

# MAINE STATE LEGISLATURE

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**LAWS**  
**OF THE**  
**STATE OF MAINE**

**AS PASSED BY THE**  
**ONE HUNDRED AND SEVENTEENTH LEGISLATURE**

**FIRST SPECIAL SESSION**  
**November 28, 1995 to December 1, 1995**

**SECOND REGULAR SESSION**  
**January 3, 1996 to April 4, 1996**

**THE GENERAL EFFECTIVE DATE FOR**  
**FIRST REGULAR SESSION**  
**NON-EMERGENCY LAWS IS**  
**JULY 4, 1996**

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

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**J.S. McCarthy Company**  
**Augusta, Maine**  
**1995**

**4. Retirement system; support.** The Maine State Retirement System is responsible for scheduling meetings, obtaining actuarial information when necessary, providing general staff support, drafting proposed legislation and distributing the report.

**5. Charge; report.** The study committee shall issue a report to the joint standing committee of the Legislature having jurisdiction over retirement matters by February 15, 1997, including appropriate draft legislation. Following receipt of the study committee's report, the legislative committee may introduce legislation to the First Regular Session of the 118th Legislature. The study committee shall consider, without limitation, the following issues:

A. A methodology and plan that would consolidate the disability plans currently administered by the Maine State Retirement System into a single pooled plan modeled after the plan set out in the Maine Revised Statutes, Title 5, chapter 423, subchapter V, article 3-A;

B. Whether or not the disability plan or plans should retain limits on the amount recipients can earn while receiving disability benefits;

C. Whether or not the plan should retain the "actively seeking work" exemption from discontinuance of benefits;

D. Whether or not payment of benefits should continue when a recipient appeals beyond the administrative appeals process a decision to discontinue the recipient's benefits;

E. Whether or not provisions should be added to the disability plans restricting payment of benefits for misconduct-related disability or during incarceration;

F. Whether or not provisions should be added to the disability plan or plans that distinguish between recipients who become disabled in the line of duty and those who do not;

G. Whether or not an applicant for a disability retirement benefit based on a condition that pre-existed membership in the Maine State Retirement System must have 5 years of continuous service immediately prior to application for a benefit or may have 5 years of continuous service anytime after the condition arises and before application; and

H. Whether any of the recommendations of the study committee will affect the unfunded liability of the Maine State Retirement System.

The proposed legislation must address all of the issues set out in paragraphs A to F so that the legislative

committee and the Legislature are presented the full range of views on the policy matters involved in these issues. If there is not agreement among study committee members, on any of the issues, members advocating particular policy positions on all sides of the issue or issues shall provide the legislative committee with an explanation of their policy positions and the reasons that are the basis for their positions.

**6. Participating local districts.** With respect to the interest of participating local districts in the issues in subsection 5 and in such related issues as may impact participating local districts, the Participating Local District Advisory Committee established under the Maine Revised Statutes, Title 5, section 18802 shall serve as the study committee for those participating local districts in the consolidated retirement plan for participating local districts. The Participating Local District Advisory Committee shall report to the joint standing committee of the Legislature having jurisdiction over retirement matters at the same time and in the same manner as provided in subsection 5. The Maine State Retirement System has the same staff support role with this study committee as with the Committee to Study Disability Retirement. The Participating Local District Advisory Committee may not take up these issues until after July 1, 1996. The Maine State Retirement System shall also inform those participating local districts that are not in the consolidated retirement plan and that have members who are then receiving disability benefits or who continue to be covered under retirement system disability programs by virtue of continuing to be contributing members of the retirement system of the issues under discussion that would affect those participating local districts.

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

Effective April 10, 1996.

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## CHAPTER 644

H.P. 1266 - L.D. 1741

**An Act to Enable the Loring  
Development Authority to Establish  
the Loring Job Increment Financing  
Fund and to Impose Term Limits on  
Trustees of the Authority**

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

**Sec. 1. 5 MRSA §13080-B, sub-§7 is  
enacted to read:**

**7. Term limits.** A person may not serve more than 2 consecutive 4-year terms as a trustee.

**Sec. 2. 5 MRSA c. 383, sub-c. III, art. 1-C** is enacted to read:

### **ARTICLE 1-C**

#### **LORING JOB INCREMENT FINANCING FUND**

##### **§13080-O. Loring Job Increment Financing Fund**

**1. Short title.** This article may be known and cited as the Loring Job Increment Financing Program Act.

**2. Establishment of fund.** The Loring Job Increment Financing Fund is established in accordance with this article.

##### **§13080-P. Definitions**

As used in this article, unless the context otherwise indicates, the following terms have the following meanings.

**1. Affiliated business.** "Affiliated business" means 2 businesses exhibiting either of the following relationships:

A. One business owns 50% or more of the stock of the other business or owns a controlling interest in the other; or

B. Fifty percent of the stock of each business or a controlling interest in each business is directly or indirectly owned by a common owner or owners.

**2. Affiliated group.** "Affiliated group" means a qualified business and its corresponding affiliated businesses.

**3. Assessor.** "Assessor" means the State Tax Assessor.

**4. Authority.** "Authority" means the Loring Development Authority of Maine.

**5. Base area.** "Base area" means the area within the geographic boundaries of Loring Air Force Base, as defined in section 13080-A.

**6. Base level of employment.** "Base level of employment" means the total employment in the base area as of July 1, 1996.

**7. Employment tax increment.** "Employment tax increment" means that level of state income withholding taxes attributed to employees employed within the base area, adjusted pursuant to section 13080-R.

**8. Fund.** "Fund" means the Loring Job Increment Financing Fund.

**9. Gross employment tax increment.** "Gross employment tax increment" means that level of state income withholding taxes attributed to employees employed within the base area that is greater than the base level of employment.

**10. Successor business.** "Successor business" means a business that has acquired the organization, trade or business, or 50% or more of the assets of the organization, trade or business, of another taxpayer.

##### **§13080-Q. Payments allowed**

**1. Fund to receive income tax revenues from job creation.** Subject to the provisions of subsection 2 and section 13080-S, the fund must receive annually from the State 50% of the employment tax increment.

**2. Limitations.** Payments to the fund pursuant to this section are subject to the following limitations.

A. Revenues received under this section must be used solely to fund the costs of municipal services, including, but not limited to, water, sewer, fire protection, police protection, sanitation services and the maintenance of grounds and roads.

B. To the extent that revenues received by the fund are not expended for current costs of municipal services, the fund must retain the revenues to defray future costs of providing the municipal services.

C. State income withholding taxes derived from employment at a business within the base area are not eligible for use in the calculation of a payment to the fund if the business is eligible during the current year to receive a payment under any other program authorized by Title 36, Part 8 that is based on the amount of employer withholding taxes and the business has made or makes an election to receive that payment.

D. Payments made to the fund may not be made for tax years beginning on or after July 1, 2016.

##### **§13080-R. Calculation of employment tax increment**

The assessor shall calculate the employment tax increment as follows.

**1. Adjustment for shifted revenues.** The assessor shall subtract from the gross employment tax increment any revenues attributed to employment shifted from affiliated businesses to a business located within the base area. This adjustment is calculated by comparing the current year's income withholding tax

revenues for businesses that are members of an affiliated group with revenues for the group as a whole. If the growth in income withholding tax revenue for any group exceeds the growth of income withholding tax revenue generated by the group's member business within the base area, the portion of the gross employment tax increment attributable to that business does not have to be adjusted to remove employment shifted from affiliated businesses. If the growth in income withholding tax revenue for any group is less than the growth in income withholding tax revenue for that group's member business within the base area, the difference is presumed to have been shifted from affiliated businesses to the base area and the portion of the gross employment tax increment attributable to that business is reduced by the difference.

**2. Adjustment based on percentage change in withholding taxes for all business in State.** The assessor shall adjust the calculation of the employment tax increment by subtracting from the gross employment tax increment a figure obtained by multiplying the previous year's total amount of income taxes withheld within the base area by the percentage change in withholding taxes for all business within the State as a whole.

**3. Adjustment for successor business.** The assessor shall further adjust the calculation of the employment tax increment, for any business that is a successor business, by subtracting from the gross employment tax increment any income tax withholding revenues attributable to a business acquired by the successor business after July 1, 1994.

**§13080-S. Information to be provided to the assessor; approval of payment**

**1. Certification by authority.** The authority shall certify annually to the assessor by September 30th of each year, beginning in 1997, the following information:

A. Employment, payroll and state withholding data necessary to calculate the base level of employment;

B. The total number of employees added during the previous year within the base area above the base level of employment, including additional associated payroll and withholding data necessary to calculate the gross employment tax increment and establish the appropriate payment to the fund;

C. A listing of all employers within the base area that pay withholding taxes, the locations of those employers and the number of employees at each location; and

D. A listing of all affiliated businesses and affiliated groups, data regarding current employment, payroll and state income withholding taxes for each affiliated business within the base area.

**2. Approval of payment.** Upon receipt of the information required by this section, the assessor shall review the information in a timely fashion. If the assessor determines that the requirements of this article are satisfied, the assessor shall approve payment to the fund.

**3. Deposit and payment of revenue.** On or before June 30th of each year, if the approval of the assessor has been issued pursuant to subsection 2, the Commissioner of Administrative and Financial Services shall deposit an amount equal to 50% of the employment tax increment for the preceding year into a contingent account established, maintained and administered by the Commissioner of Administrative and Financial Services. On or before July 31st of each year, the Commissioner of Administrative and Financial Services shall pay that amount to the fund.

**§13080-T. Program administration**

The assessor shall administer the Loring Job Increment Financing Program. The assessor may adopt rules pursuant to the Maine Administrative Procedure Act for implementation of the program. The assessor may also by rule establish reasonable fees, including fees payable to the assessor for obligations under this article. Any fees collected pursuant to this article must be deposited into a special revenue account administered by the assessor and these fees may be used only to defray the actual costs of administering the Loring Job Increment Financing Program.

**Sec. 3. Retroactivity.** That section of this Act that enacts the Maine Revised Statutes, Title 5, section 13080-B, subsection 7 applies retroactively to November 1, 1993.

See title page for effective date.

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**CHAPTER 645**

**H.P. 1195 - L.D. 1639**

**An Act to Amend Certain Motor Vehicle Laws Including Those Affecting the University of Maine System Plate and the Certificate of Lien**

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