

# MAINE STATE LEGISLATURE

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# 126th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2013

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Legislative Document

No. 538

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H.P. 357

House of Representatives, February 19, 2013

**An Act To Align Costs Recognized for Transfer of Nursing Facilities  
and Residential Care Facilities with Ordinary Commercial and  
Government Contracting Standards**

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Reference to the Committee on Health and Human Services suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative SANDERSON of Chelsea.  
Cosponsored by Senator HAMPER of Oxford and  
Representatives: MALABY of Hancock, PETERSON of Rumford, SIROCKI of Scarborough,  
Senator: CUSHING of Penobscot.

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

2 **Sec. 1. 22 MRSA §3175-D**, as enacted by PL 2009, c. 97, §1, is amended to read:

3 **§3175-D. Nursing facility depreciation**

4 **1. Depreciation recapture through June 2012.** For sales of nursing facilities, as  
5 defined in section 1812-A, that occur on or after October 1, 2009 and prior to July 1,  
6 2012, the department shall either:

7 A. At the time of the sale, recapture depreciation paid by the department under the  
8 MaineCare program, from the proceeds of the sale; or

9 B. At the election of the buyer and seller, waive the recapture of depreciation at the  
10 time of the sale and allow the asset to transfer at the historical cost of the seller less  
11 depreciation allowed under the MaineCare program to the buyer for reimbursement  
12 purposes.

13 **2. Depreciation recapture after June 2012.** For sales of nursing facilities, as  
14 defined in section 1812-A, that occur on or after July 1, 2012, the department may not  
15 recapture depreciation from the seller.

16 **Sec. 2. 22 MRSA §3175-E** is enacted to read:

17 **§3175-E. Residential care facility depreciation**

18 **1. Depreciation recapture after June 2012.** For sales of residential care facilities,  
19 as defined in section 7852, subsection 14, that are reimbursed under the MaineCare  
20 program that occur on or after July 1, 2012, the department may not recapture  
21 depreciation from the seller.

22 **Sec. 3. Retroactivity.** This Act applies retroactively to July 1, 2012.

23 **SUMMARY**

24 This bill provides that, to align treatment of long-term care providers with other  
25 government contractors and typical private transactions, MaineCare depreciation  
26 recapture from sellers of nursing facilities and residential care facilities does not apply to  
27 any sales on or after July 1, 2012.