

MAINE STATE LEGISLATURE

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REP. HANNAH M. PINGREE
CHAIR

SEN. ELIZABETH H. MITCHELL
VICE-CHAIR

EXECUTIVE DIRECTOR
DAVID E. BOULTER



SEN. PHILIP L. BARTLETT II
SEN. KEVIN L. RAYE
SEN. LISA T. MARRACHE
SEN. JONATHAN T. E. COURTNEY
REP. JOHN F. PIOTTI
REP. JOSHUA A. TARDY
REP. SETH A. BERRY
REP. PHILIP A. CURTIS

124TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL
LEGISLATIVE COUNCIL
DECEMBER 17, 2009
1:30 P.M.
REVISED AGENDA

<u>Page</u>	<u>Item</u>	<u>Action</u>
	CALL TO ORDER	
	ROLL CALL	
1	SUMMARY OF THE NOVEMBER 5, 2009 MEETING OF THE LEGISLATIVE COUNCIL	Acceptance
	REPORTS FROM EXECUTIVE DIRECTOR AND STAFF OFFICE DIRECTORS	
15	▪ Executive Director's Report (Mr. Boulter)	Information
16	▪ Fiscal Report (Mr. Pennoyer)	Information
21	▪ Status of Legislative Studies (Mr. Norton)	Information
	REPORTS FROM COUNCIL COMMITTEES	
	• Personnel Committee (Speaker Pingree, Chair)	
	• State House Facilities Committee (Rep. Piotti, Chair) (No Report)	
	• Budget Subcommittee (Senate President Mitchell, Chair) (No Report)	
	• CSG Annual Meeting Planning Subcommittee (No Report)	

OLD BUSINESS

(No action required)

NEW BUSINESS

- | | | |
|---|---|-------------------|
| 23 | Item #1: Consideration of Legislators' Bill Requests that were Tabled
(Separate Handout) | Decision |
| 24 | Item #2: Schedule for Legislative Office Closure Days for 2010 | Decision |
| 26 | Item #3: Study on the Feasibility of and Process for the Creation of an
Insurance Fraud Division within the Bureau of Insurance
[complete copy available upon request] | Acceptance |
| Item #4: Collective Bargaining Matters (Executive Session) | | |

ANNOUNCEMENTS AND REMARKS

ADJOURNMENT

REP. HANNAH M. PINGREE
CHAIR

SEN. ELIZABETH H. MITCHELL
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124TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

MEETING SUMMARY
November 5, 2009

CALL TO ORDER

Legislative Council Chair, Speaker Pingree called the November Legislative Council meeting to order at 12:30 P.M. in the Legislative Council Chambers.

ROLL CALL

Senators: Senate President Elizabeth Mitchell, Sen. Philip Bartlett, Sen. Kevin Raye, Sen. Lisa Marraché, Sen. Jonathan Courtney

Representatives: Speaker Hannah Pingree, Rep. John Piotti, Rep. Seth Berry, Rep. Joshua Tardy, Rep. Philip Curtis

Legislative Officers: Michael Cote, Assistant Clerk of the House
David E. Boulter, Executive Director of the Legislative Council
Debra Olken, Human Resources Director
Patrick Norton, Director, Office of Policy & Legal Analysis
Grant Pennoyer, Director, Office of Fiscal and Program Review
John Barden, Director, Law and Legislative Reference Library

Chair Pingree convened the meeting at 12:30 P.M. with a quorum of members present.

Chair Pingree asked if there was any objection to taking 2 items out of order. Hearing none, the Chair then moved to **New Business, Items 1 and 2.**

NEW BUSINESS

Item #1: Suggested Procedures for Deciding Appealed Legislative Bill Requests

The agenda included a suggested protocol for deciding appeals of legislative bill requests. Chair Pingree asked Executive Director Boulter to summarize the suggested protocol which he did, as follows:

1. Under the terms of the Maine Constitution, Section 1 of Article IV, Part Third, Legislative Power, the business of the second regular session must be limited to budgetary matters; legislation in the Governor's call; legislation of an emergency nature admitted by the Legislature; legislation referred to committees to study and report by the Legislature in the first regular session; and legislation presented to the Legislature by written petition of the electors (direct citizen initiative).
2. Under the Rules of Procedure for the 124th Legislature, any action of the Council requires the affirmative vote of at least 6 members.
3. Under Rule 203 of the Joint Rules of the 124th Legislature, any vote of the Legislative Council to accept or reject a bill or resolve for introduction under the procedures established under the Joint Rules must be taken by the yeas and nays, and that vote must be recorded and made available for public inspection.
4. Under Rule 217 of the Joint Rules, a bill that has been introduced and finally rejected in a regular or special session may not be introduced in a subsequent session of the same Legislature except by a vote of 2/3 of both chambers. Therefore, determinations as to the relevancy of Rule 217 are within the purview of the presiding officers rather than the Legislative Council.

Suggested Protocol for deciding appeals

- A. The Legislative Council will review appeals alphabetically by sponsor.
- B. For procedural consistency, when voting on an appeal of a bill request that was denied, the initial motion on a bill will be presumed to be a motion to accept the bill request for introduction into the second regular session along with a second to that motion. (Yea is to let in a bill; nay is to reject the bill for introduction). Also for procedural consistency unless otherwise stated, each motion will be presumed to have been made by the vice-chair of the Legislative Council, seconded by the chair.
- C. In order to review all legislative appeals in a timely manner, voting will be by electronic vote or a show of hands, with each Council Member's vote on each bill being recorded. The record of each vote will be made available for public inspection following the meeting.
- D. Legislators who appeal a decision of the Legislative Council will be given a brief opportunity to make their case to the council. A time limit of 2 minutes will be observed for Legislators making an appeal. Only by leave of the Chair of the Legislative Council may a person who is not a Legislator address the council.
- E. Discussion of a bill request will be limited to whether it is appropriate for introduction under Constitutional provisions for second regular session bills, and will not speak to the merits of the bill itself. If a bill was turned down because it is closely related to another legislative request or to a carryover bill, the burden is on the Sponsor to convincingly distinguish his or her bill request from the closely related one.

Motion: That the Legislative Council adopt the suggested protocol for deciding legislator appeals of the decision of the Legislative Council on bill requests as described in the "Deciding Appeals of Legislative Bill Requests Turned Down By the Council" document dated November

5, 2009. Motion by Senator Bartlett. Second by Senator Mitchell. **Motion passed, unanimous. (10-0)**

Item #2: Consideration of Legislators' Appeals of Council Action on Bill Requests

The Legislative Council proceeded to consider and vote on 65 appeals of the Legislative Council decisions on bill requests in accordance with the adopted protocol, and using an automated voting system. Of the 65 appeal requests, the council authorized 32 requests for introduction in the 2nd Regular Session of the 124th Legislature, 30 failed, and 3 were tabled until a future Legislative Council meeting. Nine appeals were withdrawn by the sponsor at or prior to the council meeting. A list of the bills and the roll call votes are attached. Legislative Council Chair Pingree noted that a number of bill requests related to school consolidation and taxation had been tabled at the October Council meeting and will be considered at the December meeting of the Legislative Council.

RECESS

The council recessed at 2:31 on the motion of the Chair.

RECONVENED

The Chair reconvened the meeting at 2:45 p.m. and then proceeded with the other items on the agenda.

SUMMARY OF OCTOBER 15, 2009 MEETING OF LEGISLATIVE COUNCIL

Motion: That the Meeting Summary of October 15, 2009 be accepted and placed on file. Motion by Senator Mitchell. Second by Representative Tardy. **Motion passed unanimous. (10-0)**

REPORTS FROM EXECUTIVE DIRECTOR AND COUNCIL OFFICES

Executive Director's Report

David Boulter, Executive Director of the Legislative Council, reported on the following:

State Law and Legislative Reference Library

The Law and Legislative Reference Library under the direction of staff member Elaine E. Apostola, has compiled the first ever comprehensive listing of all Maine Statutes that have been ruled unconstitutional or void by court decisions dating back to 1916. The information should be very useful to the legislature and the judicial branch as well as to the public conducting legislative research. The information is also posted on the legislature's website at <http://www.maine.gov/legis/lawlib/constcases.htm>.

NCSL

NCSL is responding to travel restrictions by member states by offering web seminars (webinars) that allow conferencing in a way that minimizes staff travel and other costs at this time. It is anticipated that NCSL will make increasing use of webinars during the next two years.

Citizen Trade Policy Commission

OLPA Director Patrick Norton has finalized the Citizen Trade Policy Commission contract with the Department of Labor for staffing services. The contract amount is up to \$7,500 for staffing and other support services. The contract will be administered through the Department of Labor with legislative funds that were carried forward and previously authorized by the Legislative Council.

Fiscal Report

Grant Pennoyer, Director, Office of Fiscal and Program Review, reported the following.

Revenue Update

Preliminary General Fund Revenue Variances (\$'s in Millions)

Major Categories	October Variance	FYTD Variance
Sales and Use Tax	(\$6.9)	(\$25.2)
Individual Income Tax	(\$19.1)	(\$58.3)
Corporate Income Tax	(\$7.9)	(\$5.3)
Cigarette and Tobacco Tax	\$0.3	\$0.5
Insurance Companies Tax	\$1.3	\$1.1
Estate Tax	\$3.9	\$1.8
Fines, Forfeits and Penalties	(\$1.1)	(\$2.9)
Transfers to Tax Relief Programs	\$2.2	\$4.9
Transfers for Municipal Revenue Sharing	\$1.8	\$4.6

Mr. Pennoyer stated that he anticipates that General Fund revenue will be significantly under budget again in October. The General Fund negative variance has been driven by declines in Sales Tax and Individual Income Tax collections. But for the variances in those 2 major revenue sources, the General Fund would have a positive variance. In October, Sales Tax revenue was under budget by \$6.9 million and fell \$25.2 million below budget for the first 4 months of FY 2010. Individual Income Tax revenue was under budget by \$19.1 million in October and fell below budget for the first 4 months of FY 2010 by \$58.3 million. Estate Tax revenue rebounded in October with a large single estate tax payment of approximately \$4.5 million. However, Corporate Income Tax revenue fell \$7.9 million under budget in October and \$5.3 million for the year-to-date.

Highway Fund revenue fell slightly below budget in October, primarily due to decreased Bureau of Motor Vehicle revenue. However, it remains above budget for the first 4 months of FY 2010 by roughly \$2.5 million.

Revenue Forecasting Update

The Consensus Economic Forecasting Commission (CEFC) met on Monday, November 2nd to conclude its forecast by filling in some of the detailed forecast of Personal Income. A summary report was attached, and a more detailed report will be released later. At a briefing to the Appropriations Committee Monday afternoon, the CEFC Chair discussed the revised economic forecast. He noted that the employment picture showed some improvement from the last forecast with approximately 4,000 fewer jobs lost during the recession than was previously projected. He also noted that there was a measurement issue with respect to Personal Income affecting all of the major national and regional forecasts that was revealed only very recently through the federal Bureau of Economic Analysis' update and revisions to Personal Income. That revision shows that the decline of salaries

and wages in the first quarter of CY 2009 was much worse than previously estimated, -17% (annualized) compared with a previous estimate of -1.7%.

The revisions to Personal Income revenue projections and the recognition of the much more significant drop in salaries and wages (see table on the next page) help explain the negative variances in Individual Income Tax and Sales Tax collections. When these variables are updated in the tax models, they will result in significant downward revisions that will be recommended to the Revenue Forecasting Committee when it meets on Friday, November 20th (note date change).

Consensus Economic Forecasting Commission

Comparison of April 2009 and November 2009 Economic Forecasts

Calendar Years	2008	2009	2010	2011	2012	2013
• Wage & Salary Employment (Annual Percentage Change)						
> Consensus 4/2009	-0.3%	-3.8%	-1.6%	1.4%	2.2%	2.0%
> Consensus 11/2009	-0.3%	-2.9%	-1.2%	1.2%	2.2%	2.0%
Difference	0.0%	0.9%	0.4%	-0.2%	0.0%	0.0%
• Personal Income (Annual Percentage Change)						
> Consensus 4/2009	4.2%	1.0%	1.2%	2.8%	4.0%	4.7%
> Consensus 11/2009	4.0%	-0.6%	1.2%	3.2%	4.4%	4.8%
Difference	-0.2%	-1.6%	0.0%	0.4%	0.4%	0.1%
Major Components of Personal Income						
Wage and Salary Disbursements						
> Consensus 4/2009	3.6%	-1.3%	-0.4%	2.1%	4.3%	4.9%
> Consensus 11/2009	3.2%	-4.7%	-0.4%	2.5%	3.9%	4.9%
Difference	-0.4%	-3.4%	0.0%	0.4%	-0.4%	0.0%
Supplements to Wages and Salaries						
> Consensus 4/2009	3.7%	1.9%	1.3%	2.7%	4.0%	5.4%
> Consensus 11/2009	3.1%	0.5%	3.1%	3.3%	4.0%	5.2%
Difference	-0.6%	-1.4%	1.8%	0.6%	0.0%	-0.2%
Non-Farm Proprietors' Income						
> Consensus 4/2009	-1.4%	-2.2%	1.6%	4.6%	4.8%	4.2%
> Consensus 11/2009	-2.8%	-6.1%	0.9%	4.6%	5.0%	4.5%
Difference	-1.4%	-3.9%	-0.7%	0.0%	0.2%	0.3%
Dividends, Interest and Rent						
> Consensus 4/2009	4.3%	-1.0%	1.0%	3.0%	3.0%	4.0%
> Consensus 11/2009	1.9%	-3.5%	1.5%	3.9%	6.0%	7.0%
Difference	-2.4%	-2.5%	0.5%	0.9%	3.0%	3.0%
Transfer Payments						
> Consensus 4/2009	8.0%	8.7%	4.7%	4.0%	4.5%	5.4%
> Consensus 11/2009	11.8%	13.5%	3.6%	4.0%	4.7%	3.7%
Difference	3.8%	4.8%	-1.1%	0.0%	0.2%	-1.7%
• Consumer Price Index (Annual Percentage Change)						
> Consensus 4/2009	3.8	-1.4	1.7	2.3	2.1	2.0
> Consensus 11/2009	3.8	-0.5	1.7	2.0	2.1	2.0
Difference	0.0	0.9	0.0	-0.3	0.0	0.0

Status of Legislative Studies

Mr. Norton provided a written status report that is included in the Legislative Council meeting materials. Mr. Norton also explained that in response to earlier council suggestions for publication distribution efficiencies, his office has significantly reduced the number of printed copies of the legislative study reports. Printed copies of the study reports will be limited to those required by law, the Law and Legislative Reference Library, the State Library for distribution to local libraries, and to relevant joint standing committees. As an alternative to distribution of paper copies, OPLA will notify interested persons by email that a report is available on the Legislature's website. Upon request, OPLA will provide one paper copy and send email notifications that the information is available on the website. OPLA will continue providing one copy free for anyone who requests one but charging a fee for additional printed copies.

Speaker Pingree suggested that Mr. Norton consider an email distribution to Legislators with an electronic copy of the report attached (.pdf) because legislators will read it in most cases if they receive it electronically. Legislators could still request a paper copy if needed.

REPORTS FROM COUNCIL COMMITTEES

1. Personnel Committee

Mr. Boulter reported that the Personnel Committee's Interview Panel is continuing to review applications and hold interviews for the Information Technology Director position and for the vacant Revisor of Statutes position.

Speaker Pingree mentioned she was hopeful that by its December meeting, the Legislative Council will be presented with a recommendation of a candidate to be appointed to the Information Technology director position and perhaps the Revisor of Statutes.

2. State House Facilities Committee

(No Report)

3. Budget Subcommittee

(No Report)

4. CSG Annual Meeting Planning Subcommittee

CSG 2010 Annual Meeting Co-chair Senator Bartlett reported that he had circulated a draft letter on November 4th that is intended to solicit donations and participation on a corporate host committee, for Legislative Council comment. He would like to send out the fundraising letter soon and also convene a CSG subcommittee meeting, perhaps by phone, to determine the best strategy in following up the letter with calls.

Speaker Pingree asked if there was an ethics rule authorizing fundraising by Legislators during the legislative session. Senator Bartlett responded by saying that he had asked Executive Director David Boulter to check with the Ethics Commission on that very issue and he had received an official letter indicating that there was no prohibition on the fund raising.

Mr. Boulter added that current law provides an allowance for solicitations or contributions for (bone fide) social events for nonpartisan, charitable purposes such as the CSG/ERC annual meeting [1MRSA§1015(3)].

There was no Old Business. Chair Pingree then proceeded to **Item 3** under New Business.

NEW BUSINESS

ITEM #3: Proposed Fee Schedule for Legislative Documents for Second Regular Session of the 124th Legislature

Assistant Clerk of the House Michael Cote presented a recommended new fee schedule for legislative documents for the Second Regular Session of the 124th Legislature. There were no projected increases.

Motion: That the proposed fee schedule for Legislative Documents for Second Regular Session of the 124th Legislature be accepted. Motion by Representative Tardy. Second by Senator Mitchell. **Motion passed unanimous. (10-0)**

ITEM #4: Request by the Study Commission Regarding Teachers' Compensation for Extension of the Reporting Date from December 1 to December 15, 2009.

The Chairs of the study commission requested an extension of the reporting date since the commission has not yet convened. The commission has not convened because the Governor has not yet made his appointment as required by the enabling legislation.

Motion: That the request by the Study Commission Regarding Teachers' Compensation for a limited extension of its reporting date from December 1 to December 15, 2009 be approved. Motion by Senator Mitchell. Second by Representative Berry. **Motion passed unanimous. (10-0)**

ITEM #5: Proposed Pandemic Flu Response Guidelines

Proposed pandemic flu response guidelines for the Legislature, prepared by the Office of the Executive Director, were presented for consideration by the Legislative Council. Legislative Council Chair Pingree reminded Legislative Council members that the emergence of the H1N1 flu virus in April 2009 has become a significant public concern and as a result there is a need for the Legislature to have a plan of response. She asked Human Resources Director Debra Olken to briefly summarize the proposed flu response guidelines which she did. Ms. Olken explained that the guidelines provide information to Legislators and legislative employees on:

1. Preventing the spread of the flu virus;
2. Symptoms of seasonal and H1N1 flu;
3. When (and when not) to report to work; and
4. Credible sources of additional health and response information about the flu.

Ms. Olken also explained that the proposed response guidelines direct office managers to develop contingency plans that will allow the continuation of core legislative functions and operations in the event of a flu outbreak in the Legislature when there may be significant employee absenteeism due to the flu.

Motion: That the Legislative Council adopt the proposed Pandemic Flu Response Guidelines. Motion by Representative Tardy. Second by Representative Berry. **Motion passed unanimous. (10-0)**

ITEM #6: *Washington County Development Authority Annual Report*

ITEM #7: *Loring Development Authority of Maine 2009 Annual Report*

Motion: That the Legislative Council accept the Washington County Development Authority Annual Report and Loring Development Authority of Maine 2009 Annual Report and place them on file. Motion by Senator Mitchell. Second by Senator Raye. **Motion passed unanimous. (10-0)**

ANNOUNCEMENTS AND REMARKS

None

ADJOURNMENT

The Legislative Council meeting was adjourned at 3:13 P.M. Motion by Senator Bartlett. Second by Representative Tardy. **Motion to adjourn passed, unanimous. (10-0)**

**Legislative Council Action
On Legislative Bill Requests
November 5, 2009**

Agriculture, Conservation and Forestry

2072	An Act To Strengthen the Laws against Illegal "Puppy Mill" Operators	Senator Hobbins	10 - 0	Passed
2490	An Act To Amend the Laws That Provide an Exemption for Agricultural Guard Dogs from Municipal Ordinances Governing Barking Dogs	Representative Strang Burgess	10 - 0	Passed

Appropriations and Financial Affairs

2040	An Act To Provide Greater Transparency in State Budgeting	Representative Lovejoy	1 - 9	Failed
2384	Resolve, To Establish the Maine Children's Budget	Representative Eves	0 - 10	Failed
2435	An Act To Stimulate Education and Job Creation through the Establishment of a Public Center for Higher Education at the Former Brunswick Naval Air Station	Senator Gerzofsky	0 - 10	Failed

Business, Research and Economic Development

2356	An Act To Strengthen Consumer Protection against Financial and Identity Theft	Senator Trahan	3 - 7	Failed
2444	An Act To Encourage Private Enterprise by Prohibiting the University of Maine from Economically Harming Private Enterprise	Representative Giles	0 - 10	Failed

Criminal Justice and Public Safety

2043	An Act To Reinstate a System of Parole and To Implement a Program Designed To Reintegrate Former Prisoners into the Community	Representative Tuttle	0 - 10	Failed
2105	An Act To Require Persons Who Commit Sex Offenses against Dependent or Incapacitated Adults To Register under the Sex Offender Registration and Notification Act of 1999	Senator Gerzofsky	5 - 5	Failed
2142	An Act To Increase the Maximum Distance from a School and a Day Care Center That May Be Set by Municipal Ordinance beyond Which a Sex Offender May Reside	Senator Courtney	5 - 5	Failed
2164	An Act To Repeal the Laws Governing the Coordination of State and County Correctional Services	Senator Trahan	3 - 7	Failed
2195	An Act To Make Improvements to the Laws Governing the State Board of Corrections	Representative Crockett, P.	Tabled pursuant to motion - 10-0	
2200	An Act To Increase the Penalties for Writing Bad Checks	Representative Shaw	10 - 0	Passed
2338	An Act To Amend the Laws Governing County Jail Budgeting for York County	Senator Nass, R.	Tabled pursuant to motion - 10-0	
2470	An Act To Change Operating after Suspension to a Civil Violation	Representative Strang Burgess	10 - 0	Passed

**Legislative Council Action
On Legislative Bill Requests
November 5, 2009**

Education and Cultural Affairs

2062	An Act To Maximize Maine's Eligibility To Receive Grants from the Federal Race to the Top Fund	Senator Mills, P.	3 - 7	Failed
2311	An Act To Allow Minor Capital School Improvement Projects To Be Permitted Costs under Essential Programs and Services	Representative Rotundo	9 - 1	Passed
2463	An Act To Implement Recommendations Contained in the Audit of the Maine State Library, Maine Arts Commission, Maine State Museum Commission and Maine Historic Preservation Commission	Representative Percy	9 - 0	Passed

Health and Human Services

2136	An Act To Prohibit Mandatory Vaccinations	Representative Thomas	4 - 6	Failed
2168	An Act To Require an Independent Audit of the MaineCare System	Representative Cebra	4 - 6	Failed
2249	An Act To Require a Pharmacist To Provide Prior Notification or Obtain Consent from the Prescribing Physicians before Changing from One Formulation or Manufacturer to Another of an Antiepileptic Drug	Senator Bowman	10 - 0	Passed
2307	An Act To Enact the Maine Substance Abuse Impairment Act	Representative Beaudette	3 - 7	Failed
2367	An Act To Reimburse Pharmacies under the MaineCare Program Based on Wholesale Acquisition Costs	Representative Lewin	10 - 0	Passed
2368	An Act To Require the Department of Health and Human Services To Represent the Child in All Proceedings on Protection from Abuse Orders Involving a Child	Senator Sullivan	2 - 7	Failed

**Legislative Council Action
On Legislative Bill Requests
November 5, 2009**

Inland Fisheries and Wildlife

2081	An Act To Allow Deer Hunting with Shotguns Only in Owls Head During Firearms Season	Representative Mazurek	10 - 0	Passed
2103	An Act To Prevent Municipalities from Establishing Boat Moorings around State-owned Public Boat Launches	Senator Gerzofsky	0 - 10	Failed
2166	An Act To Prohibit Floating Barges on a Portion of the Saco River	Senator Hastings	3 - 7	Failed
2190	An Act To Prohibit the Use of Jet Skis on Wilson Pond	Representative Johnson	7 - 3	Passed
2278	Resolve, Directing the Department of Inland Fisheries and Wildlife To Adopt Rules Clarifying Fish Stocking Decisions	Representative Duchesne	10 - 0	Passed
2354	An Act To Amend the Standards by Which Game Wardens May Stop All-terrain Vehicles when Operating on Privately Owned Lands	Representative Sarty	9 - 1	Passed
2395	An Act To Encourage Youth Participation in Maine's Hunting Heritage	Senator Bryant, B.	0 - 10	Failed

Insurance and Financial Services

2167	An Act To Increase Consumer Choice Regarding the Purchase of Extended Warranties	Representative Thibodeau	10 - 0	Passed
2342	An Act To Establish an Insurance Fraud Division	Representative Fossel	Tabled pursuant to motion - 10-0	
2489	An Act To Allow a Maine-chartered Financial Institution To Conduct a Savings Promotion Raffle	Senator Sullivan	6 - 3	Passed

Judiciary

2126	An Act To Remove the Age Limit Governing When a Court Must Consider the Wishes of a Child in a Proceeding for the Termination of Parental Rights	Representative Wheeler	10 - 0	Passed
2170	An Act To Amend Laws Relating to Persons Serving as Permanency Guardians	Senator Rosen, R.	10 - 0	Passed

Legal and Veterans Affairs

2066	An Act To Amend the Laws Pertaining to the Taste Testing of Alcoholic Beverages	Representative Webster	6 - 4	Passed
2429	An Act To Implement the Use of Promotional Credits	Senator Perry, J.	0 - 9	Failed
2461	Resolve, To Create the State Veterans' Memorial Preservation Advisory Commission	Representative Martin, J.R.	0 - 10	Failed
2491	An Act To Provide Uniform Rules for Smoking in or Near Establishments That Serve Alcohol	Senator Mills, P.	2 - 8	Failed

**Legislative Council Action
On Legislative Bill Requests
November 5, 2009**

Marine Resources

2113	An Act To Allow Immediate Family Members To Assist in Lobstering	Representative Pendleton	0 - 9	Failed
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Natural Resources

2063	An Act To Update and Modernize Maine's Floodplain Mapping for Coastal Communities	Representative Legg	10 - 0	Passed
2112	An Act To Amend the Coastal and Lake Watershed Districts Law To Clarify Municipal Home Rule and Interlocal Cooperation Authority	Representative Eberle	10 - 0	Passed
2282	An Act To Prohibit Significant Groundwater Well Development on Public Lands	Representative Pratt	4 - 6	Failed
2292	An Act To Reduce the Required Setback in a Resource Protection Zone from 250 Feet to 100 Feet	Representative Schatz	4 - 6	Failed
2339	An Act To Protect the Environment and Natural Resources of the State by Regulating the Discharge of Certain Substances into the Environment	Representative Flaherty	7 - 3	Passed
2445	An Act To Exempt Minor Activities from the Natural Resources Protection Act	Senator Nass, R.	4 - 6	Failed

State and Local Government

2046	An Act Designating March 29 Vietnam Veterans Day	Representative Briggs	4 - 6	Failed
2392	An Act To Clarify the Informed Growth Act	Representative Beaudette	7 - 3	Passed

Taxation

2472	An Act To Create an Optional Local Sales Tax To Support Education	Representative Lovejoy	1 - 9	Failed
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**Legislative Council Action
On Legislative Bill Requests
November 5, 2009**

Transportation

2033	An Act To Stimulate the Maine Economy and Promote the Development of Maine's Priority Transportation Infrastructure Needs	Representative MacDonald	7 - 3	Passed
2053	An Act To Reduce Noise Caused by Motorcycles and Improve Public Health	Senator Sullivan	6 - 4	Passed
2098	An Act To Define Texting or Keyboarding while Operating a Motor Vehicle as a Reckless Act	Representative Van Wie	2 - 8	Failed
2121	An Act To Encourage Tourism by Ensuring the Safety, Accessibility and Availability of Highway Rest Stops and Scenic Overlooks	Representative Thomas	6 - 4	Passed
2132	An Act To Transfer Funding for Certain Expenditures That Are Not Related to Transportation from the Highway Fund to the General Fund	Senator Gooley	4 - 6	Failed
2145	An Act To Establish a Rural Highway Authority	Senator Smith, D.	4 - 6	Failed
2208	An Act To Establish Emergency Zones	Senator Trahan	6 - 4	Passed
2274	An Act To Provide for the Safety of Young Maine Athletes	Representative Carey	10 - 0	Passed
2333	An Act To Improve Maine's Roads	Representative Thomas	4 - 6	Failed
2334	An Act To Reduce Road Noise within Posted Areas	Representative Strang Burgess	8 - 2	Passed
2424	An Act To Designate Funds from the Highway Fund to the Highway and Bridge Light Capital Program	Representative Browne	10 - 0	Passed

Utilities and Energy

2173	An Act To Establish a Broadband Policy for Maine	Representative Flaherty	9 - 1	Passed
2252	An Act To Streamline Collections for Consumer-owned Consolidated Water and Wastewater Utilities	Representative Fitts	7 - 3	Passed
2346	Resolve, To Review Certification Requirements for Installation of Solar Energy Systems	Representative Nelson	6 - 4	Passed
2466	An Act To Protect Universal Service	Representative Fitts	7 - 3	Passed

Total number of bills accepted:32

Total number of bills tabled:3

Total number of bills screened:65

**Legislative Council Action
On Legislative Bill Requests
November 5, 2009**

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MAINE STATE LEGISLATURE
OFFICE OF THE EXECUTIVE DIRECTOR
LEGISLATIVE COUNCIL

**Executive Director's Report
December 17, 2009**

1. H1N1 Vaccine Clinic

The Maine CDC has announced that the State has now received sufficient quantities of the H1N1 vaccine to make the flu shots available to the general public, not just "high risk" populations. H1N1 flu clinics will be held at State work sites. A flu clinic will be held for legislative employees and Legislators in the State House in the very near future. A notice will be sent when the clinic details have been finalized. The Maine CDC expects the H1N1 virus to continue to circulate among the population and while the number of cases of the flu has decreased, a resurgence is expected.

2. CPR/First Aid Training Seminar

A CPR/First Aid training seminar is being developed for interested legislative employees. The training is not a "first responder" level training but is designed to provide basic first aid techniques to staff in order to develop a more informed workforce in case of emergencies. The training will be scheduled for early January.

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Fiscal Briefing

Legislative Council Meeting – December 17, 2009

Prepared by the Office of Fiscal & Program Review

1. Revenue Update

Total General Fund Revenue - FY 2010 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
November	\$199.4	\$201.8	\$2.3	1.2%	\$198.6	1.6%
FYTD	\$1,031.4	\$964.7	(\$66.7)	-6.5%	\$1,044.3	-7.6%

General Fund revenue in November was \$2.3 million over the budgeted revenue amounts prior to the downward revisions to budgeted revenue in December 2009 Revenue Forecast. General Fund revenue remained \$66.7 million (6.5%) below revenue estimates prior to the December revisions and for the first 5 months of FY 2010 was 7.6% below the same period in FY 2009. The December monthly revenue report will reflect the downward revisions of the December 2009 Revenue Forecast, which lowered FY 2010 revenue estimates by \$209.4 million and projects a 5.8% decline from FY 2009. The December Forecast lowered General Fund revenue by a total of \$383.6 million for the 2010-2011 biennium.

November's relatively strong performance was driven by collections late in November, primarily from a surge in Corporate Income Tax collections, that were received as part of the Tax Receivables Reduction Initiative (TRRI). Corporate Income Tax revenue, primarily as a result of TRRI, came in \$10.8 million ahead of the pre-December revenue estimates. Individual Income Tax was under budget by \$4.6 million for November, but this was an improvement over past months. Individual Income Tax revenue was under budget for the first 5 months of FY 2010 by \$62.8 million. The Revenue Forecasting Committee revised Individual Income Tax revenue downward in its December forecast by \$166.8 million in FY 2010.

November's Sales Tax performance, a modest improvement over prior months, fell below budget by \$4.7 million or 6.2%. For the fiscal year through November, Sales Tax was under budget by \$30.1 million. FY 2010 Sales Tax revenue was revised downward in the December forecast by \$41.3 million.

Total Highway Fund Revenue - FY 2010 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
November	\$27.1	\$27.1	\$0.0	0.2%	\$27.4	-0.9%
FYTD	\$113.3	\$115.8	\$2.5	2.2%	\$118.6	-2.4%

Highway Fund revenue was just slightly over budget in November compared to the forecast prior to the December revenue revisions. November's positive variance resulted from Bureau of Motor Vehicle (BMV) revenue, which was ahead of budget for the month due to a positive variance in the revenue from the Long-term Trailers program. The Highway Fund retained a \$2.5 million positive variance for the first 5 months of FY 2010 due solely to the early variances in the Fuel Taxes category, which was \$3.5 million over budget through November. For the first 5 months of FY 2010, Highway Fund revenue is 2.4% below collections in the same period last fiscal year.

The December 2009 Revenue Forecast reduced Highway Fund revenue estimates by \$7.3 million in FY 2010 and \$14.3 million for the 2010-2011 biennium. The Highway Fund's revenue performance to date seems inconsistent with the downward revisions in the forecast. The greatest downward revisions in the December Forecast were driven by the economic forecast and the tax model calculations. The Revenue Forecasting Committee (RFC) did not accept the full reduction calculated by the tax models and the changes to Personal Income. The RFC will be watching the performance within this category carefully to test the accuracy of the model's predictions.

2. Revenue Forecasting Revisions

Provided below is a summary of the December 2009 Revenue Forecast.

Summary of December 2009 Revenue Revisions

Millions of \$'s

General Fund Summary

	FY09 Actual	FY10	FY11	FY12	FY13
Current Forecast	\$2,811.4	\$2,856.7	\$2,897.9	\$2,939.3	\$3,035.9
Annual % Growth	-9.0%	1.6%	3.1%	2.9%	4.8%
Net Increase (Decrease)		(\$209.4)	(\$174.2)	(\$164.8)	(\$146.9)
Revised Forecast	\$2,811.4	\$2,647.2	\$2,723.7	\$2,774.6	\$2,889.0
Annual % Growth	-9.0%	-5.8%	2.9%	1.9%	4.1%

Highway Fund Summary

	FY09 Actual	FY10	FY11	FY12	FY13
Current Forecast	\$324.2	\$312.7	\$308.7	\$314.4	\$320.3
Annual % Growth	-1.2%	-3.5%	-4.8%	0.5%	3.7%
Net Increase (Decrease)		(\$7.3)	(\$7.1)	(\$7.6)	(\$8.8)
Revised Forecast	\$324.2	\$305.5	\$301.6	\$306.9	\$311.5
Annual % Growth	-1.2%	-5.8%	-7.0%	-5.4%	2.0%

Fund for a Healthy Maine Summary

	FY09 Actual	FY10	FY11	FY12	FY13
Current Forecast	\$68.4	\$59.7	\$57.1	\$62.8	\$62.6
Annual % Growth	10.3%	-12.8%	-4.3%	10.0%	-0.3%
Net Increase (Decrease)		\$0.5	\$0.2	\$1.2	\$0.9
Revised Forecast	\$68.4	\$60.2	\$57.3	\$64.0	\$63.5
Annual % Growth	10.3%	-12.0%	-4.8%	11.6%	-0.8%

Medicaid/MaineCare Dedicated Revenue Taxes Summary

	FY09 Actual	FY10	FY11	FY12	FY13
Current Forecast	\$138.0	\$140.7	\$140.8	\$140.9	\$141.0
Annual % Growth	6.0%	2.0%	0.1%	0.1%	0.1%
Net Increase (Decrease)		(\$2.4)	(\$3.3)	(\$3.4)	(\$3.5)
Revised Forecast	\$138.0	\$138.3	\$137.6	\$137.6	\$137.6
Annual % Growth	6.0%	0.2%	-0.6%	0.0%	0.0%

3. General Fund Shortfall

Provided below is a summary of the General Fund shortfall recognized by the December 2009 Revenue Forecast and the FY 2009 revenue shortfall. The FY 2010 shortfall at \$231.7 million will be extremely difficult to address given that we are almost half way through FY 2010. The General Fund Biennial Budget already included \$16 million of one-day borrowing to balance FY 2010, which has been contributed to the General Fund declining cash position.

Summary of General Fund Shortfall

2010-2011 Biennium (Millions of \$'s)

	FY 2010	FY 2011	Biennium
Negative Ending Balances from FY 2009	(\$22.3)	(\$2.5)	(\$24.8)
December 2009 Revenue Revision	(\$209.4)	(\$174.2)	(\$383.6)
Streamlining Initiative	\$0.0	(\$30.0)	(\$30.0)
Ending General Fund Balances	(\$231.7)	(\$206.7)	(\$438.4)

4. Cash Balances

Presented below is a summary of the State's average cash balances in November 2009 compared to November 2008. Despite the poor performance of General Fund revenue and the use of virtually all reserves, the State has not yet implemented any external borrowing. This strategy, while increasing savings in budgeted debt service costs in the Office of the Treasurer, has significantly lowered the total cash pool and lowered investment returns (less available cash to invest). The reliance on internal borrowing to meet General Fund cash flow needs was at its highest level ever at \$293.2 million last month, \$168.2 million higher than November 2008. The November average balance for the total cash pool was \$302.6 million, almost \$102 million less than last November, and significantly below the historical average (2001 to 2008) of \$549.2 million.

The Dirigo Health Fund has made little progress in the last 2 months toward paying back the \$25 million General Fund cash advance. Excluding the cash advance, the fund had a negative balance of \$20.5 million, just slightly more negative than September's and October's average balances. November's average balance was more negative than last November by more than \$1.5 million.

Average balances for federal funds in November remained substantially negative as they were in October. At this point, we are trying to determine the reasons for this substantial negative balance. It appears to be primarily related to MaineCare spending. Some modest negative balances in federal funds are expected due to federal cash management requirements, but these amounts are an anomaly.

Summary of Treasurer's Cash Pool		
November Average Daily Balances		
Millions of \$'s		
	2008	2009
General Fund (GF) Total	\$20.2	\$9.7
General Fund (GF) Detail:		
Budget Stabilization Fund	\$130.9	\$0.2
Reserve for Operating Capital	\$40.6	\$0.0
Tax Anticipation Notes	\$0.0	\$0.0
Internal Borrowing	\$125.0	\$293.2
Other General Fund Cash	(\$276.3)	(\$283.7)
Other Spec. Rev. - Interest to GF	\$39.9	(\$36.9)
Other State Funds - Interest to GF	(\$13.1)	\$11.4
Highway Fund	\$11.8	\$15.7
Other Spec. Rev. - Retaining Interest	\$62.3	\$46.7
Other State Funds	\$204.9	\$149.9
Independent Agency Funds	\$78.5	\$106.0
Total Cash Pool	\$404.5	\$302.6

General Fund and Highway Fund Revenue
Fiscal Year Ending June 30, 2010
Reflecting Budgeted Amounts Through 124th Legislature, 1st Regular Session

NOVEMBER 2009 REVENUE VARIANCE REPORT *

Revenue Line	November '09 Budget	November '09 Actual	November '09 Variance	FY10 YTD Budget	FY10 YTD Actual	FY10 YTD Variance	FY10 YTD Variance %	FY10 Budgeted Totals
General Fund								
Sales and Use Tax	75,822,256	71,132,333.66	(4,689,922.34)	361,557,663	331,428,945.28	(30,128,717.72)	-8.3%	938,953,932
Service Provider Tax	4,881,995	4,268,496.10	(613,498.90)	19,425,569	19,148,944.29	(276,624.71)	-1.4%	55,590,852
Individual Income Tax	110,050,000	105,446,274.08	(4,603,725.92)	555,250,000	492,414,858.72	(62,835,141.28)	-11.3%	1,444,804,369
Corporate Income Tax	(8,000,000)	2,758,149.88	10,758,149.88	34,150,000	39,506,407.41	5,356,407.41	15.7%	144,697,500
Cigarette and Tobacco Tax	11,432,355	11,018,467.09	(413,887.91)	62,402,699	63,010,847.90	608,148.90	1.0%	137,881,705
Insurance Companies Tax	4,508,789	4,361,595.39	(147,193.61)	11,932,493	12,869,268.02	936,775.02	7.9%	71,985,000
Estate Tax	2,476,952	2,563,315.82	86,363.82	7,832,230	9,391,180.81	1,558,950.81	19.9%	30,124,796
Other Taxes and Fees	7,961,953	7,494,291.07	(467,661.93)	56,730,830	57,085,353.26	354,523.26	0.6%	143,490,376
Fines, Forfeits and Penalties	2,895,253	2,134,617.33	(760,635.67)	18,150,703	14,529,288.14	(3,621,414.86)	-20.0%	43,559,855
Income from Investments	140,240	22,689.21	(117,550.79)	661,511	202,231.40	(459,279.60)	-69.4%	947,908
Transfer from Lottery Commission	3,810,323	4,286,411.20	476,088.20	20,956,801	21,783,876.44	827,075.44	3.9%	49,534,250
Transfers to Tax Relief Programs	(8,966,168)	(11,219,616.89)	(2,253,448.89)	(61,875,635)	(59,217,026.89)	2,658,608.11	4.3%	(116,953,498)
Transfers for Municipal Revenue Sharing	(9,633,342)	(7,921,992.49)	1,711,349.51	(50,520,211)	(44,190,684.79)	6,329,526.21	12.5%	(112,092,834)
Other Revenue	2,041,264	5,426,457.05	3,385,193.05	(5,299,101)	6,712,698.36	12,011,799.36	226.7%	24,147,811
Totals	199,421,870	201,771,488.50	2,349,618.50	1,031,355,552	964,676,188.35	(66,679,363.65)	-6.5%	2,856,672,022
Highway Fund								
Fuel Taxes	18,820,548	18,802,352.48	(18,195.52)	75,319,591	78,965,384.82	3,645,793.82	4.8%	220,305,526
Motor Vehicle Registration and Fees	5,776,920	5,993,306.88	216,386.88	32,032,010	31,632,630.26	(399,379.74)	-1.2%	77,674,394
Inspection Fees	312,238	216,470.53	(95,767.47)	1,766,488	1,351,267.07	(415,220.93)	-23.5%	4,157,802
Fines, Forfeits and Penalties	122,562	122,127.99	(434.01)	749,750	729,074.99	(20,675.01)	-2.8%	1,795,049
Income from Investments	20,000	11,708.86	(8,291.14)	45,000	63,444.69	18,444.69	41.0%	203,237
Other Revenue	2,026,878	1,965,769.54	(61,108.46)	3,376,186	3,038,446.42	(337,739.58)	-10.0%	8,605,431
Totals	27,079,146	27,111,736.28	32,590.28	113,289,025	115,780,248.25	2,491,223.25	2.2%	312,741,439

* Does not reflect the December 2009 Revenue Forecast

Comparison of Actual Year-to-Date Revenue Through November of Each Fiscal Year

REVENUE CATEGORY	FY 2006	% Chg	FY 2007	% Chg	FY 2008	% Chg	FY 2009	% Chg	FY 2010	% Chg
GENERAL FUND										
Sales and Use Tax	\$347,412,686.14	3.3%	\$359,721,619.31	3.5%	\$365,583,284.40	1.6%	\$367,075,566.32	0.4%	\$331,428,945.28	-9.7%
Service Provider Tax	\$13,697,481.02	-7.5%	\$15,992,103.97	16.8%	\$17,421,407.83	8.9%	\$18,347,090.83	5.3%	\$19,148,944.29	4.4%
Individual Income Tax	\$469,860,736.59	5.2%	\$505,971,284.98	7.7%	\$527,709,442.60	4.3%	\$548,650,995.98	4.0%	\$492,414,858.72	-10.2%
Corporate Income Tax	\$53,737,876.19	35.8%	\$45,613,413.73	-15.1%	\$51,233,529.33	12.3%	\$36,029,240.41	-29.7%	\$39,506,407.41	9.7%
Cigarette and Tobacco Tax	\$59,923,162.72	39.3%	\$72,612,503.63	21.2%	\$67,440,425.79	-7.1%	\$66,776,768.37	-1.0%	\$63,010,847.90	-5.6%
Insurance Companies Tax	\$11,897,839.03	-15.9%	\$11,621,238.40	-2.3%	\$13,439,459.68	15.6%	\$12,524,627.82	-6.8%	\$12,869,268.02	2.8%
Estate Tax	\$38,283,546.95	402.5%	\$18,902,490.83	-50.6%	\$8,428,859.78	-55.4%	\$7,548,059.65	-10.4%	\$9,391,180.81	24.4%
Other Taxes and Fees	\$54,438,312.89	8.4%	\$58,352,185.19	7.2%	\$56,390,820.26	-3.4%	\$54,835,336.18	-2.8%	\$57,085,353.26	4.1%
Fines, Forfeits and Penalties	\$13,830,536.06	-1.6%	\$16,242,102.77	17.4%	\$19,006,811.81	17.0%	\$18,393,316.11	-3.2%	\$14,529,288.14	-21.0%
Earnings on Investments	\$2,429,322.28	57.3%	\$1,919,702.20	-21.0%	\$1,718,899.41	-10.5%	\$1,413,013.31	-17.8%	\$202,231.40	-85.7%
Lottery Transfers	\$20,906,831.99	0.5%	\$21,923,100.30	4.9%	\$20,704,169.39	-5.6%	\$21,232,975.86	2.6%	\$21,783,876.44	2.6%
Transfer from Lottery Commission	(\$70,181,857.43)	-220.1%	(\$67,093,737.26)	4.4%	(\$65,189,818.77)	2.8%	(\$71,992,610.84)	-10.4%	(\$59,217,026.89)	17.7%
Transfers to Tax Relief Programs	(\$41,540,873.04)	-10.5%	(\$38,870,438.92)	6.4%	(\$45,734,650.11)	-17.7%	(\$45,803,624.41)	-0.2%	(\$44,190,684.79)	3.5%
Transfers for Municipal Revenue Sharing	\$20,049,385.31	-70.9%	\$10,377,583.34	-48.2%	\$14,490,209.37	39.6%	\$9,244,927.35	-36.2%	\$6,712,698.36	-27.4%
Other Revenue	\$994,744,986.70	-0.3%	\$1,033,285,152.47	3.9%	\$1,052,642,850.77	1.9%	\$1,044,275,682.94	-0.8%	\$964,676,188.35	-7.6%
HIGHWAY FUND										
Fuel Taxes	\$78,556,059.52	-1.7%	\$79,276,851.38	0.9%	\$78,374,257.70	-1.1%	\$76,500,183.68	-2.4%	\$78,965,384.82	3.2%
Motor Vehicle Registration and Fees	\$33,856,608.25	8.5%	\$33,545,831.71	-0.9%	\$33,957,048.96	1.2%	\$34,358,975.10	1.2%	\$31,632,630.26	-7.9%
Inspection Fees	\$1,934,973.29	16.0%	\$1,883,687.32	-2.7%	\$1,660,148.01	-11.9%	\$1,553,309.28	-6.4%	\$1,351,267.07	-13.0%
Fines	\$780,476.21	4.8%	\$762,928.45	-2.2%	\$739,551.62	-3.1%	\$752,486.09	1.7%	\$729,074.99	-3.1%
Income from Investments	\$742,565.25	144.9%	\$376,613.21	-49.3%	\$614,953.10	63.3%	\$307,794.77	-49.9%	\$63,444.69	-79.4%
Other Revenue	\$4,826,271.40	63.7%	\$5,143,614.11	6.6%	\$5,341,369.41	3.8%	\$5,126,198.71	-4.0%	\$3,038,446.42	-40.7%
TOTAL HIGHWAY FUND REVENUE	\$120,696,953.92	3.3%	\$120,989,526.18	0.2%	\$120,687,328.80	-0.2%	\$118,598,947.63	-1.7%	\$115,780,248.25	-2.4%

Status of Interim 2009 Legislative Studies and Interim Committee Meetings

Updated 12/17/2009

New Legislative Studies

<u>Study Name</u>	<u>Meetings Authorized</u>	<u>Meetings Held to Date</u>	<u>Next Meeting Date</u>	<u>Report Date</u>	<u>Status</u>
Study commission regarding teacher compensation (Resolve 138)	4 meetings	1	Completed	12/15/2009	Report in production.
Task force on kinship families (Resolve 136)	4 meetings	0	N/A	12/2/2009	No outside funding received. Study will not proceed.
Commission to study energy infrastructure (PL 372, Sec. F4)	7 meetings	7	Completed	12/2/2009	Final report in production
Broadband Strategy Council (Resolve 108)	11 in FY 2010	8	Not scheduled	No report required. Council terminates on 12/1/2010	Staffed by ConnectME Authority.
Study the feasibility of establishing a single payer health care system in the State (Resolve 135)	No authorized meetings	0	N/A	1/15/2010	No outside funding received. Study will not proceed.

On-going Legislative Studies

<u>Study Name</u>	<u>Meetings Authorized</u>	<u>Meetings Held to Date</u>	<u>Next Meeting Date</u>	<u>Report Date</u>	<u>Status</u>
Citizen Trade Policy Commission (PL 2003, c. 699)	At least 2 per year	11	1/8/2010	12/2/2009	2009 Report printed and available on-line at http://www.maine.gov/legis/opla/ctpc2009rpt.pdf
Legislative Youth Advisory Council (3 MRSA, section 168-A)	Meetings suspended for FY 2009-10	0	Not scheduled	None	Legislative members using interim to discuss ways to improve effectiveness of LYAC.
Right to Know Advisory Committee (PL 2005, c. 631)	At least 4 times annually	4 (full committee) Multiple sub-committees	Completed	1/15 annually to JUD, Governor and Chief Justice	Final report in production.

Authorized Interim Committee Meetings

<u>Committee Name</u>	<u>Meetings Authorized</u>	<u>Meetings Held to Date</u>	<u>Next Meeting Date</u>	<u>Report Date</u>	<u>Status</u>
ACF	1 meeting	0	Not scheduled	No report required	12/9 meeting postponed due to weather. No plans to request another interim meeting date.
AFA streamlining state government (PL 213)	6 meetings	6	12/17	1/6/2010	
BRED committee meetings on carry over bills and other matters	2 meetings	2	Completed	No report required	
CJPS meeting on corrections issues	1 meeting	1	Completed	No report required	
CJPS review of litter control laws (PL 424)	1 meeting	0	Not scheduled	No report required	
EDU budget discussions	4 meetings	4	Completed	No report required	
HHS budget discussions	3 meetings	3	Completed	No report required	
IFW carryover and budget discussions	1 meeting	0	12/17	No report required	
JUD meeting to discuss BRED bill on Predatory Marketing Practices against Minors (PL 230)	2 meetings	2	Completed	Report to Presiding Officers in preparation	

<u>Study Name</u>	<u>Meetings Authorized</u>	<u>Meetings Held to Date</u>	<u>Next Meeting Date</u>	<u>Report Date</u>	<u>Status</u>
LVA to develop comprehensive policy regarding slot-machines and casino-style gambling in Maine (Resolve 141)	1 meeting	1	Completed	No report required	
TRA highway and bridge light capital program (PL 372, Sec. X-4)	2 meetings	2	Completed	No report required	
TAX review of telecommunications personal property tax and review of Tax Assessor's reports on sales tax (PL 382, Sec. B-50 and PL 213, Part P-2)	4 meetings	4	Completed	1/15/10 to AFA committee	

**BILL REQUESTS TABLED AT THE 10/15/09 AND 11/5/09 LEGISLATIVE
COUNCIL MEETINGS**

LR	Sponsor	Title
2371	BARTLETT	An Act Regarding the Tax on Candy
2323	BOWMAN	An Act To Allow the Town of Wells and the Town of Ogunquit To Amend the Terms of Their Cost-sharing Agreement for Their Community School District and To Provide Each Town the Ability To Withdraw from the Wells-Ogunquit Community School District
2073	CONNOR	An Act to Require the State To Pay the Costs of School Administration Consolidation
2357	CONNOR	An Act to Create Access to Dental Care throughout the State
2068	COURTNEY	An Act To Maintain Funding for Death Benefits for Law Enforcement Personnel and Firefighters
2141	COURTNEY	An Act To Repeal the Sales Tax on Automobile Repairs
2195	CROCKETT P	An Act To Make Improvements to the Laws Governing the State Board of Corrections
2342	FOSSEL	An Act To Establish an Insurance Fraud Division
2497	HILL	An Act To Exempt from the Increased Lodging Tax Group Lodging Contracts That Were Entered into before June 13, 2009
2088	LANGLEY	An Act To Repeal Recent Changes to the Laws Governing Taxation
2239	MACDONALD	An Act To Amend the Law Implementing Tax Reform To Improve Household Credits and Encourage Investments and Charitable Giving and Reduce the Tax Burden for Catastrophic Medical Expenditures
2327	MARRACHE	An Act To Authorize a General Fund Bond Issue To Create a New Electronic Medical Records Infrastructure
2194	MCFADDEN	An Act To Remove the Requirement That the Annual Budget of a Regional School Unit Must Be Approved at a Budget Validation Referendum
2285	MCLEOD	An Act To Create a Duty To Report Serious Injuries
2106	MILLER	An Act To Allow a School To Withdraw from a Regional School Unit
2309	NASS R	An Act To Reinstate Income Tax Indexing
2338	NASS R	An Act To Amend the Laws Governing County Jail Budgeting for York County
2201	O'BRIEN	An Act To Exempt from Penalties School Administrative Units That Would Lose Subsidy as a Result of Reorganization
2202	O'BRIEN	An Act To Require the Department of Education To Calculate Subsidy on the Basis of Membership in a Regional School Unit or an Alternative Organizational Structure and as if the School Administrative Unit Had Not Reorganized as of 2009
2428	PERRY J	An Act To Exempt the Town of Hermon from the School Administrative Unit Consolidation Law
2431	PERRY J	An Act To Implement Comprehensive Tax Reform
2299	PIOTTI	An Act To Adjust the Implementation of Possible Tax Changes
2353	ROTUNDO	An Act To Waive Certain Penalties Imposed against School Administrative Units if the State Has Not Fulfilled Its Goal of Paying 55% of Costs
2271	SAVIELLO	An Act To Form a Western Maine Regional School Unit
2076	THERIAULT	An Act To Authorize a General Fund Bond Issue To Purchase and Upgrade Trackage of the Montreal, Maine and Atlantic Railway, Ltd.
2042	TRAHAN	An Act To Make Retroactive the Sales Tax Exemption for Meals Served to Residents of Retirement Facilities
2238	WATSON	An Act To Improve the Law Implementing Tax Reform
2387	WEBSTER	An Act To Create Fair Education Funding for Regional School Units

REP. HANNAH M. PINGREE
CHAIR

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124TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

MEMO

To: Legislative Council Members
From: *D.B.*
David E. Boulter, Executive Director
Legislative Council
Date: December 10, 2009
Re: Decision Needed on Legislative Branch Office Closure Days for Calendar Year 2010

As you know, the legislative budget for the FY2010-2011 biennium that began on July 1, 2009 includes reductions to the legislative budget necessitating, among other things, the closure of legislative offices on various days during the current biennium, on a schedule determined by the Legislative Council. On June 9th, the Legislative Council established a schedule for the closure of legislative offices for the first half of FY10 (through December 2009) that was distributed to all staff on June 11th. At that time, the council deferred its decision with respect to the schedule for closure days for calendar year 2010 pending its assessment of the implications of closure days on legislative operations during those times when the legislature is in regular session.

The Department of Administrative and Financial Services issued a memorandum earlier this year that established a schedule by which all executive branch state departments and offices, except those operations determined to be exempt by the nature of their services, would be closed for 2010. Those days are generally associated with a state holiday (either preceding or following a holiday).

If the Legislative Council established a schedule whereby legislative offices would be closed on the same days as those of the executive branch, the office closure schedule would be as follows:

CLOSURE DAY

Friday, January 15, 2010
Tuesday, February 16, 2010
Friday, March 12, 2010
Tuesday, April 20, 2010
Friday, May 28, 2010
Friday, July 2, 2010
Friday, August 6, 2010
Friday, September 3, 2010
Friday, October 8, 2010
Thursday, December 23, 2010

ASSOCIATED HOLIDAY

M.L. King Day, Monday, January 18, 2010
President's Day, Monday, February 15, 2010
N/A
Patriot's Day, Monday, April 19, 2010
Memorial Day, Monday, May 31, 2010
Independence Day, Monday, July 5, 2010
N/A
Labor Day, Monday, September 6, 2010
Columbus Day, Monday, October 11, 2010
Christmas holiday, Friday, December 24, 2010

In order to achieve the desired salary savings, legislative employees would not report to work on closure days or perform legislative work on those days, and employees may not use paid leave for any office closure day.

If you have any questions, I would be happy to address them at the Legislative Council meeting.

Thank you.

GAHRES\CLOSURE DAY MEMOS 2009\schedule of legislative closure days (memo to LC).doc



DEPARTMENT OF

**Professional &
Financial Regulation**

STATE OF MAINE

- OFFICE OF SECURITIES
- **BUREAU OF INSURANCE**
- CONSUMER CREDIT PROTECTION
- **BUREAU OF FINANCIAL INSTITUTIONS**
- OFFICE OF LICENSING AND REGISTRATION

A Report to the Joint Standing Committee on

Insurance and Financial Services of the

124th Maine Legislature

**Study on the Feasibility of and Process for the Creation of
an Insurance Fraud Division within the Bureau of Insurance**

Submitted by the Bureau of Insurance,

Department of Professional and Financial Regulation

December 2009

Executive Summary

The Joint Standing Committee on Insurance and Financial Services of the 124th Maine Legislature directed the Bureau of Insurance to convene a working group of stakeholders to continue a discussion and review of several issues raised before the Committee during its consideration of LD 1285, An Act to Create the Insurance Fraud Division within the Bureau of Insurance. The Bureau was also directed to submit a report to the Committee on behalf of the Working Group with findings and recommendations.

The Bureau conducted three Working Group meetings in August and September 2009. Participants included representatives from 15 insurance companies, several insurance trade associations, the Maine Trial Lawyers Association, the Maine State Fire Marshal's Office, the Maine Workers Compensation Board and the Office of the Maine Attorney General. In addition to their participation in the Working Group sessions, members of the Working Group were invited to provide feedback on two preliminary drafts of this fraud unit report.

The following highlights the issues and legal questions noting when there was agreement, disagreement, and the Bureau's preferred approach:

- Although the extent of the problem is difficult to quantify, most members of the Working Group agreed that insurance fraud is a problem in Maine and that a dedicated fraud unit would be a useful tool to combat fraud. The Maine Trial Lawyers Association noted that there is no evidence of a significant problem.
- All members of the Working Group agreed that if a fraud unit is established, it should have broad authority to investigate all areas of insurance fraud, including claims fraud, premium fraud, fraudulent insurer practices and any other type of fraud that affects the Maine insurance market.
- Penalties for insurance fraud in Maine are adequate and do not need to be addressed at this time.
- Based upon input from stakeholders, the Bureau believes that mandatory reporting of insurance fraud is most appropriately limited to insurers and should not extend to other insurance professionals.
- Although many insurance industry representatives believed that immunity for reporting instances of fraud should be expanded to include insurer-to-insurer immunity, the Bureau believes that an appropriate immunity provision would be similar to that applicable to Fire Marshal investigations, which does not include insurer-to-insurer immunity.
- All members of the Working Group agreed that a fraud unit should be headquartered in the Bureau of Insurance and that the unit would work closely with the Fire Marshal, the Attorney General and local prosecutors. A dedicated prosecutor and resources at the

Office of the Attorney General would be needed to bring cases to trial. Experience in other states with fraud units shows that an effective fraud unit must have adequate resources.

Conclusion

Working Group participants from the insurance industry were generally open to the need for the industry to fund a fraud unit; however, insurance industry members have expressed concerns that the total cost of a fraud unit should be reasonable and that the funding mechanism should be equitable among insurance companies.