

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE

SECOND REGULAR SESSION
January 6, 2010 to April 12, 2010

THE GENERAL EFFECTIVE DATE FOR
SECOND REGULAR SESSION
NON-EMERGENCY LAWS IS
JULY 12, 2010

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

Augusta, Maine
2010

Sec. 3. 36 MRSA §2013, sub-§4 is enacted to read:

4. Information on processes for refunds and appeals. The assessor shall post information describing the process for requesting a refund under this section on the bureau's publicly accessible website along with a description of the process to appeal a decision by the assessor under section 2011.

See title page for effective date.

**CHAPTER 633
S.P. 10 - L.D. 1**

**An Act To Stimulate Capital
Investment for Innovative
Businesses in Maine**

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

Sec. 1. 5 MRSA §17057, sub-§4 is enacted to read:

4. Investment activity information. Disclosure of investment activity of the retirement system, pursuant to the innovation finance program, is governed by this subsection.

A. Documentary material, data or information in the possession of the retirement system that consists of trade secrets or commercial or financial information that relates to the investments or potential investments of the retirement system pursuant to the innovation finance program under Title 10, section 1026-T is confidential and not open to public inspection and does not constitute "public records" as defined in Title 1, section 402, subsection 3 if, in the sole discretion of the retirement system, the disclosure of the material, data or information may:

- (1) Impair the retirement system's ability to obtain such material, data or information in the future; or
- (2) May cause substantial harm to the competitive position of the retirement system or of the person or entity from whom the information was obtained.

B. The following information concerning any venture capital fund in which the retirement system is invested pursuant to the innovation finance program under Title 10, section 1026-T is not exempt from disclosure:

- (1) The retirement system's total commitment to the venture capital fund;
- (2) The date of the commitment to the venture capital fund;

(3) Contributions and distributions made to or received from an innovation finance program fund;

(4) The market value of the investment;

(5) The name of the venture capital fund; and

(6) The interim internal rate of return of the venture capital fund.

Sec. 2. 10 MRSA §963-A, sub-§47-D is enacted to read:

47-D. Retirement system. "Retirement system" means the Maine Public Employees Retirement System, established pursuant to Title 5, chapter 421.

Sec. 3. 10 MRSA §963-A, sub-§49-J is enacted to read:

49-J. Targeted technologies. "Targeted technologies" means biotechnology, aquaculture and marine technology, composite materials technology, environmental technology, advanced technologies for forestry and agriculture, information technology and precision manufacturing technology.

Sec. 4. 10 MRSA §1026-T is enacted to read:
§1026-T. Innovation finance program

1. Established. The authority may create and oversee a state innovation finance program, referred to in this section as "the program," to increase the supply of venture capital to the economy of the State by improving access by innovative businesses in this State to venture capital funds. Investment performance of the program may be partially guaranteed by refundable tax credits issued by the authority to the retirement system. This section does not mandate or require any investment by the retirement system or give the retirement system any economic development responsibilities, its sole responsibility being to safeguard, invest and increase retirement system assets consistent with its fiduciary duty to its members.

2. Investment goal; guidelines. The goal of the program is to attract more venture capital to innovative businesses in this State by providing the retirement system with an incentive to invest in high-quality venture capital funds that evidence both a commitment to seeking investments in the State and the ability to produce favorable returns to minimize the risk of tax credit redemption. Consistent with this investment goal, the retirement system may, in the exercise of its discretion and consistent with its fiduciary duties to the beneficiaries of the retirement system, apply to the authority for approval under the program for proposed investments in venture capital funds. The authority may approve such a proposed venture capital fund investment under the program if it determines that the venture capital fund will give strong consideration to investing in businesses in this State that fall within the targeted technologies. In making this decision, the

authority shall consider whether the venture capital fund:

A. Will maintain at least a periodic presence in the State;

B. Will build linkages to, and accept referrals from, at least some of the organizations promoting the State's innovation economy, including the authority, the Maine Technology Institute under Title 5, section 15302, the Small Enterprise Growth Fund under section 383, the Department of Economic and Community Development, the Maine Patent Program under section 1921, the University of Maine System and other venture capital investors within the State;

C. Will actively prospect for investments in the State;

D. Expresses a commitment to seek investments in businesses in this State that meet its investment criteria; and

E. Demonstrates the ability to make successful venture capital investments.

3. Investment restrictions. Investments under the program are governed by this subsection.

A. The retirement system may not invest directly in individual businesses under this program but may invest only in venture capital funds that are managed to best achieve the purpose set out under subsection 2.

B. No more than \$4,000,000 of tax credits may be placed at risk with respect to any single commitment to a venture capital fund.

C. The retirement system may cooperate with the authority and other organizations promoting the State's innovation economy by encouraging participating venture capital funds to consider investments in this State consistent with their investment strategies. The retirement system may at any time be relieved of this obligation by releasing the State from its obligations under all outstanding tax credit certificates issued under the program.

4. Refundable tax credits. The authority may issue to the retirement system certificates of up to \$20,000,000 in refundable tax credits as provided by Title 36, section 5219-EE to serve as partial security against a loss of capital under the program. Certificates must be issued to expire no later than July 1, 2028.

A. Refundable tax credits as authorized by this subsection may be redeemed only as necessary to offset 80% of any realized loss of capital in the program.

B. A certificate of tax credits issued by the authority under this section is binding on the State and constitutes a solemn contractual commitment of the State protected under the contract clauses of the Constitution of Maine, Article I, Section 11 and the United States Constitution, Article I, Section 10. Once issued, as long as the retirement system is not in default under its agreement with the authority with respect to any certificate of tax credits, the certificate may not be modified, terminated or rescinded until the certificate expires, is redeemed or is released by the retirement system.

C. The authority shall register each refundable tax credit under this section with the Department of Administrative and Financial Services, Bureau of Revenue Services. The retirement system shall report annually to the authority on the status and valuation of investments secured by the certificate of tax credits and such other information as may be required pursuant to an agreement between the retirement system and the authority. The report must include details of capital calls and distributions.

D. A refundable tax credit allowed pursuant to this section is not a security under Title 32, chapter 135.

E. On the final liquidation of a venture capital fund for which a certificate of tax credits has been issued, the retirement system shall notify the authority of termination of the investment and certify the amount of any loss. The authority may request such information or documentation from the retirement system as it determines reasonably necessary to confirm the amount of any loss and shall promptly certify any capital loss to the Department of Administrative and Financial Services, Bureau of Revenue Services. Upon submission by the authority, the bureau shall redeem registered credits as necessary to pay 80% of the loss certified by the authority up to a maximum payment of \$4,000,000 with respect to any single venture capital fund investment or an aggregate loss under the program of \$20,000,000. For purposes of this subsection, "loss" means the total amount of investment by the retirement system into the venture capital fund less the total value of all distributions received by the retirement system from such venture capital fund, as determined by the authority.

F. Nothing in this section may be construed to place the assets of the authority at risk. Except for those rights that relate to refundable tax credits, nothing in this section may be construed to create an obligation of the State or of any political subdivision of the State, and this section may not be construed to require or mandate the retirement

system to make any investments under the program.

G. The authority may charge the retirement system reasonable fees for the cost of implementing and administering the program and any tax credits authorized by this section, not to exceed the authority's out-of-pocket costs plus an annualized fee not to exceed 1% of the outstanding balance of tax credits. In addition, the authority may assess a reasonable program fee from gains received by the retirement system from investments under the program. Any such fees are subject to the approval of the retirement system and the authority.

Sec. 5. 36 MRSA §5219-EE is enacted to read:

§5219-EE. Maine Public Employees Retirement System innovation finance credit

1. Credit allowed. The Finance Authority of Maine is authorized to issue to the Maine Public Employees Retirement System, referred to in this section as "the retirement system," a refundable credit against the taxes imposed by this Part in an amount certified by the Finance Authority of Maine as equal either to \$4,000,000 or 80% of any loss of capital sustained in the innovation finance program established under Title 10, section 1026-T, whichever is less. Upon receipt of a certification as provided in Title 10, section 1026-T, subsection 4, paragraph E, the Department of Administrative and Financial Services, Bureau of Revenue Services shall pay the amount certified to the retirement system as provided in that subsection.

2. Reimbursement by the retirement system. In the event that the retirement system incurs a loss and redeems a credit under this section and the retirement system subsequently achieves an aggregate return on all of its investments under the innovation finance program under Title 10, section 1026-T that exceeds an annualized return of 8%, the retirement system shall reimburse the State in an amount equal to the total amount of credits paid to the retirement system under this section.

3. Limitations. A credit under this section may not be redeemed for any loss occurring after July 1, 2028. Pursuant to Title 10, section 1026-T, total credits redeemed may not exceed \$20,000,000.

4. Audit. The State Tax Assessor may audit any transactions necessary to verify the amount of credits claimed or redeemed under this section. If the assessor determines that a credit larger than that authorized by this section has been received, the assessor may enforce repayment of the overpayment by assessment pursuant to the provisions of chapter 7 or may apply the overpayment against subsequent redemptions made pursuant to this section.

5. Repeal. This section is repealed April 16, 2029.

See title page for effective date.

CHAPTER 634

H.P. 313 - L.D. 425

An Act To Require Private Insurance Coverage for Certain Services for Children with Disabilities

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

Sec. 1. 24 MRSA §2317-B, sub-§12-F is enacted to read:

12-F. Title 24-A, section 2766, 2847-R and 4258. Coverage for children's early intervention services, Title 24-A, sections 2766, 2847-R and 4258;

Sec. 2. 24-A MRSA §2766 is enacted to read:

§2766. Coverage for children's early intervention services

1. Definition. For purposes of this section, "children's early intervention services" means services provided by licensed occupational therapists, physical therapists, speech-language pathologists or clinical social workers working with children from birth to 36 months of age with an identified developmental disability or delay as described in the federal Individuals with Disabilities Education Act, Part C, 20 United States Code, Section 1411, et seq.

2. Required coverage. All individual health insurance policies, contracts and certificates must provide coverage for children's early intervention services in accordance with this subsection.

A. A referral from the child's primary care provider is required.

B. The policy, contract or certificate may limit coverage to \$3,200 per year for each child not to exceed \$9,600 by the child's 3rd birthday.

C. The policy, contract or certificate may contain provisions for maximum benefits and coinsurance and reasonable limitations, deductibles and exclusions to the extent that these provisions are not inconsistent with the requirements of this section.

Sec. 3. 24-A MRSA §2847-R is enacted to read:

§2847-R. Coverage for children's early intervention services

1. Definition. For purposes of this section, "children's early intervention services" means services pro-