds must be distributed among those municipalities that have achieved savings.

PART X

Sec. X-1. 10 MRSA §1100-T, sub-§2, ¶A, as amended by PL 2001, c. 642, §4 and affected by §12, is further amended to read:

A. A tax credit certificate may be issued in an amount not more than 40% of the amount of cash actually invested in an eligible Maine business in any calendar year or, for certificates issued and investments made after June 30, 2002 but before July 1, 2003 and after June 30, 2005, in an amount not more than 60% of the amount of cash actually invested in any one calendar year in an eligible Maine business located in a high-unemployment area, as determined by rule by the authority. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter II-A 2-A.

Sec. X-2. 10 MRSA §1100-T, sub-§2, ¶C, as amended by PL 2001, c. 642, §5 and affected by §12, is further amended to read:

C. Aggregate investment eligible for tax credits may not be more than \$5,000,000 for any one business as of the date of issuance of a tax credit certificate, except that the aggregate investment eligible for tax credits may not be more than \$1,000,000 for certificates issued and investments made after June 30, 2003 and before July 1, 2005.

Sec. X-3. 10 MRSA §1100-T, sub-§2, ¶D, as amended by PL 2001, c. 642, §6 and affected by §12, is further amended to read:

D. The investment with respect to which any individual is applying for a tax credit certificate may not be more than an aggregate of \$500,000 in any one business in any 3 consecutive calendar years, except that this the investment with respect to which any individual is applying for a tax credit certificate may not be more than an aggregate of \$200,000 in any one business in any 3 consecutive calendar years for certificates issued and investments made after June 30, 2003 and before July 1, 2005. This paragraph does not limit other investment by any applicant for which that applicant is not applying for a tax credit certificate.

Sec. X-4. 10 MRSA §1100-T, sub-§2-A, ¶¶A, C and D, as amended by PL 2001, c. 642, §8 and affected by §12, are further amended to read:

A. A tax credit certificate may be issued to an individual who invests in a private venture capital fund in an amount that:

(1) Is not more than 40% of the amount of cash actually invested in or unconditionally committed to a private venture capital fund in any calendar year by the individual or entity, except that, for certificates issued and investments made after June 30, 2002 but before July 1, 2003 and after June 30, 2005, with respect to fund investments that are made in eligible businesses that are located in a high unemployment area, as determined by rule of the authority under subsection 2, the tax credit certificate may not be more than 60% of the cash actually invested in or unconditionally committed to a private venture capital fund in any calendar year by the individual or entity; and

(2) Does not exceed 40% of the amount of cash invested by the fund in eligible businesses, except that, for certificates issued and investments made after June 30, 2002 but before July 1, 2003 and after June 30, 2005, with respect to fund investments that are made in eligible businesses that are located in a high unemployment area, as determined by rule of the authority under subsection 2, a tax credit certificate may not be more than 60% of the cash invested by the fund in any calendar year in such businesses; provided that the authority may issue tax credit certificates in an amount not to exceed 20% of the amount of cash actually invested in or unconditionally committed to a private venture capital fund in any calendar year if the authority determines that the private venture capital fund is located in this State, is owned and controlled primarily by residents of this State and has designated investing in eligible businesses of this State as a major investment objective. The credit may be revoked to the extent that the private venture capital fund does not make investments eligible for the tax credit in an amount sufficient to qualify for the credits within 3 years after the date of the tax credit certificates. Notwithstanding any revocation pursuant to this subparagraph, each investor remains eligible

for tax credit certificates for eligible investments as and when made by the private venture capital fund.

The aggregate amount of credits issued to investors in a fund may not exceed 40% of the amount of cash invested by the fund in eligible businesses, except that, ~~for certificates issued and investments made after June 30, 2002 but before July 1, 2003 and after June 30, 2005,~~ with respect to fund investments in eligible businesses that are located in a high unemployment area, the aggregate amount of tax credits issued to investors in a fund may not exceed 60% of the cash invested by the fund in eligible businesses.

C. Aggregate investment eligible for tax credits may not be more than \$5,000,000 for any one business for any one private venture capital fund as of the date of issuance of a tax credit certificate, ~~except that the aggregate investment eligible for tax credits may not be more than \$1,000,000 for any one business for any one private venture capital fund as of the date of issuance of a tax credit certificate for certificates issued and investments made after June 30, 2003 and before July 1, 2005.~~

D. The investment with respect to which any individual or entity is applying for a tax credit certificate may not be more than an aggregate of \$500,000 in any one eligible business invested in by a private venture capital fund in any 3 consecutive calendar years, ~~except that this paragraph does not limit other investment by any applicant for which that applicant is not applying for a tax credit certificate and except that, if the investment with respect to which any individual or entity is applying for a tax credit certificate may not be more than an aggregate of \$200,000 in any one eligible business invested in by a private venture capital fund in any 3 consecutive calendar years relative to certificates issued and investments made after June 30, 2003 and before July 1, 2005. If the entity applying for a tax credit certificate is a partnership, limited liability company, S corporation, nontaxable trust or any other entity that is treated as a flow-through entity for tax purposes under the federal Internal Revenue Code, the aggregate limit of \$500,000 or \$200,000, as applicable, applies to each individual partner, member, stockholder, beneficiary or equity owner of the entity and not to the entity itself. This paragraph does not limit other investment by any applicant for which that applicant is not applying for a tax credit certificate.~~

Sec. X-5. 10 MRSA §1100-T, sub-§4, as amended by PL 2001, c. 642, §9 and affected by §12, is further amended to read:

4. Total of credits authorized. The authority may issue tax credit certificates to investors eligible pursuant to subsections 2 and 2-A in an aggregate amount not to exceed \$2,000,000 up to and including calendar year 1996, \$3,000,000 up to and including calendar year 1997, \$5,500,000 up to and including calendar year 1998, \$8,000,000 up to and including calendar year 2001, \$11,000,000 up to and including calendar year 2002, ~~\$14,000,000 up to and including calendar year 2003,~~ \$17,000,000 up to and including calendar year 2004, \$20,000,000 up to and including calendar year 2005, \$23,000,000 up to and including calendar year 2006, \$26,000,000 up to and including calendar year 2007 and \$30,000,000 thereafter. The authority may provide that investors eligible for a tax credit under this section in a year when there is insufficient credit available are entitled to take the credit when it becomes available.

Sec. X-6. 36 MRSA §5216-B, sub-§2, as amended by PL 2001, c. 642, §11 and affected by §12, is further amended to read:

2. Credit. An investor is entitled to a credit against the tax otherwise due under this Part equal to the amount of the tax credit certificate issued by the Finance Authority of Maine in accordance with Title 10, section 1100-T and as limited by this section. In the case of partnerships, limited liability companies, S corporations, nontaxable trusts and any other entities that are treated as flow-through entities for tax purposes under the Code, the individual partners, members, stockholders, beneficiaries or equity owners of such entities must be treated as the investors under this section and are allowed a credit against the tax otherwise due from them under this Part in proportion to their respective interests in those partnerships, limited liability companies, S corporations, trusts or other flow-through entities. Except as limited or authorized by subsection 3 or 4, ~~for credit certificates issued and investments made after June 30, 2001 but before July 1, 2002 and after June 30, 2005, 25% of the credit must be taken in the taxable year the investment is made and 25% per year must be taken in each of the next 3 taxable years. Except as limited or authorized by subsection 3 or 4, for credit certificates issued after June 30, 2003 but before July 1, 2005, 15% of the credit must be taken in the first 6 years after the investment is made and 10% in the 7th year after the investment is made.~~

PART Y

Sec. Y-1. P&SL 2001, c. 67, §1, sub-§2 is amended to read:

2. **Credit.** Beginning July 1, 2003 2005, every fire insurance company or association that does business or collects premiums or assessments in the State that paid the special assessment in section subsection 1 after July 1, 2002 may take a credit against its premium tax owed under Title 36, chapter 357 equal to the special assessment paid in the same month the previous during fiscal year 2002-03.

PART Z

Sec. Z-1. 36 MRSA §1760, sub-§31, ¶A, as amended by PL 2001, c. 714, Pt. Z, §1, is further amended to read:

A. For use by the purchaser directly and primarily in the production of tangible personal property intended to be sold or leased ultimately for final use or consumption or in the production of tangible personal property pursuant to a contract with the United States Government or any agency thereof, or, in the case of sales occurring after June 30, 2003 2005, in the generation of radio and television broadcast signals by broadcast stations regulated under 47 Code of Federal Regulations, Part 73. This exemption applies even if the purchaser sells the machinery or equipment and leases it back in a sale and leaseback transaction. This exemption also applies whether the purchaser agrees before or after the purchase of the machinery or equipment to enter into the sale and leaseback transaction and whether the purchaser's use of the machinery or equipment in production commences before or after the sale and leaseback transaction occurs; and

PART AA

Sec. AA-1. 36 MRSA §5250-B is enacted to read:

§5250-B. Withholding on pass-through entity income of nonresident partners and shareholders

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Member" means an individual or other owner of a pass-through entity.

B. "Nonresident" means a nonresident individual, a business entity that does not have its commercial domicile in the State, or a nonresident estate or trust.

C. "Pass-through entity" means a corporation that for the applicable tax year is treated as an S corporation under the Code, and a general partnership, limited partnership, limited liability partnership, trust, limited liability company or similar entity that for the applicable tax year is not taxed as a C corporation for federal tax purposes.

2. Withholding required. Except as provided by subsection 3, every pass-through entity that does business in this State must withhold income tax at the highest tax rate provided in this Part on the proportionate quarterly share of Maine source income of each nonresident member. The method for determining the amount of the share of income and for determining the amount of withholding for each nonresident member under this section must be prescribed by rules adopted by the assessor. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

3. Withholding exemptions. For purposes of this section, a pass-through entity is not required to withhold tax for a nonresident member if:

A. The member's share of annual entity income sourced to the State is less than \$1,000; or

B. The bureau has determined by rule, ruling or instruction that the member's income is not subject to withholding.

Sec. AA-2. 36 MRSA §5251, as amended by PL 1985, c. 535, §23, is further amended to read:

§5251. Information statement

Every person required to deduct and withhold tax under this Part, or who would have been required so to deduct and withhold tax if an employee had claimed no more than one withholding exemption, shall furnish to each such person in respect to the items of income subject to withholding paid by such person to such person during the calendar year on or before February 15th of the succeeding year, or, in the case of an employee who is terminated before the close of such calendar year, within 30 days from the date on which the last payment of wages is made, a written statement as prescribed by the assessor showing the amount of wages paid by the employer to the employee, or in the case of withholding pursuant to section sections 5250-B and 5255-B the total items of income which that were subject to withholding, the amount deducted and withheld as tax, and such other information as the assessor shall prescribe.

2 Sec. AA-3. 36 MRSA §5253, as amended by PL 1995, c. 657, §9
and affected by §10, is repealed and the following enacted in its
4 place:

6 **§5253. Return and payment of tax withheld**

8 Every person required to deduct and withhold tax under this
9 Part shall, for each calendar quarter, on or before the last day
10 of the month following the close of the calendar quarter or such
11 other reporting period as the assessor may require, file a
12 withholding return and remit payment as prescribed by the
13 assessor. The assessor shall prescribe the voucher required to
14 be filed with the payments.

15 Sec. AA-4. 36 MRSA c. 914 is enacted to read:

16 **CHAPTER 914**

17 **2003 TAX AMNESTY PROGRAM**

18 **§6571. 2003 Maine Tax Amnesty Program established**

19 There is established the 2003 Maine Tax Amnesty Program.
20 This program is intended to encourage delinquent taxpayers to
21 comply with the State's tax law and to enable the assessor to
22 identify and collect previously unreported taxes and to
23 accelerate collection of certain delinquent tax liabilities. The
24 long-term goal of this program is to improve taxpayer compliance
25 with the State's tax law.

26 **§6572. Administration**

27 The assessor shall administer the 2003 Maine Tax Amnesty
28 Program. The amnesty program applies to tax liabilities
29 delinquent as of April 16, 2003, including tax due for which a
30 return has not been filed. A taxpayer may participate in the tax
31 amnesty program whether or not the taxpayer is under audit and
32 without regard to whether the amount due is subject to a pending
33 administrative or judicial proceeding, except that this does not
34 include pending criminal action or debts for which the State has
35 secured a warrant or civil judgment in its favor in Superior
36 Court. A taxpayer may participate in the tax amnesty program to
37 the extent of the uncontested portion of an assessed liability.
38 Participation in the program is conditioned upon the taxpayer's
39 agreement to forgo the right to protest or pursue an
40 administrative or judicial proceeding with regard to returns
41 filed under the tax amnesty program or to claim any refund of
42 money paid under the tax amnesty program. A taxpayer with a tax
43 liability within the limitations of this chapter is absolved from
44 criminal or civil prosecution or civil penalties plus 1/2 of the

2 interest associated with any such liability except as otherwise
3 provided in this chapter if the taxpayer:

4 1. Return filed. Properly completes and files a 2003
5 amnesty tax return as described in section 6575 and as required
6 by the assessor;

7 2. Tax and interest paid. Pays all tax and interest as
8 determined on the 2003 amnesty tax return, described in section
9 6575, before the end of the amnesty period;

10 3. No criminal action pending. Is not currently charged
11 with, and has not been accepted by the Attorney General for
12 criminal prosecution arising from, a violation of the state tax
13 law as provided in this Title or Title 17-A, or is not applying
14 for relief on a debt that is the result of a criminal conviction;
15 and

16 4. No collection by warrant or civil action. Is not
17 applying for relief with respect to a tax liability for which the
18 State has secured a warrant or civil judgment in its favor in
19 Superior Court.

20 **§6573. Undisclosed liabilities**

21 Nothing in this chapter may be construed to prohibit the
22 assessor from instituting civil or criminal proceedings against
23 any taxpayer with respect to any amount of tax that is not
24 disclosed either on the 2003 amnesty return, described in section
25 6575, or on any other return filed with the assessor.

26 **§6574. Amnesty period**

27 The time period during which a 2003 amnesty return,
28 described in section 6575, may be filed is September 1, 2003 to
29 October 31, 2003.

30 **§6575. Amnesty return**

31 The assessor shall prepare and make available the 2003
32 amnesty return. The return and associated guidelines prepared by
33 the assessor, which govern participation in the 2003 Maine Tax
34 Amnesty Program, are exempt from the Maine Administrative
35 Procedure Act. The application requires the approval of the
36 assessor. The assessor may deny any applications not consistent
37 with the 2003 Maine Tax Amnesty Program.

38 **§6576. Preamnesty settlements**

Notwithstanding any other provision of this chapter, the assessor shall, during the period beginning on the effective date of this chapter to August 31, 2003, make a settlement offer that requires full payment of tax and 1/2 of the accrued interest to any taxpayer that has a recorded and recognized delinquent State tax liability as of the effective date of this chapter. The settlement offer authorized under this section does not apply to a taxpayer whose liability is the result of a criminal conviction or is currently charged with a criminal offense arising from a violation of the state tax law as provided in this Title or Title 17-A, or has been referred to the Attorney General for criminal prosecution.

Sec. AA-5. Preamnesty collections; legislative intent. The Legislature finds that it is in the best interest of the State and public welfare of the people of Maine to ensure that there is no delay in the payment of delinquent state tax liabilities as a result of the 2003 Maine Tax Amnesty Program. The Legislature further finds that many taxpayers are likely to defer payment of delinquent tax liabilities in order to take advantage of lower interest and penalty amounts available under the 2003 Maine Tax Amnesty Program. Therefore, to ensure the timely collection of state tax revenue prior to the effective date of the 2003 Maine Tax Amnesty Program, the Legislature encourages the State Tax Assessor to utilize the full extent of the State Tax Assessor's authority under the Maine Revised Statutes, Title 36, including the abatement of interest and penalty consistent with the provisions of the 2003 Maine Tax Amnesty Program.

Sec. AA-6. Application. Those sections of this Part that enact the Maine Revised Statutes, Title 36, section 5250-B, amend section 5251 and repeal and replace section 5253 apply to pass-through entity income of nonresidents sourced to Maine and earned on or after January 1, 2003.

PART BB

Sec. BB-1. 36 MRSA §683, sub-§1, as enacted by PL 1997, c. 643, Pt. HHH, §3 and affected by §10, is repealed and the following enacted in its place:

1. Exemption amount. Except for assessments for special benefits, the following values of the homestead of a permanent resident of this State who has owned a homestead in this State for the preceding 12 months are exempt from taxation:

A. The estate up to the just value of \$7,000 for homesteads with a just value of less than \$125,000;

B. The estate up to the just value of \$5,000 for homesteads with a just value of at least \$125,000 but less than \$250,000; and

C. The estate up to the just value of \$2,500 for homesteads with a just value of \$250,000 or greater.

Sec. BB-2. 36 MRSA §683, sub-§1-A is enacted to read:

1-A. Local assessed value of the exemption. In determining the local assessed value of the exemption for purposes of subsection 1, the assessor shall multiply the amount of the exemption by the ratio of current just value upon which the assessment is based as furnished in the assessor's annual return pursuant to section 383. In determining the amount of just value exemption applicable to each estate for purposes of subsection 1, the assessor shall divide the local assessed value of each estate by the ratio of current just value upon which the assessment is based. If the title to a homestead is held by the applicant jointly or in common with others, the exemption may not exceed \$7,000 of the just value of the homestead with a just value of less than \$125,000, or \$5,000 of the just value of the homestead with a just value of at least \$125,000 but less than \$250,000, or \$2,500 of the just value of the homestead with a just value of \$250,000 or greater, but may be apportioned among the owners who reside on the property to the extent of their respective interests. A municipality responsible for administering the homestead exemption has no obligation to create separate accounts for each partial interest in a homestead owned jointly or in common.

Sec. BB-3. Application. This Part applies to property tax valuations determined on or after April 1, 2003.

PART CC

Sec. CC-1. 36 MRSA §2513, as amended by PL 1997, c. 496, §1 and c. 660, Pt. B, §4, is further amended to read:

§2513. Tax on premiums and annuity considerations

Every insurance company or association that does business or collects premiums or assessments including annuity considerations in the State, except those mentioned in section 2517, including surety companies and companies engaged in the business of credit insurance or title insurance, shall, for the privilege of doing business in this State, and in addition to any other taxes imposed for such privilege pay a tax upon all gross direct premiums including annuity considerations, whether in cash or

otherwise, on contracts written on risks located or resident in the State for insurance of life, annuity, fire, casualty and other risks at the rate of 2% a year. Every surplus lines insurer that does business or collects premiums in the State shall, for the privilege of doing business in this State, and in addition to any other taxes imposed for such privilege, pay a tax upon all gross direct premiums, whether in cash or otherwise, on contracts written on risks located or resident in the State at the rate of 3% a year. The tax must be paid by the insurer's licensed producer with surplus lines authority pursuant to Title 24-A, section 2016. For purposes of this section, the term "annuity considerations" includes amounts paid to an insurance company when received for the purchase of a contract that may result in an annuity, even when the annuitization never occurs or does not occur until some time in the future and the amounts are in the meantime applied to an investment vehicle other than an annuity.

Notwithstanding this section, annuity considerations received in tax years ending prior to January 1, 1999 upon which no tax was paid in the year received must be taxed in the year in which an annuity is actually purchased.

Notwithstanding this section, for income tax years commencing on or after January 1, 1989, the tax imposed by this section upon all gross direct premiums collected or contracted for on long-term care policies, as certified by the superintendent pursuant to Title 24-A, section 5054, shall ~~must~~ be at the rate of 1% a year.

Notwithstanding this section, for tax years commencing on or after January 1, 1997, the tax imposed by this section with respect to premiums on qualified group disability policies written by every insurer, except a large domestic insurer, must be at the rate of 1% and must be at the rate of 2.55% with respect to those premiums written by every large domestic insurer. For the purposes of this section, the term "qualified group disability policies" is limited to group health insurance policies properly reported as such in the insurer's annual statement and whose sole coverage is the full or partial replacement of an individual's income in the event of disability. Policies that contain coverages in addition to replacement of income coverage are considered to solely provide that coverage as long as the premium related to the additional coverages is not more than 10% of the total premium charged. The term "qualified group disability policies" does not include workers' compensation insurance policies, policies that include coverages that are collectively renewable, policies that provide for credit disability insurance or policies that pay benefits only upon the occurrence of hospitalization. For purposes of

this section, a "large domestic insurer" is any insurer domiciled in this State with assets in excess of \$5,000,000,000 as reported on its annual statement.

Sec. CC-2. 36 MRSA §2515, as amended by PL 1997, c. 435, §3, is further amended to read:

§2515. Amount of tax

In determining the amount of tax due under section 2513 or 2513-B, each company shall deduct from the full amount of gross direct premiums the amount of all direct return premiums on the gross direct premiums and all dividends paid to policyholders on direct premiums, and the tax must be computed by those companies or their agents. Except when direct return premiums are returned in the same tax year that the premium was paid, the deduction allowed in this section may be taken only if the tax under this Part has been paid.

Sec. CC-3. Application. Those sections of this Part that amend the Maine Revised Statutes, Title 36, sections 2513 and 2515 apply to all tax periods that are still open for purposes of assessment or for administrative and judicial review.

PART DD

Sec. DD-1. 10 MRSA §1100-Y, sub-§2, ¶A, as enacted by PL 2001, c. 700, §1, is amended to read:

A. For initial certification, the organization must be a private, nonprofit organization that is qualified under Section 501(c)(3) of the Internal Revenue Code, that has as one of its purposes the provision of need-based scholarships to eligible students, that meets the standards adopted by the authority by rule under subsection 7, that files reports as required by this section and that:

- (1) Is affiliated with and designated by an accredited institution of higher education in this State; or
- (2) Has filed as a nonprofit corporation with the Secretary of State on or before April 1, 2002 2004 and ~~remains~~ continues as a nonprofit corporation in good standing with the Secretary of State.

Sec. DD-2. 10 MRSA §1100-Y, sub-§7, as enacted by PL 2001, c. 700, §1, is amended to read:

2 **7. Rulemaking.** The authority, after consultation with the
 4 Bureau of Revenue Services, shall establish rules for the
 6 application, eligibility and annual filing requirements necessary
 8 to implement the certification of qualified scholarship
 10 organizations pursuant to this section and may include any rules
 12 necessary to establish initial application fees and penalties,
 14 which may include monetary penalties and revocation of
 16 certification, to ensure that a qualified scholarship
 18 organization is fulfilling the requirements of this section.
 20 These rules may also include any necessary conflict-of-interest
 22 provisions pertaining to qualified scholarship organizations.
 24 The authority shall also establish any rules necessary to define
 26 postsecondary education loans that are eligible for the
 28 recruitment credits provided under Title 36, sections 2528 and
 30 5219-V. Rules adopted pursuant to this subsection, including
 32 those setting initial application fees and penalties, are routine
 34 technical rules as defined in Title 5, chapter 375, subchapter
 36 II-A ~~2-A~~. The authority shall submit a report to the joint
 38 standing committee of the Legislature having jurisdiction over
 40 education and cultural affairs and to the joint standing
 42 committee of the Legislature having jurisdiction over taxation
 44 matters by January 30, ~~2003~~ 2005 on the rules and rule-making
 46 process to implement the tax credit program established pursuant
 48 to this subchapter.
 50

26 **Sec. DD-3. 36 MRSA §2527, sub-§2, ¶¶B and C,** as enacted by PL
 2001, c. 700, §2 and affected by §10, are amended to read:

28 B. Twenty percent of the amount contributed during the
 30 taxable year to a qualified scholarship organization for
 32 need-based scholarships for tax years beginning in ~~2004~~
 2005; or

34 C. Fifty percent of the amount contributed during the
 36 taxable year to a qualified scholarship organization for
 38 need-based scholarships for tax years beginning after ~~2004~~
 2005.

40 **Sec. DD-4. 36 MRSA §2528, sub-§1, ¶B,** as enacted by PL 2001,
 c. 700, §2 and affected by §10, is amended to read:

42 B. Beginning in ~~2004~~ 2005, 15% of the amount of loan
 44 repayments paid during the taxable year to a creditor on
 46 behalf of an employee of the taxpayer as part of a
 48 postsecondary education loan repayment agreement between the
 50 taxpayer and the employee of the taxpayer.

48 **Sec. DD-5. 36 MRSA §5219-U, sub-§2, ¶¶B and C,** as enacted by
 50 PL 2001, c. 700, §4 and affected by §10, are amended to read:

2 B. Twenty percent of the amount contributed during the
 4 taxable year to a qualified scholarship organization for
 6 need-based scholarships for tax years beginning in ~~2004~~
 2005; or

6 C. Fifty percent of the amount contributed during the
 8 taxable year to a qualified scholarship organization for
 10 need-based scholarships for tax years beginning after ~~2004~~
 2005.

12 **Sec. DD-6. 36 MRSA §5219-V, sub-§1, ¶B,** as enacted by PL 2001,
 c. 700, §7 and affected by §10, is amended to read:

14 B. Beginning in ~~2004~~ 2005, 15% of the amount of loan
 16 repayments paid during the taxable year to a creditor on
 18 behalf of an employee of the taxpayer as part of a
 20 postsecondary education loan repayment agreement between the
 22 taxpayer and the employee of the taxpayer.

24 **Sec. DD-7. Retroactivity.** That section of this Part that
 26 amends the Maine Revised Statutes, Title 10, section 1100-Y,
 28 subsection 7 applies retroactively to January 30, 2003.

30 **PART EE**

32 **Sec. EE-1. 36 MRSA §5122, sub-§2, ¶Q,** as amended by PL 2001,
 34 c. 714, Pt. AA, §3, is repealed and the following enacted in its
 36 place:

38 Q. A fraction of any amount previously added back to
 40 federal adjusted gross income by the taxpayer pursuant to
 42 subsection 1, paragraph N. The fraction is equal to the
 44 amount added back under subsection 1, paragraph N for the
 46 property, divided by the number of years in the recovery
 48 period minus 2. The adjustment under this paragraph is
 50 available for each year during the recovery period,
beginning 2 years after the beginning of the taxable year
during which the property was first placed in service.

42 **Sec. EE-2. 36 MRSA §5122, sub-§2, ¶¶R and S,** as enacted by PL
 2001, c. 714, Pt. AA, § 4, are repealed.

44 **Sec. EE-3. 36 MRSA §5200-A, sub-§2, ¶L,** as amended by PL 2001,
 c. 714, Pt. AA, §6, is further amended to read:

46 L. An amount equal to the absolute value of any net
 48 operating loss arising from a tax year beginning or ending
 50 in 2001 for which federal taxable income was increased under
 subsection 1, paragraph M and that, pursuant to Section 102

of the federal Job Creation and Worker Assistance Act of 2002, Public Law 107-147, was carried back more than 2 years to the taxable year for federal income tax purposes, but only to the extent that:

- (1) Maine taxable income is not reduced below zero;
- (2) The taxable year is either within 2 years prior to the year in which the loss arose or within the allowable federal period for carry-over of net operating losses; and
- (3) The amount has not been previously used as a modification pursuant to this subsection; and

Sec. EE-4. 36 MRSA §5200-A, sub-§2, ¶M, as amended by PL 2001, c. 714, Pt. AA, §6, is repealed and the following enacted in its place:

M. A fraction of any amount previously added back to federal adjusted gross income by the taxpayer pursuant to subsection 1, paragraph N. The fraction is equal to the amount added back under subsection 1, paragraph N for the property, divided by the number of years in the recovery period minus 2. The adjustment under this paragraph is available for each year during the recovery period, beginning 2 years after the beginning of the taxable year during which the property was first placed in service.

Sec. EE-5. 36 MRSA §5200-A, sub-§2, ¶N and O, as enacted by PL 2001, c. 714, Pt. AA, §7, are repealed.

PART FF

Sec. FF-1. 36 MRSA §5218, sub-§§1 and 2, as repealed and replaced by PL 2001, c. 396, §38, are amended to read:

1. **Resident taxpayer.** A resident individual is allowed a credit against the tax otherwise due under this Part in the amount of 25% of the federal tax credit allowable for child and dependent care expenses in the same tax year, except that for tax years beginning in 2003, 2004 and 2005, the applicable percentage is 21.5% instead of 25%.

2. **Nonresident or part-year resident taxpayer.** A nonresident or part-year resident individual is allowed a credit against the tax otherwise due under this Part in the amount of 25% of the federal tax credit allowable for child and dependent care expenses multiplied by the ratio of the individual's Maine

adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, to the nonresident's entire federal adjusted gross income, as modified by section 5122, except that for tax years beginning in 2003, 2004 and 2005, the applicable percentage is 21.5% instead of 25%.

PART GG

Sec. GG-1. 36 MRSA §5219-S, as enacted by PL 1999, c. 731, Pt. V, §1 and affected by §2, is amended to read:

§5219-S. Earned income credit

A taxpayer is allowed a credit against the taxes otherwise due under this Part equal to 5% of the federal earned income credit for the same taxable year, except that for tax years beginning in 2003, 2004 and 2005, the applicable percentage is 4.92% instead of 5%. The credit may not reduce the state income tax to less than zero.

PART HH

Sec. HH-1. 36 MRSA §5124-A, as repealed and replaced by PL 1989, c. 495, §§2 and 9 and amended by c. 596, Pt. J, §7, is repealed and the following enacted in its place:

§5124-A. Standard deduction; resident

The standard deduction of a resident individual is equal to the standard deduction as determined in accordance with the Code, Section 63, except that for tax years beginning in 2005, the Code, Section 63(c)(2) must be applied as if the basic standard deduction is \$5,000 in the case of a joint return and a surviving spouse and \$2,500 in the case of a married individual filing a separate return.

PART II

Sec. II-1. 36 MRSA §5122, sub-§1, ¶¶O and P, as enacted by PL 2001, c. 700, §4 and affected by §10, are amended to read:

O. The amount of the contribution to a qualified scholarship organization that is included in the credit base of the educational attainment investment tax credit under section 5219-U to the extent that the contribution has been used to adjust federal adjusted gross income; and

P. The amount of the loan repayment included in the credit base of the recruitment credit under section 5219-V to the extent that the repayment has been used to adjust federal adjusted gross income.;

Sec. II-2. 36 MRSA §5122, sub-§1, ¶¶Q to U are enacted to read:

Q. For tax years beginning on or after January 1, 2003, the amount of deduction claimed pursuant to the Code, Section 222 for qualified tuition and related expenses;

R. For tax years beginning in 2003, 2004 and 2005, and to the extent excluded from federal gross income, the amount representing income earned and distributed from a qualified tuition program as defined by the Code, Section 529, excluding income from a qualified tuition program established in accordance with Title 20-A, chapter 417-E;

S. For tax years beginning in 2003, 2004 and 2005, the amount received from the National Health Service Corps Scholarship Program and the Armed Forces Health Professions Scholarship and Financial Assistance program to the extent excluded from federal gross income in accordance with the Code, Section 117;

T. For tax years beginning in 2003, 2004 and 2005, and notwithstanding any other provision of law and to the extent not included in the amount determined for purposes of paragraph A, the amount equal to income from school construction bonds issued in accordance with the Code, Section 148(f)(4)(D)(vii) in excess of \$5,000,000 to the extent the amount is not included in federal adjusted gross income; and

U. For tax years beginning in 2003, 2004 and 2005, and notwithstanding any other provision of law, income from exempt facility bonds used to provide qualified public educational facilities as defined by the Code, Section 142(k), to the extent not included in federal adjusted gross income.

Sec. II-3. 36 MRSA §5200-A, sub-§1, ¶¶O and P, as enacted by PL 2001, c. 700, §6 and affected by §10, are amended to read:

O. The amount of the contribution to a qualified scholarship organization that is included in the credit base of the educational attainment investment tax credit under section 5219-U to the extent that the contribution has been used to adjust federal taxable income; and

P. The amount of the loan repayment included in the credit base of the recruitment credit under section 5219-V to the extent that the contribution has been used to adjust federal taxable income.;

Sec. II-4. 36 MRSA §5200-A, sub-§1, ¶¶Q and R are enacted to read:

Q. For tax years beginning in 2003, 2004 and 2005, and notwithstanding any other provision of law and to the extent not included in the amount determined for purposes of paragraph I, the amount equal to income from school construction bonds issued in accordance with the Code, Section 148(f)(4)(D)(vii) in excess of \$5,000,000 to the extent the amount is not included in federal taxable income; and

R. For tax years beginning in 2003, 2004 and 2005, and notwithstanding any other provision of law, income from exempt facility bonds used to provide qualified public educational facilities as defined by the Code, Section 142(k), to the extent not included in federal taxable income.

PART JJ

Sec. JJ-1. 36 MRSA §4062, sub-§1-A, as enacted by PL 2001, c. 559, Pt. GG, §3 and affected by §26, is repealed and the following enacted in its place:

1-A. Federal credit. "Federal credit" has the following meanings:

A. For the estates of decedents dying after December 31, 2002 and before January 1, 2005, "federal credit" means the maximum credit for state death taxes determined under the Code, Section 2011 as of December 31, 2002 exclusive of the reduction of the maximum credit contained in the Code, Section 2011(b)(2); the period of limitations under the Code, Section 2011(c); and the termination provision contained in the Code, Section 2011(f). The adjusted taxable estate is to be determined using the applicable Code as of the date of the decedent's death, except that the state death tax deduction contained in the Code, Section 2058 is to be disregarded. The unified credit is to be determined under the Code, Section 2010 as of December 31, 2000; and

B. For the estates of all other decedents, "federal credit" means the maximum credit for state death taxes determined under the Code, Section 2011.

Sec. JJ-2. 36 MRSA §4063, sub-§2, as amended by PL 2001, c. 559, Pt. GG, §4 and affected by §26, is further amended to read:

2. Values. All property values under subsection 1, paragraphs A and B are as finally determined for federal estate tax purposes, except that for estates of decedents dying after December 31, 2002 and before January 1, 2005 that do not incur a federal estate tax, all property values under subsection 1, paragraphs A and B are as finally determined by the assessor in accordance with the Code as if the estate had incurred a federal estate tax.

Sec. JJ-3. 36 MRSA §4064, first ¶, as amended by PL 2001, c. 559, Pt. GG, §6 and affected by §26, is further amended to read:

A tax is imposed upon the transfer of real property and tangible personal property situated in this State and held by an individual who dies prior to January 1, 2002 or after December 31, 2002 and who at the time of death was not a resident of this State. When real or tangible personal property has been transferred into a trust, the tax imposed by this section applies as if the trust did not exist and the property was personally owned by the decedent. Maine property is subject to the tax imposed by this section to the extent that such property is included in the decedent's gross estate as finally determined for federal estate tax purposes. The amount of this tax is a sum equal to that proportion of the federal credit that the value of Maine real and tangible personal property taxed in this State that qualifies for the credit bears to the value of the decedent's total federal gross estate. All property values under this section are as finally determined for federal estate tax purposes, except that for estates of decedents dying after December 31, 2002 and before January 1, 2005 that do not incur a federal estate tax, all property values are as finally determined by the assessor in accordance with the Code as if the estate had incurred a federal estate tax. The share of the federal credit used to determine the amount of a nonresident individual's estate tax under this section is computed without regard to whether the specific real or tangible personal property located in the State is marital deduction property.

PART KK

Sec. KK-1. **Transfer of funds; highway improvement projects.** Notwithstanding any other provision of law, the State Controller shall transfer from the unallocated surplus of the Highway Fund to the unappropriated surplus of the General Fund \$5,000,000 on or before June 30, 2004 and \$3,000,000 on or before June 30, 2005 as reimbursement for funds provided for highway improvement projects.

PART LL

Sec. LL-1. **Voluntary employee incentive programs.** Notwithstanding the Maine Revised Statutes, Title 5, section 903, subsections 1 and 2, the Commissioner of Administrative and Financial Services shall offer for use, prior to July 1, 2005, special voluntary employee incentive programs, including a 50% workweek option, flexible position staffing and time off without pay. Employee participation in a voluntary employee incentive program is subject to the approval of the employee's appointing authority.

Sec. LL-2. **Continuation of health insurance.** Notwithstanding the Maine Revised Statutes, Title 5, section 285, subsection 7 and section 903, for state employees who apply prior to July 1, 2005 to participate in a voluntary employee incentive program, the State shall continue to pay health and dental insurance benefits based upon the scheduled workweek in effect prior to the participation in the voluntary employee incentive program.

Sec. LL-3. **Continuation of group life insurance.** Notwithstanding the Maine Revised Statutes, Title 5, sections 903 and 18056 and the rules of the Maine State Retirement System, the life, accidental death and dismemberment, supplemental and dependent insurance amounts for state employees who apply prior to July 1, 2005 to participate in voluntary employee incentive programs are based upon the scheduled hours of the employees prior to the participation in the voluntary employee incentive programs.

Sec. LL-4. **General Fund savings.** Notwithstanding the Maine Revised Statutes, Title 5, section 1585, General Fund savings as a result of the voluntary employee incentive program may not be used to fund other state programs but must be used to offset the deappropriation in Part B of this Act. The State Budget Officer shall submit a report to the First Regular Session and the Second Regular Session of the 121st Legislature on the General Fund savings and offsets.

PART MM

2
4 **Sec. MM-1. Transfer.** The Maine State Retirement System shall
6 transfer \$150,000 from the Maine Learning Technology Endowment
8 investment fund to General Fund unappropriated surplus by October
10 1, 2003. To the greatest extent possible, the funds must come
12 from interest earned on the endowment. To the extent that there
14 is less than \$150,000 of interest available, the balance must
16 come from the principal.

PART NN

14 **Sec. NN-1. 5 MRSA §17151, sub-§2,** as amended by PL 1999, c.
16 731, Pt. XX, §1, is further amended to read:

18 2. **Intent.** It is the intent of the Legislature that there
20 must be appropriated and transferred annually to the retirement
22 system the funds necessary to meet the system's long-term and
24 short-term financial obligations based on the actuarial
26 assumptions established by the board upon the advice of the
28 actuary. The amount of the unfunded liability attributable to
30 state employees and teachers as of July 1, 1999 ~~2002~~, as
32 certified by the board or as that amount may be revised in
34 accordance with the terms of the certification, must be retired
36 in no more than 19 ~~25~~ years from June 30, ~~2000~~ ~~2003~~. For fiscal
38 year ~~2000-01~~ ~~2002-03~~, the Legislature must appropriate or
40 allocate and there must be transferred to the retirement system
42 funds necessary to institute, as of July 1, ~~2000~~ ~~2003~~, the
44 19-year ~~25-year~~ amortization schedule. For each fiscal year
46 starting with the fiscal year that begins July 1, ~~2001~~ ~~2003~~, the
48 Legislature shall appropriate or allocate and transfer to the
50 retirement system the funds necessary to meet the 19-year ~~25-year~~
requirement set forth in this subsection, unless the Legislature
establishes a different amortization period. Funds that have
been appropriated must be considered assets of the retirement
system.

A. The goal of the actuarial assumptions is to achieve a
fully funded retirement system.

B. The retirement system's unfunded liability for persons
formerly subject to the Maine Revised Statutes of 1944,
chapter 37, sections 212 to 220 must be repaid to the system
from annual appropriations over the funding period of the
retirement system.

C. This section may not be construed to require the State
to appropriate and transfer funds to meet the obligations of
participating local districts to the retirement system.

2 This subsection is repealed July 1, 2005.

4 **Sec. NN-2. 5 MRSA §17151, sub-§3,** is enacted to read:

6 **3. Intent.** It is the intent of the Legislature that there
8 must be appropriated and transferred annually to the retirement
10 system the funds necessary to meet the system's long-term and
12 short-term financial obligations based on the actuarial
14 assumptions established by the board upon the advice of the
16 actuary. The amount of the unfunded liability attributable to
18 state employees and teachers as of July 1, 2004, as certified by
20 the board or as that amount may be revised in accordance with the
22 terms of the certification, must be retired in no more than 14
24 years from June 30, 2005. For fiscal year 2005-06, the
26 Legislature must appropriate or allocate and there must be
28 transferred to the retirement system funds necessary to
30 institute, as of July 1, 2005, the 14-year amortization
32 schedule. For each fiscal year starting with the fiscal year
34 that begins July 1, 2005, the Legislature shall appropriate or
36 allocate and transfer to the retirement system the funds
necessary to meet the 14-year requirement set forth in this
subsection, unless the Legislature establishes a different
amortization period. Funds that have been appropriated must be
considered assets of the retirement system.

A. The goal of the actuarial assumptions is to achieve a
fully funded retirement system.

B. The retirement system's unfunded liability for persons
formerly subject to the Maine Revised Statutes of 1944,
chapter 37, sections 212 to 220 must be repaid to the system
from annual appropriations over the funding period of the
retirement system.

C. This section may not be construed to require the State
to appropriate and transfer funds to meet the obligations of
participating local districts to the retirement system.

40 This subsection takes effect July 1, 2005.

PART OO

42 **Sec. OO-1. Transition provisions.** The Maine Community College
44 System, formerly the Maine Technical College System, is hereby
46 established. All of the duties, functions, responsibilities,
48 mission and goals and privileges of the Maine Technical College
50 System become the duties, functions, responsibilities, mission
and goals and privileges of the Maine

Community College System. The Maine Community College System, including all of its component entities, is the successor in every way to the Maine Technical College System, including all of its component entities on the effective date of this Act. These powers, duties and functions include, but are not limited to, the following.

1. The members of the Board of Trustees of the Maine Technical College System shall serve as members of the Board of Trustees of the Maine Community College System until their appointed terms expire.

2. All accrued expenditures, assets, liabilities, balances, allocations, transfers, revenues and all other available funds of the Maine Technical College System are authorized for use by the Maine Community College System.

3. All existing rules, regulations and procedures in effect, in operation or adopted in or by the Maine Technical College System or officers continue in effect until rescinded, revised or amended by the pertinent authority within the Maine Community College System.

4. All existing contracts, agreements, bonds, insurances, leases and compacts currently in effect in the Maine Technical College System continue in effect until rescinded, revised or amended by the pertinent authority within the Maine Community College System.

5. The Maine Community College System shall serve as the successor employer to, and shall assume the obligations of, the Maine Technical College System.

6. All buildings, automobiles, real property, equipment and other property previously belonging to or allocated for the use of the Maine Technical College System become the property of the Maine Community College System.

7. The Maine Community College System succeeds the Maine Technical College System as a recipient of federal vocational funding.

8. All existing forms, licenses, letterheads, signs and similar items bearing the name of or referring to the Maine Technical College System may be utilized by the Maine Community College System until existing supplies of those items are exhausted.

Sec. OO-2. Maine Revised Statutes amended; revision clause. Wherever in the Maine Revised Statutes the words "Maine

Technical College System" or "technical college system" appear or reference is made to those words, they are amended to read and mean "Maine Community College System" or "community college system," and the Revisor of Statutes shall implement this revision when updating, publishing or republishing the statutes.

Sec. OO-3. Appropriations and allocations. The following appropriations and allocations are made.

MAINE TECHNICAL COLLEGE SYSTEM, BOARD OF TRUSTEES OF THE

Maine Technical College System - Board of Trustees of the 0556

Initiative: Appropriates funds to further the efforts towards creating a community college system in the State.

General Fund	2003-04	2004-05
All Other	\$500,000	\$500,000
General Fund Total	<u>\$500,000</u>	<u>\$500,000</u>

Maine Technical College System - Board of Trustees of the 0556

Initiative: Appropriates funds to provide public matching funds to secure private grant funds for scholarship assistance or limiting in-state tuition increases.

General Fund	2003-04	2004-05
All Other	\$475,000	\$0
General Fund Total	<u>\$475,000</u>	<u>\$0</u>

MAINE TECHNICAL COLLEGE SYSTEM, BOARD OF TRUSTEES OF THE DEPARTMENT TOTALS

	2003-04	2004-05
GENERAL FUND	\$975,000	\$500,000
DEPARTMENT TOTAL - ALL FUNDS	<u>\$975,000</u>	<u>\$500,000</u>

UNIVERSITY OF MAINE SYSTEM, BOARD OF TRUSTEES OF THE

Educational and General Activities - UMS 0031

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

Initiative: Appropriates funds to provide public matching funds to secure private grant funds for scholarship assistance or limiting in-state tuition increases.

2			
4			
6	General Fund	2003-04	2004-05
	All Other	\$475,000	\$0
8	General Fund Total	\$475,000	\$0
10	UNIVERSITY OF MAINE SYSTEM, BOARD OF TRUSTEES OF THE DEPARTMENT TOTALS	2003-04	2004-05
12			
14	GENERAL FUND	\$475,000	\$0
16	DEPARTMENT TOTAL - ALL FUNDS	\$475,000	\$0
18	MAINE MARITIME ACADEMY		
20	Maritime Academy - Operations 0035		
22	Initiative: Appropriates funds to provide public matching funds to secure private grant funds for scholarship assistance or limiting in-state tuition increases.		
24			
26	General Fund	2003-04	2004-05
	All Other	\$50,000	\$0
28	General Fund Total	\$50,000	\$0
30	MAINE MARITIME ACADEMY DEPARTMENT TOTALS	2003-04	2004-05
32			
34	GENERAL FUND	\$50,000	\$0
36	DEPARTMENT TOTAL - ALL FUNDS	\$50,000	\$0
38	SECTION TOTALS	2003-04	2004-05
40	GENERAL FUND	\$1,500,000	\$500,000
42	SECTION TOTAL - ALL FUNDS	\$1,500,000	\$500,000

Sec. OO-4. Effective date. Sections 1 and 2 of this Part take effect when approved.

PART PP

Sec. PP-1. 4 MRSA §1610-C is enacted to read:

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

§1610-C. Additional securities

Notwithstanding any limitation on the amount of securities that may be issued pursuant to section 1606, subsection 2, the authority may issue additional securities in an amount not to exceed \$7,485,000 outstanding at any one time for capital repairs and improvements at various state facilities.

Sec. PP-2. Maine Governmental Facilities Authority; resolution for issuance of securities. Pursuant to the Maine Revised Statutes, Title 4, section 1606, subsection 2 and section 1610-C, and notwithstanding the limitation contained in Title 4, section 1606, subsection 2 regarding the amount of securities that may be issued, the Maine Governmental Facilities Authority is authorized to issue securities in its own name in an amount up to \$7,485,000 for the purpose of paying the cost associated with making capital repairs and improvements to state-owned facilities throughout the State as designated by the Commissioner of Administrative and Financial Services.

Sec. PP-3. Proceeds. The proceeds from the sale of the securities issued by the Maine Governmental Facilities Authority pursuant to this Part must be expended for capital repairs and improvements to state-owned facilities.

PART QQ

Sec. QQ-1. Lottery Fund revenues. Notwithstanding any other provision of law, the Commissioner of Administrative and Financial Services is authorized to issue one or more additional instant ticket games resulting in additional undedicated revenue to the General Fund of \$2,700,000 in fiscal year 2003-04 and \$3,000,000 in fiscal year 2004-05.

PART RR

Sec. RR-1. 5 MRSA §12004-G, sub-§31-A, as amended by PL 1993, c. 410, Pt. E, §2, is repealed.

Sec. RR-2. 5 MRSA c. 383, sub-c. 1-A is enacted to read:

SUBCHAPTER 1-A

SCIENCE AND TECHNOLOGY

ARTICLE 1

PLANNING AND EVALUATION

COMMITTEE AMENDMENT

§13060-A. Science and technology plan

The department shall develop and submit to the Governor and the Legislature by January 1, 2004 and the first day of the first legislative session of each biennium thereafter:

1. Action plan. An action plan for the application of science and technology to improve the State's position in the global economy. The plan must be based on the State's overall economic development strategy as determined by the commissioner. The action plan must identify specific steps that public and private institutions must implement to improve the State's science and technology infrastructure. The plan must also identify action steps that could be implemented immediately without new state appropriations and resources and action steps that will require new state appropriations or major reallocation of state appropriations and resources.

The action plan must include numerical objectives, costs and an evaluation protocol. The plan must also include a provision for assigning and ensuring accountability for those who receive state research and development funds through the department. In the preparation of this plan, the department shall seek the advice of state agencies, the Maine Economic Growth Council established in Title 10, section 929-A, the University of Maine System and the business, education and research communities; and

2. Report card. A report card that:

A. Compares the State's science and technology infrastructure standing to that of other states, based on the results of all independent organizations or reports that make such comparisons and on any other appropriate comparisons as determined by the department and those agencies with which the department is directed by this section to consult;

B. Assesses the performance of the State and those who receive state funds in meeting the goals, objectives and action steps outlined in the action plan; and

C. Makes recommendations for improving the results shown on the report card.

§13060-B. Comprehensive research and development evaluation

The department shall develop and submit to the Governor and the Legislature by July 1, 2006 and on July 1st every 5 years

thereafter an evaluation of state investments in research and development. The evaluation must:

1. Outcome measures. Establish outcome measures considered appropriate by public and private practitioners in and outside of the State in the fields of research and development and economic development. Practitioners in this State must include, but are not limited to, a representative from the University of Maine System, a representative of the targeted technology sectors, a representative of the Executive Department, State Planning Office and representatives of other state agencies having economic development responsibility;

2. Independent reviewers. Utilize independent reviewers to assess the competitiveness of technology sectors in this State and the impact of research and development activities in this State on economic development in this State; and

3. Recommendations. Include recommendations to the Legislature on existing and proposed state-supported research and development programs and activities to affect technology-based economic development in this State.

§13060-C. Reporting requirements of recipients of research and development funding

To assist the department in preparing a comprehensive research and development evaluation, a recipient of state funding for research and development shall, in addition to any other reporting requirements required by law:

1. Data. Collect, maintain and provide data relating to each investment's performance, outputs and outcomes;

2. Report card indicators. Identify the indicators in the report card developed by the department pursuant to section 13060-A that will be affected as a result of the proposed research and development activity; and

3. Action plan goals. Identify the goals in the action plan developed by the department pursuant to section 13060-A that will be advanced by the recipient's research and development activity.

ARTICLE 2

SCIENCE AND TECHNOLOGY PROGRAMS

§13060-D. Maine Research and Development Evaluation Fund

1. Fund established. The Maine Research and Development Evaluation Fund, referred to in this section as "the fund," is established as a nonlapsing Other Special Revenue Funds account administered by the department for the purposes of funding the comprehensive research and development evaluation required pursuant to section 13060-C.

2. Definition. For the purposes of this section, "research and development" means activities that directly or through capital investment support basic and applied scientific research and related commercial development funded by state appropriations.

3. Fund sources. The fund receives money deposited by the Treasurer of State pursuant to this section and any other gift, grant or other source of revenue deposited for that use.

4. Transfers to fund. Notwithstanding section 1585 or any other provision of law, the State Budget Officer may transfer General Fund appropriations for research and development efforts to the fund. The transfer and allotment of available funds may not exceed 0.8% of the total research and development appropriations. Only those programs that receive \$500,000 or more in research and development appropriations, as identified and certified by the State Budget Officer and the Office of Fiscal and Program Review, may be assessed upon concurrence of the affected agencies, institutions and departments. The transfer must be implemented by financial order contingent upon the recommendation of the State Budget Officer and approval of the Governor and upon review by the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs. The financial order must include a plan outlining how these funds will be expended. The financial order takes effect upon approval by the Governor. Total transfers made pursuant to this section may not exceed \$120,000 in any fiscal year.

5. Repeal; lapse of funds. This section is repealed June 30, 2006. Unexpended funds in the fund at that time lapse to the unappropriated surplus of the General Fund.

§13060-E. Experimental program to stimulate competitive research

The department, the University of Maine System and the EPSCoR steering committee are jointly responsible for the administration of the Maine Experimental Program to Stimulate Competitive Research, referred to in this chapter as "the Maine EPSCoR Program," which is established in this section as a partnership effort between the State Government and the Federal Government to strengthen the State's science and engineering infrastructure.

COMMITTEE AMENDMENT

1. Linkage with state policies. The policies, programs and activities of the Maine EPSCoR Program must consider the State's economic, education and science and technology strategies and policies.

2. Policy recommendation. Through the department, the University of Maine System and the EPSCoR steering committee, the Maine EPSCoR Program may recommend to the Governor and the Legislature policies and programs essential to the strengthening of the State's science and engineering infrastructure.

§13060-F. Maine EPSCoR Capacity Fund

The Maine EPSCoR Capacity Fund is established within the department to provide the matching funds that are required by several federal agencies in their EPSCoR activities. The fund must be used to match EPSCoR awards, and is a nonlapsing Other Special Revenue funds account.

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Fund" means the Maine EPSCoR Capacity Fund account within the Other Special Revenue funds.

B. "Match" means the cash commitment required from the State as defined by the federal funding agency. Match requirements vary among federal agencies.

C. "Research capacity committee" means the EPSCoR steering committee referred to in section 13060-E.

2. Organization. The commissioner, at the commissioner's discretion, may delegate the administration of the fund to the director of the Maine Technology Institute established in section 12004-G, subsection 33-D. The research capacity committee shall advise the commissioner or the director of the Maine Technology Institute on the use of the funds.

3. Guidelines. The commissioner or director of the Maine Technology Institute established in section 12004-G, subsection 33-D, with the advice of the research capacity committee, shall establish guidelines for cash and in-kind match requirements based on the activities to be supported with the fund. Match levels must reflect the requirements identified by the federal funding agencies.

Sec. RR-3. 5 MRSA §13063-B, as enacted by PL 1995, c. 560, Pt. B, §4, is repealed.

COMMITTEE AMENDMENT

2 Sec. RR-4. 5 MRSA §13103, sub-§8, ~~C~~, as enacted by PL 1999,
4 c. 731, Pt. SSS, §1, is amended to read:

6 C. Each biennium, submit a report to the department. The
8 report must include:

10 (1) An accounting of the use of all program funds
12 received in the previous 2 years, prepared by a
14 certified public accountant;

16 (2) A summary of the status of any ongoing research;

18 (3) A summary of the results of any completed
20 research; and

22 (4) Evaluation data and assessment; ~~and.~~

24 ~~(5) Information required to be submitted under a
26 comprehensive research and development evaluation
28 pursuant to section 13122-J.~~

30 Sec. RR-5. 5 MRSA c. 385, as amended, is repealed.

32 Sec. RR-6. 5 MRSA §15303, sub-§6-C is enacted to read:

34 6-C. Administer funds. The institute shall administer the
36 Maine Technology Capacity Fund established under section 15303-A.

38 Sec. RR-7. 5 MRSA §15303-A is enacted to read:

40 §15303-A. Maine Technology Capacity Fund

42 The Maine Technology Capacity Fund is established within the
44 institute to strengthen employment opportunities in the State by
46 increasing the science and technology investment level through
partnerships among the State Government, private enterprise, the
Federal Government and private and public research institutions.
The fund may be used to match public and private funds that
provide program or consulting resources to targeted technology
sectors to increase their capacity to develop into industry
clusters. The fund may also be used to support best-practice
studies or to provide technical assistance on a contractual basis
to enhance the capacity of the targeted technology sectors to
develop into industry clusters.

48 1. Definitions. As used in this section, unless the
context otherwise indicates, the following terms have the
following meanings.

2 A. "Enterprise" means a firm doing business in this State
4 that is engaged or proposes to be engaged in this State in
6 value-added agricultural, natural resource-based or other
manufacturing, research and development, or in the provision
of knowledge-based services.

8 B. "Fund" means the Maine Technology Capacity Fund account
10 in the Other Special Revenue funds.

12 C. "Intellectual property" means any legally protectable
14 materials, including new information, technologies,
16 inventions, designs, works of authorship, any strain,
18 variety or culture of an organism, or any portion,
modification, translation or extension of these items, and
20 processes, mineral discoveries and other legally protectable
22 materials, including know-how and trade secrets, that are
24 generated as a direct and indirect result of investments
26 made by the institute through contracts, grants or any other
legal agreement.

28 D. "Protection of intellectual property rights" means
30 protecting the institute's rights to intellectual property
32 through intellectual property protection mechanisms,
34 including, but not limited to, patents, copyrights,
36 trademarks, trade secrets and licensing rights.

38 E. "Technology commercialization" means the process of
40 bringing an investment-grade technology out of an enterprise
42 or a private or public laboratory for first-run application
44 in the marketplace.

46 F. "Technology development" means strategically focused
48 research aimed at developing investment-grade technologies
essential to market competitiveness. For purposes of this
section, "technology development" does not refer to basic
research, but rather to products, devices, techniques or
processes that have advanced beyond the theoretical stage
and are in a prototype or industry practice stage.

G. "Technology extension" means the introduction and
adaptation of off-the-shelf technologies and
state-of-the-art management practices to the specific
circumstances of individual firms.

2. Organization. The board has all the powers and
authority, not explicitly prohibited by law, necessary or
convenient to carry out and effectuate the functions, duties and
responsibilities of the fund, including, but not limited to:

A. Taking actions in partnership with private enterprise, the Federal Government and private and public research institutions to:

(1) Increase the rate of technology extension across manufacturing and knowledge-based firms throughout the State;

(2) Increase the amount of technology development occurring in the State; and

(3) Increase the rate at which technologies with potential commercial application are moved out of private and public laboratories into the marketplace;

B. Soliciting, borrowing, accepting and receiving money from any public or private source to augment state contributions to the fund;

C. Approving an annual budget for the fund and investing and expending money from the fund;

D. Contracting with public entities as necessary to further the purposes of this section;

E. Carrying forward any unexpended state appropriations into succeeding fiscal years;

F. Providing an annual report to the Governor and the Legislature by January 1st of each regular session of the Legislature within the annual report of the institute, setting forth:

(1) The operations and accomplishments of the fund during the fiscal year; and

(2) The assets and liabilities of the fund at the end of its most recent fiscal year;

G. Owning intellectual property, licensing intellectual property and negotiating for and collecting royalty rights or otherwise realizing a return on investment made under the fund and all programs of the institute when appropriate in order to promote the interests and investments of the State in furthering science and technology; and

H. Protecting all proprietary information contained in proposals, contracts and grants or any other legal agreement only when such information is likely to involve patentable

COMMITTEE AMENDMENT

material that loses its protectable nature when presented in a public forum.

3. Authorized activities. The board may:

A. Receive and accept from any source allocations, appropriations, grants or contributions of money to be held, used or applied to carry out this subchapter, subject to the conditions upon which the grants and contributions may be made, including, but not limited to, appropriations, allocations, grants or gifts from any federal agency or governmental subdivision or the State and its agencies. The amounts of the revenues generated by the investment of money contained in the fund that may be used to pay the institute's operating expenses associated with the operation of the fund; and

B. Engage in matching grants activities, including, but not limited to, federal, private and foundation awards for technology extension, science and technology development and technology commercialization activities that require state funding matches and are considered consistent with the purposes of the fund. Focus areas for investment include, but are not limited to, targeted technologies as defined in section 15301.

4. Guidelines. The board shall establish guidelines for:

A. The amounts of the revenues generated by the investment of money in the fund that may be used to pay the institute's operating expenses associated with the operation of the fund; and

B. Cash and in-kind match requirements based on the activities to be supported with the fund. The institute shall strive to achieve a minimum match of 1:1, on an annual basis, for matching grant activities supported under the fund.

5. Liquidation and dissolution. In the event of liquidation or dissolution of the institute or the fund, any rights or interests in a qualified security or portion of a qualified security purchased with money invested by the State vest in the State. The State is entitled to, in proportion to the amount of investment in the fund by the State, any balance of money remaining in the fund after payment of all debts and obligations upon liquidation or dissolution of the institute or the fund.

COMMITTEE AMENDMENT

275, §3 and affected by §§4 and 5, is amended to read:

6. Notification. An agency, municipality or granting authority that provides a housing subsidy as described in this section must notify the Department--of--Economic--and--Community Development,---Energy--Conservation--Division Public Utilities Commission that the application complies with the residential energy requirements of this section. Notification must be in a form prescribed by rule by the commissioner commission.

Sec. RR-9. 10 MRSA §1415-H, sub-§1, as amended by PL 1999, c. 657, §4, is further amended to read:

1. Certification. Before installing permanent service to a commercial or institutional building, a transmission and distribution utility, as defined in Title 35-A, section 102, shall obtain from the owner of the building or from the owner's legal agent, on a form provided by the utility, a signed certification that the building complies with the requirements of section 1415-D. A copy of the signed certification must be provided by the transmission and distribution utility to the Department---of---Economic---and---Community---Development,---Energy Conservation-Division Public Utilities Commission or a successor agency charged with administering energy building standards.

Sec. RR-10. 35-A MRSA §3211-B is enacted to read:

§3211-B. Additional energy conservation programs

In addition to the programs and activities specified in section 3211-A, subsection 2, the commission shall administer the following energy conservation programs.

1. Federally mandated programs. The director shall administer the following federally mandated programs, formerly administered by the Department of Economic and Community Development, Office of Business Development:

A. State Energy Conservation Program;

B. Energy Extension Service; and

C. Institutional Conservation Program.

2. Energy conservation standards. The commission shall adopt energy conservation standards and adopt rules for administration of the standards and the certification of energy-efficient buildings, as defined in Title 10, chapter 214.

3. Approval; denial of certificates. The commission shall provide for the approval or denial of certificates of compliance with energy standards, as required in Title 10, chapter 214.

4. Preparation of manual. The commission shall prepare the Manual of Accepted Practices, as described in Title 10, section 1415-F.

5. Review; inspection. The commission may review plans and specifications and may inspect buildings to determine compliance with the energy conservation standards established in Title 10, chapter 214.

6. Rule-making authority. If the Residential Conservation Service, as established by the federal National Energy Conservation Policy Act, Public Law 95-619, (1978), 92 Stat. 3206 as amended by the federal Energy Security Act, Public Law 96-294, (1980), 94 Stat. 611, is repealed or amended by deleting the requirements for providing energy conservation information and energy audits and arranging financing for energy conservation improvements for residential customers, the commission may adopt routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A to continue these services. In establishing these rules, the commission shall simplify federal rules without preventing fulfillment of the program objectives and the commission may not impose rules containing additional requirements for utilities.

Until the commission adopts new rules under this subsection, the previously existing federal regulations and any state rules implementing them are deemed state rules with full force and effective until changed.

Sec. RR-11. 36 MRSA §1760, sub-§68, as amended by PL 1995, c. 281, §16, is repealed.

Sec. RR-12. Transition provisions; Public Utilities Commission.

1. The Public Utilities Commission is the successor in every way to the powers, duties and functions of the former Energy Conservation Division of the Department of Economic and Community Development, Office of Business Development.

2. All existing rules, regulations and procedures in effect, in operation or adopted in or by the former Energy Conservation Division or any of its administrative units or officers are hereby declared in effect and continue in effect until rescinded, revised or amended by the proper authority.

3. All existing contracts, agreements and compacts of the former Energy Conservation Division currently in effect continue in effect.

4. Any federally funded positions authorized and allocated subject to the personnel laws of the former Energy Conservation Division are transferred to the Public Utilities Commission and may continue to be authorized.

5. All federal and special revenue funds authorized and allocated to the former Energy Conservation Division are transferred to the Public Utilities Commission and may continue to be authorized.

6. All records, property and equipment previously belonging to the Energy Conservation Division become, on the effective date of this Act, part of the property of the Public Utilities Commission.

Sec. RR-13. Transition provisions; Maine Science and Technology Foundation.

1. The Maine Science and Technology Foundation shall identify all outstanding contracts, grants and other obligations of funds either appropriated by the State or generated from other sources, settle such contracts, grants and obligations as required by the bylaws of the Maine Science and Technology Foundation within 10 business days of the effective date of this Act and deliver to the Commissioner of Administrative and Financial Services within 15 business days of the effective date of this Act a detailed list of all residual items not settled as required.

2. Within 30 days following the effective date of this Act, and before paying or making provisions for the payment of all other liabilities of the foundation, all property purchased with General Fund money and unexpended General Fund appropriations must be transferred to the State and deposited as undedicated General Fund revenue. Funds received from unspent bond proceeds must be transferred to the Debt Service Earnings account in the Office of the Treasurer of State. All funds held in the Maine EPSCoR Capacity Fund by the Maine Science and Technology Foundation in accordance with the Maine Revised Statutes, Title 5, section 13124-D must be transferred to the Maine EPSCoR Capacity Fund established within the Department of Economic and Community Development by Title 5, section 13060-F.

3. All reports, studies, data and other materials developed or acquired in whole or in part with General Fund money must be

transferred to the Department of Economic and Community Development.

4. All other remaining property and unexpended funds must be handled according to the provisions outlined in the bylaws of the Maine Science and Technology Foundation and must be delivered to the Commissioner of Administrative and Financial Services within 25 days of the effective date of this Act.

Sec. RR-14. Transfer. A transfer of \$527,000 is authorized from the Debt Service Earnings account within the Office of the Treasurer of State to the Debt Service - Treasury account by July 31, 2003.

Sec. RR-15. Transfer of funds. Notwithstanding any other provision of law, the State Controller shall transfer \$50,000 in the EPSCoR Capacity Fund, Other Special Revenue Funds account in the Department of Economic and Community Development to the unappropriated surplus of the General Fund by June 30, 2004.

Sec. RR-16. Appropriations and allocations. The following appropriations and allocations are made.

TREASURER OF STATE, OFFICE OF THE

Debt Service - Treasury 0021

Initiative: Deappropriates funds as a result of unspent bond proceeds being returned to the State from the Maine Science and Technology Foundation.

General Fund	2003-04	2004-05
All Other	(\$527,000)	\$0
General Fund Total	(\$527,000)	\$0

Sec. RR-17. Appropriations and allocations. The following appropriations and allocations are made.

**ECONOMIC AND COMMUNITY DEVELOPMENT,
DEPARTMENT OF**

**Administration - Economic and Community
Development 0069**

Initiative: Provides funds for the Maine Research Internships for Teachers and Students, MERITS, program.

General Fund	2003-04	2004-05
All Other	\$80,000	\$80,000

2	General Fund Total	\$80,000	\$80,000
4	Administration - Economic and Community Development 0069		
6	Initiative: Provides funds for the Maine Space Grant Consortium.		
8	General Fund	2003-04	2004-05
10	All Other	\$0	\$100,000
12	General Fund Total	\$0	\$100,000
14	Business Development 0585		
16	Initiative: Provides funds in fiscal years 2003-04 and 2004-05 only for the continuation of a contracted Economic Development Director position for the Lincoln Lakes Region Development Corporation.		
20	General Fund	2003-04	2004-05
22	All Other	\$50,000	\$50,000
24	General Fund Total	\$50,000	\$50,000
26	Maine Small Business Commission 0675		
28	Initiative: Provides funds to restore the deappropriation of funds in excess of federal match requirements for the operation of the Maine Small Business Development Centers.		
32	General Fund	2003-04	2004-05
34	All Other	\$229,670	\$229,670
36	General Fund Total	\$229,670	\$229,670
38	Maine EPSCoR Capacity Fund		
40	Initiative: Allocates funds for the Maine Space Grant Consortium.		
42	Other Special Revenue Funds	2003-04	2004-05
44	All Other	\$100,000	\$0
46	Other Special Revenue Funds Total	\$100,000	\$0
48	Maine EPSCoR Capacity Fund		
50	Initiative: Allocates matching funds for the Maine Space Grant Consortium associated with managing the activities related to a		

2	National Aeronautics and Space Administration grant, which expires on July 7, 2004.		
4	Other Special Revenue Funds	2003-04	2004-05
6	All Other	\$300,000	\$0
8	Other Special Revenue Funds Total	\$300,000	\$0
10	Regional Development 0792		
12	Initiative: Provides funds to the Eastern Maine Development Corporation to allow for increased support to rural communities within its district.		
16	General Fund	2003-04	2004-05
18	All Other	\$70,000	\$70,000
20	General Fund Total	\$70,000	\$70,000
22	Applied Technology Development Center System 0929		
24	Initiative: Provides funds to the River Valley Applied Technology Development Center for fiscal years 2003-04 and 2004-05 only.		
26	General Fund	2003-04	2004-05
28	All Other	\$50,000	\$50,000
30	General Fund Total	\$50,000	\$50,000
32	Applied Technology Development Center System 0929		
34	Initiative: Provides funds to the Center for Environmental Enterprise for fiscal year 2003-04 only.		
36	General Fund	2003-04	2004-05
38	All Other	\$40,000	\$0
40	General Fund Total	\$40,000	\$0
42	Applied Technology Development Center System 0929		
44	Initiative: Provides funds to the Composite Materials Applied Technology Development Center for fiscal year 2003-04 only.		
46	General Fund	2003-04	2004-05
48	All Other	\$40,000	\$0
50	General Fund Total	\$40,000	\$0

2	Applied Technology Development Center System 0929		
4	Initiative: Provides funds to the Target Technology Center at Orono for fiscal year 2003-04 only.		
6	General Fund	2003-04	2004-05
8	All Other	\$40,000	\$0
10	General Fund Total	\$40,000	\$0
12	ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF		
14	DEPARTMENT TOTALS	2003-04	2004-05
16	GENERAL FUND	\$599,670	\$579,670
18	OTHER SPECIAL REVENUE FUNDS	400,000	0
20	DEPARTMENT TOTAL - ALL FUNDS	\$999,670	\$579,670
22	UNIVERSITY OF MAINE SYSTEM, BOARD OF TRUSTEES OF THE		
24	Educational and General Activities - UMS 0031		
26	Initiative: Appropriates funds for the Maine Economic Improvement Fund.		
28	General Fund	2003-04	2004-05
30	All Other	\$100,000	\$100,000
32	General Fund Total	\$100,000	\$100,000
34	UNIVERSITY OF MAINE SYSTEM, BOARD OF TRUSTEES OF THE		
36	DEPARTMENT TOTALS	2003-04	2004-05
38	GENERAL FUND	\$100,000	\$100,000
40	DEPARTMENT TOTAL - ALL FUNDS	\$100,000	\$100,000
42	CENTERS FOR INNOVATION		
44	Centers for Innovation 0911		
46	Initiative: Deappropriates funding for the Maine Center for Innovation in Biotechnology beginning in fiscal year 2004-05.		
48	General Fund	2003-04	2004-05
50	All Other	\$0	(\$105,133)

2	General Fund Total	\$0	(\$105,133)
4	CENTERS FOR INNOVATION DEPARTMENT TOTALS	2003-04	2004-05
6	GENERAL FUND	\$0	(\$105,133)
8	DEPARTMENT TOTAL - ALL FUNDS	\$0	(\$105,133)
10	SECTION TOTALS	2003-04	2004-05
12	GENERAL FUND	\$699,670	\$574,537
14	OTHER SPECIAL REVENUE FUNDS	400,000	0
16	SECTION TOTAL - ALL FUNDS	\$1,099,670	\$574,537

PART SS

Sec. SS-1. 28-A MRSA §453, sub-§2-A, as amended by PL 2001, c. 711, §2, is repealed and the following enacted in its place:

2-A. Replacement of state liquor stores or agency liquor stores. The bureau may license up to 6 agency liquor stores in a municipality with a population over 20,000 where a state liquor store has been closed and up to 3 agency liquor stores in a municipality with a population of 20,000 or less where a state liquor store has been closed. In addition, the bureau may establish one agency liquor store in a municipality where no state liquor store has operated, and, if the population is over 3,000, the bureau may locate 2 stores within the municipality. The bureau may consider the impact of seasonal population or tourism and other related information provided by the town requesting a 2nd agency liquor store location.

Sec. SS-2. 28-A MRSA §453, sub-§2-B is enacted to read:

2-B. Requirement of at least one replacement agency liquor store before closing. A state liquor store may not be closed unless at least one replacement agency liquor store with a federal wholesale registration and licensed as a reselling agent has been licensed within 10 miles of the state liquor store being closed or unless the director of the bureau determines that reasonable alternative access is available to persons who previously purchased spirits from the state liquor store being closed.

Sec. SS-3. 28-A MRSA §455, as amended by PL 1997, c. 373, §48, is repealed and the following enacted in its place:

2 §455. Liquor for agency liquor stores

4 1. Agency liquor store purchases. Agency liquor stores shall buy their liquor from the alcohol bureau under section 606.

6 2. Monthly specials. The alcohol bureau may establish monthly specials for all agency liquor stores. The issuance of an agency liquor store license and the operation of agency liquor stores licensed pursuant to this Part are governed by this chapter.

8 Sec. SS-4. 28-A MRSA c. 21 is enacted to read:

14 CHAPTER 21

16 WHOLESALE LIQUOR PROVIDER

18 §501. Wholesale liquor provider; definition.

20 As used in this chapter, unless the context otherwise indicates, "wholesale liquor provider" means an entity or entities contracted by the State as an agent of the State for the purpose of providing wholesale spirits and fortified wine to establishments licensed by the State to sell spirits and fortified wine for off-premises consumption.

24 §502. Wholesale liquor provider prohibited from holding an agency liquor store license

26 A wholesale liquor provider is prohibited from holding a retail license to sell liquor for off-premises consumption.

30 §503. Sale to on-premises licensees prohibited

32 A wholesale liquor provider shall sell spirits and fortified wine to establishments licensed by the State to sell liquor for off-premises consumption. A wholesale liquor provider is prohibited from selling spirits and fortified wine directly to establishments licensed by the State to sell liquor for on-premises consumption.

36 Sec. SS-5. 28-A MRSA §606, sub-§1-A, as repealed and replaced by PL 1993, c. 276, §3, is amended to read:

38 1-A. On-premises licensees; purchase from agency store. A person licensed to sell spirits for consumption on the premises may shall purchase spirits from an agency liquor store only in accordance with this subsection.

2 A. The sale price of spirits sold to a licensee under this subsection must equal the price for which a licensee would purchase liquor at a state store. Beginning November 30, 2003, the sale price of spirits sold to an establishment licensed for on-premises consumption must equal the price established by the alcohol bureau.

4 B. Upon completion of a transaction, the agency liquor store and the on-premise licensee shall each retain a copy of the licensee order form.

6 Sec. SS-6. 28-A MRSA §606, sub-§4, as amended by PL 1997, c. 373, §58, is further amended to read:

8 4. Discount for agency liquor stores. The alcohol bureau shall sell spirits and fortified wines to agency liquor stores for a price of at least 8% less than the list price established for the state liquor stores. Beginning November 30, 2003, the alcohol bureau shall set the price of spirits and fortified wine at a minimum discount of 9% of the list price.

10 Sec. SS-7. Closure of 13 state liquor stores. Notwithstanding any other provision of law, the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations is directed to implement the closure of 13 state liquor stores commencing on the effective date of this Act and completed by November 30, 2003 and replace the state liquor stores with agency liquor stores in accordance with the Maine Revised Statutes, Title 28-A, section 453.

14 **PART TT**

16 Sec. TT-1. Revision clause. Wherever in the Maine Revised Statutes the words "Maine Learning Technology Endowment" appear or reference is made to those words, they are amended to read and mean "Maine Learning Technology Fund," and the Revisor of Statutes shall implement this revision when updating, publishing or republishing the statutes.

18 **PART UU**

20 Sec. UU-1. Tax expenditures. The following tax expenditures for fiscal years 2003-04 and 2004-05, in accordance with Title 5, section 1666, will continue in effect unless repealed or modified by the 121st Legislature.

22 General Fund Sales Tax 36 MRSA FY'04 FY'05

Expenditures				
2	Casual Sales	1752 sub§11	D	D
4	Sales by Executors	1752 sub§11	A	A
6	Separately Charged Labor	1752 sub§14	\$23,588,050	\$24,649,512
8	Service Fees			
10	Tips Given Directly to Employees	1752 sub§14	\$847,937	\$890,333
12	Certain Telecommunications Services	1752 sub§18D ¶B	\$12,790,416	\$13,141,176
14	Sales Tax Prohibited by the Federal & State Constitutions	1760 sub§1	D	D
16	Sales to the State & Political Subdivisions	1760 sub§2	\$114,310,647	\$118,883,073
18	Grocery Staples	1760 sub§3	\$111,973,968	\$114,112,656
20	Ships Stores	1760 sub§4	C	C
22	Prescription Drugs	1760 sub§5	\$32,802,696	\$33,210,336
24	Prosthetic Devices	1760 sub§5A	\$1,378,694	\$1,433,842
26	Meals Served by Public or Private Schools	1760 sub§6 ¶A	\$8,548,732	\$8,805,194
28	Meals Served to Patients in Hospitals & Nursing Homes	1760 sub§6 ¶B	E	E
30	Providing Meals for the Elderly	1760 sub§6 ¶C	\$485,642	\$505,069
32	Providing Meals to Residents of Certain Nonprofit Congregate Housing Facilities	1760 sub§6 ¶D	A	A
34	Certain Meals Served by Colleges to Employees of the College	1760 sub§6 ¶E	A	A
36	Products Used in Agricultural and Aqua-	1760 sub§7	\$7,752,535	\$8,037,277

2	cultural Production & Bait			
4	Certain Jet Fuel	1760 sub§8 ¶B	\$1,552,324	\$1,598,894
6	Coal, Oil & Wood for Cooking & Heating Homes	1760 sub§9	\$21,275,206	\$21,487,958
8	Fuel Oil for Burning Blueberry Land	1760 sub§9A	A	A
10	First 750 KW Hours of Residential Electricity Per Month	1760 sub§9B	\$11,328,358	\$11,554,926
12	Gas When Used for Cooking & Heating in Residences	1760 sub§9C	\$8,169,864	\$8,329,128
14	Fuel and Electricity Used in Manufacturing	1760 sub§9D	\$29,798,919	\$30,990,876
16	Fuel Oil or Coal that becomes an Ingredient or Component Part	1760 sub§9G	A	A
18	Certain Returnable Containers	1760 sub§12	\$1,076,659	\$1,130,492
20	Packaging Materials	1760 sub§12A	\$11,015,760	\$11,305,848
22	Publications Sold on Short Intervals	1760 sub§14	\$4,730,330	\$4,801,620
24	Sales to Hospitals, Research Centers, Churches and Schools	1760 sub§16	F	F
26	Camp Rentals	1760 sub§17	B	B
28	Rental Charges for Living Quarters in Nursing Homes	1760 sub§18	C	C
30	Sales to Certain Nonprofit Residential Child Care Institutions	1760 sub§18A	B	B
32	Rental of Living Quarters at Schools	1760 sub§19	E	E

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Rental Charges on Continuous Residence for More Than 28 Days	1760 sub§20	\$128,621,796	\$135,563,052
4	Automobiles Used in Driver Education Programs	1760 sub§21	A	A
8	Automobiles Sold to Amputee Veterans	1760 sub§22	A	A
10	Certain Vehicles Purchased or Leased by Nonresidents	1760 sub§23	\$0	\$0
14	Certain Vehicles Purchased by Nonresidents	1760 sub§23C	C	C
16	Funeral Services	1760 sub§24	\$3,070,572	\$3,151,152
18	Watercraft Purchased by Nonresidents	1760 sub§25	A	A
22	Snowmobiles & All-terrain Vehicles Purchased by Nonresidents	1760 sub§§25A, 25B	A	A
26	Sales to Volunteer Ambulance Corps & Fire Departments	1760 sub§26	B	B
30	Sales to Community Mental Health, Substance Abuse & Mental Retardation Facilities	1760 sub§28	B	B
34	Water Pollution Control Facilities	1760 sub§29	C	C
38	Air Pollution Control Facilities	1760 sub§30	C	C
40	Machinery & Equipment	1760 sub§31	\$24,694,452	\$25,114,416
44	New Machinery for Experimental Research	1760 sub§32	B	B
46	Diabetic Supplies	1760 sub§33	\$484,853	\$504,247
48	Sales Through Coin-operated Vending Machines	1760 sub§34	\$754,017	\$787,948

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Goods & Services for Seeing Eye Dogs	1760 sub§35	A	A
4	Sales to Regional Planning Agencies	1760 sub§37	A	A
6	Water Used in Private Residences	1760 sub§39	\$5,662,404	\$5,703,168
10	Mobile & Modular Homes	1760 sub§40	\$3,211,004	\$3,371,553
12	Property Used in Interstate Commerce	1760 sub§41	C	C
14	Sales to Historical Societies & Museums	1760 sub§42	B	B
18	Sales to Day Care Centers & Nursery Schools	1760 sub§43	B	B
22	Sales to Church Affiliated Residential Homes	1760 sub§44	A	A
24	Certain Property Purchased Out of State	1760 sub§45	A	A
26	Sales to Organ. that Provide Res. Fac. for Med. Patients	1760 sub§46	A	A
30	Sales to Emergency Shelters & Feeding Organizations	1760 sub§47A	A	A
34	Sales to Community Action Agencies; Child Abuse Councils; Child Advocacy Orgs.	1760 sub§49	C	C
40	Sales to any Nonprofit Free Libraries	1760 sub§50	B	B
44	Sales to Veterans' Memorial Cemetery Associations	1760 sub§51	A	A
46	Railroad Track Materials	1760 sub§52	\$47,253	\$49,143
48	Sales to Nonprofit Rescue Operations	1760 sub§53	A	A

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Items Purchased with Food Stamps	1760 sub§54	\$462,769	\$467,396		
4	Sales to Hospice Organizations	1760 sub§55	A	A		
6	Sales to Nonprofit Youth & Scouting Organizations	1760 sub§56	C	C		
10	Self-help Literature on Alcoholism	1760 sub§57	A	A		
12	Portable Classrooms	1760 sub§58	A	A		
14	Sales to Certain Incorp. Nonprofit Educational Orgs.	1760 sub§59	A	A		
16	Sales to Incorporated Nonprofit Animal Shelters	1760 sub§60	A	A		
20	Construction Contracts with Exempt Organizations	1760 sub§61	D	D		
22	Sales to Certain Charitable Suppliers of Medical Equipment	1760 sub§62	A	A		
24	Sales to Orgs. that Fulfill the Wishes of Children with Life-threatening Diseases	1760 sub§63	A	A		
26	Sales by Schools & School-sponsored Organizations	1760 sub§64	C	C		
28	Sales to Monasteries and Convents	1760 sub§65	A	A		
30	Sales to Providers of Certain Support Systems for Single-parent Families	1760 sub§66	A	A		
32	Sales to Nonprofit Home Construction Organizations	1760 sub§67	A	A		
34	Sales to Orgs. that Conduct Research for the Maine Science & Technology Community	1760 sub§68	A	A		
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COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Sales to Orgs. that Create & Maintain a Registry of Vietnam Veterans	1760 sub§69	A	A		
4	Sales to Orgs. that Provide Certain Services for Hearing-impaired Persons	1760 sub§70	A	A		
6	Sales to State-chartered Credit Unions	1760 sub§71	A	A		
8	Sales to Nonprofit Housing Development Organizations	1760 sub§72	B	B		
10	Seedlings for Commercial Forestry Use	1760 sub§73	B	B		
12	Property Used in Manufacturing Production	1760 sub§74	\$242,156,172	\$247,625,184		
14	Meals & Lodging Provided to Employees	1760 sub§75	\$1,846,858	\$1,920,732		
16	Certain Aircraft Parts	1760 sub§76	A	A		
18	Sales to Eye Banks	1760 sub§77	A	A		
20	Sales of Certain Farm Animal Bedding & Hay	1760 sub§78	A	A		
22	Partial Exemption For Clean Fuel Vehicles	1760 sub§79	A	A		
24	Electricity Used for Net Billing	1760 sub§80	A	A		
26	Animal Waste Storage Facility	1760 sub§81	A	A		
28	Sales of Property Delivered Outside this State	1760 sub§82	F	F		
30	Sales of Certain Printed Materials	1760 sub§83	C	C		
32	Sales to Centers for Innovation	1760 sub§84	A	A		
34	Certain Sales by an Auxiliary Organization	1760 sub§85	A	A		
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COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	of the American Legion				
4	Trade-in Credits	1765	\$28,887,099	\$30,331,453	
6	Sales Tax Credit on Worthless Accounts	1811-A	A	A	
8	Credit for Sales Taxes Paid to Another State	1862	A	A	
10	Returned Merchandise Donated to Charity	1863	B	B	
14	Merchandise Donated from a Retailer's Inventory to Exempt Organizations	1864	B	B	
18	Refund of Sales Tax on Goods Removed from the State	2012	A	A	
22	Refund of Sales Tax on Certain Depreciable Machinery and Equipment	2013	\$4,498,098	\$4,678,022	
26	Fish Passage Facilities	2014	A	A	
28	Exempt Personal Services	1752 sub§11	\$9,892,380	\$10,198,584	
30	Exempt Business and Legal Services (Consumer Purchases)	1752 sub§11	\$12,087,000	\$12,497,484	
34	Exempt Amusement & Recreational Services	1752 sub§11	\$28,347,096	\$29,338,704	
36	Exempt Health Services (Consumer Purchases)	1752 sub§11	\$25,801,716	\$26,684,304	
40	Exempt Educational Services (Consumer Purchases)	1752 sub§11	\$43,893,348	\$45,940,080	
44	Exempt Membership, Social and Misc. Services (Consumer Purchases)	1752 sub§11	\$71,800,572	\$74,310,876	
48	Exempt Finance, Insurance & Real Estate Purchases by Consumers	1752 sub§11	\$75,063,588	\$77,439,276	

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Exempt Finance, Insurance & Real Estate Purchases by Business	1752 sub§11	\$142,728,036	\$150,909,276	
4	Exempt Transportation Purchases by Consumers	1752 sub§11	\$10,744,632	\$11,196,828	
8	Exempt Transportation Purchases by Business	1752 sub§11	\$49,038,144	\$51,041,268	
10	Exempt Services Purchased by Business	1752 sub§11	\$173,964,636	\$183,070,176	
14	Excise Tax Exemption on Jet or Turbo Jet Fuel	2903	\$330,234	\$333,536	
18	Fuel Brought into the State in the Fuel Tanks of Aircraft	2903	A	A	
22	Refund of Excise Tax on Fuel Used in Piston Aircraft	2910	\$57,000	\$58,000	
26	Insurance Company Exclusions From Premiums Tax	2514	B	B	
30	Deductions of Dividends & Direct Return Premiums	2515	A	A	
34	Insurance Company Tax Credit for Provision of Day Care Services	2524	A	A	
36	Cigarette Stamp Tax Deduction for Licensed Distributors	4366-A sub§2	\$2,098,218	\$2,079,334	
40	Exemptions of the Real Estate Transfer Tax	4641-C	C	C	
44	Local Government Fund Sales Tax Expenditures	36 MRSA	FY'04	FY'05	
46	Casual Sales	1752 sub§11	B	B	
48	Sales by Executors	1752 sub§11	A	A	
50	Separately Charged Labor	1752 sub§14	\$1,293,859	\$1,352,083	

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Service Fees			
4	Tips Given Directly to Employees	1752 sub§14	\$46,511	\$48,837
6	Certain Telecommunications Services	1752 sub§18D ¶B	\$701,584	\$720,824
8	Sales Tax Prohibited by the Federal & State Constitutions	1760 sub§1	B	B
12	Sales to the State & Political Subdivisions	1760 sub§2	\$6,270,204	\$6,521,012
16	Grocery Staples	1760 sub§3	\$6,142,032	\$6,259,344
18	Ships Stores	1760 sub§4	A	A
20	Prescription Drugs	1760 sub§5	\$1,799,304	\$1,821,664
22	Prosthetic Devices	1760 sub§5A	\$75,625	\$78,650
24	Meals Served by Public or Private Schools	1760 sub§6 ¶A	\$468,918	\$482,985
26	Meals Served to Patients in Hospitals & Nursing Homes	1760 sub§6 ¶B	B	B
30	Providing Meals for the Elderly	1760 sub§6 ¶C	\$26,639	\$27,704
32	Providing Meals to Residents of Certain Nonprofit Congregate Housing Facilities	1760 sub§6 ¶D	A	A
38	Certain Meals Served by Colleges to Employees of the College	1760 sub§6 ¶E	A	A
42	Products Used in Agricultural and Aquacultural Production & Bait	1760 sub§7	\$425,245	\$440,863
48	Certain Jet Fuel	1760 sub§8 ¶B	\$85,149	\$87,703

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Coal, Oil & Wood for Cooking & Heating Homes	1760 sub§9	\$1,166,994	\$1,178,664
4	Fuel Oil for Burning Blueberry Land	1760 sub§9A	A	A
6	First 750 KW Hours of Residential Electricity Per Month	1760 sub§9B	\$621,387	\$633,814
12	Gas When Used for Cooking & Heating in Residences	1760 sub§9C	\$448,136	\$456,872
14	Fuel and Electricity Used in Manufacturing	1760 sub§9D	\$1,634,540	\$1,699,921
16	Fuel Oil or Coal that becomes an Ingredient or Component Part	1760 sub§9G	A	A
20	Certain Returnable Containers	1760 sub§12	\$59,057	\$62,010
24	Packaging Materials	1760 sub§12A	\$604,240	\$620,152
26	Publications Sold on Short Intervals	1760 sub§14	\$259,470	\$263,380
30	Sales to Hospitals, Research Centers, Churches and Schools	1760 sub§16	C	C
32	Camp Rentals	1760 sub§17	A	A
34	Rental Charges for Living Quarters in Nursing Homes	1760 sub§18	A	A
38	Sales to Certain Nonprofit Residential Child Care Institutions	1760 sub§18A	A	A
42	Rental of Living Quarters at Schools	1760 sub§19	B	B
44	Rental Charges on Continuous Residence for More Than 28 Days	1760 sub§20	\$7,055,204	\$7,435,948
48	Automobiles Used in Driver Education Programs	1760 sub§21	A	A

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Automobiles Sold to Amputee Veterans	1760 sub§22	A	A		
4	Certain Vehicles Purchased or Leased by Nonresidents	1760 sub§23	\$0	\$0		
8	Certain Vehicles Purchased by Nonresidents	1760 sub§23C	A	A		
10	Funeral Services	1760 sub§24	\$168,428	\$172,848		
12	Watercraft Purchased by Nonresidents	1760 sub§25	A	A		
16	Snowmobiles & All-terrain Vehicles Purchased by Nonresidents	1760 sub§§25A, 25B	A	A		
20	Sales to Volunteer Ambulance Corps & Fire Departments	1760 sub§26	A	A		
24	Sales to Community Mental Health, Substance Abuse & Mental Retardation Facilities	1760 sub§28	A	A		
28	Water Pollution Control Facilities	1760 sub§29	A	A		
32	Air Pollution Control Facilities	1760 sub§30	A	A		
34	Machinery & Equipment	1760 sub§31	\$1,354,548	\$1,377,584		
36	New Machinery for Experimental Research	1760 sub§32	A	A		
40	Diabetic Supplies	1760 sub§33	\$26,595	\$27,659		
42	Sales Through Coin-operated Vending Machines	1760 sub§34	\$41,360	\$43,221		
44	Goods & Services for Seeing Eye Dogs	1760 sub§35	A	A		
48	Sales to Regional Planning Agencies	1760 sub§37	A	A		
50						

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Water Used in Private Residences	1760 sub§39	\$310,596	\$312,832		
4	Mobile & Modular Homes	1760 sub§40	\$176,131	\$184,938		
6	Property Used in Interstate Commerce	1760 sub§41	A	A		
8	Sales to Historical Societies & Museums	1760 sub§42	A	A		
12	Sales to Day Care Centers & Nursery Schools	1760 sub§43	A	A		
14	Sales to Church-affiliated Residential Homes	1760 sub§44	A	A		
18	Certain Property Purchased Out of State	1760 sub§45	A	A		
20	Sales to Organ. that Provide Res. Fac. for Med. Patients	1760 sub§46	A	A		
24	Sales to Emergency Shelters & Feeding Organizations	1760 sub§47A	A	A		
28	Sales to Community Action Agencies; Child Abuse Councils; Child Advocacy Orgs.	1760 sub§49	A	A		
32	Sales to any Nonprofit Free Libraries	1760 sub§50	A	A		
36	Sales to Veterans' Memorial Cemetery Associations	1760 sub§51	A	A		
40	Railroad Track Materials	1760 sub§52	\$2,592	\$2,696		
42	Sales to Nonprofit Rescue Operations	1760 sub§53	A	A		
44	Items Purchased with Food Stamps	1760 sub§54	\$25,384	\$25,638		
48	Sales to Hospice Organizations	1760 sub§55	A	A		
50						

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Sales to Nonprofit Youth & Scouting Organizations	1760 sub§56	A	A
4	Self-help Literature on Alcoholism	1760 sub§57	A	A
6	Portable Classrooms	1760 sub§58	A	A
8	Sales to Certain Incorp. Nonprofit Educational Orgs.	1760 sub§59	A	A
10				
12	Sales to Incorporated Nonprofit Animal Shelters	1760 sub§60	A	A
14	Construction Contracts with Exempt Organizations	1760 sub§61	B	B
16				
18	Sales to Certain Charitable Suppliers of Medical Equipment	1760 sub§62	A	A
20				
22	Sales to Orgs. that Fulfill the Wishes of Children with Life-threatening Diseases	1760 sub§63	A	A
24				
26	Sales by Schools & School-sponsored Organizations	1760 sub§64	A	A
28				
30	Sales to Monasteries and Convents	1760 sub§65	A	A
32				
34	Sales to Providers of Certain Support Systems for Single-parent Families	1760 sub§66	A	A
36				
38	Sales to Nonprofit Home Construction Organizations	1760 sub§67	A	A
40				
42	Sales to Orgs. that Conduct Research for the Maine Science & Tech. Comm.	1760 sub§68	A	A
44				
46	Sales to Orgs. that Create & Maintain a Registry of Vietnam Veterans	1760 sub§69	A	A
48				
50	Sales to Orgs. that Provide Certain Services for Hearing-impaired Persons	1760 sub§70	A	A

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Sales to State-chartered Credit Unions	1760 sub§71	A	A		
4	Sales to Nonprofit Housing Development Organizations	1760 sub§72	A	A		
6						
8	Seedlings for Commercial Forestry Use	1760 sub§73	A	A		
10						
12	Property Used in Manufacturing Production	1760 sub§74	\$13,282,828	\$13,582,816		
14	Meals & Lodging Provided to Employees	1760 sub§75	\$101,304	\$105,357		
16						
18	Certain Aircraft Parts	1760 sub§76	A	A		
20	Sales to Eye Banks	1760 sub§77	A	A		
22	Sales of Certain Farm Animal Bedding & Hay	1760 sub§78	A	A		
24	Partial Exemption for Clean Fuel Vehicles	1760 sub§79	A	A		
26						
28	Electricity Used for Net Billing	1760 sub§80	A	A		
30	Animal Waste Storage Facility	1760 sub§81	A	A		
32						
34	Sales of Property Delivered Outside this State	1760 sub§82	C	C		
36	Sales of Certain Printed Materials	1760 sub§83	A	A		
38						
40	Sales to Centers for Innovation	1760 sub§84	A	A		
42						
44	Certain Sales by an Auxiliary Organization of the American Legion	1760 sub§85	A	A		
46	Trade-in Credits	1765	\$1,584,524	\$1,663,751		
48	Sales Tax Credit on Worthless Accounts	1811-A	A	A		
50						

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Credit for Sales Taxes Paid 1862 to Another State		A	A
4	Returned Merchandise Donated to Charity	1863	A	A
6	Merchandise Donated from a Retailer's Inventory to Exempt Organizations	1864	A	A
10	Refund of Sales Tax on Goods Removed from the State	2012	A	A
14	Refund of Sales Tax on Certain Depreciable Machinery and Equipment	2013	\$246,731	\$256,600
16				
18				
20	Fish Passage Facilities	2014	A	A
22	Exempt Personal Services	1752 sub§11	\$542,620	\$559,416
24	Exempt Business and Legal Services (Consumer Purchases)	1752 sub§11	\$663,000	\$685,516
26				
28	Exempt Amusement & Recreational Services	1752 sub§11	\$1,554,904	\$1,609,296
30				
32	Exempt Health Services (Consumer Purchases)	1752 sub§11	\$1,415,284	\$1,463,696
34	Exempt Educational Services (Consumer Purchases)	1752 sub§11	\$2,407,652	\$2,519,920
36				
38	Exempt Membership, Social and Misc. Services (Consumer Purchases)	1752 sub§11	\$3,938,428	\$4,076,124
40				
42	Exempt Finance, Insurance and Real Estate Purchases by Consumers	1752 sub§11	\$4,117,412	\$4,247,724
44				
46	Exempt Finance, Insurance and Real Estate Purchases by Business	1752 sub§11	\$7,828,964	\$8,277,724
48				
50	Exempt Transportation	1752 sub§11	\$589,368	\$614,172

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Services (Consumer Purchases)			
4	Exempt Transportation Services (Business Purchases)	1752 sub§11	\$2,689,856	\$2,799,732
6				
8	Exempt Services Purchased by Business	1752 sub§11	\$9,542,364	\$10,041,824
10	H.O.M.E. Fund Excise Tax Expenditure	36 MRSA	FY'04	FY'05
12				
14	Exemptions of the Real Estate Transfer Tax	4641-C	C	C
16	Highway Fund Sales Tax Expenditures	36 MRSA	FY'04	FY'05
18				
20	Exemption for Motor Vehicle Fuel	1760 sub§8	\$63,834,209	\$65,134,658
22	Highway Fund Gasoline and Special Fuel Tax Expenditures	36 MRSA	FY'04	FY'05
24				
26	Local Government Exemption from the Gasoline Tax	2903	\$1,016,973	\$1,052,195
28				
30	Federal Exemption from the Gasoline Tax	2903	\$224,306	\$232,074
32				
34	Exemption for Gasoline Exported from the State	2903	\$51,532,256	\$53,317,032
36	Fuel Brought into the State in Fuel Tanks of Autos and Trucks	2903	A	A
38				
40	Gasoline Shrinkage Allowance	2906	\$738,598	\$764,179
42				
44	Refund on Worthless Accounts	2906-A	A	A
46	Refund of the Gasoline Tax for Off-highway Use	2908	\$415,100	\$431,603
48				
50	Refund of the Entire Gasoline Tax for Certain			

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Bus Companies	2909	\$38,549	\$40,082
4	State and Local Government Exemption from the Special Fuel Tax	3204-A	\$2,688,169	\$2,844,229
8	Distillate Fuel Credit for Worthless Accounts	3214	A	A
10	Refund of the Special Fuel Tax for Certain Bus Companies	3215	\$3,071	\$3,186
14	Refund of the Special Fuel Tax for Off-highway Use	3218	\$2,334,439	\$2,469,963
18	Exemption of Tax on Distillate Fuel Exported from the State	3204-A	\$5,797,174	\$6,074,175
22	Excise Tax Exemptions by United States Law	3204-A	\$154,616	\$162,003
24	Exemption for Dyed Fuel	3204-A	\$17,943,998	\$18,801,400
26	Exemption for Fuel Used Solely for Heating or Cooking	3204-A	\$13,575,439	\$14,224,102
30	Exempt Fuel Sold for the Generation of Power for Resale or Manufacturing	3204-A	\$878,278	\$920,244
36	General Fund Income Tax Expenditures	36 MRSA	FY'04	FY'05
38	Individual Income Tax Exemptions of Interest on U.S. Obligations	5122 sub§2 ¶A	\$8,566,116	\$8,908,760
42	Deduction for Social Security Benefits Taxable at Federal Level	5122 sub§2 ¶C	\$31,001,583	\$32,551,662
46	Deduction of Premiums Paid for Long-term Health Care Insurance	5122 sub§2 ¶L	\$784,746	\$823,983
50				

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Deduction for Contributions to a Capital Construction Fund	5122 sub§2 ¶I	C	C
4	Deduction for Qualified Withdrawal from Higher Education Account	5122 sub§2 ¶J	C	C
8	Deduction for Pension Income	5122 sub§2 ¶M	\$13,406,770	\$14,077,109
12	Deduction for Holocaust Victim Settlement Payments	5122 sub§2 ¶O	A	A
14	Itemized Deductions	5125	\$63,295,154	\$65,932,452
18	Income Tax Paid to Another Jurisdiction	5217-A	\$22,487,518	\$23,387,019
20	Income Tax Credit for Child Care Expense of Residents	5218	\$3,175,443	\$3,238,951
22	Retirement & Disability Tax Credit	5219-A	\$3,796	\$3,416
26	Income Taxes for Non-Maine Resident Servicemen	5142 sub§7	\$3,327,364	\$3,552,580
30	Exempt Assocs. & Trusts from Fed. Tax are Exempt from the ME Corp Inc. Tax	5162 sub§2	A	A
34	Credit for Income Taxes Paid Another State on an Estate or Trust	5165	A	A
38	Tax Credit on a Resident Trust	5214-A	A	A
42	Nonresident Trusts and Estates	5175	A	A
44	Corporate Income Tax Exemptions by U.S. Law	5200-A sub§2 ¶A	\$13,875,249	\$14,014,002
46	Exclusion for a Portion of the Dividends Received from Uncombined Affiliates	5200-A sub§2 ¶G	D	D
48				
50				

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Double-weighted Sales Tax Apportionment Formula	5211	\$2,402,934	\$2,426,964
4	Single Sales Factor Apportionment for Mutual Fund Service Providers	5212	A	A
8	Jobs and Investment Tax Credit	5215	\$1,047,747	\$1,079,180
10	Maine Seed Capital Tax Credit	5216-B	\$864,083	\$898,647
14	Family Development Account Credit	5216-C	\$20,331	\$21,145
16	Employer-assisted Child Care Tax Credit	5217	A	A
20	Employer-provided Long-term Care Benefits Credit	5217-B	A	A
24	Forest Management Planning Tax Credit	5219-C	A	A
26	Solid Waste Reduction Investment Tax Credit	5219-D	B	B
30	Machinery & Equipment Investment Tax Credit	5219-E	\$124,875	\$18,731
32	Research Expense Tax Credit	5219-K	\$254,142	\$264,308
36	Super Research & Development Expense Tax Credit	5219-L	\$815,547	\$856,324
40	High-technology Investment Tax Credit	5219-M	\$1,524,853	\$1,585,847
42	Low-income Tax Credit	5219-N	D	D
44	Dependent Health Insurance Tax Credit	5219-O	A	A
48	Clean Fuel Vehicle Economic & Infrastructure Development Credit	5219-P	A	A

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Educational Attainment Investment Tax Credit	5219-U	\$834,158	\$5,623,410
4	Recruitment Credit Investment Tax Credit	5219-V	\$92,684	\$173,920
8	Quality Child Care Investment Credit	5219-Q	A	A
10	Credit for Rehabilitation of Historic Properties	5219-R	\$152,485	\$158,585
14	State Earned Income Tax Credit	5219-S	\$1,444,514	\$1,487,849
16	Above the Line Deduction for Education Expenses	5102 sub§11	\$3,126,570	\$3,139,583
20	Deduction for Unreimbursed Teacher Expenses	5102 sub§11	\$101,883	\$0
22	Net Exclusion of Pension Contributions & Earnings (Employer Plans)	5102 sub§11	\$86,672,246	\$91,248,394
24	Net Exclusion of Pension Contributions & Earnings (Ind. Retire. Plans)	5102 sub§11	\$12,538,646	\$14,735,197
26	Net Exclusion of Pension Contributions & Earnings (Keogh Plans)	5102 sub§11	\$5,308,332	\$5,491,378
32	Exclusion of Premiums on Accident and Disability Insurance	5102 sub§11	\$2,196,551	\$2,288,074
34	Excl. of Other Employee Benefits (Premiums on Group Term Life Insurance)	5102 sub§11	\$2,288,074	\$2,379,597
36	Deductibility of Casualty & Theft Losses	5102 sub§11	\$202,137	\$222,351
42	Exclusion of Untaxed Medicare Benefits	5102 sub§11	\$24,697,695	\$24,436,631
44	Deductibility of Medical Expenses	5102 sub§11	\$8,148,114	\$8,699,627

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Excl. Contributions by Employers for Med. Insurance Premiums & Med. Care	5102 sub§11	\$77,886,041	\$84,018,080
4				
6	Exclusion of Public Assistance Benefits	5102 sub§11	\$2,928,735	\$3,020,258
8				
10	Expensing Multiperiod Timber Growing Costs	5102 sub§11	\$205,927	\$228,807
12				
14	Expensing of Exploration & Development Costs of Nonfuel Minerals	5102 sub§11	C	C
16				
18	Excess of Percentage over Cost Depletion, Nonfuel Minerals	5102 sub§11	\$72,991	\$75,911
20				
22	Excess of Percentage over Cost Depletion	5102 sub§11	\$678,590	\$705,733
24				
26	Deferral of Income of Controlled Foreign Corporations	5102 sub§11	\$997,271	\$1,037,162
28				
30	Expensing of Research & Development Expenditures	5102 sub§11	\$1,931,481	\$2,008,740
32				
34	Exclusion of Benefits & Allowances to Armed Forces Personnel	5102 sub§11	\$2,453,570	\$2,551,713
36				
38	Exclusion of Income of Foreign Sales Corporations	5102 sub§11	\$1,277,346	\$1,328,439
40				
42	Exclusion of Income Earned Abroad by U.S. Citizens	5102 sub§11	\$2,944,284	\$3,062,056
44				
46	Expensing of Exploration & Development Costs	5102 sub§11	C	C
48				
50	Exclusion of Workers' Compensation Benefits	5102 sub§11	\$3,729,427	\$3,878,604
	Deductibility of Charitable Contributions	5102 sub§11	\$22,629,854	\$24,161,578

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Exclusion for Employer-provided Child Care	5102 sub§11	\$785,143	\$816,548
4				
6	Exclusion for Certain Foster Care Payments	5102 sub§11	\$588,857	\$612,411
8				
10	Expensing Costs of Removing Architectural Barriers	5102 sub§11	\$109,005	\$113,365
12				
14	Exclusion of Cafeteria Plans	5102 sub§11	\$13,739,994	\$14,289,594
16				
18	Exclusion of Employees' Meals and Lodging (Other Than Military)	5102 sub§11	\$883,285	\$918,617
20				
22	Employee Stock Ownership Plans (ESOPs)	5102 sub§11	\$1,175,154	\$1,222,160
24				
26	Exclusion of Rental Allowances of Ministers' Home	5102 sub§11	\$396,383	\$412,238
28				
30	Exclusion of Miscellaneous Fringe Benefits	5102 sub§11	\$5,888,569	\$6,124,112
32				
34	Exclusion of Interest on State & Local Government Student Loan Bonds	5102 sub§11	\$392,571	\$408,274
36				
38	Exclusion of Scholarship and Fellowship Income	5102 sub§11	\$1,397,895	\$1,453,811
40				
42	Deduction for Interest on Student Loans	5102 sub§11	\$588,857	\$612,411
44				
46	Deferral of Tax on Earnings of Qualified State Tuition Programs	5102 sub§11	\$196,286	\$204,137
48				
50	Excl. Int. on State & Local Govt. Bonds for Private Nonprofit Educational Fac.	5102 sub§11	\$981,428	\$1,020,685
	Deductibility of Other State & Local Taxes	5102 sub§11	\$3,259,968	\$3,390,367

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Deduction of Self-employed Health and L-T Care Insurance Premiums	5102 sub§11	\$5,591,128	\$5,814,774
4				
6	Exclusion of Capital Gains at Death	5102 sub§11	\$54,869,301	\$57,064,073
8				
10	Expensing Depreciable Business Property	5102 sub§11	\$767,931	\$548,522
12	Amortization of Business Start-up Costs	5102 sub§11	\$588,857	\$612,411
14				
16	Depreciation on Equipment in Excess of Alternative Depreciation System	5102 sub§11	\$58,522,646	\$60,863,552
18				
20	Depreciation of Rental Housing in Excess of Alternative Depreciation System	5102 sub§11	\$2,678,659	\$2,785,805
22				
24	Depreciation on Buildings Other than Rental Housing in Excess of ADS	5102 sub§11	\$1,753,421	\$1,643,832
26				
28	Exclusion of Capital Gains on Homes Sales	5102 sub§11	\$17,469,421	\$18,168,198
30				
32	Exclusion of Interest on State & Local Rental-housing Bonds	5102 sub§11	\$352,546	\$366,648
34				
36	Exclusion of Interest on State & Local Owner-housing Bonds	5102 sub§11	\$1,175,154	\$1,222,160
38				
40	Deduction of Property Tax on Owner-occupied Homes	5102 sub§11	\$19,794,306	\$20,586,079
42				
44	Deductibility of Mortgage Interest on Owner-occupied Homes	5102 sub§11	\$35,895,044	\$37,330,846
46				
48	Permanent Exemption of Imputed Interest Rules	5102 sub§11	\$352,546	\$366,648
50				
50	Deferral of Gain on	5102 sub§11	\$1,762,730	\$1,833,240

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Installment Sales			
4	Completed Contract Rules	5102 sub§11	\$235,031	\$244,432
6	Exclusion of Interest on State & Local Small Issue Bonds	5102 sub§11	\$522,290	\$543,182
8				
10	Additional Standard Deduction for the Blind & the Elderly	5102 sub§11	\$3,164,579	\$3,291,162
12				
14	Parental Personal Exemption for Students Age 19 to 23	5102 sub§11	\$1,472,142	\$1,531,028
16				
18	Excl. of Vets. Disability Comp., Veterans Pensions & G.I. Bill Benefits	5102 sub§11	\$2,747,999	\$2,857,919
20				
22	Exclusion of Military Disability Benefits	5102 sub§11	\$98,143	\$102,069
24				
26	Exclusion of Employee Awards	5102 sub§11	\$99,096	\$103,059
28				
28	Deferral of Gain on Like-kind Exchanges	5102 sub§11	\$2,232,792	\$2,322,103
30				
30	Excl. of Interest on State & Local Govt. Sewage, Water & Hazardous Waste Bonds	5102 sub§11	\$98,143	\$102,069
32				
34				
36	Employer-paid Transportation Benefits	5102 sub§11	\$907,821	\$944,134
38				
38	Excl. of Interest on State & Local Govt. Bonds for Private Airports, Docks & Marine Facilities	5102 sub§11	\$822,607	\$855,512
40				
42				
44	Excl. of Interest on State & Local Govt. Bonds for Private Nonprofit Hospital Facilities	5102 sub§11	\$147,214	\$153,103
46				
48				
48	Excl. of Interest on State & Local Govt.	5102 sub§11	\$98,143	\$102,069
50				

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

			FY'04	FY'05
2	IBDs for Energy Production Facilities			
4	Local Government Fund Income Tax Expenditures	36 MRSA		
6	Individual Income Tax Exemptions of Interest on U.S. Obligations	5122 sub§2 ¶A	\$469,871	\$488,666
10	Deduction for Social Security Benefits Taxable at Federal Level	5122 sub§2 ¶C	\$1,700,509	\$1,785,534
14	Deduction of Premiums Paid for Long-term Health Care Insurance	5122 sub§2 ¶L	\$43,045	\$45,197
18	Deduction for Contributions to a Capital Construction Fund	5122 sub§2 ¶I	A	A
22	Deduction for Qualified Withdrawal from Higher Education Account	5122 sub§2 ¶J	A	A
26	Deduction for Pension Income	5122 sub§2 ¶M	\$735,392	\$772,162
30	Deduction for Holocaust Victim Settlement Payments	5122 sub§2 ¶O	A	A
34	Itemized Deductions	5125	\$3,471,886	\$3,616,548
38	Income Tax Paid to Another Jurisdiction	5217-A	\$1,233,493	\$1,282,832
42	Income Tax Credit for Child Care Expense	5218	\$174,180	\$177,664
46	Retirement & Disability Tax Credit	5219-A	\$208	\$187
50	Income Taxes for Non-Maine Resident Servicemen	5142 sub§7	\$182,514	\$194,867
50	Exempt Assocs. & Trusts from Fed. Tax are Exempt from the ME Corp Inc. Tax	5162 sub§2	A	A

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Credit for Income Taxes Paid Another State on an Estate or Trust	5165	A	A
6	Tax Credit on a Resident Trust	5214-A	A	A
8	Nonresident Trusts and Estates	5175	A	A
12	Corporate Income Tax Exemptions by U.S. Law	5200-A sub§2 ¶A	\$761,090	\$768,701
14	Exclusion for a Portion of the Dividends Received from Uncombined Affiliates	5200-A sub§2 ¶G	B	B
18	Double-weighted Sales Tax Apportionment Formula	5211	\$131,807	\$133,125
22	Single Sales Factor Apportionment for Mutual Fund Service Providers	5212	A	A
26	Jobs and Investment Tax Credit	5215	\$57,471	\$59,196
30	Maine Seed Capital Tax Credit	5216-B	\$47,397	\$49,293
32	Family Development Account Credit	5216-C	\$1,115	\$1,160
36	Employer-assisted Child Care Tax Credit	5217	A	A
38	Employer-provided Long-term Care Benefits Credit	5217-B	A	A
42	Forest Management Planning Tax Credit	5219-C	A	A
46	Solid Waste Reduction Investment Tax Credit	5219-D	A	A
48	Machinery & Equipment Investment Tax Credit	5219-E	\$6,850	\$1,027

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Research Expense Tax Credit	5219-K	\$13,940	\$14,498
4	Super Research & Development Expense Tax Credit	5219-L	\$44,735	\$46,971
8	High-technology Investment Tax Credit	5219-M	\$83,642	\$86,987
10	Low-income Tax Credit	5219-N	B	B
12	Dependent Health Insurance Tax Credit	5219-O	A	A
16	Clean Fuel Vehicle Economic & Infrastructure Development Credit	5219-P	A	A
20	Educational Attainment Investment Tax Credit	5219-U	\$45,756	\$308,457
22	Recruitment Credit	5219-V	\$5,084	\$9,540
24	Quality Child Care Investment Credit	5219-Q	A	A
28	Credit for Rehabilitation of Historic Properties	5219-R	\$8,364	\$8,699
30	State Earned Income Tax Credit	5219-S	\$79,235	\$81,612
34	Above the Line Deduction for Education Expenses	5102 sub§11	\$171,500	\$172,213
36	Deduction for Unreimbursed Teacher Expenses	5102 sub§11	\$5,589	\$0
40	Net Exclusion of Pension Contributions & Earnings (Employer Plans)	5102 sub§11	\$4,754,174	\$5,005,186
44	Net Exclusion of Pension Contributions & Earnings (Ind. Retire. Plans)	5102 sub§11	\$687,774	\$808,260
48	Net Exclusion of Pension Contributions & Earnings (Keogh Plans)	5102 sub§11	\$291,174	\$301,215

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Exclusion of Premiums on Accident and Disability Insurance	5102 sub§11	\$120,486	\$125,506
6	Excl. of Other Employee Benefits (Premiums on Group Term Life Insurance)	5102 sub§11	\$125,506	\$130,526
10	Deductibility of Casualty & Theft Losses	5102 sub§11	\$11,088	\$12,196
14	Exclusion of Untaxed Medicare Benefits	5102 sub§11	\$1,245,021	\$1,340,406
16	Deductibility of Medical Expenses	5102 sub§11	\$446,943	\$477,195
20	Excl. Contributions by Employers for Med. Insurance Premiums & Med. Care	5102 sub§11	\$4,272,230	\$4,608,587
24	Exclusion of Public Assistance Benefits	5102 sub§11	\$160,648	\$165,668
26	Expensing Multiperiod Timber Growing Costs	5102 sub§11	\$11,296	\$12,551
30	Expensing of Exploration & Development Costs of Nonfuel Minerals	5102 sub§11	A	A
34	Excess of Percentage over Cost Depletion, Nonfuel Minerals	5102 sub§11	\$4,004	\$4,164
38	Excess of Percentage over Cost Depletion	5102 sub§11	\$37,222	\$38,711
40	Deferral of Income of Controlled Foreign Corporations	5102 sub§11	\$54,703	\$56,891
44	Expensing of Research & Development Expenditures	5102 sub§11	\$105,946	\$110,184
48	Exclusion of Benefits & Allowances to Armed Forces Personnel	5102 sub§11	\$134,584	\$139,967

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Exclusion of Income of Foreign Sales Corporations	5102 sub§11	\$70,065	\$72,868
4				
6	Exclusion of Income Earned Abroad by U.S. Citizens	5102 sub§11	\$161,501	\$167,961
8				
10	Expensing of Exploration & Development Costs	5102 sub§11	A	A
12				
14	Exclusion of Workers' Compensation Benefits	5102 sub§11	\$204,568	\$212,750
16				
18	Deductibility of Charitable Contributions	5102 sub§11	\$1,241,300	\$1,325,319
20				
22	Exclusion for Employer-provided Child Care	5102 sub§11	\$43,067	\$44,790
24				
26	Exclusion for Certain Foster Care Payments	5102 sub§11	\$32,300	\$33,592
28				
30	Expensing Costs of Removing Architectural Barriers	5102 sub§11	\$5,979	\$6,218
32				
34	Exclusion of Cafeteria Plans	5102 sub§11	\$753,671	\$783,817
36				
38	Exclusion of Employees' Meals and Lodging (Other Than Military)	5102 sub§11	\$48,450	\$50,388
40				
42	Employee Stock Ownership Plans (ESOPs)	5102 sub§11	\$64,460	\$67,038
44				
46	Exclusion of Rental Allowances of Ministers' Home	5102 sub§11	\$21,743	\$22,612
48				
50	Exclusion of Miscellaneous Fringe Benefits	5102 sub§11	\$323,002	\$335,922
	Exclusion of Interest on State & Local Government Student Loan Bonds	5102 sub§11	\$21,533	\$22,395

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Exclusion of Scholarship and Fellowship Income	5102 sub§11	\$76,678	\$79,745
4				
6	Deduction for Interest on Student Loans	5102 sub§11	\$32,300	\$33,592
8				
10	Deferral of Tax on Earnings of Qualified State Tuition Programs	5102 sub§11	\$10,767	\$11,197
12				
14	Excl. Int. on State & Local Govt. Bonds for Private Nonprofit Educational Fac.	5102 sub§11	\$53,834	\$55,987
16				
18	Deductibility of Other State & Local Taxes	5102 sub§11	\$178,817	\$185,970
20				
22	Deduction of Self-employed Health and L-T Care Insurance Premiums	5102 sub§11	\$306,686	\$318,954
24				
26	Exclusion of Capital Gains at Death	5102 sub§11	\$3,009,708	\$3,130,097
28				
30	Expensing Depreciable Business Property	5102 sub§11	\$42,123	\$30,088
32				
34	Amortization of Business Start-up Costs	5102 sub§11	\$32,300	\$33,592
36				
38	Depreciation on Equipment in Excess of Alternative Depreciation System	5102 sub§11	\$3,210,103	\$3,338,507
40				
42	Depreciation of Rental Housing in Excess of Alternative Depreciation System	5102 sub§11	\$146,931	\$152,808
44				
46	Depreciation on Buildings Other than Rental Housing in Excess of ADS	5102 sub§11	\$96,179	\$90,168
48				
50	Exclusion of Capital Gains on Homes Sales	5102 sub§11	\$958,238	\$996,568
	Exclusion of Interest on State & Local Rental-housing Bonds	5102 sub§11	\$19,338	\$20,111

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Exclusion of Interest on State & Local Owner-housing Bonds	5102 sub§11	\$64,460	\$67,038
4				
6	Deduction of Property Tax on Owner-occupied Homes	5102 sub§11	\$1,085,764	\$1,129,194
8				
10	Deductibility of Mortgage Interest on Owner-occupied Homes	5102 sub§11	\$1,968,926	\$2,047,684
12				
14	Permanent Exemption of Imputed Interest Rules	5102 sub§11	\$19,338	\$20,111
16				
18	Deferral of Gain on Installment Sales	5102 sub§11	\$96,690	\$100,557
20				
22	Completed Contract Rules	5102 sub§11	\$12,892	\$13,408
24				
26	Exclusion of Interest on State & Local Small Issue Bonds	5102 sub§11	\$28,649	\$29,795
28				
30	Additional Standard Deduction for the Blind & the Elderly	5102 sub§11	\$173,584	\$180,528
32				
34	Parental Personal Exemption for Students Age 19 to 23	5102 sub§11	\$80,750	\$83,980
36				
38	Excl. of Vets. Disability Comp., Veterans Pensions & G.I. Bill Benefits	5102 sub§11	\$150,734	\$156,763
40				
42	Exclusion of Military Disability Benefits	5102 sub§11	\$5,383	\$5,599
44				
46	Exclusion of Employee Awards	5102 sub§11	\$5,436	\$5,653
48				
50	Deferral of Gain on Like-kind Exchanges	5102 sub§11	\$122,474	\$127,373
	Excl. of Interest on State & Local Govt. Sewage, Water & Hazardous Waste Bonds	5102 sub§11	\$5,383	\$5,599

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 973, L.D. 1319

2	Employer-paid Transportation Benefits	5102 sub§11	\$49,796	\$51,788
4				
6	Excl. of Interest on State & Local Govt. Bonds for Private Airports, Docks & Marine Facilities	5102 sub§11	\$45,122	\$46,927
8				
10	Excl. of Interest on State & Local Govt. Bonds for Private Nonprofit Hospital Facilities	5102 sub§11	\$8,075	\$8,398
12				
14				
16	Excl. of Interest on State & Local Govt. IBDs for Energy Production Facilities	5102 sub§11	\$5,383	\$5,599
18				
20				
22	CODE	TAX LOSS		
24	A	\$0 - 49,999		
26	B	\$50,000 - 249,999		
28	C	\$250,000 - 999,999		
30	D	\$1,000,000 - 2,999,999		
32	E	\$3,000,000 - 5,999,999		
34	F	\$6,000,000 or more		
36				
38	PART VV			
40	Sec. VV-1. 24 MRSA §2325-A, sub-§3, ¶¶A-1 and A-2 are enacted to read:			
42	A-1. <u>"Diagnostic and statistical manual" means the Diagnostic and Statistical Manual of Mental Disorders, 4th edition, published by the American Psychiatric Association.</u>			
44	A-2. <u>"Home health care services" means those services rendered by a licensed provider of mental health services to provide medically necessary health care to a person suffering from a mental illness in the person's place of residence if:</u>			
46				
48				
50				

COMMITTEE AMENDMENT

(1) Hospitalization or confinement in a residential treatment facility would otherwise have been required if home health care services were not provided;

(2) Hospitalization or confinement in a residential treatment facility is not required as an antecedent to the provision of home health care services; and

(3) The services are prescribed in writing by a licensed allopathic or osteopathic physician or a licensed psychologist who is trained and has received a doctorate in psychology specializing in the evaluation and treatment of mental illness.

Sec. VV-2. 24 MRSA §2325-A, sub-§3, ~~¶~~B-1 is enacted to read:

B-1. "Medically necessary health care" has the same meaning as in Title 24-A, section 4301-A, subsection 10-A.

Sec. VV-3. 24 MRSA §2325-A, sub-§3, ~~¶~~D, as enacted by PL 1983, c. 515, §4, is amended to read:

~~D. "Person suffering from a mental or nervous condition illness" means a person whose psychobiological processes are impaired severely enough to manifest problems in the areas of social, psychological or biological functioning. Such a person has a disorder of thought, mood, perception, orientation or memory which that impairs judgment, behavior, capacity to recognize or ability to cope with the ordinary demands of life. The person manifests an impaired capacity to maintain acceptable levels of functioning in the areas of intellect, emotion or physical well-being.~~

Sec. VV-4. 24 MRSA §2325-A, sub-§§4 and 5, as enacted by PL 1983, c. 515, §4, are amended to read:

~~4. Requirement. Every nonprofit hospital or and medical service organization which that issues group health care contracts providing coverage for-hospital-care to residents of this State shall provide benefits as required in this section to any subscriber or other person covered under those contracts for conditions arising from mental illness.~~

~~5. Services. Each group contract shall must provide, at a minimum for medically necessary health care for a person suffering from mental illness. Medically necessary health care includes, but is not limited to, for the following benefits services for a person suffering from a mental or-nervous condition illness:~~

A. Inpatient care;

B. Day treatment services; and

C. Outpatient services; and

D. Home health care services; and

Sec. VV-5. 24 MRSA §2325-A, sub-§5-C, as amended by PL 1995, c. 625, Pt. B, §6 and affected by §7 and amended by c. 637, §1, is further amended to read:

5-C. Coverage for treatment for certain mental illnesses. Coverage for medical treatment for mental illnesses listed in paragraph A-1 is subject to this subsection.

~~A. All group contracts must provide, at a minimum, benefits according to paragraph B, subparagraph (1) for a person receiving medical treatment for any of the following mental illnesses diagnosed by a licensed allopathic or osteopathic physician or a licensed psychologist who is trained and has received a doctorate in psychology specializing in the evaluation and treatment of human behavior:~~

~~(1) Schizophrenia;~~

~~(2) Bipolar disorder;~~

~~(3) Pervasive developmental disorder, or autism;~~

~~(4) Paranoia;~~

~~(5) Panic disorder;~~

~~(6) Obsessive-compulsive disorder; or~~

~~(7) Major depressive disorder.~~

A-1. All group contracts must provide, at a minimum, benefits according to paragraph B, subparagraph (1) for a person receiving medical treatment for any of the following categories of mental illness as defined in the Diagnostic and Statistical Manual, except for those that are designated as "V" codes by the Diagnostic and Statistical Manual:

(1) Psychotic disorders, including schizophrenia;

(2) Dissociative disorders;

(3) Mood disorders;

(4) Anxiety disorders;

(5) Personality disorders;

(6) Paraphilias;

(7) Attention deficit and disruptive behavior disorders;

(8) Pervasive developmental disorders;

(9) Tic disorders;

(10) Eating disorders, including bulimia and anorexia; and

(11) Substance abuse-related disorders.

For the purposes of this paragraph, the mental illness must be diagnosed by a licensed allopathic or osteopathic physician or a licensed psychologist who is trained and has received a doctorate in psychology specializing in the evaluation and treatment of mental illness.

B. All policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State ~~on or after July 1, 1996~~ must provide benefits that meet the requirements of this paragraph. ~~For purposes of this paragraph, all contracts are deemed renewed no later than the next yearly anniversary of the contract date.~~

(1) The contracts must provide benefits for the treatment and diagnosis of mental illnesses under terms and conditions that are no less extensive than the benefits provided for medical treatment for physical illnesses.

(2) At the request of a nonprofit hospital or and medical service organization, a provider of medical treatment for mental illness shall furnish data substantiating that initial or continued treatment is medically necessary ~~and appropriate~~ health care. When making the determination of whether treatment is medically necessary ~~and appropriate~~ health care, the provider shall use the same criteria for medical treatment for mental illness as for medical treatment for physical illness under the group contract.

(3) If benefits and coverage for treatment of physical illness are provided on an expense-incurred basis, the benefits and coverage required under this subsection may be delivered separately under a managed care system.

(4) A policy or contract may not have separate maximums for physical illness and mental illness, separate deductibles and coinsurance amounts for physical illness and mental illness, separate out-of-pocket limits in a benefit period of not more than 12 months for physical illness and mental illness or separate office visit limits for physical illness and mental illness.

(5) A health benefit plan may not impose a limitation on coverage or benefits for mental illness unless that same limitation is also imposed on the coverage and benefits for physical illness covered under the policy or contract.

(6) Copayments required under a policy or contract for benefits and coverage for mental illness must be actuarially equivalent to any coinsurance requirements or, if there are no coinsurance requirements, may not be greater than any copayment or coinsurance required under the policy or contract for a benefit or coverage for a physical illness.

(7) For the purposes of this section, a medication management visit associated with a mental illness must be covered in the same manner as a medication management visit for the treatment of a physical illness and may not be counted in the calculation of any maximum outpatient treatment visit limits.

This subsection does not apply to policies, contracts and certificates covering employees of employers with 20 or fewer employees, whether the group policy is issued to the employer, to an association, to a multiple-employer trust or to another entity.

~~This subsection may not be construed to allow coverage and benefits for the treatment of alcoholism or other drug dependencies through the diagnosis of a mental illness listed in paragraph A.~~

Sec. VV-6. 24 MRSA §2325-A, sub-§5-D, as amended by PL 1995, c. 637, §2, is further amended to read:

5-D. Mandated offer of coverage for certain mental illnesses. Except as otherwise provided, coverage for medical

treatment for mental illnesses listed in paragraph A by all individual and group nonprofit hospital and medical ~~services~~ service organization health care plan contracts is subject to this subsection.

A. All individual and group contracts must make available coverage providing, at a minimum, benefits according to paragraph B, subparagraph (1) for a person receiving medical treatment for any of the following mental illnesses diagnosed by a licensed allopathic or osteopathic physician or a licensed psychologist who is trained and has received a doctorate in psychology specializing in the evaluation and treatment of human-behavior mental illness:

- (1) Schizophrenia;
- (2) Bipolar disorder;
- (3) Pervasive developmental disorder, or autism;
- (4) Paranoia;
- (5) Panic disorder;
- (6) Obsessive-compulsive disorder; or
- (7) Major depressive disorder.

B. Every nonprofit hospital and medical ~~services~~ service organization and nonprofit health care plan must make available coverage in all individual and group policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State ~~on-or-after~~ July-1, 1996 that provides benefits meeting the requirements of this paragraph. ~~For purposes of this paragraph, all contracts are deemed renewed no later than the next yearly anniversary of the contract date.~~

(1) The offer of coverage must provide benefits for the treatment and diagnosis of mental illnesses under terms and conditions that are no less extensive than the benefits provided for medical treatment for physical illnesses.

(2) At the request of a nonprofit hospital ~~or~~ and medical service organization, a provider of medical treatment for mental illness shall furnish data substantiating that initial or continued treatment is medically necessary and ~~appropriate~~ health care. When making the determination of whether treatment is

medically necessary and ~~appropriate~~ health care, the provider shall use the same criteria for medical treatment for mental illness as for medical treatment for physical illness under the individual or group contract.

~~This subsection may not be construed to allow coverage and benefits for the treatment of alcoholism or other drug dependencies through the diagnosis of a mental illness listed in paragraph A.~~

Sec. VV-7. 24 MRSA §2325-A, sub-§6, as enacted by PL 1983, c. 515, §4, is amended to read:

6. **Contracts; providers.** Subject to the approval by the Superintendent of Insurance pursuant to section 2305, a nonprofit hospital ~~or~~ and a medical service organization incorporated under this chapter shall offer contracts to providers authorizing the provision of mental health services within the scope of the provider's licensure.

Sec. VV-8. 24-A MRSA §2749-C, sub-§1, as amended by PL 1995, c. 637, §3, is further amended to read:

1. **Coverage for treatment for certain mental illnesses.** Coverage for medical treatment for mental illnesses listed in paragraph A by all individual policies is subject to this section.

A. All individual policies must make available coverage providing, at a minimum, benefits according to paragraph B, subparagraph (1) for a person receiving medical treatment for any of the following mental illnesses diagnosed by a licensed allopathic or osteopathic physician or a licensed psychologist who is trained and has received a doctorate in psychology specializing in the evaluation and treatment of human-behavior mental illness:

- (1) Schizophrenia;
- (2) Bipolar disorder;
- (3) Pervasive developmental disorder, or autism;
- (4) Paranoia;
- (5) Panic disorder;
- (6) Obsessive-compulsive disorder; or
- (7) Major depressive disorder.

2 B. All individual policies and contracts executed,
4 delivered, issued for delivery, continued or renewed in this
6 State ~~on or after July 1, 1996~~ must make available coverage
8 providing benefits that meet the requirements of this
paragraph. ~~For purposes of this paragraph, all contracts~~
~~are deemed renewed no later than the next yearly anniversary~~
~~of the contract date.~~

10 (1) The offer of coverage must provide benefits for
12 the treatment and diagnosis of mental illnesses under
14 terms and conditions that are no less extensive than
the benefits provided for medical treatment for
physical illnesses.

16 (2) At the request of a reimbursing insurer, a
18 provider of medical treatment for mental illness shall
20 furnish data substantiating that initial or continued
22 treatment is medically necessary and ~~appropriate health~~
24 ~~care.~~ When making the determination of whether
26 treatment is medically necessary and ~~appropriate health~~
28 ~~care,~~ the provider shall use the same criteria for
30 medical treatment for mental illness as for medical
32 treatment for physical illness under the individual
34 policy.

36 ~~This subsection may not be construed to allow coverage and~~
38 ~~benefits for the treatment of alcoholism or other drug~~
40 ~~dependencies through the diagnosis of a mental illness listed in~~
42 ~~paragraph A.~~

44 Sec. VV-9. 24-A MRSA §2749-C, sub-§2, as enacted by PL 1995,
46 c. 407, §5, is amended to read:

48 2. **Contracts; providers.** ~~Subject to approval by the~~
50 ~~superintendent pursuant to section 2305, an~~ An insurer
incorporated under this chapter shall offer contracts to
providers authorizing the provision of mental health services
within the scope of the provider's licensure.

Sec. VV-10. 24-A MRSA §2843, sub-§3, ~~¶¶A-1 and A-2~~ is enacted
to read:

A-1. "Diagnostic and statistical manual" means the
Diagnostic and Statistical Manual of Mental Disorders, 4th
edition, published by the American Psychiatric Association.

A-2. "Home health care services" means those services
rendered by a licensed provider of mental health services to
provide medically necessary health care to a person

2 suffering from a mental illness in the person's place of
4 residence if:

6 (1) Hospitalization or confinement in a residential
8 treatment facility would otherwise have been required
10 if home health care services were not provided;

12 (2) Hospitalization or confinement in a residential
14 treatment facility is not required as an antecedent to
16 the provision of home health care services; and

18 (3) The services are prescribed in writing by a
20 licensed allopathic or osteopathic physician or a
22 licensed psychologist who is trained and has received a
24 doctorate in psychology specializing in the evaluation
26 and treatment of mental illness.

28 Sec. VV-11. 24-A MRSA § 2843, sub-§3, ¶ B-1 is enacted to read:

30 B-1. "Medically necessary health care" has the same meaning
32 as in section 4301-A, subsection 10-A.

34 Sec. VV-12. 24-A MRSA §2843, sub-§3, ¶D, as enacted by PL
36 1983, c. 515, §6, is amended to read:

38 D. "Person suffering from a mental ~~or nervous condition~~
40 illness" means a person whose psychobiological processes are
42 impaired severely enough to manifest problems in the areas
44 of social, psychological or biological functioning. Such a
46 person has a disorder of thought, mood, perception,
48 orientation or memory which that impairs judgment, behavior,
capacity to recognize or ability to cope with the ordinary
demands of life. The person manifests an impaired capacity
to maintain acceptable levels of functioning in the areas of
intellect, emotion or physical well-being.

Sec. VV-13. 24-A MRSA §2843, sub-§§4 and 5, as enacted by PL
1983, c. 515, §6, are amended to read:

4. **Requirement.** Every insurer which ~~that~~ issues group
health care contracts providing coverage ~~for hospital care~~ to
residents of this State shall provide benefits as required in
this section to any subscriber or other person covered under
those contracts for conditions arising from mental illness.

5. **Services.** Each group contract shall ~~must~~ provide, ~~at a~~
~~minimum,~~ for medically necessary health care for a person
suffering from mental illness. Medically necessary health care

includes, but is not limited to, the following benefits services for a person suffering from a mental or nervous condition illness:

- A. Inpatient care;
- B. Day treatment services; and
- C. Outpatient services; and
- D. Home health care services.

Sec. VV-14. 24-A MRSA §2843, sub-§5-C, as amended by PL 1995, c. 625, Pt. B, §8 and affected by §9 and amended by c. 637, §4, is further amended to read:

5-C. Coverage for treatment for certain mental illness. Coverage for medical treatment for mental illnesses listed in paragraph -A- A-1 is subject to this subsection.

All group contracts must provide, at a minimum, benefits according to paragraph B, subparagraph (1) for a person receiving medical treatment for any of the following mental illnesses diagnosed by a licensed allopathic or osteopathic physician or a licensed psychologist who is trained and has received a doctorate in psychology specializing in the evaluation and treatment of human behavior:

- (1) Schizophrenia;
- (2) Bipolar disorder;
- (3) Pervasive developmental disorder, or autism;
- (4) Paranoia;
- (5) Panic disorder;
- (6) Obsessive compulsive disorder; or
- (7) Major depressive disorder.

A-1. All group contracts must provide, at a minimum, benefits according to paragraph B, subparagraph (1) for a person receiving medical treatment for any of the following categories of mental illness as defined in the Diagnostic and Statistical Manual, except for those that are designated as "V" codes by the Diagnostic and Statistical Manual:

- (1) Psychotic disorders, including schizophrenia;

- (2) Dissociative disorders;
- (3) Mood disorders;
- (4) Anxiety disorders;
- (5) Personality disorders;
- (6) Paraphilias;
- (7) Attention deficit and disruptive behavior disorders;
- (8) Pervasive developmental disorders;
- (9) Tic disorders;
- (10) Eating disorders, including bulimia and anorexia; and
- (11) Substance abuse-related disorders.

For the purposes of this paragraph, the mental illness must be diagnosed by a licensed allopathic or osteopathic physician or a licensed psychologist who is trained and has received a doctorate in psychology specializing in the evaluation and treatment of mental illness.

B. All policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after July 1, 1996 must provide benefits that meet the requirements of this paragraph. For purposes of this paragraph, all contracts are deemed renewed no later than the next yearly anniversary of the contract date.

- (1) The contracts must provide benefits for the treatment and diagnosis of mental illnesses under terms and conditions that are no less extensive than the benefits provided for medical treatment for physical illnesses.
- (2) At the request of a nonprofit hospital or medical service organization a reimbursing insurer, a provider of medical treatment for mental illness shall furnish data substantiating that initial or continued treatment is medically necessary and appropriate health care. When making the determination of whether treatment is medically necessary and appropriate health care, the provider shall use the same criteria for medical

treatment for mental illness as for medical treatment for physical illness under the group contract.

(3) If benefits and coverage provided for treatment of physical illness are provided on an expense-incurred basis, the benefits and coverage required under this subsection may be delivered separately under a managed care system.

(4) A policy or contract may not have separate maximums for physical illness and mental illness, separate deductibles and coinsurance amounts for physical illness and mental illness, separate out-of-pocket limits in a benefit period of not more than 12 months for physical illness and mental illness or separate office visit limits for physical illness and mental illness.

(5) A health benefit plan may not impose a limitation on coverage or benefits for mental illness unless that same limitation is also imposed on the coverage and benefits for physical illness covered under the policy or contract.

(6) Copayments required under a policy or contract for benefits and coverage for mental illness must be actuarially equivalent to any coinsurance requirements or, if there are no coinsurance requirements, may not be greater than any copayment or coinsurance required under the policy or contract for a benefit or coverage for a physical illness.

(7) For the purposes of this section, a medication management visit associated with a mental illness must be covered in the same manner as a medication management visit for the treatment of a physical illness and may not be counted in the calculation of any maximum outpatient treatment visit limits.

This subsection does not apply to policies, contracts and certificates covering employees of employers with 20 or fewer employees, whether the group policy is issued to the employer, to an association, to a multiple-employer trust or to another entity.

~~This subsection may not be construed to allow coverage and benefits for the treatment of alcoholism or other drug dependencies through the diagnosis of a mental illness listed in paragraph A.~~

Sec. VV-15. 24-A MRSA §2843, sub-§5-D, as amended by PL 1995, c. 637, §5, is further amended to read:

5-D. Mandated offer of coverage for certain mental illnesses. Except as otherwise provided in subsection 5-C, coverage for medical treatment for mental illnesses listed in paragraph A by all group contracts is subject to this subsection.

A. All group contracts must make available coverage providing, at a minimum, benefits according to paragraph B, subparagraph (1) for a person receiving medical treatment for any of the following mental illnesses diagnosed by a licensed allopathic or osteopathic physician or a licensed psychologist who is trained and has received a doctorate in psychology specializing in the evaluation and treatment of human-behavior mental illness:

- (1) Schizophrenia;
- (2) Bipolar disorder;
- (3) Pervasive developmental disorder, or autism;
- (4) Paranoia;
- (5) Panic disorder;
- (6) Obsessive-compulsive disorder; or
- (7) Major depressive disorder.

B. All group policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after July 1, 1996 must make available coverage providing benefits that meet the requirements of this paragraph. ~~For purposes of this paragraph, all contracts are deemed renewed no later than the next yearly anniversary of the contract date.~~

(1) The offer of coverage must provide benefits for the treatment and diagnosis of mental illnesses under terms and conditions that are no less extensive than the benefits provided for medical treatment for physical illnesses.

(2) At the request of a reimbursing insurer, a provider of medical treatment for mental illness shall furnish data substantiating that initial or continued treatment is medically necessary and appropriate health care. When making the determination of whether

treatment is medically necessary and appropriate health care, the provider shall use the same criteria for medical treatment for mental illness as for medical treatment for physical illness under the group contract.

~~This subsection may not be construed to allow coverage and benefits for the treatment of alcoholism and other drug dependencie through the diagnosis of a mental illness listed in paragraph A.~~

Sec. VV-16. 24-A MRSA §4234-A, sub-§3, ¶A-1 and A-2 is enacted to read:

A-1. "Diagnostic and Statistical Manual" means the Diagnostic and Statistical Manual of Mental Disorders, 4th edition, published by the American Psychiatric Association.

A-2. "Home health care services" means those services rendered by a licensed provider of mental health services to provide medically necessary health care to a person suffering from a mental illness in the person's place of residence if:

(1) Hospitalization or confinement in a residential treatment facility would otherwise have been required if home health care services were not provided;

(2) Hospitalization or confinement in a residential treatment facility is not required as an antecedent to the provision of home health care services; and

(3) The services are prescribed in writing by a licensed allopathic or osteopathic physician or a licensed psychologist who is trained and has received a doctorate in psychology specializing in the evaluation and treatment of mental illness.

Sec. VV-17. 24-A MRSA §4234-A, sub-§3, ¶B-1 is enacted to read:

B-1. "Medically necessary health care" has the same meaning as in section 4301-A, subsection 10-A.

Sec. VV-18. 24-A MRSA §4234-A, sub-§3, ¶D, as enacted by PL 1995, c. 407, §10, is amended to read:

D. "Person suffering from a mental ex-nervous-conditions illness" means a person whose psychobiological processes are impaired severely enough to manifest problems in the area of social, psychological or biological functioning. Such a

person has a disorder of thought, mood, perception, orientation or memory that impairs judgment, behavior, capacity to recognize or ability to cope with the ordinary demands of life. The person manifests an impaired capacity to maintain acceptable levels of functioning in the area of intellect, emotion or physical well-being.

Sec. VV-19. 24-A MRSA §4234-A, sub-§4 and 5, as enacted by PL 1995, c. 407, §10, are amended to read:

4. Requirement. Every health maintenance organization that issues individual or group health care contracts providing coverage ~~for-hospital-care~~ to residents of this State shall provide benefits as required in this section to any subscriber or other person covered under those contracts for conditions arising from mental illness.

5. Services. Each individual or group contract must provide, ~~at-a-minimum,~~ for medically necessary health care for a person suffering from mental illness. Medically necessary health care includes, but is not limited to, the following benefits services for a person suffering from a mental ex-nervous conditions illness:

- A. Inpatient services;
- B. Day treatment services; and
- C. Outpatient services; and
- D. Home health care services.

Sec. VV-20. 24-A MRSA §4234-A, sub-§6, as amended by PL 1995, c. 637, §6, is further amended to read:

6. Coverage for treatment of certain mental illnesses. Coverage for medical treatment for mental illnesses listed in paragraph ~~A- A-1~~ is subject to this subsection.

~~A--All-group-contracts-must-provide,-at-a-minimum,-benefits according-to-paragraph-B,-subparagraph-(1)-for-a-person receiving-medical-treatment-for-any-of-the-following-mental illnesses-diagnosed-by-a-licensed-allopathic-or-osteopathic physician-or-a-licensed-psychologist-who-is-trained-and-has received-a-doctorate-in-psychology-specialising-in-the evaluation-and-treatment-of-human-behavior:~~

- ~~(1)--Schizophrenia;~~
- ~~(2)--Bipolar-disorder;~~

- 2 ~~(3) --Pervasive developmental disorder, or autism;~~
- 4 ~~(4) --Paranoia;~~
- 6 ~~(5) --Panic disorder;~~
- 8 ~~(6) --Obsessive-compulsive disorder; or~~
- 10 ~~(7) --Major depressive disorder.~~

12 A-1. All group contracts must provide, at a minimum,
 14 benefits according to paragraph B, subparagraph (1) for a
 16 person receiving medical treatment for any of the following
 18 categories of mental illness as defined in the Diagnostic
 20 and Statistical Manual, except for those designated as "V"
 22 codes in the Diagnostic and Statistical Manual:

- 24 (1) Psychotic disorders, including schizophrenia;
- 26 (2) Dissociative disorders;
- 28 (3) Mood disorders;
- 30 (4) Anxiety disorders;
- 32 (5) Personality disorders;
- 34 (6) Paraphilias;
- 36 (7) Attention deficit and disruptive behavior
 38 disorders;
- 40 (8) Pervasive developmental disorders;
- 42 (9) Tic disorders;
- 44 (10) Eating disorders, including bulimia and anorexia;
 46 and
- 48 (11) Substance abuse-related disorders.

50 For the purposes of this paragraph, the mental illness must
 be diagnosed by a licensed allopathic or osteopathic
 physician or a licensed psychologist who is trained and has
 received a doctorate in psychology specializing in the
 evaluation and treatment of mental illness.

B. All policies, contracts and certificates executed,
 delivered, issued for delivery, continued or renewed in this

COMMITTEE AMENDMENT

2 ~~State on or after July 1, 1996 must provide benefits that~~
 4 ~~meet the requirements of this paragraph. For purposes of~~
 6 ~~this paragraph, all contracts are deemed renewed no later~~
 8 ~~than the next yearly anniversary of the contract date.~~

(1) The contracts must provide benefits for the
 treatment and diagnosis of mental illnesses under terms
 and conditions that are no less extensive than the
 benefits provided for medical treatment for physical
 illnesses.

(2) At the request of a reimbursing health maintenance
 organization, a provider of medical treatment for
 mental illness shall furnish data substantiating that
 initial or continued treatment is medically necessary
 and ~~appropriate health care~~. When making the
 determination of whether treatment is medically
 necessary and ~~appropriate health care~~, the provider
 shall use the same criteria for medical treatment for
 mental illness as for medical treatment for physical
 illness under the group contract.

~~(3) If benefits and coverage for the treatment of~~
~~physical illness are provided on an expense-incurred~~
~~basis, the benefits and coverage required under this~~
~~subsection may be delivered separately under a managed~~
~~care system.~~

~~(4) A policy or contract may not have separate~~
~~maximums for physical illness and mental illness,~~
~~separate deductibles and coinsurance amounts for~~
~~physical illness and mental illness, separate~~
~~out-of-pocket limits in a benefit period of not more~~
~~than 12 months for physical illness and mental illness~~
~~or separate office visit limits for physical illness~~
~~and mental illness.~~

~~(5) A health benefit plan may not impose a limitation~~
~~on coverage or benefits for mental illness unless that~~
~~same limitation is also imposed on the coverage and~~
~~benefits for physical illness covered under the policy~~
~~or contract.~~

~~(6) Copayments required under a policy or contract for~~
~~benefits and coverage for mental illness must be~~
~~actuarially equivalent to any coinsurance requirements~~
~~or, if there are no coinsurance requirements, may not~~
~~be greater than any copayment or coinsurance required~~
~~under the policy or contract for a benefit or coverage~~
~~for a physical illness.~~

COMMITTEE AMENDMENT

(7) For the purposes of this section, a medication management visit associated with a mental illness must be covered in the same manner as a medication management visit for the treatment of a physical illness and may not be counted in the calculation of any maximum outpatient treatment visit limits.

This subsection does not apply to policies, contracts or certificates covering employees of employers with 20 or fewer employees, whether the group policy is issued to the employer, to an association, to a multiple-employer trust or to another entity.

~~This subsection may not be construed to allow coverage and benefits for the treatment of alcoholism and other drug dependencies through the diagnosis of a mental illness listed in paragraph A.~~

Sec. VV-21. 24-A MRSA §4234-A, sub-§7, as amended by PL 1995, c. 637, §7, is further amended to read:

7. Mandated offer of coverage for certain mental illnesses. Except as provided in subsection 6, coverage for medical treatment for mental illnesses listed in paragraph A by all individual and group contracts is subject to this subsection.

A. All individual and group contracts must make available coverage providing, at a minimum, benefits according to paragraph B, subparagraph (1) for a person receiving medical treatment for any of the following mental illnesses diagnosed by a licensed allopathic or osteopathic physician or a licensed psychologist who is trained and has received a doctorate in psychology specializing in the evaluation and treatment of human behavior mental illness:

- (1) Schizophrenia;
- (2) Bipolar disorder;
- (3) Pervasive developmental disorder, or autism;
- (4) Paranoia;
- (5) Panic disorder;
- (6) Obsessive-compulsive disorder; or
- (7) Major depressive disorder.

B. All individual and group policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State ~~on or after July 1, 1996~~ must make available coverage providing benefits that meet the requirements of this paragraph. ~~For purposes of this paragraph, all contracts are deemed renewed no later than the next yearly anniversary of the contract date.~~

(1) The offer of coverage must provide benefits for the treatment and diagnosis of mental illnesses under terms and conditions that are no less extensive than the benefits provided for medical treatment for physical illnesses.

(2) At the request of a reimbursing health maintenance organization, a provider of medical treatment for mental illness shall furnish data substantiating that initial or continued treatment is medically necessary and appropriate health care. When making the determination of whether treatment is medically necessary and appropriate health care, the provider shall use the same criteria for medical treatment for mental illness as for medical treatment for physical illness under the individual or group contract.

~~This subsection may not be construed to allow coverage and benefits for the treatment of alcoholism and other drug dependencies through the diagnosis of a mental illness listed in paragraph A.~~

Sec. VV-22. 24-A MRSA §4234-A, sub-§8, as enacted by PL 1995, c. 407, §10, is amended to read:

8. Contracts; providers. ~~Subject to approval by the superintendent pursuant to section 4204, a~~ health maintenance organization incorporated under this chapter shall allow providers to contract, subject to the health maintenance organization's credentialing policy, for the provision of mental health services within the scope of the provider's licensure.

Sec. VV-23. 24-A MRSA §4234-A, sub-§8-A, as enacted by PL 1997, c. 174, §1, is amended to read:

8-A. Mental health services provided by counseling professionals. A health maintenance organization that issues individual or group health care contracts providing coverage for mental health services shall offer coverage for those services when performed by a counseling professional who is licensed by the State pursuant to Title 32, chapter 119 to assess and treat interpersonal and intrapersonal problems, has at least a masters

2 ~~master's~~ degree in counseling or a related field from an
 3 accredited educational institution and has been employed as
 4 counselor for at least 2 years. Any contract providing coverage
 5 for the services of counseling professionals pursuant to this
 6 subsection may be subject to any reasonable limitations, maximum
 7 benefits, coinsurance, deductibles or exclusion provisions
 8 applicable to overall benefits under the contract. This
 9 ~~subsection applies to all contracts executed, delivered, issued~~
 10 ~~for delivery, continued or renewed in this State on or after~~
 11 ~~January 1, 1998. For purposes of this subsection, all contracts~~
 12 ~~are deemed renewed no later than the next yearly anniversary of~~
 13 ~~the contract date.~~

14 **Sec. VV-24. 24-A MRSA §4234-A, sub-§11**, as amended by PL
 15 1995, c. 673, Pt. D, §8, is further amended to read:

16 **11. Application.** Except as otherwise provided, the
 17 requirements of this section apply to all policies, contracts and
 18 certificates executed, delivered, issued for delivery, continued
 19 or renewed in this State ~~on and after July 1, 1996~~. Contracts
 20 entered into with the State Government or the Federal Government
 21 to service Medicaid or Medicare populations may limit the
 22 services provided under such contracts consistent with the terms
 23 of those contracts if mental health services are provided to
 24 these populations by other means. ~~For purposes of this section,~~
 25 ~~all contracts are deemed renewed no later than the next yearly~~
 26 ~~anniversary of the contract date.~~

27 **Sec. VV-25. Application.** The requirements of this Part apply
 28 to all policies, contracts and certificates executed, delivered,
 29 issued for delivery, continued or renewed in this State on or
 30 after October 1, 2003. For purposes of this Part, all contracts
 31 are deemed to be renewed no later than the next yearly
 32 anniversary of the contract date.

33 **Sec. VV-26. Exemption from review.** Notwithstanding the Maine
 34 Revised Statutes, Title 24-A, section 2752, this Part is enacted
 35 without review and evaluation by the Department of Professional
 36 and Financial Regulation, Bureau of Insurance.

37 **Sec. VV-27. Bureau of Insurance report.** The Department of
 38 Professional and Financial Regulation, Bureau of Insurance shall
 39 review and evaluate the financial impact, social impact and
 40 medical efficacy of the mandated health insurance benefit
 41 required in this Part after its enactment in the same manner as
 42 required for proposed mandated health benefits legislation in the
 43 Maine Revised Statutes, Title 24-A, section 2752. The bureau
 44 also shall include a comparison of the projected cost impact of
 45 this mandated benefit prior to enactment and the actual cost
 46 impact of the mandated benefit based on premium information

2 after enactment. As part of its assessment of the medical
 3 efficacy of the mandate, the bureau shall consult with the
 4 Department of Human Services, the Department of Behavioral and
 5 Developmental Services and providers of mental health services to
 6 determine whether the mandate has increased early intervention
 7 and treatment for mental illness and reduced the severity of
 8 mental illness experienced by residents of this State. The
 9 bureau shall contract within the bureau's existing budgeted
 10 resources for any necessary consulting and actuarial expertise to
 11 complete the report required by this section. The bureau shall
 12 submit a report to the joint standing committee of the
 13 Legislature having jurisdiction over insurance and financial
 14 services matters by January 1, 2006.

PART WW

15 **Sec. WW-1. 12 MRSA §6304, sub-§2**, as enacted by PL 1977, c.
 16 661, §5, is amended to read:

17 **2. Duplication.** Licenses which ~~that~~ have been lost or
 18 destroyed shall ~~must~~ be reissued at a cost of \$1 ~~5~~.

19 **Sec. WW-2. 12 MRSA §6421, sub-§§7-A and 8**, as amended by PL
 20 1995, c. 568, §1, are further amended to read:

21 **7-A. Fee.** Except as provided in subsection 8, the fee for
 22 the license is:

23 A. ~~Forty-six~~ Fifty-six dollars for a Class I license for
 24 applicants under 18 years of age;

25 B. ~~Ninety-three~~ One hundred and thirteen dollars and
 26 seventy-five cents for a Class I license for applicants 18
 27 years of age or older;

28 C. ~~One-hundred-eighty-six~~ Two hundred twenty-eight dollars
 29 and fifty cents for a Class II license;

30 D. ~~Two-hundred-seventy-nine~~ Three hundred forty-one dollars
 31 and twenty-five cents for a Class III license;

32 E. ~~Forty-six~~ Fifty-six dollars for an apprentice lobster
 33 and crab fishing license for applicants under 18 years of
 34 age;

35 F. ~~Ninety-three~~ One hundred and fourteen dollars for an
 36 apprentice lobster and crab fishing license for applicants
 37 18 years of age or older;

G. ~~Forty-six~~ Fifty-six dollars for a student lobster and crab fishing license; and

H. ~~Forty-six~~ Fifty-six dollars for a noncommercial lobster and crab fishing license.

8. **Exception.** The fee for a Class I or an apprentice lobster and crab fishing license for applicants 70 years of age or older is \$46 ~~\$56~~.

Sec. WW-3. 12 MRSA §6431-B, as enacted by PL 1995, c. 468, §5, is amended to read:

§6431-B. Tag system

By March 1, 1996, the commissioner shall establish by rule a lobster trap tag system under which lobster and crab fishing license holders must purchase tags for the purpose of identifying and tracking traps. The rules must contain provisions for replacing lost tags. The commissioner may impose a per-tag fee to cover the cost of trap tags, the costs of administering and enforcing a lobster trap tag system, ~~the costs of management of the lobster fishery~~ and the costs associated with lobster management policy councils and referenda pursuant to section 6447. Trap tag fees must be deposited in the Lobster Management Fund established under section 6431-C.

Sec. WW-4. 12 MRSA §6431-C, sub-§2, as amended by PL 2001, c. 581, §3, is further amended to read:

2. **Purpose.** All money credited to the Lobster Management Fund must be used to cover the costs of trap tags and the administration and enforcement of a lobster trap tag system under section 6431-B, ~~the costs of management of the lobster fishery~~, the costs associated with lobster management policy councils and referenda pursuant to section 6447, costs associated with the Lobster Advisory Council not supported by the General Fund, the costs associated with determining eligibility for lobster and crab fishing licenses and eligibility to fish for or take lobsters from a vessel and the costs associated with the provision of educational programs, for which a surcharge is collected from the enrollee, pursuant to section 6423.

Sec. WW-5. 12 MRSA §6451, sub-§1, as amended by PL 1997, c. 19, §4, is further amended to read:

1. **Allocation of license fees.** Ten dollars of each \$93 ~~\$113.75~~ fee, \$20 of each \$186 ~~\$228.50~~ fee, \$30 of each \$379 ~~\$341.25~~ fee and \$5 of each \$46 ~~\$56~~ fee for each lobster and crab fishing license must be allocated to the Lobster Fund, which

must be used for the purposes of lobster biology research, of propagation of lobsters by liberating seed lobsters and female lobsters in Maine coastal waters and of establishing and supporting lobster hatcheries.

Sec. WW-6. 12 MRSA §6501, sub-§5, as amended by PL 1991, c. 528, Pt. T, §2 and affected by Pt. RRR and amended by c. 591, Pt. T, §2, is further amended to read:

5. **Fees.** Fees for commercial fishing licenses are:

A. ~~Thirty-three~~ Forty-one dollars for resident operator;

B. ~~Eighty-nine~~ One hundred eleven dollars for resident operator and all crew members; and

C. ~~Three-hundred-thirty-four~~ Four hundred eighteen dollars for nonresident operator and all crew members.

Sec. WW-7. 12 MRSA §6505-A, sub-§4, ¶A, as amended by PL 1997, c. 297, §1, is further amended to read:

A. For a person who is a resident, \$83 ~~\$91~~; and

Sec. WW-8. 12 MRSA §6505-C, sub-§4, as enacted by PL 1995, c. 536, Pt. A, §8, is amended to read:

4. **Fees.** The fee for an eel harvesting license is \$100 ~~\$108~~.

Sec. WW-9. 12 MRSA §6535, sub-§4, ¶¶A and B, as enacted by PL 1997, c. 158, §5, are amended to read:

A. For a sea urchin and scallop diving tender license, \$89 ~~\$111~~; and

B. For a 30-day temporary sea urchin and scallop diving tender license, \$25 ~~\$31~~.

Sec. WW-10. 12 MRSA §6536, sub-§4, as enacted by PL 1995, c. 530, §2, is amended to read:

4. **Fee.** The fee for a scallop diving tender license is \$89 ~~\$111~~.

Sec. WW-11. 12 MRSA §6601, sub-§5, as amended by PL 1991, c. 528, Pt. T, §4 and affected by Pt. RRR and amended by c. 591, Pt. T, §4, is further amended to read:

5. **Fee.** The fee for a shellfish license is \$63 ~~\$115~~.

2 **Sec. WW-12. 12 MRSA §6651, sub-§1**, as amended by PL 1987, c.
326, §2, is further amended to read:

4 **1. Fees to be paid into fund.** ~~Thirty-eight and one-half~~
6 ~~Sixty-five~~ percent of all fees from shellfish licenses, mussel
8 hand-raking and boat licenses, shellfish transportation licenses
and wholesale seafood licenses shall must be paid into the
Shellfish Fund.

10 **Sec. WW-13. 12 MRSA §6701, sub-§5**, as amended by PL 1991,
12 c. 528, Pt. T, §5 and affected by Pt. RRR and amended by c. 591,
Pt. T, §5, is further amended to read:

14 **5. Fee.** The fee for a scallop license is ~~\$89~~ \$111.

16 **Sec. WW-14. 12 MRSA §6702, sub-§5**, as amended by PL 1991, c.
18 528, Pt. T, §6 and affected by Pt. RRR and amended by c. 591, Pt.
T, §6, is further amended to read:

20 **5. Fee.** The fee for a scallop boat license is ~~\$89~~ \$111.

22 **Sec. WW-15. 12 MRSA §6703, sub-§4**, as amended by PL 1991, c.
24 528, Pt. T, §7 and affected by Pt. RRR and amended by c. 591, Pt.
T, §7, is further amended to read:

26 **4. Fee.** The fee for a noncommercial scallop license is ~~\$8~~
28 \$10.

30 **Sec. WW-16. 12 MRSA §6731, sub-§4**, as amended by PL 1991, c.
32 528, Pt. T, §9 and affected by Pt. RRR and amended by c. 591, Pt.
T, §9, is further amended to read:

34 **4. Fee.** The fee for a mahogany quahog license is ~~\$89~~
36 \$111. Fees collected pursuant to this section must be deposited
in the General Fund.

38 **Sec. WW-17. 12 MRSA §6745, sub-§5**, as amended by PL 1991, c.
40 528, Pt. T, §10 and affected by Pt. RRR and amended by c. 591,
Pt. T, §10, is further amended to read:

42 **5. Fee.** The fee for a hand-raking mussel license is ~~\$63~~
44 \$115.

46 **Sec. WW-18. 12 MRSA §6746, sub-§5**, as amended by PL 1991, c.
48 528, Pt. T, §11 and affected by Pt. RRR and amended by c. 591,
Pt. T, §11, is further amended to read:

50 **5. Fee.** The fee for a mussel boat license is ~~\$130~~ \$230.

2 **Sec. WW-19. 12 MRSA §6748, sub-§4**, as enacted by PL 1993, c.
3 416, §2 and affected by §4, is amended to read:

4 **4. Fee.** The fee for a handfishing sea urchin license is
6 ~~\$89~~ \$111.

8 **Sec. WW-20. 12 MRSA §6748-A, sub-§4**, as amended by PL 1993,
c. 740, §1, is further amended to read:

10 **4. Fee.** The fee for a sea urchin dragging license is ~~\$89~~
12 \$111.

14 **Sec. WW-21. 12 MRSA §6748-D, sub-§4**, as enacted by PL 1995,
c. 392, §4, is amended to read:

16 **4. Fee.** The fee for a sea urchin hand-raking and trapping
18 license is ~~\$89~~ \$111.

20 **Sec. WW-22. 12 MRSA §6851, sub-§6**, as amended by PL 1999, c.
491, §6 and affected by §9, is further amended to read:

22 **6. Fees.** The fees are as follows:

24 **A. Two-hundred-seventeen** ~~Three hundred eighty-five~~ dollars
26 for a wholesale seafood license or a wholesale seafood
license with a lobster permit, sea urchin buyer's permit,
shrimp permit or sea urchin processor's permit; and

28 **B. Forty-three** ~~Seventy-five~~ dollars for each supplemental
30 license.

32 **Sec. WW-23. 12 MRSA §6852, sub-§4**, as amended by PL 1991, c.
34 528, Pt. T, §15 and affected by Pt. RRR and amended by c. 591,
Pt. T, §15, is further amended to read:

36 **4. Fee.** The fee for a retail seafood license is ~~\$85~~ \$106.

38 **Sec. WW-24. 12 MRSA §6854, sub-§6**, as amended by PL 1991, c.
40 528, Pt. T, §17 and affected by Pt. RRR and amended by c. 591,
Pt. T, §17, is further amended to read:

42 **6. Fees.** The fee for a lobster transportation license is
44 ~~\$217~~ \$271 and the fee for a supplemental license is ~~\$43~~ \$54.

46 **Sec. WW-25. 12 MRSA §6855, sub-§6**, as amended by PL 1991, c.
48 528, Pt. T, §18 and affected by Pt. RRR and amended by c. 591,
Pt. T, §18, is further amended to read:

50 **6. Fees.** The fee for a shellfish transportation license is
~~\$269~~ \$460 and the fee for a supplemental license is ~~\$85~~ \$150.

2 **Sec. WW-26. 12 MRSA §6857, sub-§5,** as amended by PL 1991,
 c. 528, Pt. T, §19 and affected by Pt. RRR and amended by c. 591,
 4 Pt. T, §19, is further amended to read:

6 **5. Fee.** The fee for a lobster meat permit is ~~\$110~~ **\$138.**

8 **Sec. WW-27. 12 MRSA §6864, sub-§4,** as enacted by PL 1995, c.
 536, Pt. A, §10 and affected by §13, is amended to read:

10 **4. Fee.** The fee for an elver dealer's license is ~~\$1,000~~
 12 **\$1,054** and the fee for each supplemental license is ~~\$43~~ **\$54.**

14 **Sec. WW-28. 36 MRSA §4718,** as enacted by PL 1991, c. 561,
 16 §2, is amended to read:

18 **§4718. Contributions; Toxin Monitoring Fund**

20 The State Tax Assessor shall determine annually the total
 amount of tax revenue collected under this chapter. The State
 22 Tax Assessor shall deduct the cost of administering the mahogany
 quahog tax from those revenues and report the remainder to the
 24 Treasurer of State, who shall credit that amount to the Toxin
 Monitoring Fund established in Title 12, section 6731-A,
 26 subsection 5, except that not more than ~~\$16,000~~ **\$56,000** may be
 credited to the fund in any year. Revenues collected that are in
 28 excess of ~~\$16,000~~ **\$56,000** must be credited to the General Fund.

30 **PART XX**

32 **Sec. XX-1. Report and spending reductions.** The
 34 deappropriations provided for in section 2 of this Part are
 effective on July 1, 2003 unless legislation is enacted to offset
 36 the amount in section 2 for fiscal years 2003-04 and 2004-05.

38 **Sec. XX-2. Appropriations and allocations.** The following
 appropriations and allocations are made.

40 Initiative: Deappropriates funds to align General Fund
 42 appropriations with available resources. On the effective date
 specified in section 1 of this Part, the State Budget Officer
 44 shall determine the amounts in this section that apply against
 each General Fund account and shall transfer those amounts by
 46 financial order upon the approval of the Governor. The
 transferred amounts are considered adjustments to appropriations
 48 in fiscal years 2003-04 and 2004-05.

50 **Departments and Agencies Statewide**

2 **General Fund** 2003-04 2004-05
 4 All Other (\$24,330,049) (\$23,933,097)

6 **PART YY**

8 **Sec. YY-1. Maine Budget Reserve and Stabilization Fund.** The
 10 Commissioner of Administrative and Financial Services shall
 submit legislation to the First Regular Session of the 121st
 12 Legislature to address the stabilization of the General Fund by
 limiting the growth of appropriations to an appropriate measure
 14 and by creating a reserve fund to offset revenue shortfalls and
 address other priorities including the reduction of the unfunded
 16 liability of the Maine State Retirement System as it relates to
 state employees and teachers.

18 **PART ZZ**

20 **Sec. ZZ-1. Appropriations and allocations.** The following
 22 appropriations and allocations are made.

24 **BEHAVIORAL AND DEVELOPMENTAL SERVICES, DEPARTMENT OF**

26 **Mental Health Services - Community Medicaid 0732**

28 Initiative: Adjusts appropriations and allocations associated
 30 with instituting a 6% tax on private nonmedical institutions
 32 (PNMI).

34 GENERAL FUND	2003-04	2004-05
All Other	\$0	(\$600,000)
GENERAL FUND TOTAL	0	(600,000)

36 **PNMI Tax**

38 Initiative: Adjusts appropriations and allocations associated
 40 with instituting a 6% tax on private nonmedical institutions
 42 (PNMI).

44 OTHER SPECIAL REVENUE FUNDS	2003-04	2004-05
All Other	0	600,000
OTHER SPECIAL REVENUE FUNDS TOTAL	0	600,000

48 **BEHAVIORAL AND DEVELOPMENTAL SERVICES, DEPARTMENT OF**

2	DEPARTMENT TOTALS	2003-04	2004-05
	GENERAL FUND	0	(600,000)
4	OTHER SPECIAL REVENUE FUNDS	0	600,000
6	DEPARTMENT TOTAL - ALL FUNDS	0	0
8	HUMAN SERVICES, DEPARTMENT OF		
10	Medical Care - Payments to Providers 0147		
12	Initiative: Adjusts appropriations and allocations associated with instituting a 6% tax on private nonmedical institutions.		
14	GENERAL FUND	2003-04	2004-05
16	All Other	0	(8,200,000)
18	GENERAL FUND TOTAL	0	(8,200,000)
20	FEDERAL EXPENDITURES FUND	2003-04	2004-05
22	All Other	0	8,200,000
24	FEDERAL EXPENDITURES FUND TOTAL	0	8,200,000
26	OTHER SPECIAL REVENUE FUNDS	2003-04	2004-05
28	All Other	0	8,200,000
30	OTHER SPECIAL REVENUE FUNDS TOTAL	0	8,200,000
32	Medical Care - Payments to Providers 0147		
34	Initiative: Adjusts appropriations and allocations in anticipation of securing a "Katie Beckett" waiver. The department will apply for a new waiver or request an amendment to an existing waiver to impose cost sharing requirements for this optional MaineCare eligibility category for disabled children. The waiver will request permission to use the family's income, not just the child's, when determining appropriate cost sharing for this population. Cost sharing would include premiums and copayments.		
42	GENERAL FUND	2003-04	2004-05
44	All Other	(300,000)	(300,000)
46	GENERAL FUND TOTAL	(300,000)	(300,000)
48	FEDERAL EXPENDITURES FUND	2003-04	2004-05
50	All Other	(583,913)	(582,613)
	FEDERAL EXPENDITURES FUND TOTAL	(583,913)	(582,613)

2	Medical Care - Payments to Providers 0147		
4	Initiative: Adjusts appropriations and allocations in anticipation of securing a medical eye care program waiver. The department will apply for a waiver from CMS to allow the medical eye care benefit, currently 100% state funded, to become a part of Medicaid and become eligible for federal financial participation.		
6			
8			
10	GENERAL FUND	2003-04	2004-05
12	All Other	(300,000)	(300,000)
14	GENERAL FUND TOTAL	(300,000)	(300,000)
16	FEDERAL EXPENDITURES FUND	2003-04	2004-05
18	All Other	300,000	300,000
20	FEDERAL EXPENDITURES FUND TOTAL	300,000	300,000
22	Nursing Facilities 0148		
24	Initiative: Adjusts appropriations and allocations to continue the nursing facility tax in the MaineCare program.		
26	GENERAL FUND	2003-04	2004-05
28	All Other	(9,500,000)	(9,500,000)
30	GENERAL FUND TOTAL	(9,500,000)	(9,500,000)
32	HUMAN SERVICES, DEPARTMENT OF		
34	DEPARTMENT TOTALS	2003-04	2004-05
36	GENERAL FUND	(10,100,000)	(18,300,000)
38	FEDERAL EXPENDITURES FUND	(283,913)	7,917,387
40	OTHER SPECIAL REVENUE FUNDS	0	8,200,000
42	DEPARTMENT TOTAL - ALL FUNDS	(10,383,913)	(2,182,613)
44	SECTION TOTALS		
46		2003-04	2004-05
48	GENERAL FUND	(10,100,000)	(18,900,000)
50	FEDERAL EXPENDITURES FUND	(283,913)	7,917,387
	OTHER SPECIAL REVENUE FUNDS	0	8,800,000
	SECTION TOTAL - ALL FUNDS	(\$10,383,913)	(\$2,182,613)

2 **Sec. AAA-1. One-time highway fund revenue sharing.** The State
 3 Controller shall transfer \$13,570,000 in fiscal year 2003-04 and
 4 \$9,600,000 in fiscal year 2004-05 from the Highway Fund to the
 5 Local Government Fund for the purposes of this Part.

6 **Sec. AAA-2. Distribution of funds.** Notwithstanding the Maine
 7 Revised Statutes, Title 30-A, section 5681, the Treasurer of the
 8 State shall distribute the amounts transferred to the Local
 9 Government Fund under this Part to urban municipalities with a
 10 population of 5,000 or more in proportion to the number of lane
 11 miles for which each municipality is responsible for
 12 maintenance. The amount to be distributed to each municipality
 13 is as follows:

Municipality	Lane Miles	% of Miles	2003-04	2004-05
18 Auburn	419.83	4.8%	\$657,971	\$465,477
19 Augusta	272.65	3.1%	427,306	302,294
20 Bangor	334.95	3.9%	524,944	371,368
21 Bath	103.28	1.2%	161,864	114,509
22 Belfast	161.31	1.9%	252,812	178,850
23 Biddeford	214.92	2.5%	336,829	238,288
24 Brewer	121.20	1.4%	189,948	134,378
25 Brunswick	268.15	3.1%	420,253	297,305
26 Camden	96.38	1.1%	151,050	106,859
27 Cape Elizabeth	113.92	1.3%	178,539	126,306
28 Caribou	226.48	2.6%	354,946	251,104
29 Ellsworth	180.50	2.1%	282,885	200,125
30 Fairfield	108.12	1.2%	169,449	119,876
31 Falmouth	155.81	1.8%	244,190	172,751
32 Farmington	174.07	2.0%	272,808	192,996
33 Freeport	156.28	1.8%	244,927	173,272
34 Gardiner	87.98	1.0%	137,885	97,546
35 Gorham	244.57	2.8%	383,298	271,161
36 Houlton	143.82	1.7%	225,399	159,457
37 Kennebunk	178.98	2.1%	280,503	198,440
38 Kittery	128.01	1.5%	200,621	141,928
39 Lewiston	392.76	4.5%	615,546	435,464
40 Lincoln	108.76	1.3%	170,452	120,585
41 Lisbon	126.44	1.5%	198,161	140,187
42 Millinocket	75.47	0.9%	118,279	83,676
43 Old Orchard Beach	102.38	1.2%	160,453	113,511
44 Old Town	108.49	1.3%	170,029	120,286
45 Orono	67.18	0.8%	105,287	74,484
46 Portland	490.99	5.7%	769,495	544,374
47 Presque Isle	214.73	2.5%	336,532	238,077
48 Rockland	111.66	1.3%	174,997	123,800
49 Rumford	132.03	1.5%	206,921	146,385
50 Saco	223.90	2.6%	350,903	248,244

2 Sanford	290.89	3.4%	455,892	322,518
3 Scarborough	272.23	3.1%	426,647	301,829
4 Skowhegan	163.37	1.9%	256,039	181,133
5 South Portland	236.67	2.7%	370,917	262,402
6 Standish	184.18	2.1%	288,653	204,205
7 Topsham	123.85	1.4%	194,102	137,316
8 Waterville	177.18	2.0%	277,682	196,444
9 Wells	240.91	2.8%	377,562	267,103
10 Westbrook	160.53	1.9%	251,588	177,984
11 Windham	251.60	2.9%	394,315	278,956
12 Winslow	144.88	1.7%	227,060	160,632
13 Yarmouth	128.62	1.5%	201,577	142,604
14 York	237.67	2.7%	372,484	263,511
15 TOTAL	8,658.58	100.0%	\$13,570,000	\$9,600,000

16 **Sec. AAA-3. Use of funds.** The amounts distributed to
 17 municipalities under this Part may be used only for
 18 highway-related purposes including highway or bridge capital
 19 improvements, retirement of debt used for such capital
 20 improvements, purchases of highway-related equipment or any
 21 expenses related to highway or bridge maintenance. The
 22 Legislature finds that, given the size of the public works
 23 budgets in these municipalities, the amounts distributed under
 24 this Part must be used for highway-related purposes.

25 **Sec. AAA-4. Transfer to the General Fund.** Notwithstanding the
 26 Maine Revised Statutes, Title 30-A, section 5681, each month the
 27 State Controller shall subtract the amount distributed to each
 28 municipality under this Part from the amount that would otherwise
 29 be distributed to that municipality under Title 30-A, section
 30 5681, subsection 4-A and transfer that amount from the Local
 31 Government Fund to the General Fund.

32 **Sec. AAA-5. No impact on Urban-Rural Initiative Program.** The
 33 amounts transferred and distributed to municipalities under this
 34 Part do not affect payments under the Urban-Rural Initiative
 35 Program.

PART BBB

36 **Sec. BBB-1. Placement of Aroostook Residential Center residents.**
 37 The Department of Behavioral and Development Services shall work
 38 closely with the residents, families, staff and other support
 39 personnel in developing a placement plan for the residents of the
 40 Aroostook Residential Center. The department shall develop and
 41 implement a process whereby the input of the resident, family,
 42 staff and other support personnel is taken into

account before any placement decision may be finalized. All residents must be placed in the Presque Isle region.

Sec. BBB-2. Report. The Department of Behavioral and Developmental Services shall provide a status report on the placement planning process and the involvement of the residents, families, staff or other support personnel for each resident of the Aroostook Residential Center to the Joint Standing Committee on Health and Human Services and the Joint Standing Committee on Appropriations and Financial Affairs no later than January 1, 2004.

PART CCC

Sec. CCC-1. Medicaid waiver. The Department of Human Services and the Department of Behavioral and Developmental Services shall seek federal approval for a Medicaid waiver to make respite services a Medicaid reimbursable service. Any General Fund savings generated in the Mental Health Services - Children program as a result of increased federal Medicaid funding for respite services must be distributed proportionately across the categories of services funded by the Mental Health Services - Children program and may not be used solely for increased respite services.

Sec. CCC-2. Report. The Department of Behavioral and Developmental Services shall provide a status report to the Joint Standing Committee on Health and Human Services and the Joint Standing Committee on Appropriations and Financial Affairs not later than July 1, 2004. The report must include estimates of the amount of increased federal funding and the amounts, by category of service, to be proportionately distributed pursuant to section 1 of this Part.

PART DDD

Sec. DDD-1. 22 MRSA §2053, sub-§4-B, ¶A, as amended by PL 2001, c. 590, §4, is further amended to read:

A. Any private, nonprofit, governmental or charitable institution or organization engaged in the operation of, or formed for the purpose of operating, an educational institution within this State, including the Maine Technical College System and the University of Maine System, that, by virtue of law or charter, is an educational institution empowered to provide a program of education beyond the high school level; and

Sec. DDD-2. PL 1999, c. 731, Part LLL is repealed.

PART EEE

Sec. EEE-1. 22 MRSA §4087-A, sub-§4, as enacted by PL 2001, c. 439, Pt. X, §5, is amended to read:

4. Services. The program shall provide services directly or under contract ~~and may set priorities for service among the types of inquiries and complaints. The first priority in the work of the program and any contract for ombudsman services must be case-specific advocacy services. Any work on systems improvements or lobbying must be adjunctive to case-specific activities.~~ The program may:

A. Provide information to the public about the services of the program through a comprehensive outreach program. The ombudsman shall provide information through a toll-free telephone number or numbers;

B. Answer inquiries, investigate and work toward resolution of complaints regarding the performance and services of the department and participate in conferences, meetings and studies that may improve the performance of the department;

C. Provide services to persons to assist them in protecting their rights;

D. Inform persons of the means of obtaining services from the department;

E. Provide information and referral services;

F. Analyze and provide opinions and recommendations to agencies, the Governor and the Legislature on state programs, rules, policies and laws;

G. Determine what types of complaints and inquiries will be accepted for action by the program and adopt policies and procedures regarding communication with persons making inquiries or complaints and the department;

H. Apply for and utilize grants, gifts and funds for the purpose of performing the duties of the program; and

I. Collect and analyze records and data relevant to the duties and activities of the program and make reports as required by law or determined to be appropriate.

2 **Sec. EEE-2. Child welfare ombudsman program.** The contract in
effect on the effective date of this Part for ombudsman program
4 services within the Department of Human Services under the Maine
Revised Statutes, Title 22, section 4087-A terminates June 30,
6 2003. The Executive Department and the Department of Human
Services, Community Service Center shall begin a request for
8 proposal process in April 2003 in order that a new contract may
be signed and a contractor may be committed to providing services
10 under a contract for ombudsman services from July 1, 2003 until
June 30, 2004.

12 **Sec. EEE-3. Departmental restructuring.** When consideration is
given to the question of departmental restructuring for the
14 Department of Behavioral and Developmental Services and the
Department of Human Services during the term of the 121st
16 Legislature, consideration must be given to the child welfare
ombudsman program established under the Maine Revised Statutes,
18 Title 22, section 4087-A. Consideration of the ombudsman program
must include a review of the organizational structures available
20 for the program, including operation under the Executive
Department, operation by a private nonprofit, a combination
22 structure and any other options for delivering child welfare
ombudsman services effectively and efficiently.

24 **Sec. EEE-4. Child welfare 2002 initiative delay.** The provisions
of this Act that delay the 2002 child welfare initiative as
26 enacted in Public Law 2001, chapter 559, Part CC do not delay the
provisions of Part CC, sections 1 to 7. The provisions of this
28 Act that delay the 2002 child welfare initiative as enacted in
Public Law 2001, chapter 559, Part CC delay the applicable
30 expenditures under Part CC, section 8.

32
34 **PART FFF**

36 **Sec. FFF-1. Authorization to negotiate provider contracts FY04 and
FY05.**

38 1. The Commissioner of Administrative and Financial
40 Services, referred to in this section as "the commissioner," and
any insurance company or 3rd-party administrator, referred to in
42 this section as "the carrier," insuring or administering the
state employee health plan, referred to in this section as "the
44 plan," shall jointly negotiate agreements with hospitals
participating in the carrier's provider network to reduce the
46 expense incurred by the plan in state fiscal year 2003-04 by the
amount of \$18,020,851 and in state fiscal year 2004-05 by the
48 amount of \$19,728,208. In undertaking such negotiations the
carrier must be deemed at all times to be the agent of the
50 State. The commissioner and the carrier acting at the direction

2 **1. Prescription and nonprescription drugs.** ~~The kinds of~~
prescription Prescription and nonprescription drugs, medications
4 and medical supplies ~~that of manufacturers that enter into rebate~~
agreements pursuant to subsection 8. ~~These drugs~~ may be made
6 available through the operation of this program. ~~Drugs and~~
medications ~~must be provided for the conditions and illnesses~~
provided in this subsection.

8 A. The basic component of the program must provide drugs
and medications for cardiac conditions and high blood
10 pressure, diabetes, arthritis, anticoagulation,
hyperlipidemia, osteoporosis, chronic obstructive pulmonary
12 disease and asthma, incontinence, thyroid diseases,
glaucoma, parkinson's disease, multiple sclerosis and
14 amyotrophic lateral sclerosis. The basic component must
also provide over-the-counter medications that are
16 prescribed by a health care provider and approved as
cost-effective by the department.

20 B. ~~In the~~ The supplemental component of the program, ~~drugs~~
and medications must include provide all prescription drugs
22 and medications of manufacturers that enter into rebate
agreements pursuant to subsection 8 other than those
prescription drugs and medications provided under the
24 Medicaid program under this Title with the exception of
drugs and medications provided by the basic component of the
26 program under paragraph A;

28 **Sec. GGG-3. 22 MRSA §254, sub-§§4 and 4-A,** as amended by PL
30 2001, c. 691, §1 and affected by §6, are further amended to read:

32 **4. Method of prescribing or ordering drugs.** The method of
prescribing or ordering the drugs under subsection 1, which may
34 include, but is not limited to, the use of standard or larger
prescription refill sizes so as to minimize operational costs and
36 to maximize economy and may also include supply by mail order.
Unless the prescribing physician indicates otherwise or the
38 department determines that it would not be cost-effective, the
use of generic or chemically equivalent drugs is required, as
40 long as these drugs are of the same quality and have the same
mode of delivery as is provided to the general public, consistent
42 with good pharmaceutical practice;

44 **4-A. Payment for drugs provided.** The commissioner may
establish the amount of payment to be made by recipients toward
46 the cost of prescription or nonprescription drugs, medication and
medical supplies furnished under this program as long as, for
48 persons at or below 185% of the federal poverty line, the total
cost for any covered purchase of a prescription or
50 nonprescription drug or medication provided under the basic

2 of the commissioner may offer or demand such terms and conditions
as the commissioner considers to be in the best interest of the
4 State to reduce the expense of the state employee health plan,
including, but not limited to, offering or demanding reductions
6 in standard hospital reimbursement rates, rebates and refunds and
uniform terms relating to such reductions, rebates or refunds.
8 The commissioner may not affect or seek to affect amounts paid to
hospitals relating to any other customer of the carrier.

10 2. The Commissioner of Human Services shall implement
appropriate normalizing adjustments, no less than annually, to
12 the public revenue component and the annual periodic interim
payments, PIP, of each such hospital, consistent with the
14 requirements of Title XIX of the federal Social Security Act, to
offset the impact of any plan-related revenue reduction under
16 this section. If any payment made in accordance with this
subsection is subsequently determined to be subject to
18 recoupment, the State shall reimburse hospitals for all such
recoupment costs paid by a hospital.

20 3. Any carrier subject to this section is immune from any
claim of or liability to any hospital or other health care
22 provider for any actions taken in furtherance of the authority
and directives as set forth in this section. A reimbursement
24 rate, discount or rebate resulting from an agreement under
subsection 1 may not be used by the carrier as a reference or
26 base rate for any other contractual arrangement.

28 4. In the event that the expense-reduction target specified
30 in subsection 1 is not achieved in whole or in part, the Governor
shall request funding to the extent necessary to address any
32 resulting funding shortfall.

34 **PART GGG**

36 **Sec. GGG-1. 22 MRSA §254, first ¶,** as amended by PL 2001, c.
38 293, §1, is further amended to read:

40 ~~As part of the Healthy Maine Prescription Program~~
~~established under section 258, the~~ The Department of Human
42 Services may conduct a program, referred to in this section as
the "program," to provide low-cost prescription and
44 nonprescription drugs, medication and medical supplies to
disadvantaged, elderly and disabled individuals.

46 **Sec. GGG-2. 22 MRSA §254, sub-§1,** as amended by PL 2001, c.
48 439, Pt. HH, §1 and affected by §4, is further amended to read:

component of the program or the total cost of any covered purchase of a generic prescription drug or medication under the supplemental component of the program does not exceed the sum of \$2 plus 20% of the price allowed for that prescription under program rules ~~or \$2, whichever is greater~~. For the supplemental component of the program except as otherwise provided in this subsection, the total cost paid by the individual for any covered purchase of a prescription drug or medication may not exceed the cost of the program for that drug or medication minus the \$2 paid by the program. The commissioner shall establish annual limits on the costs incurred by eligible household members for prescriptions or nonprescription drugs or medications covered under the program on or prior to May 31, 2001, after which the program must pay 80% of the cost of all prescriptions or nonprescription drugs or medications covered by the supplemental component of the program on May 31, 2001. The limits must be set by the commissioner by rule as necessary to operate the program within the program budget;

Sec. GGG-4. 22 MRSA §254, sub-§8, as amended by PL 2001, c. 691, §1 and affected by §6, is further amended to read:

8. Drug rebate program. Effective May 1, 1992, payment must be denied for drugs from manufacturers that do not enter into a rebate agreement with the department ~~for prescription drugs included in the list of approved drugs under this program~~. Each agreement must provide that the pharmaceutical manufacturer make rebate payments for both the basic and supplemental components of the program to the department according to the following schedule.

B. For the quarters beginning October 1, 1992, the rebate percentage is equal to the percentage recommended by the federal Center for Medicare and Medicaid Services of the manufacturer's wholesale price for the total number of dosage units of each form and strength of a prescription drug that the department reports as reimbursed to providers of prescription drugs, provided payments are not due until 30 days following the manufacturer's receipt of utilization data supplied by the department, including the number of dosage units reimbursed to providers of prescription drugs during the period for which payments are due.

C. Beginning October 1, 1998, the department shall seek to achieve an aggregate rebate amount from all rebate agreements that is 6 percentage points higher than that required by paragraph B of this subsection, provided such rebates result in a net increase in the rebate revenue available to the elderly low-cost drug program. In the event the department is not able to achieve the rebate

amount required by this paragraph without compromising the best interest of recipients of the elderly low-cost drug program, the department shall report to the joint standing committee of the Legislature having jurisdiction over health and human services matters and the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs in the First Regular Session of the 119th Legislature.

Upon receipt of data from the department, the pharmaceutical manufacturer shall calculate the quarterly payment. If a discrepancy is discovered, the department may, at its expense, hire a mutually agreed-upon independent auditor to verify the pharmaceutical manufacturer's calculation. If a discrepancy is still found, the pharmaceutical manufacturer shall justify its calculation or make payment to the department for any additional amount due. The pharmaceutical manufacturer may, at its expense, hire a mutually agreed-upon independent auditor to verify the accuracy of the utilization data provided by the department. If a discrepancy is discovered, the department shall justify its data or refund any excess payment to the pharmaceutical manufacturer.

If the dispute over the rebate amount is not resolved, a request for a hearing with supporting documentation must be submitted to the Administrative Hearings Unit. Failure to resolve the dispute may be cause for terminating the drug rebate agreement and denying payment to the pharmaceutical manufacturer for any drugs.

Any prescription drug of a manufacturer that does not enter into an agreement is not reimbursable unless the department determines the prescription drug is essential.

All prescription drugs of a pharmaceutical manufacturer that enters into an agreement pursuant to this subsection that appear on the list of approved drugs under this program must be immediately available and the cost of the drugs must be reimbursed except as provided in this subsection. ~~The commissioner may impose prior authorization requirements on drugs under this program~~. If the commissioner establishes maximum retail prices for prescription drugs pursuant to section 2693, the department shall adopt rules for the elderly low-cost drug program requiring the use of a drug formulary and prior authorization for the dispensing of certain drugs to be listed on a formulary. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter ~~II-A 2-A~~;

Sec. GGG-5. 22 MRSA §254, sub-§8-A, as amended by PL 2001, c. 691, §1 and affected by §6, is repealed.

2 **Sec. GGG-6. 22 MRSA §254, sub-§9**, as amended by PL 2001, c.
691, §1 and affected by §6, is further amended to read:

4
6 **9. Household income.** "Household income," for the purposes
of this section, means family income as that term is defined for
8 ~~purposes of the Healthy Maine Prescription Program established in~~
~~section 258 by the department;~~

10
12 **PART HHH**

14 **Sec. HHH-1. Recovery.** The Department of Human Services
shall further pursue 3rd-party liability insurance claims
16 associated with behavioral health services. This recovery effort
is allowable under the Maine Revised Statutes, Title 24-A,
18 sections 2744, 2835, 2842, 2843 and 4234-A and is being
instituted in response to a more accurate assessment of primary
and secondary diagnoses that exist under the current law.

20
22 **PART III**

24 **Sec. III-1. Department of Human Services shall maximize enrollment**
of homeless youth in MaineCare. The Department of Human Services
26 shall make every effort to maximize enrollment of homeless youth
in the MaineCare program. To the extent permitted by federal
28 law, the department shall investigate and design methods for
increasing enrollment of homeless youth, including, but not
30 limited to, presumptive eligibility and outstationing eligibility
services at homeless shelters, clinics and other places
32 frequented by homeless youth.

34
36 **PART JJJ**

38 **Sec. JJJ-1. Report required.** The Chief of the State Police
shall report on the schedule of fees that has been established
40 for criminal history record background checks. The report must
include the number of criminal history record background checks
42 that have been processed under the fee schedule. This report
must be submitted no later than November 1, 2004 to the Joint
44 Standing Committee on Criminal Justice and Public Safety and the
Joint Standing Committee on Appropriations and Financial Affairs.

46
48 **PART KKK**

50 **Sec. KKK-1. Transfer of surplus land.** Notwithstanding any
other provision of law, the Director of the Bureau of General

2 Services within the Department of Administrative and Financial
3 Services is authorized to work with the Maine State Housing
4 Authority to sell or transfer ownership of certain parcels of
surplus state-owned land, along with any buildings thereon, to
5 meet the requirements of this section. The sale or transfer must
6 be approved by the Commissioner of Administrative and Financial
Services. The Maine State Housing Authority shall develop, or
7 cause to be developed, affordable housing on those parcels or
shall sell or otherwise dispose of some or all of those parcels
8 and use the proceeds to finance affordable housing in areas of
10 the State experiencing serious shortages of affordable housing.

12 **Sec. KKK-2. Effective date.** This Part takes effect 90 days
14 after adjournment of the First Regular Session of the 121st
Legislature.

16
18 **PART LLL**

20 **Sec. LLL-1. 28-A MRSA §83, sub-§§1 and 2**, as amended by PL
1999, c. 535, §4, are further amended to read:

22
24 **1. Bureau of Alcoholic Beverages and Lottery Operations;**
26 **rules. The Until the effective date of the privatization of the**
entire wholesale liquor business authorized by section 88, the
28 **alcohol bureau shall manage the sale, distribution and**
merchandising of spirits and fortified wine through state liquor
30 stores, agency liquor stores and licensees. The alcohol bureau
may establish rules and procedures for the administration of the
32 state liquor laws under its jurisdiction. The rules adopted
under this section are routine technical rules pursuant to Title
5, chapter 375, subchapter II-A 2-A. The day-to-day activities
34 of the alcohol bureau are under the supervision of the
Commissioner of Administrative and Financial Services and the
36 director of the alcohol bureau.

38 **2. Purchase. The Until the effective date of the**
privatization of the wholesale liquor business authorized by
section 88, the alcohol bureau may buy and have in its possession
40 spirits and fortified wine for sale to the public. The alcohol
bureau shall buy spirits directly and not through the State
42 Purchasing Agent. All spirits and fortified wine must be free
from adulteration and misbranding.

44 **Sec. LLL-2. 28-A MRSA §88** is enacted to read:

46 **§88. Transfer of wholesale liquor activities**

48 **1. Statement of purpose. The Legislature finds that it is**
50 **in the public interest to seek efficiencies and cost savings from**

privatizing the State's wholesale liquor business. Privatization may include the grant of one or more exclusive service territories in which a private sector entity has the exclusive right to distribute certain spirits subject to price regulation by the alcohol bureau.

2. Authority. The Commissioner of Administrative and Financial Services may enter into a contract for the sale, franchise, license or lease of and may sell, franchise, license or lease the State's wholesale liquor activities associated with distributing and selling spirits and fortified wines sold by the State on January 1, 2003. The buyer, franchisee, licensee or lessee may sell and distribute to licensed agency liquor stores all spirits and fortified wines sold by the State on January 1, 2003.

3. Member of legislative committee of jurisdiction to participate. A member of the joint standing committee of the Legislature having jurisdiction over alcoholic beverages matters appointed by the committee's chairs must be included in meetings held by the Commissioner of Administrative and Financial Services regarding developing a request for proposal to transfer the wholesale liquor business, reviewing bids received and awarding the contract.

4. Bidding procedures. The Commissioner of Administrative and Financial Services shall adopt rules to effect the transfer of the State's wholesale liquor business to a private entity. The rules must include:

A. A finding by the Commissioner of Administrative and Financial Services setting forth the method of transfer that promotes the Legislature's intent in enacting this section;

B. Procedures designed to encourage vigorous bidding for the State's wholesale liquor business;

C. Criteria for eligibility for service as a wholesale liquor provider. For purposes of this section, "wholesale liquor provider" means an entity or entities contracted by the State as an agent of the State for the purpose of providing wholesale spirits and fortified wine to establishments licensed by the State to sell spirits and fortified wine for off-premises consumption;

D. Criteria for eligibility as a wholesale liquor provider, which must include a commitment to offer split cases of spirits and fortified wine to licensed agents and a commitment to provide timely delivery of spirits and

fortified wine to all agents, particularly those located in geographically remote areas of the State;

E. A plan for the continued employment of state employees in the wholesale liquor business in the State for a period of 2 years from the date of privatization; and

F. Any rules that the Commissioner of Administrative and Financial Services determines are consistent with the Legislature's intent.

5. Price regulation. The alcohol bureau shall regulate the wholesale and retail prices of all liquor sold by private entities under this section. The alcohol bureau shall adopt rules for the effective implementation of price regulation of the wholesale and retail liquor business by January 1, 2004. A private entity awarded the exclusive right to distribute liquor pursuant to this section is immune from antitrust action so long as the entity is in compliance with the alcohol bureau's rules and all other applicable laws and regulations.

6. Limitation on conveyances of rights. The State may not convey or assign to private entities any rights in the distilled spirits business that extend beyond June 30, 2014. Any renewal of such rights is subject to approval of the Legislature. This section does not affect the State's continuing right to collect the alcohol premium tax, sales taxes or income taxes arising from the sale of distilled spirits and fortified wines.

7. Rules. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. LLL-3. Effect of negotiation; legislation required. Upon the successful negotiation of a contract pursuant to the Maine Revised Statutes, Title 28-A, section 88, and notwithstanding any other provision of Title 28-A, the Commissioner of Administrative and Financial Services may adopt any emergency rules necessary to ensure the safety, health and welfare of the people of the State concerning activities associated with distributing and selling spirits and fortified wines. The commissioner shall prepare and submit legislation to the session of the Legislature during which the contract is successfully negotiated or, if the Legislature is not in session, to the next immediately following session, making the necessary changes to the Maine Revised Statutes to fully implement this Part.

2 **Sec. LLL-4. Effective date.** This Part takes effect 90 days
after adjournment of the First Regular Session of the 121st
4 Legislature.

6 **PART MMM**

8 **Sec. MMM-1. Transfer of funds.** Notwithstanding any other
provision of law, the State Controller shall transfer \$50,000 by
10 June 30, 2004 and \$50,000 by June 30, 2005 from the Division of
12 Forest Protection General Fund program in the Department of
Conservation to the unappropriated surplus of the General Fund.

14 **Sec. MMM-2. Transfer of funds.** Notwithstanding any other
provision of law, the State Controller shall transfer \$100,000 by
16 June 30, 2004 and \$100,000 by June 30, 2005 from the Boating
18 Facilities Fund Other Special Revenue Funds program in the
Department of Conservation to the unappropriated surplus of the
20 General Fund.

22 **Sec. MMM-3. Transfer of funds.** Notwithstanding any other
provision of law, the State Controller shall transfer \$25,000 by
24 June 30, 2004 and \$25,000 by June 30, 2005 from the Shore and
26 Harbor Management Fund Other Special Revenue Funds program in the
Department of Conservation to the unappropriated surplus of the
General Fund.

28 **Emergency clause.** In view of the emergency cited in the
preamble, this Act takes effect July 1, 2003, except as otherwise
30 indicated.'

32 **SUMMARY**

34 This amendment does the following.

36 **PART A**

38 Part A makes appropriations and allocations of funds
40 reflecting current services.

42 **PART B**

44 Part B adjusts appropriations and allocations of funds
46 representing reduction proposals or adjustments to current
services.

48 **PART C**

50 Part C does the following.

2 1. It postpones to after June 30, 2005 an increase in the
4 State's contribution for health insurance for retired teachers
from 35% to 40%.

6 2. It establishes Tier 1 and Tier 2 cushions for school
8 administrative units with mills raised for education of 9.97
mills or higher.

10 3. It establishes the statewide local share, basic
12 elementary and secondary school operating rates, per-pupil
14 guarantees and the statewide factor for general purpose aid for
local schools. It establishes the foundation allocation, subsidy
16 index reduction percentage and appropriation. It establishes the
18 debt service allocation, indexes, reduction percentage and
appropriation and miscellaneous adjustments and cost allocations
and appropriations.

20 4. It transfers \$200,000 in fiscal year 2003-04 and
\$300,000 in fiscal year 2004-05 from the General Purpose Aid to
22 Local Schools account to General Fund unappropriated surplus from
24 savings to be achieved through the standardization of
specifications for school construction and renovation, including
26 projects that are currently under construction, in planning or
entering the design phase.

28 **PART D**

30 Part D does the following.

32 1. It establishes the Department of Administrative and
34 Financial Services as the fiscal agent for the Department of
Education.

36 2. It requires calculation and transfer of statewide
38 savings in the General Fund, Highway Fund, Fund for a Healthy
40 Maine and Other Special Revenue funds in the cost of health
insurance for fiscal years 2003-04 and 2004-05 that are
identified in Part B, section 1.

42 3. It requires calculation and transfer of statewide
44 savings in the General Fund, Highway Fund, Fund for a Healthy
46 Maine and Other Special Revenue funds from increased attrition
for fiscal years 2003-04 and 2004-05 that are identified in Part
B, section 1.

48 4. It requires the calculation and transfer of statewide
50 savings in the General Fund, Highway Fund, Fund for a Healthy
Maine and Other Special Revenue funds from extending the
amortization schedule of the unfunded liability of the Maine
State Retirement System for fiscal years 2003-04 and 2004-05 that

are identified in Part B, section 1.

5. It requires calculation and transfer of statewide savings in the General Fund, Highway Fund, Fund for a Healthy Maine and Other Special Revenue funds from postponing merit increases for fiscal years 2003-04 and 2004-05 that are identified in Part B, section 1.

6. It authorizes transfers of positions by financial order between accounts and between departments and authorizes transfers of available balances of any General Fund appropriation between line categories, accounts and departments in fiscal year 2003-04 and fiscal year 2004-05. Any incumbent in the transferred position at the time of transfer may be transferred along with the position.

7. It transfers \$600,000 from the Bureau of Alcoholic Beverages, Internal Service Fund in the Department of Administrative and Financial Services to the unappropriated surplus of the General Fund no later than June 30, 2004 due to the proposed closure of the remaining 13 liquor stores.

8. It requires the calculation and transfer of statewide savings in the General Fund from retiree health insurance savings for fiscal years 2003-04 and 2004-05 that are identified in Part B, section 1.

9. It requires the Commissioner of the Department of Administrative and Financial Services to review the current organizational structure of the ACE Service Center and the remaining financial and personnel structures located in the Departments of Conservation, Environmental Protection and Agriculture to improve organizational efficiency and cost effectiveness. The commissioner is required to present a plan and legislation to achieve efficiencies and move ACE under the supervision of one department to the Legislature as a part of any emergency budget request submitted to the Legislature after January 1, 2004.

10. It requires calculation and transfer of statewide savings in the General Fund from reductions in All Other for fiscal years 2003-04 and 2004-05 that are identified in Part B, section 1.

11. It requires calculation and transfer of statewide savings in the General Fund, Highway Fund and Other Special Revenue Funds from the cost of health insurance related to hospital rate adjustments for fiscal years 2003-04 and 2004-05 that are identified in Part B, section 1.

12. It prohibits merit increases between July 1, 2003 and June 30, 2005.

13. It authorizes financing arrangements for the acquisition of motor vehicles for the Central Motor Pool.

14. It transfers \$100,000 in fiscal year 2003-04 and \$100,000 in fiscal year 2004-05 from the Real Property Lease Fund to the unappropriated surplus of the General Fund no later than June 30 of each fiscal year to reflect savings as a result of the renegotiation of leases.

15. It requires the transfer of \$6,112,290 from the fiscal year 2002-03 unallocated balance of the Fund for a Healthy Maine Other Special Revenue Funds account to the unappropriated surplus of the General Fund by June 30, 2004.

16. It requires the transfer of \$225,000 from the Maine Clean Election Fund to the unappropriated surplus of the General Fund by June 30, 2004.

PART E

Part E does the following.

1. It amends the meat and poultry inspection program to increase the hourly fees charged for inspection of bison, domesticated deer and ratite.

2. It authorizes the Commissioner of Agriculture, Food and Rural Resources to receive reimbursement for livestock and poultry services performed under the Maine Revised Statutes, Title 22, chapter 562-A.

PART F

Part F does the following.

1. It prohibits cost-of-living adjustments in legislative salaries for the Second Regular Session of the 121st Legislature and the First Regular Session of the 122nd Legislature.

2. It changes meeting authorization and staffing for the Legislative Youth Advisory Commission.

3. It eliminates step increases and longevity payments for legislative employees between July 1, 2003 and June 30, 2005.

PART G

Part G does the following.

1. It eliminates the Aroostook Residential Center effective June 30, 2004.

2. It authorizes the Department of Behavioral and Developmental Services to seek reimbursement of expenditures under Medicaid Title XIX for targeted case management, with the revenue to be deposited in the General Fund as undedicated revenue.

PART H

Part H authorizes the Commissioner of Conservation to increase parks and land fees by financial order upon recommendation of the State Budget Officer and approval of the Governor.

PART I

Part I does the following.

1. It authorizes the Department of Corrections, Maine Correctional Center to increase the rate it charges the Federal Government for the housing of federal inmates. The additional revenue must be deposited to the General Fund as undedicated revenue in fiscal years 2003-04 and 2004-05.

2. It authorizes the Department of Corrections to transfer, by financial order, Personal Services, All Other or Capital Expenditures funding between accounts with the same fund for the purpose of paying overtime expenses in accordance with Title 5, section 7065.

PART J

Part J amends the law removing the requirement that the Governmental Ethics Commission institute electronic submission of reports and computerized tracking of campaign, election and lobbying information.

PART K

Part K does the following.

1. It authorizes the Department of Human Services to collect medical care premiums from noncustodial parents of MaineCare children.

2. It updates Medicaid and related 3rd-party liability statutes, including substituting "MaineCare" for "Medicaid" and the "elderly low-cost drug program" and setting a 75% minimum recovery percentage for tort claim recoveries.

3. It includes changes to improve MaineCare's ability to identify possible 3rd-party payors.

4. It increases license fees for hospitals and nursing homes.

5. It authorizes the Department of Human Services to impose a copayment or premium if expressly approved by a federal waiver.

6. It modifies MaineCare prescription drug copayments.

7. It authorizes MaineCare copayments for federally qualified health center and rural health center services.

8. It authorizes the Department of Human Services to pursue a federal waiver to impose cost sharing on individuals eligible for MaineCare under the Katie Beckett option.

9. It modifies premiums for MaineCare's CubCare program.

10. It modifies federally qualified health center reimbursement requirements to reflect the imposition of copayments and limits on service approvals.

11. It authorizes the Department of Human Services to require MaineCare members to purchase maintenance drugs by mail order.

12. It authorizes the Department of Human Services to establish copayments for services under the medical eye care program.

13. It modifies the Department of Human Services' Parents as Scholars Program.

14. It requires the Department of Human Services to review MaineCare cost-sharing requirements with the Medicaid Advisory Committee and submit a report by February 15, 2005.

15. It requires the Department of Human Services and the Department of Behavioral and Developmental Services to continue efforts to resolve the institutions for mental disease federal funding shortfall.

16. It suspends nursing home inflation adjustments and return on equity capital payments for fiscal year 2003-04 and fiscal year 2004-05.

17. It requires the merger of the Department of Human Services and the Department of Behavioral and Developmental Services and the submission of a plan to implement the merger and the submission of implementing legislation to the Second Regular Session of the 121st Legislature.

PART L

Part L does the following.

1. It permits the Commissioner of Inland Fisheries and Wildlife to adjust annually all license and other fees collected by the department to maintain parity with the Consumer Price Index.

2. It delays the effective date of the Fiscal Stability Program for the Department of Inland Fisheries and Wildlife from fiscal year 2004 to fiscal year 2006.

3. It requires a temporary assessment on all Inland Fisheries and Wildlife license, registration and other fees collected by the department for calendar years 2004 and 2005.

4. It authorizes the purchase of more than one 10-chance moose drawing application by nonresidents from July 1, 2003 to June 30, 2005.

5. It requires the Commissioner of Inland Fisheries and Wildlife to submit a plan to restructure fees to the Joint Standing Committee on Inland Fisheries and Wildlife, which is authorized to report out legislation implementing the plan.

PART M

Part M expresses legislative intent that the Judicial Department increase the amounts for fines under the Maine Revised Statutes, Title 29-A, sections 1601, 1770 and 2074.

PART N

Part N requires a report by the Commissioner of Corrections regarding recidivism information.

PART O

Part O eliminates payment by the Maine State Library of

state aid for municipalities maintaining free public libraries.

PART P

Part P authorizes the Maine State Museum to establish fees for miscellaneous services.

PART Q

Part Q renames the Department of Economic and Community Development as the Department of Tourism, Economic and Community Development.

PART R

Part R does the following.

1. It eliminates the Maine Community Policing Institute Surcharge Fund and amends statutes related to the fund.

2. It increases the Government Operations Surcharge Fund surcharge on fines, forfeitures and penalties from 12% to 14% and changes the allocation paid to the Maine Criminal Justice Academy from 1/6 to 2/7.

3. It eliminates the Director of Liquor Enforcement position, an Assistant to the Commissioner of Public Safety position and the Director of the Bureau of Highway Safety position as major policy-influencing positions within the Department of Public Safety.

4. It directs that 1/2 of the fines from tobacco enforcement be directed to the Maine Criminal Justice Academy for training and certification rather than to law enforcement agencies.

5. It authorizes the Department of Public Safety, State Bureau of Identification to charge individuals a fee for a criminal history record check and directs all fees to the General Fund.

6. It eliminates the Department of Public Safety, Bureau of Highway Safety.

PART S

Part S does the following.

1. It transfers \$95,869 in fiscal year 2003-04 and \$53,834 in fiscal year 2004-05 of savings from the Bureau of Elections

and Commissions, Administrative Services and Corporations, Other Special Revenue Funds account in the Department of the Secretary of State to the unappropriated surplus of the General Fund.

2. It transfers \$10,000 in each year of the biennium of savings from the Archives, Other Special Revenue Funds account in the Department of the Secretary of State to the unappropriated surplus of the General Fund.

PART T

Part T amends provisions of law related to the investment of state money, amends the law as it relates to the length of time the State Treasurer is required to hold abandoned property and updates the statutes to reflect recent changes in the laws related to abandoned or unclaimed property.

PART U

Part U directs all state agencies to implement measures to reduce energy consumption within their agencies.

PART V

Part V does the following.

1. It changes the distribution of the State's share of real estate transfer tax proceeds by reducing the amount paid to the Maine State Housing Authority by \$7,500,000 in each fiscal year.

2. It directs the Maine State Housing Authority to generate savings to maintain services to homeless persons at \$2,400,000.

PART W

Part W does the following.

1. It delays the .1% increase in municipal revenue sharing to July 1, 2005.

2. It authorizes the Treasurer of State to withhold \$1,000,000 in Municipal Revenue Sharing in fiscal year 2004-05 from distribution to be used for incentives for municipalities to achieve administrative savings.

PART X

Part X delays until fiscal year 2005-06 expansions in the Maine Seed Capital Tax Credit program.

PART Y

Part Y delays until fiscal year 2005-06 an insurance premium tax credit for the Fire Insurance Premium Tax special assessment.

PART Z

Part Z suspends until July 1, 2005 the broadcasters sales tax exemption.

PART AA

Part AA does the following.

1. It requires the withholding of income tax on distributions to nonresidents by flow-through entities.

2. It establishes the 2003 Maine Tax Amnesty Program.

PART BB

Part BB reduces the exemption amount for the homestead property tax exemption program for homesteads with a just value of \$125,000 or more.

PART CC

Part CC amends the insurance premium tax to clarify the coverage of contracts that may result in future annuitization.

PART DD

Part DD postpones by one year the educational attainment investment credit and the recruitment credit available under the insurance premiums tax and individual and corporate income taxes.

PART EE

Part EE extends the period for recapturing the bonus depreciation add-back provision.

PART FF

Part FF provides for a reduction in the child and dependent care income tax credit rate to 21.5% of the federal credit for tax years beginning in 2003, 2004 and 2005.

PART GG

Part GG provides for a reduction in the earned income tax

credit rate to 4.92% of the federal credit for tax years beginning in 2003, 2004 and 2005.

PART HH

Part HH suspends the increase in the income tax standard deduction for joint filers for tax years beginning in 2005.

PART II

Part II delays the allowance for several above-the-line deductions for education expenses and subsidies.

PART JJ

Part JJ delays recognition of federal estate tax changes for deaths occurring in 2003 and 2004.

PART KK

Part KK transfers \$5,000,000 in fiscal year 2003-04 and \$3,000,000 in fiscal year 2004-05 from the unallocated surplus of the Highway Fund to the unappropriated surplus of the General Fund as reimbursement for funds provided for highway improvement projects.

PART LL

Part LL authorizes the Commissioner of Administrative and Financial Services to offer special voluntary employee incentive programs.

PART MM

Part MM requires the transfer of \$150,000 in Maine Learning Technology Endowment investment earnings to the unappropriated surplus of the General Fund.

PART NN

Part NN extends the retirement unfunded liability amortization schedule to the constitutional limit until July 1, 2005, when it is restored to the current schedule.

PART OO

Part OO does the following.

1. It requires the transition of the Maine Technical College System into the Maine Community College System.

2. It appropriates and allocates funds to facilitate the creation of the Maine Community College System and to provide public matching funds to secure scholarship assistance or limit in-state tuition increases.

PART PP

Part PP amends the current provisions by authorizing the Maine Governmental Facilities Authority to issue additional securities totaling \$7,485,000 for capital repairs and improvements at various state facilities.

PART QQ

Part QQ authorizes the Commissioner of Administrative and Financial Services to issue one or more additional instant ticket lottery games.

PART RR

Part RR does the following.

1. It repeals provisions of the law relating to the Maine Science and Technology Foundation and transfers the functions and related appropriations and allocations to the Department of Economic and Community Development.
2. It transfers the functions of the Energy Conservation Division of the Department of Economic and Community Development to the Public Utilities Commission.

PART SS

Part SS requires the closure of the remaining 13 state retail liquor stores and amends certain statutes in anticipation of the transfer of the State's wholesale liquor activities.

PART TT

Part TT changes the name of the "Maine Learning Technology Endowment" to the "Maine Learning Technology Fund."

PART UU

Part UU presents a comprehensive list of tax expenditures for the consideration of the Legislature.

PART VV

Part VV requires parity coverage for mental illnesses for all health benefit plans covering groups of 21 or more and expands the coverage of mental illness to include 11 categories of mental illness as defined in the Diagnostic and Statistical Manual of Mental Disorders, published by the American Psychiatric Association.

PART WW

Part WW does the following.

1. It increases various commercial fishing license fees.
2. It increases the amount of the mahogany quahog tax apportioned annually to the Toxin Monitoring Fund to \$56,000.

PART XX

Part XX provides for statewide deappropriation of \$24,330,049 in fiscal year 2003-04 and \$23,933,097 in fiscal year 2004-05.

PART YY

Part YY requires the Commissioner of Administrative and Financial Services to submit legislation to the First Regular Session of the 121st Legislature to establish a budget reserve and stabilization fund.

PART ZZ

Part ZZ adjusts appropriations and allocations for several initiatives that are contingent upon federal approval.

PART AAA

Part AAA transfers \$13,570,000 in fiscal year 2003-04 and \$9,600,000 in fiscal year 2004-05 from the Highway Fund to the Local Government Fund to be distributed to certain municipalities with substantial highway maintenance budgets through the state-municipal revenue sharing program. An amount equal to the transfers from the Highway Fund to the Local Government Fund is transferred from the Local Government Fund to the General Fund.

PART BBB

Part BBB requires the Department of Behavioral and Developmental Services to work closely with residents, family, staff and other support personnel in developing a placement plan for the residents of the Aroostook Residential Center. The

department is required to develop and implement a process whereby the input of residents, family, staff and other support personnel is taken into account before any placement decision is made. This part also requires that all residents be placed in the Presque Isle region. It also includes a report requirement.

PART CCC

Part CCC requires the Department of Human Services and the Department of Behavioral and Developmental Services to apply for a Medicaid waiver to make respite services a Medicaid reimbursable service. Any General Fund savings generated in the Mental Health Services - Children program as a result of increased federal Medicaid funding for respite must be distributed proportionately across the categories of services funded by the Mental Health Services - Children program and may not be used solely for increased respite services. It also includes a report requirement.

PART DDD

Part DDD does the following.

1. It clarifies the legislative intent that the University of Maine System be included in the definition of "higher education institution" as it relates to borrowing by the Maine Health and Higher Education Facilities Authority.
2. It repeals the provision of law that requires that, by June 30, 2006 and every fiscal year thereafter, the University of Maine School of Law's share of the annual operating budget that is supported by the State's General Fund be equivalent to the share of the University of Maine's annual operating budget that is supported by the State's General Fund.

PART EEE

Part EEE does the following.

1. It directs the child welfare ombudsman program to have as its first priority case-specific advocacy services and to undertake work on systems improvements and advocacy only as an adjunct to the case-specific advocacy services. This Part also terminates the current ombudsman contract on June 30, 2003 and requires a request for proposal process for a contract from July 1, 2003 to June 30, 2004. It also requires consideration of the organizational structure of the ombudsman program in the restructuring of the Department of Behavioral and Developmental Services and the Department of Human Services.

2. It clarifies that the delays in the child welfare 2002 initiative contained in Part B apply only to the applicable expenditures.

PART FFF

Part FFF authorizes the Commissioner of Administrative and Financial Services and any insurance company or 3rd-party administrator insuring or administering the state employee health insurance program to negotiate agreements with hospitals to reduce expenses incurred the State's plan.

PART GGG

Part GGG makes adjustments to the elderly low-cost drug program statute to provide benefits within existing resources by increasing the copayment for drugs by \$2.

PART HHH

Part HHH authorizes the Department of Human Services to pursue further 3rd-party insurance claims for behavioral health services.

PART III

Part III requires the Department of Human Services to make every effort to maximize enrollment of homeless youth in the MaineCare program.

PART JJJ

Part JJJ requires the Chief of the Maine State Police to report to the Joint Standing Committee on Criminal Justice and Public Safety and the Joint Standing Committee on Appropriations and Financial Affairs no later than November 1, 2004 on the fee schedule established for criminal history record background checks.

PART KKK

Part KKK authorizes the Department of Administrative and Financial Services to work with the Maine State Housing Authority to sell or transfer ownership of certain parcels of surplus state-owned land, along with any building on the land, to municipalities or nonprofit agencies in order to address a shortage of affordable housing.

PART LLL

Part LLL authorizes the Commissioner of Administrative and Financial Services to contract for the sale, franchise, license or lease of the State's wholesale liquor activities to a private entity.

PART MMM

Part MMM authorizes the transfer of funds from the Department of Conservation to the unappropriated surplus of the General Fund.

**FISCAL NOTE REQUIRED
(See attached)**



Approved: 03/25/03 *MAC*

121st Maine Legislature
Office of Fiscal and Program Review

LD 1319

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, 2004 and June 30, 2005

LR 2000(02)

Fiscal Note for Bill as Amended by Committee Amendment "A"
Committee: Appropriations and Financial Affairs
Fiscal Note Required: Yes

Fiscal Note

APPROPRIATIONS AND ALLOCATIONS

	2003-04	2004-05	Biennium
GENERAL FUND			
PART A, Section A-25	2,904,908,056	3,037,223,745	5,942,131,801
PART B, Section B-1	(276,314,137)	(349,491,724)	(625,805,861)
PART OO, Section OO-3	1,500,000	500,000	2,000,000
PART RR, Section RR-16	(527,000)	0	(527,000)
PART RR, Section RR-17	699,670	574,537	1,274,207
PART XX, Section XX-2	(24,330,049)	(23,933,097)	(48,263,146)
PART ZZ, Section ZZ-1	(10,100,000)	(18,900,000)	(29,000,000)
GENERAL FUND TOTAL	2,595,836,540	2,645,973,461	5,241,810,001
FEDERAL EXPENDITURES FUND			
PART A, Section A-25	1,805,509,762	1,890,060,004	3,695,569,766
PART B, Section B-1	112,112,127	105,775,519	217,887,646
PART ZZ, Section ZZ-1	(283,913)	7,917,387	7,633,474
FEDERAL EXPENDITURES FUND TOTAL	1,917,337,976	2,003,752,910	3,921,090,886
FUND FOR A HEALTHY MAINE			
PART A, Section A-25	48,962,961	49,006,550	97,969,511
PART B, Section B-1	837,756	835,358	1,673,114
FUND FOR A HEALTHY MAINE TOTAL	49,800,717	49,841,908	99,642,625

OTHER SPECIAL REVENUE FUNDS

PART A, Section A-25	597,519,174	614,810,021	1,212,329,195
PART B, Section B-1	(47,588,878)	(50,824,470)	(98,413,348)
PART RR, Section RR-17	400,000	0	400,000
PART ZZ, Section ZZ-1	0	8,800,000	8,800,000

OTHER SPECIAL REVENUE FUNDS TOTAL 550,330,296 572,785,551 1,123,115,847

FEDERAL BLOCK GRANT FUND

PART A, Section A-25	180,158,971	182,461,947	362,620,918
PART B, Section B-1	5,167,231	5,136,775	10,304,006

FEDERAL BLOCK GRANT FUND TOTAL 185,326,202 187,598,722 372,924,924

GENERAL BOND FUND - ARBITRAGE

PART A, Section A-25	2,000,000	2,400,000	4,400,000
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GENERAL BOND FUND - ARBITRAGE TOTAL 2,000,000 2,400,000 4,400,000

POSTAL, PRINTING & SUPPLY FUND

PART A, Section A-25	4,109,177	4,189,986	8,299,163
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POSTAL, PRINTING & SUPPLY FUND TOTAL 4,109,177 4,189,986 8,299,163

OFFICE OF INFORMATION SERVICES FUND TOTAL

PART A, Section A-25	21,354,680	21,291,457	42,646,137
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OFFICE OF INFORMATION SERVICES FUND TOTAL 21,354,680 21,291,457 42,646,137

RISK MANAGEMENT FUND

PART A, Section A-25	3,949,922	4,031,966	7,981,888
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RISK MANAGEMENT FUND TOTAL 3,949,922 4,031,966 7,981,888

WORKERS' COMPENSATION MANAGEMENT FUND

PART A, Section A-25	19,073,011	19,447,048	38,520,059
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WORKERS' COMPENSATION MANAGEMENT FUND TOTAL 19,073,011 19,447,048 38,520,059

CENTRAL MOTOR POOL

PART A, Section A-25	5,002,781	5,106,135	10,108,916
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CENTRAL MOTOR POOL TOTAL 5,002,781 5,106,135 10,108,916

REAL PROPERTY LEASE INTERNAL SERVICE FUND			
PART A, Section A-25	21,465,599	20,847,256	42,312,855
REAL PROPERTY LEASE INTERNAL SERVICE FUND TOTAL	21,465,599	20,847,256	42,312,855
BUREAU OF REVENUE SERVICES FUND			
PART A, Section A-25	336,935	165,943	502,878
BUREAU OF REVENUE SERVICES FUND TOTAL	336,935	165,943	502,878
RETIREE HEALTH INSURANCE FUND			
PART A, Section A-25	41,738,173	48,400,235	90,138,408
RETIREE HEALTH INSURANCE FUND TOTAL	41,738,173	48,400,235	90,138,408
ACCIDENT, SICKNESS & HEALTH INSURANCE INTERNAL SERVICE FUND			
PART A, Section A-25	1,366,077	1,399,455	2,765,532
ACCIDENT, SICKNESS & HEALTH INSURANCE INTERNAL SERVICE FUND TOTAL	1,366,077	1,399,455	2,765,532
STATEWIDE RADIO AND NETWORK SYSTEM RESERVE FUND			
PART A, Section A-25	2,073,360	1,979,044	4,052,404
STATEWIDE RADIO AND NETWORK SYSTEM RESERVE FUND TOTAL	2,073,360	1,979,044	4,052,404
ISLAND FERRY SERVICES FUND			
PART A, Section A-25	6,034,961	6,285,369	12,320,330
ISLAND FERRY SERVICES FUND TOTAL	6,034,961	6,285,369	12,320,330
AUGUSTA STATE AIRPORT FUND			
PART A, Section A-25	391,814	399,960	791,774
AUGUSTA STATE AIRPORT FUND TOTAL	391,814	399,960	791,774
MARINE PORTS FUND			
PART A, Section A-25	101,838	103,959	205,797
MARINE PORTS FUND TOTAL	101,838	103,959	205,797
ALCOHOLIC BEVERAGE FUND,			
PART A, Section A-25	5,923,653	6,074,567	11,998,220
PART B, Section B-1	(1,540,175)	(3,446,258)	(4,986,433)
ALCOHOLIC BEVERAGE FUND TOTAL	4,383,478	2,628,309	7,011,787

PRISON INDUSTRIES FUND			
PART A, Section A-25	1,271,565	1,289,649	2,561,214
PRISON INDUSTRIES FUND TOTAL	1,271,565	1,289,649	2,561,214
SEED POTATO BOARD FUND			
PART A, Section A-25	792,925	810,586	1,603,511
SEED POTATO BOARD FUND TOTAL	792,925	810,586	1,603,511
STATE ADMINISTERED FUND			
PART A, Section A-25	2,051,963	2,094,628	4,146,591
STATE ADMINISTERED FUND TOTAL	2,051,963	2,094,628	4,146,591
MAINE MILITARY AUTHORITY ENTERPRISE FUND			
PART A, Section A-25	9,052,530	9,068,023	18,120,553
MAINE MILITARY AUTHORITY ENTERPRISE FUND TOTAL	9,052,530	9,068,023	18,120,553
STATE LOTTERY FUND			
PART A, Section A-25	4,441,534	4,525,832	8,967,366
STATE LOTTERY FUND TOTAL	4,441,534	4,525,832	8,967,366
ABANDONED PROPERTY FUND			
PART A, Section A-25	284,950	290,781	575,731
PART B, Section B-1	0	0	0
ABANDONED PROPERTY FUND TOTAL	284,950	290,781	575,731
GENERAL FUND UNDEDICATED REVENUE			
	2003-04	2004-05	Biennium
PART A			
- Current Services Base Revenue	2,442,713,204	2,541,213,351	4,983,926,555
- March Revision to Base Revenue	(24,330,049)	(23,933,097)	(48,263,146)
PART B			
- Section B-1, Agric. Food & Rural Res.	40,000	40,000	80,000
- Section B-1, Education	(217,376)	(227,053)	(444,429)
- Section B-1, Museum, Maine State	37,000	32,000	69,000
- Section B-1, Behavioral & Devel. Services	0	(659,158)	(659,158)
PART E	120,212	123,275	243,487
PART G	1,300,000	1,100,000	2,400,000
PART H	300,000	300,000	600,000
PART I	10,800	10,800	21,600
PART K			
- Section K-4	200,000	200,000	400,000

PART L	2,461,385	3,061,385	5,522,770
PART M	4,073,209	6,040,673	10,113,882
PART P	7,000	7,000	14,000
PART R			
- Section R-9	1,015,000	1,015,000	2,030,000
PART T	6,000,000	2,000,000	8,000,000
PART V	7,500,000	7,500,000	15,000,000
PART W	2,124,878	2,222,913	4,347,791
PART X	137,075	273,733	410,808
PART Y	983,000	0	983,000
PART Z	441,397	700,716	1,142,113
PART AA	16,901,230	7,582,510	24,483,740
PART BB	(127,166)	(132,253)	(259,419)
PART CC	11,354,750	5,845,595	17,200,345
PART DD	927,820	4,829,232	5,757,052
PART EE	108,833	388,525	497,358
PART FF	545,231	459,052	1,004,283
PART GG	22,031	21,030	43,061
PART HH	0	1,388,416	1,388,416
PART II	4,087,123	3,082,694	7,169,817
PART JJ	15,613,172	22,414,281	38,027,453
PART MM	150,000	0	150,000
PART QQ	2,700,000	3,000,000	5,700,000
PART SS	137,051	1,231,628	1,368,679
PART WW	370,834	370,834	741,668
PART LLL	75,000,000	25,000,000	100,000,000

GENERAL FUND UNDEDICATED REVENUE TOTAL	2,572,707,644	2,616,503,082	5,189,210,726
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GENERAL FUND TRANSFERS/ADJUSTMENTS TO BALANCE

	2003-04	2004-05	Biennium
PART C			
- Section C-19	200,000	300,000	500,000
PART D			
- Section D-3	579,893	1,291,632	1,871,525
- Section D-6	672,412	662,134	1,334,546
- Section D-9	2,449,530	2,521,069	4,970,599
- Section D-12	471,048	1,246,951	1,717,999
- Section D-15	600,000	0	600,000
- Section D-20	3,071,848	3,359,705	6,431,553
- Section D-24	100,000	100,000	200,000
- Section D-25	6,112,290	0	6,112,290
- Section D-26	225,000	0	225,000
PART S			
- Section S-1	95,869	53,834	149,703
- Section S-2	10,000	10,000	20,000

PART KK	5,000,000	3,000,000	8,000,000
PART RR			
- Section RR-15	50,000	0	50,000
PART AAA	13,570,000	9,600,000	23,170,000
PART MMM			
- Section MMM-1	50,000	50,000	100,000
- Section MMM-2	100,000	100,000	200,000
- Section MMM-3	25,000	25,000	50,000

GENERAL FUND TRANSERS/ADJUSTMENTS TO BALANCE TOTAL	33,382,890	22,320,325	55,703,215
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HIGHWAY FUND UNDEDICATED REVENUE

	2003-04	2004-05	Biennium
PART R			
- Section R-8	(214,500)	(214,500)	(429,000)

HIGHWAY FUND UNDEDICATED REVENUE TOTAL	(214,500)	(214,500)	(429,000)
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HIGHWAY FUND TRANSFERS/ADJUSTMENTS TO BALANCE

	2003-04	2004-05	Biennium
PART KK	(5,000,000)	(3,000,000)	(8,000,000)
PART AAA	(13,570,000)	(9,600,000)	(23,170,000)

HIGHWAY FUND TRANSFERS/ADJUSTMENTS TO BALANCE TOTAL	(18,570,000)	(12,600,000)	(31,170,000)
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FUND FOR A HEALTHY MAINE TRANSFERS/ADJUSTMENTS TO BALANCE

	2003-04	2004-05	Biennium
PART D			
- Section D-25	(6,112,290)	0	(6,112,290)

FUND FOR A HEALTHY MAINE TRANSFERS/ADJUSTMENTS TO BALANCE TOTAL	(6,112,290)	0	(6,112,290)
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Notes:

Assuming the Legislature through future legislation or the Governor brings the General Fund budget for fiscal year 2002-03 into balance as required, this bill provides for a balanced budget during the 2004-2005 biennium.

Several deappropriations in Part B and all deappropriations in Part ZZ are based on the assumption that certain contingencies will be satisfied. Failure to satisfy any of these contingencies will result in future requests for General Fund appropriations.

Part RR will result in a transfer of \$2,668,500 in fiscal year 2002-03 from the Maine Science and Technology Foundation, of which \$527,000 is transferred to the Debt Service Earnings account within the Office of Treasurer of State and \$450,000 is transferred to the EPSCOR Capacity Fund, Other Special Revenue Funds within the Department of Economic and Community Development. The net General Fund revenue, \$1,691,500, will offset a portion of the General Fund revenue shortfall resulting from the March 2003 Revenue Forecasting Committee revenue revisions.

Allocations to the Highway Fund and Highway Garage Fund in this bill are provided for informational purposes only, assuming that LD 1324, the Highway Fund "Current Services" or "Part 1" Budget Bill is enacted. Allocations to certain other trust and enterprise funds are also included for informational purposes and are not reflected in the allocation amounts above.