

MAINE STATE LEGISLATURE

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



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

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

STATE OF MAINE

AS PASSED AT THE
FIRST REGULAR SESSION
of the
ONE HUNDRED AND THIRTEENTH LEGISLATURE
1987

bly designed to be actuarially sound so that the assets of the plan will be sufficient to defray the obligations of the plan.

1. Annual evaluation. In the accounting of the plan made pursuant to section 12612, the board shall annually evaluate or cause to be evaluated the actuarial soundness of the plan and determine the additional assets needed, if any, to defray the obligations of the plan. If there are not funds sufficient to ensure the actuarial soundness of the plan, it shall adjust payments of subsequent purchases to ensure its actuarial soundness.

2. Tax status. Before entering into advance tuition payment contracts with purchasers, the board shall solicit answers to appropriate ruling requests from the United States Internal Revenue Service regarding the tax status of the value received under the contract to the purchaser or qualified beneficiary. No contracts may be entered into without the board making known the status of the request.

3. United States Securities and Exchange Commission status. Before entering into advance tuition payment contracts with purchasers, the board shall solicit answers to appropriate ruling requests from the United States Securities and Exchange Commission regarding the application of federal security laws to the fund. No contracts may be entered into without the board making known the status of the request.

§12614. Enforcement of Act

State institutions of higher education, purchasers and qualified beneficiaries may enforce this Act and any contract entered into pursuant to this Act.

§12615. Exempt from taxation

The property of the plan and its income and operation shall be exempt from all taxation by this State or any of its political subdivisions.

§12616. Contract for services

The board, in its discretion, may contract with others, public or private, for the provision of all or a portion of the services necessary for the management and operation of the plan. The board shall also endeavor to work with private sector investment managers and independent degree-granting colleges and universities in this State to study the feasibility of instituting programs between these parties that ensure full tuition payment upon purchase of a prepayment plan with the private college or university.

§12617. Assets used; investing in bonds

The assets of the fund shall be preserved, invested and expended solely pursuant to and for the purposes set forth in this Act and shall not be loaned or otherwise transferred or used by the State for any purpose other

than the purposes of this Act. This section shall not be construed to prohibit the plan from investing in, by purchase or otherwise, bonds, notes or other obligations of the State, an agency of the State or an instrumentality of the State.

§12618. No guarantee of admittance

Nothing in this Act or in an advance tuition payment contract entered into pursuant to this Act may be construed as a promise or guarantee by the plan or the State that a person will be admitted to a state institution of higher education, allowed to continue to attend a state institution of higher education after having been admitted or will be graduated from a state institution of higher education.

§12619. Exempt from the Revised Maine Securities Act

An advance tuition payment contract shall be exempt from the Revised Maine Securities Act, Title 32, chapter 105. An advance tuition payment contract may not be sold or otherwise transferred by the purchaser or qualified beneficiary without the prior approval of the board.

Sec. 3. Transition. In order to cover the initial administrative expenses of the Student Educational Enhancement Deposit Plan established in this Act, a one-time appropriation of \$10,000 is made from the General Fund. That money shall be paid back to the General Fund by the plan prior to July 1, 1989, from funds collected by the plan.

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

Effective June 30, 1987.

CHAPTER 528

S.P. 443 — L.D. 1357

AN ACT to Amend the Definition of Eligibility under the Elderly Low-cost Drug Program.

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

Sec. 1. 36 MRS A §6162, as enacted by PL 1979, c. 726, §7, is repealed.

Sec. 2. 36 MRS A §6162-A is enacted to read:

§6162-A. Eligibility; definitions; appeal

Individuals are eligible for this program if they meet the following conditions.

1. Age. For fiscal year 1987-88, individuals qualify under this program if they meet the age requirements under chapter 901 and its successors.

2. Income. Individuals representing single-member households qualify for this program if their household income does not exceed \$6,600 in 1986 and, as adjusted, in subsequent years. Individuals representing households with 2 or more members qualify for this program if their household income does not exceed \$8,500 in 1986 and, as adjusted, in subsequent years.

3. Residence. An individual must be a legal resident of this State at the time the application is filed.

4. Limitation. An individual does not qualify under this program if receiving state supplemental income benefits.

5. Definitions. As used in this chapter, unless the context clearly indicates otherwise, all terms have the same meaning as in chapter 901 and its successors.

6. Adjustment. The income limitations provided in this section shall be adjusted annually in the same manner as provided in chapter 901 and its successors.

7. Appeals. The eligibility decision, made by the State Tax Assessor or his designee, shall be final, subject to appeal in accordance with the Maine Administrative Procedure Act, Title 5, chapter 375.

Effective September 29, 1987.

CHAPTER 529

H.P. 1296 — L.D. 1774

AN ACT to Provide More Equitable Benefits for the Surviving Spouse, Children and Parents of Deceased Members of the Maine State Retirement System.

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

Sec. 1. 5 MRSA §17953, sub-§§3 and 4, as enacted by PL 1985, c. 801, §§5 and 7, are repealed and the following enacted in their place:

3. Amount of survivor benefit payment to surviving spouse. If the surviving spouse of the qualifying member elects a benefit under subsection 2, paragraph A, only one of the following options may be paid at one time.

A. A surviving spouse of the qualifying member shall be paid a \$150 benefit each month beginning the first month after the death occurs and continuing during the surviving spouse's lifetime, if:

- (1) The deceased qualifying member had 10 years of creditable service at the time of his death; or
- (2) The surviving spouse is certified by the medical board to be permanently mentally incompetent

or permanently physically incapacitated and is determined by the executive director to be unable to engage in any substantially gainful employment.

A full month's benefit shall be paid to the estate of the surviving spouse for the month in which the surviving spouse dies.

B. A surviving spouse of the qualifying member who has the care of the dependent child or children of the deceased qualifying member and who is not eligible to receive a benefit under paragraph A shall be paid a \$150 benefit each month, beginning the first month after the death of the qualifying member and continuing during the surviving spouse's lifetime until the end of the month in which the dependent child or children are no longer in the surviving spouse's care.

C. A surviving spouse of the qualifying member who is not eligible to receive a benefit under paragraph A or B shall be paid a \$150 benefit each month, beginning the first month after the surviving spouse reaches 60 years of age and continuing during the surviving spouse's lifetime.

A full month's benefit shall be paid to the estate of the surviving spouse for the month in which the surviving spouse dies.

D. The \$150 benefit specified under paragraphs A, B and C shall be increased to \$225 on July 1, 1989, and \$300 on July 1, 1990. Starting July 1, 1991, the \$300 benefit shall be adjusted annually at the same time and by the same percentage as adjustments under section 17806.

4. Amount of survivor benefit to dependent children. If the dependent child or children or surviving spouse of the deceased qualifying member elects a benefit under subsection 2, paragraph A, the payment of benefits to the dependent child or children shall be governed as follows.

A. The amount of survivor benefit shall be determined as follows.

(1) Until January 1, 1989:

(a) One dependent child shall be paid \$150 each month;

(b) Two dependent children shall be paid \$225 each month which shall be divided equally between them; and

(c) Three or more dependent children shall be paid \$300 each month which shall be divided equally among them.

(2) Starting January 1, 1989, each dependent child shall receive a benefit of \$150 a month.