

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND THIRTEENTH LEGISLATURE
FIRST REGULAR SESSION

December 3, 1986 to June 30, 1987

Chapters 1-542

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

Twin City Printery
Lewiston, Maine
1987

PUBLIC LAWS

OF THE

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Sec. 3. 10 MRSA §980-A, as amended by PL 1985, c. 594, §2, is further amended to read:

§980-A. Allocation of federal bond ceiling

The authority may, by rulemaking pursuant to Title 5, chapter 375, subchapter II, establish a process that is different from the federal formula for allocating that portion of the ceiling established by the United States Code, Title 26, Section 146, as amended, allocated to the authority pursuant to section 363. For purposes of this section, the authority may also limit the types of projects which are eligible to receive allocations of the ceiling and establish other requirements and limitations for assuring effective and efficient use of the ceiling. The authority shall include in its report pursuant to section 974 a description of its operations pursuant to this section for the most recent calendar year and of its plans, if any, to revise any allocation system established pursuant to this section. The chief executive officer is designated as the state official authorized to issue the certification under the United States Code, Title 26, Section 149(e)(2)(F), as amended, for allocations of the state ceiling allocated to the authority pursuant to section 363.

Sec. 4. Allocation to the Maine State Housing Authority. Fifty million dollars of the state ceiling for calendar year 1987 shall be allocated by the Governor pursuant to the Maine Revised Statutes, Title 10, section 363, subsection 3, to the Maine State Housing Authority to be used in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 4.

Sec. 5. Allocation to the Treasurer of State. Twenty million dollars of the state ceiling for calendar year 1987 shall be allocated by the Governor pursuant to the Maine Revised Statutes, Title 10, section 363, subsection 3, to the Treasurer of State to be used in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 5.

Sec. 6. Allocation to the Finance Authority of Maine. Fifty million dollars of the state ceiling for calendar year 1987 shall be allocated by the Governor pursuant to the Maine Revised Statutes, Title 10, section 363, subsection 3, to the Finance Authority of Maine to be used in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 6, for qualified small issue bonds only.

Sec. 7. Allocation to the Maine Municipal Bond Bank. Twelve million dollars of the state ceiling for calendar year 1987 shall be allocated by the Governor pursuant to the Maine Revised Statutes, Title 10, section 363, subsection 3, to the Maine Municipal Bond Bank to be used in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 7.

Sec. 8. Unallocated state ceiling. One hundred eighteen million dollars of the state ceiling for calendar year 1987 is unallocated and shall be reserved for allocation in accordance with subsequent legislation.

Sec. 9. Reallocation authorized. Amounts authorized to be allocated in this Act may be reallocated in accordance with subsequent legislation except for amounts allocated to specific issues of bonds prior to the effective date of the subsequent legislation, which allocations shall be final.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

Effective December 11, 1986.

CHAPTER 4

H.P. 1 — L.D. 1

AN ACT Providing Conformity with the United States Internal Revenue Code under the Maine Income Tax Law for 1986.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the 90-day period would delay the procurement and processing of 1986 income tax returns; and

Whereas, legislative action is necessary before January 1, 1987, in order to ensure continued and efficient administration of the Maine income tax law; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 5 MRSA §1514 is enacted to read:

§1514. Tax Adjustment Reserve Fund

1. Tax Adjustment Reserve Fund established. There is established a Tax Adjustment Reserve Fund which shall be maintained for the exclusive purpose of mitigating the impact of changes in individual and corporate income tax collections by the state occurring as a consequence of the State's conformity to the provisions of the Internal Revenue Code of 1986.

2. Transfers to the Tax Adjustment Reserve Fund. Notwithstanding any other provision of law, the State Controller shall transfer to the Tax Adjustment Reserve Fund, without deductions, that portion of undedicated General Fund revenues which is jointly certified by the State Budget Officer and the State Tax Assessor to be directly attributable to increased corporate or individual income tax collections resulting from conformity to the Internal Revenue Code of 1986.

3. Investment earnings on fund deposited in the Tax Adjustment Reserve Fund. Funds transferred to the Tax Adjustment Reserve Fund shall be invested by the Treasurer of State in accordance with applicable provisions of law and all earnings on these funds shall be credited to the fund.

Sec. 2. 36 MRSA §5102, sub-§11, as amended by PL 1985, c. 536, is further amended to read:

11. Other terms. Any other term used in this Part has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes, unless a different meaning is clearly required. Any reference in this Part to the laws of the United States shall be construed as a reference to the provisions of the United States Internal Revenue Code of 1954, and amendments thereto and other provisions of the laws of the United States relating to federal income taxes as of December 31, 1985. This subsection shall be effective as to items of income, deductions, loss or gain accruing in taxable years ending on or after January 1, 1985, but only to the extent that those items have been earned, received, incurred or accrued on or after that effective date. Notwithstanding other provisions of this subsection, for taxable years ending in 1981 and 1982, any reference in this Part to the laws of the United States shall be construed as a reference to the provisions of the United States Internal Revenue Code of 1954, and amendments thereto and other provisions of the laws of the United States relating to federal income taxes as of December 31, 1981 for items of income, deductions, loss or gain earned, incurred or accrued within those taxable years. Notwithstanding other provisions of this subsection, for taxable years ending in 1983, any reference in this Part to the laws of the United States shall be construed as a reference to the provisions of the United States Internal Revenue Code of 1954, and amendments thereto and other provisions of the laws of the United States relating to federal income taxes as of January 31, 1983 for items of income, deductions, loss or gain earned, incurred or accrued within those taxable years. Notwithstanding other provisions of this subsection, for taxable years ending in 1984, any reference in this Part to the laws of the United States shall be construed as a reference to the United States Internal Revenue Code of 1954 and amendments to that Code and other provisions of the laws of the United States relating to federal income taxes as of September 1, 1984, for items of income, deductions, loss or gain earned, incurred or accrued within those taxable years. Notwithstanding other provisions of this subsection, for taxable years ending in 1986, any reference in this part to the laws of the United States shall be construed as a reference to the United States Internal Revenue Code of 1986 and amendments to that code and other provisions of the laws of the United States relating to federal income taxes as of December 1, 1986, for items of income, deductions, loss or gain earned, incurred or accrued within those taxable years.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

Effective December 11, 1986.

CHAPTER 5

H.P. 7 — L.D. 7

AN ACT Relating to the Legislative Task Force on Railroads.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, Public Law 1985, chapter 813, requires the Legislative Task Force on Railroads to submit its report, together with any necessary legislation to the Legislature prior to January 1, 1987; and

Whereas, the task force is unable to meet this deadline; and

Whereas, it is necessary to continue a study of the role of Maine's railroads and their relationship to the State's economy; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. PL 1985, c. 813, §2, sub-§2, last ¶ is amended by adding at the end a new sentence to read:

The committee may contract with outside consultants, specialists in railroad industry finances or other individuals that the task force may require.

Sec. 2. PL 1985, c. 813, §2, sub-§3 is amended to read:

3. **Report.** The task force shall submit its report, together with any necessary legislation to the Legislature prior to January May 1, 1987.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

Effective December 11, 1986.

CHAPTER 6

H.P. 17 — L.D. 16

AN ACT Relating to Time for Submission of County Budgets.

Emergency preamble. Whereas, Acts of the Legis-