

# MAINE STATE LEGISLATURE

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*State Of Maine  
122nd Legislature*

*First Regular Session and  
First Special Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Appropriations and Financial Affairs*

*August 2005*

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Maine State Legislature

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122nd Legislature
First Regular Session and First Special Session

Summary of Legislation Considered by the Joint Standing Committees
August 2005

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing select committees of the Maine Legislature this past session. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills considered by the committees. It is organized by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. A subject index for each committee is included immediately before the bill summaries for that committee, and a numerical index by LD number is included at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet (www.state.me.us/legis/opla).

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

- CARRIED OVER ..... Bill Carried Over to Second Regular Session
CON RES XXX..... Chapter # of Constitutional Resolution passed by both Houses
CONF CMTE UNABLE TO AGREE..... Committee of Conference unable to agree; bill died
DIED BETWEEN BODIES..... House & Senate disagree; bill died
DIED IN CONCURRENCE..... One body accepts ONTP report; the other indefinitely postpones the bill
DIED ON ADJOURNMENT..... Action incomplete when session ended; bill died
EMERGENCY..... Enacted law takes effect sooner than 90 days
FAILED EMERGENCY ENACTMENT/FINAL PASSAGE..... Emergency bill failed to get 2/3 vote
FAILED ENACTMENT/FINAL PASSAGE..... Bill failed to get majority vote
FAILED MANDATE ENACTMENT..... Bill imposing local mandate failed to get 2/3 vote
NOT PROPERLY BEFORE THE BODY..... Ruled out of order by the presiding officers; bill died
INDEF PP..... Bill Indefinitely Postponed
ONTP..... Ought Not To Pass report accepted
OTP ND..... Committee report Ought To Pass In New Draft
OTP ND/NT..... Committee report Ought To Pass In New Draft/New Title
P&S XXX..... Chapter # of enacted Private & Special Law
PUBLIC XXX..... Chapter # of enacted Public Law
RESOLVE XXX..... Chapter # of finally passed Resolve
UNSIGNED..... Bill held by Governor
VETO SUSTAINED..... Legislature failed to override Governor's Veto

Please note the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is June 29, 2005; and for non-emergency legislation enacted in the First Special Session is September 17, 2005.

*Joint Standing Committee on Appropriations and Financial Affairs*

**LD 1687**

**An Act To Develop a New Judicial Facility in Bangor**

**PUBLIC 460**

<u>Sponsor(s)</u> PERRY J TARDY	<u>Committee Report</u> OTP	<u>Amendments Adopted</u>
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LD 1687 proposed to authorize the Maine Governmental Facilities Authority to issue securities for the purpose of paying costs associated with the construction of a new courthouse in the City of Bangor.

*Enacted law summary*

Public Law 2005, chapter 460 authorizes the Maine Governmental Facilities Authority to issue securities for the purpose of paying costs associated with the construction of a new courthouse in the City of Bangor.

**LD 1691**

**An Act To Eliminate Pension Cost Reduction Bonding and Provide Replacement Budgeting Measures**

**PUBLIC 457**

<u>Sponsor(s)</u>	<u>Committee Report</u> OTP      MAJ ONTP     MIN	<u>Amendments Adopted</u>
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LD 1691 was reported out of committee, under the authority of H. P. 1194 a Joint Order, without amendment. Please see the enacted bill summary for the details of the bill's content.

*Enacted law summary*

Public Law 2005, chapter 457 does the following:

<u>Part</u>	<u>Description</u>
<b>A</b>	Part A repeals the authority for the Maine Municipal Bond Bank to issue pension cost reduction bonds that was provided in Public Law 2005, chapter 12, Part PPPP, section 1. It also appropriates funds to the Teacher Retirement program within the Department of Education to restore the deappropriations provided in Public Law 2005, chapter 12, Part PPPP, section 5. However, the fiscal year 2005-06 appropriation to fund the unfunded actuarial liability of teachers' retirement is reduced to reflect the transfer of \$41,908,402 from the General Fund unappropriated surplus provided in Public Law 2005, chapter 12, Part PPPP, section 2 and the transfer of \$250,000 from the Maine State Retirement System's Administrative Expense Reserve account to the Retirement Allowance Fund on or before January 1, 2006.
<b>B</b>	Part B makes reductions to several programs within the Department of Administrative and Financial Services through position eliminations and All Other reductions.

## *Joint Standing Committee on Appropriations and Financial Affairs*

- C** Part C reduces funding for a number of tax-related programs including reductions in funding for the multistate tax commission and Maine Revenue Services' funding for information technology and training.
- D** Part D deappropriates funds from the Department of Agriculture, Food and Rural Resources by reducing contractual services for advertising, transferring 1/2 of one position to Other Special Revenue Funds, reducing one position to 1/2 time, eliminating one Division Director position and reducing operational costs.
- E** Part E reduces funding to the Department of Audit as a result of a transfer of one Auditor III position to an Other Special Revenue Funds account.
- F** Part F deappropriates funds for the Department of Conservation by reducing assistance to landowners, delaying the purchase of a helicopter used for fire suppression purposes, reducing operational costs and split funding 2 positions with Other Special Revenue Funds. It also reduces the percentage of state park fees that are returned to host municipalities.
- G** Part G authorizes the Department of Corrections to assess county jails for high-risk prisoners, reduces funding for several programs within the department through position eliminations and the reduction of All Other funds and deappropriates funds for the Maine Criminal Justice Commission.
- H** Part H reduces General Fund appropriations to the Maine State Library, the Maine State Museum and the Maine Arts Commission.
- I** Part I reduces funding for debt service to reflect savings in fiscal year 2005-06 and by postponing the start date of certain capital improvement projects. It allows a school administrative unit that proceeds with a delayed project by using bond anticipation notes to have the interest costs of the temporary borrowing paid by the State. It also decreases funding for special education in fiscal year 2006-07 for those school administrative units that are minimum receivers of state subsidy by holding the transition percentage for special education costs at 84%. This Part also decreases funding for school bus purchases in fiscal year 2006-07 and recognizes savings from maximizing federal reimbursement to local school districts for school-based rehabilitation, day treatment and targeted case management services.
- J** Part J decreases General Fund appropriations to the Department of Education for programs other than General Purpose Aid for Local Schools.
- K** Part K reduces funding by \$1,402,250 in fiscal year 2005-06 and \$1,404,150 in fiscal year 2006-07 to the State's higher education institutions. This Part also authorizes the University of Maine System to use up to the first \$1,000,000 of distribution from the gross slot machine revenue in fiscal year 2006-07 to support graduate student stipends for biomedical scholarships.
- L** Part L deappropriates \$287,306 in fiscal year 2005-06 and \$281,694 in fiscal year 2006-07 from the Department of Economic and Community Development through reductions in funding for certain programs and grants.
- M** Part M deappropriates funds for the Surface Water Ambient Toxics Monitoring program.
- N** Part N shifts funding for a position in the Commission on Governmental Ethics and Election Practices from the General Fund to Other Special Revenue Funds.

## *Joint Standing Committee on Appropriations and Financial Affairs*

- O** Part O reduces funding to the Blaine House from a reduction in intermittent staff and to the Governor's Office from the elimination of one Governor's Special Assistant position. This Part also provides a departmentwide reduction to the State Planning Office and achieves savings in reductions in contractual services within the Governor's Office.
- P** Part P decreases funding for the Business Development Finance and the Natural Resources and Marketing programs within the Finance Authority of Maine.
- Q** Part Q deappropriates funds from the Atlantic Salmon Commission through reductions in operational costs.
- R** Part R deappropriates funds from the Department of Inland Fisheries and Wildlife through use of salary savings in the Maine Warden Service.
- S** Part S increases the amount of revenue to be expected from an accelerated collection effort of overdue fines by directing the Judicial Department to access records of the Secretary of State, Bureau of Motor Vehicles. It also reduces funding to be realized through increased efficiencies within the Judicial Department.
- T** Part T decreases General Fund appropriations to the Department of Labor by \$382,900 in fiscal year 2005-06 and \$386,500 in fiscal year 2006-07 by reallocating funding for certain positions and activities in the department's Administration program and Employment Services Activities program.
- U** Part U lapses \$800,000 from legislative accounts over the 2006-2007 biennium. It also reduces funding to the Legislature as a result of the suspension of step increases in fiscal year 2005-06 for only those employees earning \$60,000 or more and not represented by a bargaining agent and provides a correction to Public Law 2005, chapter 12.
- V** Part V deappropriates funds from the Department of Marine Resources by reducing operating expenses, by reducing funds for capital purchases, by eliminating one Account Clerk I position, by delaying the hiring of new Marine Patrol positions, by transferring one Marine Resource Technician position to Other Special Revenue Funds, by eliminating one Word Processor position funded by Other Special Revenue Funds, by reorganizing one executive-level position and by mothballing 3 patrol vessels. This Part also appropriates funds for expanded PSP testing pertaining to mahogany quahogs.
- W** Part W transfers funding for the Fire Protection Services Commission from the General Fund to Other Special Revenue Funds within the Department of Public Safety and deappropriates funds for the department by eliminating 2 positions in the Gambling Control Board and reducing grants to regional EMS councils.
- X** Part X deappropriates funds from the Department of the Secretary of State by eliminating one Account Clerk I position and reducing operating funds.
- Y** Part Y deappropriates funds from Personal Services within the Administration - Treasury program and debt service within the Debt Service - Treasury program.
- Z** Part Z reduces funding to the Department of the Attorney General as a result of the elimination of merit pay increases for unclassified positions in fiscal year 2006-07 and reduces funds for civil rights teams

## *Joint Standing Committee on Appropriations and Financial Affairs*

and deappropriates salary savings from the Human Services Division account and the District Attorneys Salaries account.

- AA** Part AA increases the cigarette tax by \$1 per pack of 20 cigarettes effective September 19, 2005. It also increases the other tobacco tax from 16% of the wholesale price to 20% and the tax on smokeless tobacco from 62% to 78% of the wholesale price effective October 1, 2005.
- BB** Part BB requires the Maine Municipal Bond Bank to transfer \$5,900,000 from the School Revolving Renovation Fund account representing audit recoveries from major school construction projects paid by General Fund appropriations to General Fund undedicated revenue no later than October 31, 2005.
- CC** Part CC eliminates the General Fund appropriations to the Department of Public Safety for the cost of conducting background checks and fingerprinting for certain school employees. It also establishes a \$55 fee for the costs of the fingerprinting and background checks to be paid by the applicant and establishes a nonlapsing dedicated account within the Department of Education to be used to reimburse the State Bureau of Identification for the cost of conducting the fingerprinting and background checks.
- DD** Part DD reduces the amount of state-municipal revenue sharing distributed from the Local Government Fund, "Revenue Sharing 1," during fiscal year 2006-07 by \$5,000,000. This transfer does not affect the amounts transferred from the Disproportionate Tax Burden Fund, "Revenue Sharing 2," or the amounts transferred to the Fund for the Efficient Delivery of Local and Regional Services.
- EE** Part EE requires the State Controller to transfer \$2,335,918 in fiscal year 2005-06 and \$2,451,935 in fiscal year 2006-07 from the Fund for the Efficient Delivery of Local and Regional Services to the unappropriated surplus of the General Fund.
- FF** Part FF establishes or increases fees for various certifications, endorsements, administrative portfolios and authorizations for teachers, education specialists, educational technicians and administrators. It also establishes an approval requirement for all individuals paid to work in a school or at a Child Development Services System site in positions that do not require certification or authorization and establishes a fee for the initial approval and for renewal of the approval.
- GG** Part GG establishes the Professional Standards Board to advise the State Board of Education regarding professional growth, certification and governance of the education profession in this State.
- HH** Part HH makes adjustments to funding and other changes to selected programs in the Department of Health and Human Services.
- II** Part II transfers funds and adjusts allocations from the Fund for a Healthy Maine.
- JJ** Part JJ recognizes the drug subsidy payments the State will receive under the federal Medicare Prescription Drug, Improvement, and Modernization Act of 2003 and distributes the payments to the affected state funds.
- KK** Part KK reduces 2006-07 funding for the MaineCare childless adult waiver program and establishes requirements for meeting this reduction.
- LL** Part LL requires the Department of Health and Human Services to make hospital lawsuit settlement payments prior to September 30, 2005. Appropriations and allocations are adjusted accordingly.

## *Joint Standing Committee on Appropriations and Financial Affairs*

- MM** Part MM transfers \$1,125,000 per year from the Dirigo Health Enterprise Fund to the General Fund during the 2006-2007 biennium.
- NN** Part NN eliminates references to Freeport Towne Square as a state-operated facility to reflect the privatization of this facility and authorizes the Commissioner of Administrative and Financial Services to sell the Freeport Towne Square state-owned property and deposit the proceeds in an Other Special Revenue Funds account within the Department of Health and Human Services.
- OO** Part OO amends references to the Office of Advocacy within the Department of Health and Human Services and makes adjustments to General Fund appropriations to reflect the privatization of this office effective July 1, 2006.
- PP** Part PP establishes requirements for a managed behavioral health care services system established by the Department of Health and Human Services and deappropriates funds in anticipation of savings from the system.
- QQ** Part QQ allots previously appropriated and allocated funds to be used for Medicare Part D prescription drug wraparound services. It creates a new Fund for a Healthy Maine program, FHM - Drugs for the Elderly and Disabled, and reallocates funds currently allocated for this purpose from the existing FHM - Medical Care program. This amendment also allocates the Fund for a Healthy Maine's share of proceeds from slot machines at commercial race tracks to be used for drug programs for the elderly and disabled and further specifies that these funds must supplement and not supplant existing funds for this purpose.
- RR** Part RR requires the Department of Health and Human Services to restructure the method of providing services under the MaineCare Katie Beckett option. This Part also deappropriates funds in anticipation of savings from this initiative.
- SS** Part SS requires the Commissioner of Administrative and Financial Services to work with executive branch departments and agencies statewide to achieve annual salary savings from vacant positions. It also provides a transfer from the Salary Plan of \$1,000,000 in fiscal year 2005-06 to the undedicated revenue of the General Fund.
- TT** Part TT postpones the 5% increase in the State's share of funding health insurance for retired teachers as provided in Public Law 2005, chapter 12 from October 1, 2005 to January 1, 2006.
- UU** Part UU repeals a provision enacted by Public Law 2005, chapter 12, Part X, section 3 dealing with the State's sharing in a gain with the Maine Education Association health insurance trust. This provision was found to be illegal.
- VV** Part VV requires the State Controller to transfer \$5,000,000 from Other Special Revenue Funds dedicated accounts within the Department of Professional and Financial Regulation to the unappropriated surplus of the General Fund no later than June 30, 2006. This Part also includes a reporting requirement to 3 legislative committees to identify the accounts affected and the amounts transferred.
- WW** Part WW deappropriates funds used for grants by the Maine Municipal Bond Bank in the program supporting the Maine Rural Water Association.
- XX** Part XX provides guidance to the Department of Public Safety in the enforcement of laws pertaining to



## *Joint Standing Committee on Appropriations and Financial Affairs*

flavored malt beverages.

- YY** Part YY directs the Workforce Cabinet to study the delivery of training and economic and workforce development programs in Maine and identify specific strategies to leverage both state and federal resources. It requires the Workforce Cabinet to develop recommendations to achieve cost savings and report its findings to the Governor by January 2, 2006. This Part also directs the State Budget Officer to calculate the amount of savings for all departments and agencies associated with this Part and to transfer the amounts by financial order upon the approval of the Governor.
- ZZ** Part ZZ transfers a certain part of rents collected by the Department of Administrative and Financial Services from the Maine Military Authority to the General Fund.
- AAA** Part AAA provides a gas tax refund for certain purchases by the State and adjusts appropriations and allocations to reflect the anticipated savings. It also requires the State Budget Officer to calculate the savings and transfer the amounts by financial order as an adjustment to appropriations and allocations.
- BBB** Part BBB limits reimbursement of property taxes under the Business Equipment Tax Reimbursement program for the application period that begins on August 1, 2006 to 90% of the property taxes assessed and paid on eligible property.
- CCC** Part CCC changes the timing of reimbursement under the tree growth tax laws and adjusts General Fund appropriations to reflect the delay.
- DDD** Part DDD deappropriates funds to reflect an administrative change to the timing of payments from the Veterans Tax Reimbursement program.
- EEE** Part EEE expands the definition of "income" under the Maine Residents Property Tax Program to include contributions to retirement accounts and pension plans and amounts paid for benefits under a "cafeteria plan" or dependent care assistance program in order to more accurately measure household income for purposes of determining an applicant's ability to pay rent or property taxes on homestead property.
- FFF** Part FFF alters the income tax calculation for multistate corporations. The change apportions the total tax rather than the total income for affected corporations. This change makes the calculation of income tax for multistate corporations consistent with the calculation for nonresident individual income tax for Maine, including the individual taxation of business income from sole proprietors and members of pass-through entities that engage in multistate business activity.
- GGG** Part GGG transfers the subsidy for the Maine Ferry Service from the General Fund to the Highway Fund, deappropriates the rest of General Fund appropriations for the Department of Transportation and allocates funding for these programs into the newly established State Transit, Aviation and Rail (STAR) Transportation Fund within the department, transfers certain General Fund, Highway Fund and Other Special Revenue Funds revenue to the new STAR Transportation Fund, deallocates funds from Highway Fund programs in 3 departments to remain within existing resources, establishes that all allocations for the Department of Transportation and 911 Highway Fund-associated allocations for programs in other departments will be included solely in Highway Fund budgets and includes the Joint Standing Committee on Transportation as the recipient of a report on position vacancies.
- HHH** Part HHH provides that funds appropriated to the Office of Innovation within the Department of

## *Joint Standing Committee on Appropriations and Financial Affairs*

Economic and Community Development for the Fractionation Development Center in Public Law 2005, chapter 12, Part JJJ, section 1 must be used for the specific purpose set forth in Part JJJ, section 1 and may not be reduced, eliminated or diverted for any other purpose.

**III** Part III provides a transfer of up to \$42,500,000 in fiscal year 2005-06 from Other Special Revenue Funds to the unappropriated surplus of the General Fund, which will be repaid on July 1, 2006 with interest.

**JJJ** Part JJJ establishes the MaineCare Stabilization Fund, an Other Special Revenue Funds account, to prevent the loss of services or increased costs of services to a member under the MaineCare program under the Maine Revised Statutes, Title 22, chapter 855 or the elderly low-cost drug program under Title 22, section 254.

**KKK** Part KKK provides a statewide reduction of \$1,886,468 annually to be realized through increased efficiencies in the operation of State Government.