

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND EIGHTEENTH LEGISLATURE

SECOND REGULAR SESSION
January 7, 1998 to March 31, 1998

SECOND SPECIAL SESSION
April 1, 1998 to April 9, 1998

THE GENERAL EFFECTIVE DATE FOR
SECOND REGULAR SESSION
NON-EMERGENCY LAWS IS
JUNE 30, 1998

SECOND SPECIAL SESSION
NON-EMERGENCY LAWS IS
JULY 9, 1998

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

J.S. McCarthy Company
Augusta, Maine
1997

2. Contracts for construction or reconstruction. All contracts and agreements relating to the construction or reconstruction of the turnpike and the construction or reconstruction of connecting tunnels and bridges, overpasses, underpasses, interchanges and toll facilities must be approved by the Department of Transportation and the turnpike and connecting tunnels and bridges, overpasses, underpasses, interchanges and barriers must be constructed or reconstructed under the supervision of the department.

Contractors and subcontractors on all authority construction and reconstruction projects must be equal opportunity employers and, in connection with contracts in excess of \$250,000, also pursue in good faith affirmative action programs designed to remedy underrepresentation of minorities, women and persons with disabilities. The authority may by rule provide for the enforcement of this requirement. To the extent practical, the authority may use program and technical information developed by and available through the Department of Transportation to carry out this subsection.

All authority construction and reconstruction projects are governed by the prevailing wage provisions in Title 26, chapter 15.

Sec. 2. 26 MRSA §1304, sub-§7, as repealed and replaced by PL 1967, c. 403, is amended to read:

7. Public authority. "Public authority" means the Maine Turnpike Authority or any officer, board or commission or other agency of the State of Maine, that is authorized by law to enter into contracts for the construction of public works, and is supported in whole or in part by public funds of the State of Maine, and sections 1304 to 1313 shall apply to expenditures made in whole or in part from such public funds.

See title page for effective date.

CHAPTER 744

S.P. 720 - L.D. 1963

An Act to Require the Bureau of Revenue Services to Report on the Incidence of Tax Burdens to Business Sectors of the State's Economy and to Income Classes of Citizens

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

Sec. 1. 36 MRSA c. 11 is enacted to read:

CHAPTER 11

REVENUE IMPACT

§200. Bureau of Revenue Services report on revenue incidence

1. Impact of taxes on individuals. The bureau shall submit a report containing the information required by this subsection to the Legislature by July 1, 1999 and by October 1st of each even-numbered year thereafter.

A. Part 1 of the report must describe the overall incidence of all state, local and county taxes. The report must present information on the distribution of the tax burden:

(1) For the overall income distribution, using a measure of system-wide incidence that appropriately measures equality and inequality;

(2) By income classes, including, at a minimum, deciles of the income distribution; and

(3) By other appropriate taxpayer characteristics.

B. Part 2 of the report must describe the impact of the tax system on business and industrial sectors. The report must:

(1) Describe the impact of taxes on major sectors of the business and industrial economy relative to other sectors; and

(2) Describe the relative impact of each tax on business and industrial sectors.

C. When determining the overall incidence of taxes under this subsection, the bureau shall reduce the amount of taxes collected by the amount of taxes that are returned directly to taxpayers through tax relief programs.

2. Legislation analysis. At the request of the joint standing committee of the Legislature having jurisdiction over taxation matters, the bureau shall prepare an incidence impact analysis of any legislation or proposal to change the tax laws that increases, decreases or redistributes taxes by more than \$20,000,000. To the extent data is available on the changes in the distribution of the tax burden that are effected by that legislation or proposal, the analysis must report on the incidence effects that would result if the legislation were enacted. The report may present information, using system-wide measures, by income classes, taxpayer characteristics or other relevant categories. The report may include analyses

of the effect of the legislation proposal on representative taxpayers. The analysis must include a statement of the incidence assumptions that were used in computing the tax burdens.

See title page for effective date.

CHAPTER 745

H.P. 1604 - L.D. 2230

An Act to Implement the Majority Report Recommendations of the Commission to Study the Unemployment Compensation System

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

Sec. 1. 26 MRSA §1191, sub-§2, as amended by PL 1997, c. 380, §1, is further amended to read:

2. Weekly benefit amount for total unemployment. Each eligible individual establishing a benefit year on or after October 1, 1983 who is totally unemployed in any week must be paid with respect to that week benefits equal to 1/22 of the wages, rounded to the nearest lower full dollar amount, paid to that individual in the high quarter of the base period, but not less than \$12. The maximum weekly benefit amount for claimants requesting insured status determination beginning October 1, 1983 and thereafter from June 1st of a calendar year to May 31st of the next calendar year may not exceed 52% of the annual average weekly wage, rounded to the nearest lower full dollar amount, paid in the calendar year preceding June 1st of that calendar year. No increase in the maximum weekly benefit amount may occur for the period from June 1, 1992 to October 28, 1995. For the periods from October 29, 1995 to May 31, 1997 and from September 28, 1997 to ~~September 26, 1998~~ December 31, 1999, the maximum weekly benefit amount is limited to 94% of the amount calculated previously in this subsection, rounded to the nearest lower full dollar amount. For claimants requesting insured status determination on or after April 1, 1993 and before January 1, 1995, the weekly benefit amount must be the amount determined by this subsection minus \$6. For claimants requesting insured status determination on or after April 1, 1995 and before January 1, ~~1999~~ 2000, the weekly benefit amount must be the amount determined by this subsection minus \$3.

Sec. 2. 26 MRSA §1221, sub-§2, ¶C, as amended by PL 1997, c. 380, §2, is further amended to read:

C. Each employer subject to this chapter, other than those liable for payments in lieu of contributions, shall pay, in addition to the contribution rate as prescribed in subsection 4, 7/10 of 1% of the wages paid by the employer with respect to employment during the calendar year 1993, 8/10 of 1% of the wages paid by the employer with respect to employment during the calendar year 1994 and 4/10 of 1% of the wages paid by the employer with respect to employment during calendar years 1995, 1996, 1997, 1998 and ~~1998~~ 1999.

Sec. 3. 26 MRSA §1221, sub-§4, ¶C, as amended by PL 1997, c. 380, §3, is further amended to read:

C. To designate the contribution rate schedule to be effective for a rate year, a reserve multiple must be determined. The reserve multiple must be determined by dividing the fund reserve ratio by the composite cost rate. The determination date is September 30th of each calendar year, and the schedule of contribution rates to apply for the 12-month period commencing January 1st, is determined by this reserve multiple, except that for the 1998 and 1999 rate ~~year~~ years Schedule P is in effect.

Sec. 4. Solvency plan and recommendations. The Department of Labor, within existing resources, shall report to the First Regular Session of the 119th Legislature by January 1, 1999. The report must include the recommendations of the department for ensuring the long-term solvency of the Unemployment Compensation Fund, referred to in this section as the solvency plan. The department shall develop a solvency plan that provides for reserves adequate to fund benefits consistent with the historical analysis and future projections necessary to provide long-term solvency to the Unemployment Compensation Fund. The department also shall submit proposed legislation that effects the requirements of this section.

In developing the solvency plan and proposed legislation, the department shall consider the following:

1. Tax structures that provide equity among payors, including, but not limited to, the array system;
2. Adjustments to the taxable wage base;
3. A recommended solvency reserve target amount;
4. A schedule within which the solvency plan will be achieved;
5. Other revenue sources that may be used to assist in achieving the solvency plan;