

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND TWENTIETH LEGISLATURE
FIRST REGULAR SESSION
December 6, 2000 to June 22, 2001

THE GENERAL EFFECTIVE DATE FOR
FIRST REGULAR SESSION
NON-EMERGENCY LAWS IS
SEPTEMBER 21, 2001

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
2001

2. Credit. An investor is entitled to a credit against the tax otherwise due under this Part equal to the amount of the tax credit certificate issued by the Finance Authority of Maine in accordance with Title 10, section 1100-T and as limited by this section. In the case of partnerships, limited liability companies, S corporations, nontaxable trusts and any other entities that are treated as flow-through entities for tax purposes under the Code, the individual partners, members, stockholders, beneficiaries or equity owners of such entities must be treated as the investors under this section and are allowed a credit against the tax otherwise due from them under this Part in proportion to their respective interests in those partnerships, limited liability companies, S corporations, trusts or other flow-through entities. Except as limited or authorized by subsection 3 or 4, ~~50%~~ 15% of the credit must be taken in the taxable year the investment is made and ~~50%~~ 15% per year must be taken in each of the next ~~5~~ year ~~years~~ and 10% taken in the next taxable year.

Sec. 5. Report. The Finance Authority of Maine shall present a preliminary report to the joint standing committee of the Legislature having jurisdiction over taxation matters before January 1, 2002 and a final report before January 1, 2003. The reports must identify the number and value of tax credit certificates issued under the seed capital tax credit program and the number and types of businesses that benefited from investments eligible for the credit. To the extent that information is available the reports must identify the county or region of the State where investments are made.

Sec. 6. Application. This Act applies to tax credit certificates issued on or after the effective date of this Act for investments made on or after the effective date of this Act.

See title page for effective date.

CHAPTER 447

S.P. 376 - L.D. 1214

**An Act to Encourage the Use of
Locally Grown Foods in School Food
Service Programs**

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

Sec. 1. 20-A MRSA §6602, sub-§12 is enacted to read:

12. Local Produce Fund. The Local Produce Fund is established within the Department of Education. The fund is authorized to receive revenue from public and private sources. The fund must be held

separate and apart from all other money, funds and accounts. Any balance remaining in the fund at the end of the fiscal year must be carried forward to the next fiscal year. The fund must be used to match \$1 for every \$3 a school administrative unit pays for produce or minimally processed foods purchased directly from a farmer or farmers' cooperative in the State, to a maximum state contribution of \$1,000. At the end of the fiscal year, the school administrative unit may provide the department with receipts documenting purchases pursuant to this subsection during that year. For purposes of this subsection, "minimally processed" means only the washing, cleaning, trimming, drying, sorting and packaging of food items or a combination of those activities. Reimbursement or partial reimbursement to school administrative units may only be made up to the amount available in the fund. Failure to reimburse does not constitute an obligation on behalf of the State to a school administrative unit.

Sec. 2. Allocation. The following funds are allocated from Other Special Revenue funds to carry out the purposes of this Act.

2002-03

**EDUCATION, DEPARTMENT
OF**

Local Produce Fund

All Other \$500

Provides an allocation to allow reimbursement of \$1 to local school administrative units for every \$3 of produce or minimally processed foods purchased directly from a farmer or farmers' cooperative in the State.

See title page for effective date.

CHAPTER 448

S.P. 433 - L.D. 1413

**An Act to Transfer Administration of
Certain Reimbursement Functions of
the Workers' Compensation
Employment Rehabilitation Fund to
a Voluntary Coalition of Parties in
Interest**

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

Sec. 1. 39-A MRSA §213, sub-§3, as enacted by PL 1991, c. 885, Pt. A, §8 and affected by §§9 to 11, is amended to read:

3. Dates of injury between January 1, 1993 and January 1, 1998. An employee whose date of injury is between January 1, 1993 and January 1, 1998, who has not settled the claim pursuant to section 352 and whose impairment rating is 15% or less to the body but exceeds the adjusted threshold established pursuant to subsection 2 on January 1, 1998 is entitled to compensation for the duration of the disability. Reimbursement to the employer, insurer or group self-insurer for the payment of all benefits payable in excess of 260 weeks of compensation under this subsection must be made from the Employment Rehabilitation Fund Supplemental Benefits Fund created in section 355-A.

Sec. 2. 39-A MRSA §213, sub-§4, as amended by PL 1999, c. 404, §1, is further amended to read:

4. Extension of 260-week limitation. Effective January 1, 1998 and every January 1st thereafter, the 260-week limitation contained in subsection 1 must be extended 52 weeks for every year the board finds that the frequency of such cases involving the payment of benefits under section 212 or 213 is no greater than the national average based on frequency from the latest unit statistical plan aggregate data for Maine and on a countrywide basis, adjusted to a unified industry mix. The 260-week limitation contained in subsection 1 may not be extended under this subsection to more than 520 weeks. For payments relating to injuries occurring before January 1, 2000, reimbursement to the employer, insurer or group self-insurer for the payment of all benefits for additional weeks payable pursuant to this subsection must be made from the Employment Rehabilitation Fund Supplemental Benefits Fund created in section 355-A.

Sec. 3. 39-A MRSA §355, sub-§13, as enacted by PL 1991, c. 885, Pt. A, §8 and affected by §§9 to 11, is repealed.

Sec. 4. 39-A MRSA §355, sub-§14 is enacted to read:

14. Funding; assessments. This subsection governs funding of the Employment Rehabilitation Fund.

A. The board may levy an assessment when the balance in the fund is insufficient to meet obligations of the fund under this section. The assessment must be levied on each insurer based on its actual paid losses during the previous calendar year.

B. Every insurer shall keep as permanent records a record of the amount and date of each loss paid. The records must be open for inspection at all times. Every insurer shall, on or before the 60th day following the end of a calendar quarter, render a report to the State Tax Assessor stating the amount of losses paid by the insurer during the preceding calendar quarter. That report must contain any further information the board prescribes by rule.

C. The State Tax Assessor shall pay daily all receipts from any assessment and any receipts received under paragraph F to the Treasurer of State. The Treasurer of State shall deposit all receipts as received in the fund.

D. The State Tax Assessor or the State Tax Assessor's duly authorized agent or the board, for the purpose of determining the truth or falsity of any statement or return made by the insurer, may:

(1) Enter any place of business of an insurer to inspect any books or records of the insurer;

(2) Notwithstanding any other provision of law, inspect any records or reports filed by an insurer with the Superintendent of Insurance; and

(3) Delegate these powers to the Superintendent of Insurance or the superintendent's deputies, agents or employees.

E. Whenever any insurer fails to pay any assessment due under this subsection within the time specified by the board, the Attorney General shall enforce payment by civil action against that insurer for the amount of the assessment in the Superior Court in and for the county or the District Court in the division in which that insurer has the insurer's place of business, or in the Superior Court of Kennebec County.

F. In every case of the death of any employee when there is no person entitled to compensation, the employer shall pay to the Treasurer of State a sum equal to 100 times the average weekly wage in the State as computed by the Department of Labor to be credited to the fund.

G. For the purposes of this subsection, "insurer" means an insurance company or association that does business or collects premiums for workers' compensation insurance in this State or an individual or group self-insurer under this Act, including the State and any other public or governmental authority.

Sec. 5. 39-A MRSA §§355-A to 355-C are enacted to read:

§355-A. Supplemental Benefits Fund

1. Creation of fund. The Supplemental Benefits Fund, referred to in this section and sections 355-B to 356 as the "fund," is created to reimburse insurers and self-insurers for their payments of compensation to employees under section 213, subsections 3 and 4.

2. Administration of fund. The Supplemental Benefits Fund is administered by the Supplemental Benefits Oversight Committee in accordance with this section and sections 355-B to 356. The Treasurer of State is the custodian of the fund. All money and securities in the fund must be held in trust by the Treasurer of State for the purpose of making payments under this Act and are not money or property for the general use of the State. The fund does not lapse. Investment decisions regarding the fund are made by the Supplemental Benefits Oversight Committee or the service agent, as provided in section 355-B, subsection 10. Interest, income and dividends from investments must be credited to the fund. The Treasurer of State may disburse money from the fund only upon written order of the Supplemental Benefits Oversight Committee or the committee's duly appointed service agent.

3. Freedom from liability. The State, members of the Supplemental Benefits Oversight Committee, service agents and subcontractors of a service agent are not liable for any claim against the fund that is in excess of the fund's ability to pay. If any claim against the fund is denied due to an inadequate fund balance, that claim has priority over later claims when an adequate balance is restored.

§355-B. Supplemental Benefits Oversight Committee

The Supplemental Benefits Oversight Committee, referred to in this section and sections 355-C and 356 as the "committee," is created and charged with the duty to monitor, facilitate and provide general oversight in the administration of reimbursement of workers' compensation benefit obligations of the fund pursuant to section 213, subsections 3 and 4.

1. Members. The committee consists of 5 members, appointed by the Governor as follows:

A. Two members must represent employers. One must be appointed from the list provided by the Maine State Chamber of Commerce or its successor organization. One must be an approved self-insured employer, appointed from the list provided by the Maine Council of Self-insurers or its successor organization;

B. One member must represent insurers and must be appointed from the list provided by the Superintendent of Insurance;

C. One member must represent labor interests and must be appointed from the list provided by the Maine AFL-CIO or its successor organization; and

D. One member must be an at-large member who possesses skills and experience suited to the functions of the committee.

2. Terms. Except for members of the initial committee, members are appointed for terms of 3 years. Committee members may serve multiple terms. Of the initial committee member appointments, one member must be appointed for a term of one year, 2 must be appointed for terms of 2 years and 2 must be appointed for terms of 3 years, at the discretion of the Governor. The committee is not authorized to begin transacting business until the Governor has made all 5 initial committee appointments.

A. The Governor may remove a member for cause.

B. If a vacancy occurs on the committee after initial appointments are made, the committee may select an alternate member representing the same entity represented by the vacant position to serve until the Governor makes a new appointment. The Governor shall make appointments to fill vacancies in the same manner in which the member whose leaving caused the vacancy was appointed.

3. Alternate members. The Governor shall appoint 3 alternate members for each member appointed under subsection 1. An alternate for a member appointed under subsection 1, paragraphs A to C must be named from the alternate member list provided by the same entity that provided the list for appointment of the member. An alternate member may serve on the committee in the event of a vacancy pursuant to subsection 2, paragraph B or when a member has a conflict of interest pursuant to subsection 5. An alternate member is entitled to the same compensation and protections from liability as a member when serving on the committee.

4. Voting; quorum. A quorum consists of 4 members of the committee. Each member has one vote that must be exercised. A decision may not be made by the committee without at least 3 affirmative votes. A member who does not vote is considered to have voted in the negative.

5. Conflict of interest. A member may not participate in any matter in which that member has an actual or potential conflict of interest. A member may

not participate in deliberations on such a matter and may not vote on that matter. A conflict of interest exists if the member, the person that employs that member or the person that the member represents is financially interested in the matter. If a member is unable to participate in a matter pursuant to this subsection, the committee shall select an alternate member representing the same interest from the alternate members appointed pursuant to subsection 3. The alternate member serves under this subsection for the limited purpose of deciding the financial responsibility, if any, of the fund to an insurer or self-insurer regarding a reimbursement request concerning which a member of the committee is precluded from participating pursuant to this subsection.

6. Compensation. A member of the committee receives a per diem of \$100 per day and reimbursement of actual and necessary expenses while attending to the business of the fund. Per diem and expenses are paid from the fund.

7. Liability. A member of the committee is not liable in a civil action for any act performed in good faith in the execution of duties as a member of the committee. The fund must indemnify a member against judgments, fines, amounts paid in settlement, reasonable costs and expenses, including attorney's fees, and any other liabilities that may be incurred as a result of legal actions or threatened legal actions, except in relation to matters in which the member is adjudged to be liable by reason of willful misconduct in the performance of duties or obligations to the committee.

8. Legal representation. The committee, directly or through a service agent, may seek the advice and counsel of the Attorney General or retain private counsel through service contracts. The Attorney General may not prosecute an assessment against the State or defend the fund against any claims brought by the State. Reasonable costs of legal representation by the Attorney General or attorneys contractually retained by the committee or its service agent are chargeable to the fund.

9. Board proceedings. Neither the fund nor the committee has standing or authority to participate directly or indirectly in any proceeding before the board regarding the level or duration of benefits payable to an employee.

10. Fund management; fiduciary duty. Each member of the committee is held to account as a fiduciary in the administration of the fund's assets. Management and investment of the assets of the account by the committee or a service agent must conform to prudent investor standards. The committee shall maintain complete and accurate records of investments, money and other assets comprising the

corpus of the fund. The committee shall provide to the board on the first business day of January, April, July and October each year an accounting respecting the fund's assets and transactions relating to activities of the committee. The board shall promptly notify the joint standing committee of the Legislature having jurisdiction over labor matters of any concerns raised by those reports.

11. Records and proceedings of committee. For the purposes of Title 1, chapter 13, subchapter I:

A. Records in the possession of the committee that relate to individual workers' compensation claims, claims for reimbursement by insurers and self-insurers under section 213, subsection 3 or 4 or claims settlement activities are not public records; and

B. Proceedings of the committee relating to individual workers' compensation claims, claims for reimbursement by insurers and self-insurers under section 213, subsection 3 or 4 or claims settlement activities are not public proceedings.

12. Rulemaking. The committee may adopt procedural rules in accordance with Title 5, chapter 375 as necessary to facilitate timely and proper administration of the affairs of the fund. These rules are major substantive rules as defined in Title 5, chapter 375, subchapter II-A.

§355-C. Powers and duties of committee; reimbursement

The committee shall review and evaluate requests for reimbursement of workers' compensation benefits paid or payable under section 213, subsections 3 and 4.

1. Power to bind fund. The committee has power to bind the fund with respect to the monetary value of each settlement reimbursable from the fund.

2. Request for reimbursement; information required. A request for reimbursement from the fund must include:

A. If the claim for reimbursement is made pursuant to section 213, subsection 3, evidence that the claimant employee's date of injury is on or after January 1, 1993 and before January 1, 1998. If the claim for reimbursement is made under section 213, subsection 4, evidence that the claimant employee's date of injury is on or after January 1, 1993 and before January 1, 2000;

B. Complete medical reports, agreements or orders relating to the employee's permanent impairment;

C. Evidence that the insurer or self-insurer has paid or is liable for payment of 260 weeks of indemnity benefits pursuant to section 212 or 213;

D. Evidence that the benefit payments for which reimbursement is requested were paid or are payable under section 213;

E. Verification that the insurer or self-insurer has adjusted and is adjusting the claim for which reimbursement is requested in a manner that is consistent with usual and customary claims service provided by the insurer or self-insurer for claims that are not subject to reimbursement under section 213. At a minimum, verification must include evidence that the insurer or self-insurer has monitored the claimant employee's medical condition and investigated return-to-work options applicable in the circumstance; and

F. Such other information or requirements as the committee may prescribe.

3. Determinations. The committee shall review requests for reimbursement within 14 days of receipt of the request or within a longer period of time if mutually acceptable to the parties. The committee shall issue a final determination, designated as such, to each insurer or self-insurer that has requested reimbursement. An insurer or self-insurer may petition the board for a hearing before a hearing officer within 30 days of notice of the determination. Review by the board is limited to errors of law and abuse of discretion.

4. Effect of board decrees. The fund and the committee are bound to the same extent as the employee and insurer or self-insurer by decrees of the board.

5. Effect of mediation agreement or consent decree. The fund is bound as to any question of law or fact by reason of a mediation agreement under section 313 or a consent decree, provided the committee was given notice of the terms of the agreement or decree at least 21 days before the effective date of the agreement or decree and did not object. The fund is not bound by the agreement or decree if the committee provides a written objection to the proposed terms of the agreement or decree to the insurer or self-insurer.

6. Effect of independent medical examiner's report. The fund is bound to the same extent as the employee and the insurer or self-insurer by findings contained in an independent medical examiner's report provided pursuant to section 312.

7. Service agent. The committee, by contract, may delegate day-to-day business operations of the fund and duties and powers of the committee regard-

ing reimbursement requests or assessments to a service agent qualified under this subsection. Pursuant to the contract, a service agent retained under this subsection must be held to account as a fiduciary in the administration of the assets of the fund and in the conduct of the business affairs of the fund.

A. The committee shall enter into written contracts with persons or entities qualified by good business reputation, training, education and experience to perform day-to-day duties in administering the fund's responsibilities set forth in section 213, subsections 3 and 4. Such a person is referred to in this section and sections 355-A, 355-B and 356 as the "service agent." A service agent must hold all licenses, registrations and permits required to engage in activities or undertake responsibilities delegated pursuant to the contract.

B. A service agent may subcontract with attorneys acceptable to the committee to advise or represent the fund in legal actions as necessary. Expenses of the service agent and attorneys retained by the service agent, upon approval by the committee, are paid from the fund.

C. A service agent shall acknowledge and reimburse claims of insurers and self-insurers consistent with terms of any proposed or executed settlement among parties to the settlement, provided that the service agent has been accorded notice and opportunity to participate regarding the terms and conditions of the settlement and that the commitment to reimburse the insurer or self-insurer is in the best interest of the fund.

D. A service agent may be empowered, by contract, to levy assessment in the name of the fund, institute assessment collection procedures, including legal action if necessary, process requests for reimbursement from the fund in a timely manner, deposit money in the fund with the Treasurer of State if such funds are not needed to meet immediate cash flow demands and commit the fund to agreed levels of insurer or self-insurer reimbursement based upon review and assessment of prospects of consensual settlements.

E. A service agent shall make recommendations to the committee regarding rule-making standards considered necessary to the proper administration of the fund.

Sec. 6. 39-A MRSA §356, as amended by PL 1995, c. 560, Pt. G, §26, is further amended to read:

§356. Funding of Supplemental Benefits Fund

1. Assessment. The board may levy an assessment on each insurer based on its actual paid losses during the previous calendar year when the amount of money in the Employment Rehabilitation Fund is less than \$500,000.

1-A. Assessment. The committee may levy an assessment against insurers to provide funds to meet the obligations of the fund for reimbursement pursuant to section 213, subsections 3 and 4. The committee may also delegate its duties and powers under this section to a service agent pursuant to section 355-C, subsection 7.

A. To the extent practicable, the committee shall make an assessment on June 1st of each year in which the fund is obligated to make reimbursement. The amount of the assessment must be an amount estimated to be sufficient to reimburse qualified insurers during the next 12 months. Supplementary assessments may be levied during the 12-month period if exigent conditions arise and the balance in the fund is inadequate to discharge reimbursements in a timely manner. No more than 2 supplementary assessments may be levied in any 12-month period.

B. The assessment must be distributed between insurance carriers and self-insured employers in direct proportion to the pro rata share of disabling cases attributable to each of the payor classifications for the most recent calendar year for which data are available. The distribution of the assessment must be determined on a basis consistent with the information reported by the Department of Labor, Bureau of Labor Standards, Research and Statistics Division in its annual "Characteristics of Work-Related Injuries and Illnesses in Maine" publication. Any segment of the market identified in the publication as "not insured" must be excluded from the calculation of proportionate shares.

(1) In consultation with the Director of the Bureau of Labor Standards, the committee shall determine a date prior to the required assessment to establish a distribution. On or before May 1st of each year, the Department of Professional and Financial Regulation, Bureau of Insurance shall provide to the committee the amounts of gross direct workers' compensation premiums written by each licensed insurance carrier and the amount of aggregate benefits paid by each individual and group self-insurer for the preceding calendar year.

C. An assessment against insurers must be based on premiums charged to employers pursuant to section 154, subsection 3, paragraph B-1. The

assessment must be stated as a percentage of each employer's premium base. Insurers shall apply the percentage to premiums collected beginning on July 1st. If a supplementary assessment is levied, the committee shall notify insurers of the new percentage and the insurers shall apply the new percentage to premiums written beginning on the 31st day following notification.

(1) The total value of assessments collected from insurers pursuant to this section must be credited to the fund. Each insurer that collects workers' compensation premiums or assessments shall file with the committee on a form prescribed by the committee a return certified by the insurer's chief financial officer specifying assessment collections relating to the calendar quarter next preceding the 15th day of April, July, October and January of each year in which an assessment is applicable. Affiliated insurers may consolidate payments made to the fund if each carrier is licensed and premium reports respecting that insurer are individually reported within the consolidated return. Payment of amounts collected pursuant to this section must be remitted to the fund at the time the premium return is filed with the committee.

(2) The Department of Professional and Financial Regulation, Bureau of Insurance shall report to the board, the committee and any service agent all newly authorized workers' compensation carriers in order to facilitate notification to those carriers of their obligation under this section.

(3) Any insurance carrier subject to this section that willfully fails to pay an assessment in accordance with this section commits a civil violation for which a forfeiture of not more than \$500 may be adjudged for each day following the due date for which the payment is not made.

D. Except for newly approved workers' compensation self-insurers, each self-insurer must be assessed a dollar amount based on the proportion that the self-insurer's aggregate benefits paid as reported pursuant to section 154, subsection 5 bears to the aggregate benefits paid by all self-insurers as so reported. If a supplementary assessment is levied, the committee shall notify self-insurers 30 days prior to the date upon which the assessment is due.

(1) The total value of assessments collected from self-insured employers under this sec-

tion must be credited to the fund. Each self-insurer shall file with the committee on a form prescribed by the committee a return certified by the self-insurer's chief financial officer attesting to the accuracy of the amount owed to the fund. Payment of the assessment must be remitted to the fund at the time the return is filed with the committee. The form and payment are due on the later of July 1st and 30 days after the committee levies the assessment.

(2) The Department of Professional and Financial Regulation, Bureau of Insurance shall report to the board, the committee and any service agent all newly approved workers' compensation self-insurers in order to facilitate notification to those self-insurers of their obligation under this section. A newly approved self-insurer that has historically purchased a policy or policies of workers' compensation covering workers' compensation exposures in this State shall pay assessment to the fund based on the assessment percentage applicable to insurers until the self-insurer has paid benefits for 12 months.

(3) A self-insurer subject to this section that willfully fails to pay an assessment in accordance with this section commits a civil violation for which a forfeiture of not more than \$500 may be adjudged for each day following the due date for which the payment is not made.

E. Rates and premiums charged for workers' compensation policies may not be considered excessive if a surcharge calculated pursuant to this section is made to recoup assessments paid to the fund. Any surcharge so made must be specifically identified upon the policies or other evidence of coverage. Such surcharges are not subject to premium taxes.

~~2. Death of an employee. In every case of the death of any employee when there is no person entitled to compensation, the employer shall pay to the Treasurer of State a sum equal to 100 times the average weekly wage in the State as computed by the Department of Labor to be credited to the Employment Rehabilitation Fund.~~

~~3. Records and reports. Every insurer shall keep as permanent records a record of the amount and date of each loss paid. The records must be open for inspection at all times. Every insurer shall, on or before the 60th day following the end of a calendar quarter, render a report to the State Tax Assessor stating the amount of losses paid by the insurer during~~

~~the preceding calendar quarter. That report must contain any further information the board prescribes by rule.~~

~~4. Appropriation of money received. The State Tax Assessor shall pay daily all receipts from any assessment and any receipts received under subsection 2 to the Treasurer of State daily. The Treasurer of State shall deposit all receipts as received in the Employment Rehabilitation Fund.~~

~~5. Inspections. The State Tax Assessor or the State Tax Assessor's duly authorized agent or the board, for the purpose of determining the truth or falsity of any statement or return made by the insurer, may:~~

~~A. Enter any place of business of an insurer to inspect any books or records of the insurer;~~

~~B. Notwithstanding any other provision of law, inspect any records or reports filed by an insurer with the Superintendent of Insurance; and~~

~~C. Delegate these powers to the Superintendent of Insurance, the superintendent's deputies, agents or employees.~~

~~6. Civil action. Whenever any insurer fails to pay any assessment due under this section within the time limit, the Attorney General shall enforce payment by civil action against that insurer for the amount of the assessment in the Superior Court in and for the county or the District Court in the division in which that insurer has the insurer's place of business, or in the Superior Court of Kennebec County.~~

~~7. Insurer defined. For the purposes of this section, "insurer" means an insurance company or association that does business or collects premiums for workers' compensation insurance in this State or an individual or group self-insurer under this Act, including the State and other public or governmental authority.~~

Sec. 7. Division of fund; initial assessment. The Treasurer of State shall divide the balance of the Employment Rehabilitation Fund, as of the effective date of this Act, between the Employment Rehabilitation Fund and the Supplemental Benefits Fund created in this Act, as follows. If the balance in the Employment Rehabilitation Fund is \$1,000,000 or more, the balance must be divided evenly between the 2 funds. If the balance is more than \$300,000 but less than \$1,000,000, the Treasurer of State shall allocate \$300,000 to the Employment Rehabilitation Fund and the remainder to the Supplemental Benefits Fund. If the balance is \$300,000 or less, the Treasurer of State shall allocate the entire balance to the Employment Rehabilitation Fund. If the amount allocated to the Supplemental Benefits Fund under this section is not

sufficient to fund the obligations of the Supplemental Benefits Fund under the Maine Revised Statutes, Title 39-A, section 213, subsections 3 and 4, the Supplemental Benefits Oversight Committee may levy an initial assessment under Title 39-A, section 356 to provide funds needed until the next assessment authorized by law.

Sec. 8. Transition. As of the effective date of this Act, the Workers' Compensation Board may no longer process requests for reimbursement from insurers pursuant to the Maine Revised Statutes, Title 39-A, section 213, subsections 3 and 4. All requests for such reimbursement filed with the board that have not received a final determination and been paid by the board must be forwarded to the Supplemental Benefits Oversight Committee without prejudice.

Sec. 9. Interpretation. Entitlement rights of claimants arising from benefits payable under the Maine Revised Statutes, Title 39-A, section 213, subsection 4 and benefit extensions ordered by the Workers' Compensation Board under that subsection are not modified, extended or abridged by amendments in this Act to Title 39-A, sections 355 to 356.

Sec. 10. Labor committee review. The Supplemental Benefits Oversight Committee created in the Maine Revised Statutes, Title 39-A, section 355-B shall meet with the Joint Standing Committee on Labor not later than February 1, 2002 to discuss implementation of this Act and to make recommendations for any changes needed to the Supplemental Benefits Fund or its operations. The Joint Standing Committee on Labor is authorized to report out legislation to the Second Regular Session of the 120th Legislature to amend the law as needed.

See title page for effective date.

CHAPTER 449

S.P. 154 - L.D. 498

An Act to Increase the Bond Ceiling of the University of Maine System

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

Sec. 1. 20-A MRSA §10952, sub-§7, as amended by PL 1997, c. 24, Pt. R, §1, is further amended to read:

7. Borrow money. To borrow money pursuant to this chapter and issue evidences of indebtedness to finance the acquisition, construction, reconstruction, improvement or equipping of any one project, or more than one, or any combination of projects, or to refund evidences of indebtedness hereafter issued or to refund

general obligation debt of the State, or to refund any such refunding evidences of indebtedness or for any one, or more than one, or all of those purposes, or any combination of those purposes, and to provide for the security and payment of those evidences of indebtedness and for the rights of the holders of them, except that any borrowing pursuant to this chapter, exclusive of borrowing to refund evidences of indebtedness, to refund general obligation debt of the State, or to fund issuance costs or necessary reserves, may not exceed in the aggregate principal amount outstanding at any time ~~\$100,000,000~~ **\$150,000,000**, and except that no borrowing may be effected pursuant to this chapter unless the amount of the borrowing and the project or projects are submitted to the legislative Office of Fiscal and Program Review for review by the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs at least 60 days before closing on such borrowing for the project or projects is to be initiated;

See title page for effective date.

CHAPTER 450

H.P. 979 - L.D. 1303

An Act to Increase Access to Health Care

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

PART A

Sec. A-1. 22 MRSA §3174-G, sub-§1, ¶¶D and E, as enacted by PL 1999, c. 731, Pt. OO, §1, are amended to read:

D. A child one year of age or older and under 19 years of age when the child's family income is equal to or below 150% of the nonfarm income official poverty line; ~~and~~

E. The parent or caretaker relative of a child described in paragraph B or D when the child's family income is equal to or below 150% of the nonfarm income official poverty line, subject to adjustment by the commissioner under this paragraph. Medicaid services provided under this paragraph must be provided within the limits of the program budget. Funds appropriated for services under this paragraph must include an annual inflationary adjustment equivalent to the rate of inflation in the Medicaid program. On a quarterly basis, the commissioner shall determine the fiscal status of program expenditures under this paragraph. If the commissioner determines that expenditures will exceed the funds available