

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST REGULAR SESSION-2023

Legislative Document

No. 1328

H.P. 841

House of Representatives, March 23, 2023

**An Act to Fund a Public Defender's Office Through a Tax on
University Endowment Income**

Reference to the Committee on Judiciary suggested and ordered printed.

Robert B. Hunt
ROBERT B. HUNT
Clerk

Presented by Representative ANDREWS of Paris.

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

2 **Sec. 1. 4 MRSA §18-A, sub-§3-A, ¶D** is enacted to read:

3 D. Funds received by the Treasurer of the State in accordance with section 4953 must
4 be deposited in the fund.

5 **Sec. 2. 4 MRSA §1804, sub-§3, ¶A**, as amended by PL 2021, c. 481, §1, is further
6 amended to read:

7 A. Develop and maintain a system public defender's office that may employ attorneys,
8 use appointed private attorneys and contract with individual attorneys or groups of
9 attorneys. ~~The commission shall consider other programs necessary to provide quality~~
10 ~~and efficient indigent legal services;~~

11 **Sec. 3. 4 MRSA §1804, sub-§5** is enacted to read:

12 **5. Public Defender's Office Fund established.** The Public Defender's Office Fund,
13 referred to in this subsection as "the fund," is established as a nonlapsing, dedicated fund
14 within the commission. The State Controller shall credit to the fund the tax collected
15 pursuant to Title 36, chapter 727. The commission shall use the resources in the fund to
16 cover the costs of developing and maintaining a public defender's office in accordance with
17 subsection 3, paragraph A.

18 **Sec. 4. 36 MRSA c. 727** is enacted to read:

19 **CHAPTER 727**

20 **ENDOWMENT TAX**

21 **§4951. Definition**

22 For purposes of this chapter, "endowment" means a trust or other nonexpendable fund
23 for investment created and established by private donors for the benefit of a public or
24 private college or university and held by the trustees of the university or college.

25 **§4952. Endowment tax**

26 A tax is imposed on the annual investment income of an endowment in this State at the
27 rate of 3%.

28 **§4953. Transfers of money received**

29 Money received pursuant to this chapter must be transferred in accordance with this
30 section.

31 **1. Public Defender's Office Fund.** Money received by the Treasurer of State under
32 this chapter must be transferred to the Public Defender's Office Fund established under
33 Title 4, section 1804, subsection 5 until the fund's balance is \$35,000,000.

34 **2. Maine Civil Legal Services Fund.** Any money received by the Treasurer of the
35 State under this chapter after the balance under subsection 1 has exceeded \$35,000,000
36 must be transferred to the Maine Civil Legal Services Fund established under Title 4,
37 section 18-A.

SUMMARY

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This bill directs the Maine Commission on Indigent Legal Services to develop and maintain a public defender's office. It establishes an endowment tax at a rate of 3% on funds held for investment by the trustees of a public or private college or university that were generated by trusts created and established by private donors for the benefit of the university or college. It establishes the Public Defender's Office Fund within the Maine Commission on Indigent Legal Services and provides that money received from the endowment tax must be transferred to that fund until the balance of the fund is \$35,000,000. It provides that any money collected in excess of \$35,000,000 must be transferred to the Maine Civil Legal Services Fund.