MAINE STATE LEGISLATURE

The following document is provided by the LAW AND LEGISLATIVE DIGITAL LIBRARY at the Maine State Law and Legislative Reference Library http://legislature.maine.gov/lawlib



Reproduced from electronic originals (may include minor formatting differences from printed original)

STATE OF MAINE

124th Legislature First Regular Session



Summaries of bills, adopted amendments and laws enacted or finally passed during the First Regular Session of the 124th Maine Legislature coming from the

JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS

July 2009

MEMBERS:

SEN. BILL DIAMOND, CHAIR SEN. MARGARET M. CRAVEN SEN. RICHARD W. ROSEN

REP. EMILY ANN CAIN, CHAIR
REP. JOHN L. MARTIN
REP. DAVID WEBSTER
REP. MARGARET R. ROTUNDO
REP. ELIZABETH S. MILLER
REP. GARY A. CONNOR
REP. H. SAWIN MILLETT, JR.
REP. ROBERT W. NUTTING
REP. PATRICK S.A. FLOOD
REP. JOHN C. ROBINSON

STAFF:

Maureen Dawson, Principal Analyst Office of Fiscal and Program Review 5 State House Station Augusta, ME 04333 (207) 287-1635

STATE OF MAINE

124TH LEGISLATURE FIRST REGULAR SESSION



LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This Legislative Digest of Bill Summaries and Enacted Laws summarizes all bills and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 124th Maine Legislature.

The *Digest* is arranged alphabetically by committee, and within each committee by LD number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. The appendices include a summary of relevant session statistics, an index of all bills by LD number and an index of enacted laws by law type and chapter number.

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	. Carried over to a subsequent session of the Legislature
	er # of Constitutional Resolution passed by both Houses
CONF CMTE UNABLE TO AGREE	Committee of Conference unable to agree; bill died
DỊED BETWEEN BODIES	House & Senate disagree; bill died
DIED IN CONCURRENCE One body accep	ts ONTP report; the other indefinitely postpones the bill
DIED ON ADJOURNMENT	
	Enacted law takes effect sooner than 90 days
	SAGE Emergency bill failed to get 2/3 vote
FAILED ENACTMENT/FINAL PASSAGE	Bill failed to get majority vote
	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; bill died
ONTP (or Accepted ONTP report)	
P&S XXX	
PUBLIC XXX	
RESOLVE XXX	
UNSIGNED	Bill held by Governor
VETO SUSTAINED	Legislature failed to override Governor's Veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 124th Legislature is September 12, 2009. The effective date for legislation enacted as an emergency measure is specified in the enacted law summary for those bills.

a community.

LD 302 An Act To Require Review by the Joint Standing Committee on Appropriations and Financial Affairs of Transfers of MaineCare Funds

ONTP

Sponsor(s)	Committee Report	Amendments Adopted
TRAHAN	ONTP	

This bill eliminates authority previously granted to the Department of Health and Human Services for the 2008-2009 biennium to transfer funds between MaineCare programs by financial order without approval of the Joint Standing Committee on Appropriations and Financial Affairs.

Public Law 2009 chapter 213 Part SSSS extends the termination date for the additional authority granted to transfer funds between MaineCare programs to June 30, 2011.

LD 353

An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2009, June 30, 2010 and June 30, 2011

PUBLIC 213 EMERGENCY

Sponsor(s)	<u>Committee Report</u>	Amendments Adopted
CAIN DIAMOND	OTP-AM	H-350
		H-408 CAIN

LD 353 is the Governor's proposed 2010-2011 Biennial Budget Bill.

Committee Amendment "A" (H-350)

Committee Amendment "A" (H-350) is the unanimous report of the Committee in response to the Governor's proposed bill.

House Amendment "E" To Committee Amendment "A" (H-408)

This amendment makes the following technical corrections to Committee Amendment "A": clarifies that the transfers made under Part RRR are being made to the General Fund; Corrects the total for the number of members on the Task Force on the Sustainability of the Dairy Industry in Maine in Part TTT; corrects allocation amounts for revenue-sharing programs based upon available revenues in a new Part; and eliminates position counts added in error for limited-period positions authorized in Resolve 2009, chapter 46.

Enacted Law Summary

PART A makes appropriations and allocations of funds for the 2010-2011 biennium.

PART B makes appropriations and allocations of funds for approved reclassifications and range changes.

PART C relates to the funding of K-12 education.

PART D amends the law regarding the duties of the Commissioner of Education and renames a program in the Department of Education.

PART E adjusts current law to maintain the Maine estate tax at its current level, changes the binding of the State Tax Assessor to federal determination rulings and amends the definition of "federal gross estate".

PART F affects the level and timing of transfers to the Maine Clean Election Fund.

PART G increases license fees levied by the Department of Marine Resources.

PART H converts the basis of the excise tax on smokeless tobacco products from the wholesale price to one based on weight.

PART I suspends the application of the Fiscal Stability Program in the Department of Inland Fisheries and Wildlife to the 2012-2013 biennial budget.

PART J authorizes the Department of Administrative and Financial Services, Office of Information Technology to enter into lease-purchasing agreements for the acquisition of certain types equipment and software.

PART K renames a program in the Department of Marine Resources.

PART L renames a program and changes references to certain positions in the Department of Conservation.

PART M relates to the funding of code enforcement training and certification and removes the requirement that the State Planning Office provide for training humane agents and state veterinarians in court procedures.

PART N delays inclusion of teachers as beneficiaries under the Irrevocable Trust Fund for Other Post-employment Benefits and directs the Treasurer of State to convene a work group to review the unfunded liability obligations for retiree health benefits for teachers.

PART O limits reimbursements to municipalities under the Maine Tree Growth Tax Law.

PART P affects the rate of tax imposed on telecommunications personal property and directs the Joint Standing Committee on Taxation to review the telecommunications personal property tax and other forms of taxation of telecommunications providers.

PART Q repeals the Maine Criminal Justice Commission.

PART R authorizes the transfer of savings from not having granted a salary increase to certain unclassified employees on January 1, 2009.

PART S simplifies state-municipal revenue sharing; realigns the timing of the transfers to the Local Government Fund; transfers additional fixed dollar amounts to the General Fund from state-municipal revenue sharing on a one-time basis; corrects conflicts in the current law and makes a technical correction to a cross-reference to the service provider tax.

PART T authorizes transfers within the Department of Corrections to pay for food, heating and utility expenses and departmental overtime expenses; requires the Commissioner of Corrections to review the current organizational structure to improve organizational efficiency and cost-effectiveness; and authorizes the State

Budget Officer to transfer positions and available balances by financial order.

PART U limits the allowable benefit under the Business Equipment Tax Reimbursement, or "BETR," program.

PART V transfers funds from Other Special Revenue Funds to the unappropriated surplus of the General Fund to provide funding for retroactive costs associated with personnel action at the Department of the Secretary of State, Maine State Archives.

PART W establishes the Prisoner Boarding Fund as a nonlapsing General Fund account to separately account for funding to board prisoners at county jails.

PART X relates to notification of changes in liquor laws and regulations by the Department of Public Safety, Bureau of Liquor Enforcement.

PART Y authorizes the Commissioner of Administrative and Financial Services to implement a new employee retirement incentive program, specifies a time period for maintaining resulting vacancies and requires a report to the Joint Standing Committee on Appropriations and Financial Affairs.

PART Z continues the voluntary employee incentive programs during the 2010-2011 biennium and recognizes the resulting savings to be lapsed to the General Fund.

PART AA recognizes projected additional Personal Services savings for the General Fund account for all executive branch departments and agencies statewide from an increase in the attrition rate and requires a report to the Joint Standing Committee on Appropriations and Financial Affairs on the distribution of the savings and the adjustment to appropriations for each affected General Fund account.

PART BB allows the transfer of accrued Personal Services savings between and within department accounts in the General Fund and Highway Fund to make up for shortfalls caused by not meeting the increase attrition rate assumption.

Part CC reduces MaineCare reimbursement to critical access hospitals; provides for a phased-in change to MaineCare reimbursement for hospital inpatient and outpatient services based on the Medicare diagnostic group and ambulatory payment classification models; requires reports on the progress and impact of the reimbursement changes; and requires rulemaking to implement a number of changes in MaineCare reimbursement to hospital and non-hospital based providers.

PART DD authorizes a transfer from the unappropriated surplus of the General Fund to the Medical Care - Payments to Providers program, General Fund account at the end of fiscal year 2008-09 to be used for obligations of the MaineCare program and for hospital settlements and provides for an additional authorized transfer at the end of fiscal year 2009-10 if available funds in the prior year are below a specified amount. this part also repeals a previously authorized transfer from the General Fund to the Dirigo Health Fund at the end of fiscal year 2009-09.

PART EE repeals requirement that the Department of Health and Human Services, Office of MaineCare Services reduce Legislative Count by a minimum of 100 positions by June 19, 2010.

PART FF changes the name of the Federal Relief Funds Reserve account that was established to the Economic Recovery Fund account and extends the provisions enacted in Public Law 2009, chapter 1, Part E.

PART GG alters the cost-sharing arrangement for the cost of premiums for individual health insurance for state

employees.

PART HH retroactively changes the reporting date for the recommendations of the Commission To Review Short-term and Long-term Costs in the Maine Public Employees Retirement System.

PART II authorizes a transfer of excess General Fund revenue to the Office of Information Technology Internal Service Fund to partially fund an improved payroll and position management system.

PART JJ transfers the General Fund share of overpayments for retiree health insurance by the Maine Community College System to the unappropriated surplus of the General Fund. And requires the State Controller to determine and reimburse the balance due to the Maine Community College System.

PART KK authorizes the transfer of funds from Other Special Revenue Funds to the Dirigo Health Enterprise Fund to be repaid with interest and a working capital advance to Dirigo Health Enterprise Fund from the General Fund.

PART LL suspends the annual cost-of-living adjustment to the salary for Legislators for the Second Regular Session of the 124th Legislature; codifies the equalization of the salary of legislators during their 2-year term so that life insurance coverage is the same for each year of the biennium; and specifies a total amount in each fiscal year of the biennium to be lapsed from accounts within the legislative branch to the General Fund.

PART MM directs the Commissioner of Conservation to review the fees currently charged by the Department of Conservation, Bureau of Parks and Lands and to design and implement changes that will result in specified additional undedicated General Fund revenue.

PART NN removes from the apportionment of income calculation the sales of tangible personal property by businesses operating in more than one state under certain circumstances.

PART OO does the following within the Department of Inland Fisheries and Wildlife: increases the amount of each motorized watercraft registration that is solely dedicated to the Department of Inland Fisheries and Wildlife; increases, changes or recombines various resident and nonresident and alien hunting licenses, permit fees and registration tags for hunting, fishing and whitewater rafting; increases boat and personal watercraft registration fees and increases the minimum penalty for operating certain unregistered vehicles and watercraft; requires certain seaplanes to have a milfoil sticker; and changes the options for nonresident snowmobile registrations.

PART PP requires the Department of Health and Human Services and the Department of Education to work together on potential changes to MaineCare eligibility under the Katie Beckett option and to report to the Joint Standing Committee on Health and Human Services and the Joint Standing Committee on Education and Cultural Affairs regarding their progress.

PART QQ requires the State Court Administrator to achieve specified projected savings; requires remaining balances in the debt service program of the judicial branch to be carried forward; directs the Chief Justice to prepare the budget for the judicial branch; authorizes the Chief Justice to approve financial orders for transfers within the judicial branch and directs the judicial branch increase the total court fee revenue by a specified amount to be used for capital expenses.

PART RR allows the Department of Corrections to finance repair projects that are essential for the operation of correctional facilities.

PART SS directs the transfer from the unappropriated surplus of the General Fund to the Callahan Mine Restoration Other Special Revenue Funds program.

PART TT relates to the consolidation of information technology in the executive branch.

PART UU requires the State Budget Officer to calculate and transfer savings resulting from improvements in contracting with vendors and the use of procurement cards.

PART VV continues authorization for each individual tax expenditure as provided for by statute.

PART WW abolishes the Municipal Budget Analysis Committee.

PART XX relates to the targeted funds provision for secondary schools in the unorganized territory.

PART YY Part requires Jobs for Maine's Graduates to file an annual audit report with the Commissioner of Education.

PART ZZ requires the School Board of the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf to file an annual audit report with the Commissioner of Education.

PART AAA changes the method of determining the reimbursement for eligible students educated in long-term drug treatment centers.

PART BBB changes the responsibility for the certification of payrolls from the Director of Human Resources to the State Controller.

PART CCC allows for one day borrowing from Other Special Revenue funds to the General Fund at the end of fiscal year 2009-10 to Other Special Revenue at the beginning of the next fiscal year with interest.

PART DDD renames 2 programs in the Department of Health and Human Services.

PART EEE provides an interim governance, operating and budgeting process for certain school administrative units.

PART FFF removes the requirement that local school units must pay teacher retirement from federal funds received when those federal funds are being distributed to local school units from the American Recovery and Reinvestment Act of 2009.

PART GGG changes the references to "State Board of Corrections Investment Fund" to "State Board of Corrections Investment Fund program" and clarifies its autonomous status.

PART HHH moves remaining funds from the State Board of Corrections Investment Fund Program in the Department of Corrections to the State Board of corrections and establishes the latter as a non-lapsing account.

PART III requires the Workers' Compensation Board to transfer a specified amount from the Employment Rehabilitation Fund to its administrative fund for the purpose of reducing the annual assessments on employers for fiscal years 2009-10 and 2010-11.

PART JJJ removes the reimbursement caps of training funds paid to an employer as part of the Governor's Training Initiative Program and requires the Department of Labor to recommend a revised method of

determining payments.

PART KKK amends the definition of "motor vehicle oil", changes the premium on prepackaged motor vehicle oil and changes or adds reporting requirements regarding revenue collected from the premium on motor vehicle oil.

PART LLL deappropriates funds from the elimination of 5 unspecified positions within the Department of Corrections.

PART MMM provides for transfers from the Maine Budget Stabilization Fund to General Fund unappropriated surplus by the close of fiscal year 2008-09 and the close of fiscal year 2009-10 to offset a revenue shortfall.

PART NNN provides for the transfer from the Reserve for General Fund Operating, Department the General Fund by the close of fiscal year 2008-09 to offset a revenue shortfall.

PART OOO provides for allocations from the State Contingent Account for investments in the development of early care and education infrastructure and transfers funds from the General Fund to the State Contingent Account for that purpose.

PART PPP establishes the 2009 Tax Receivables Reduction Initiative waiving 90% of the penalties due if the tax and interest are paid during the initiative period.

PART QQQ continues the initiative to streamline State Government enacted by PL 2007, chapter 240, Part QQQ in order to achieve additional General Fund savings of at least \$30,000,000 during the 2010-2011 biennium.

PART RRR transfers balances from several Other Special Revenue Funds accounts throughout State Government resulting from Personal Services line savings initiatives.

PART SSS authorizes 10 shutdown days for the executive branch of State Government and denies the awarding of merit pay and longevity pay to employees in the various departments and agencies within the executive and judicial branches in each year of the 2010-2011 biennium; allows alternative Personal Services savings initiatives to be implemented in place of the elimination of merit pay, if mutually agreed upon by the State and the state employees' bargaining agents; provides that the determination of average annual rate of earnable compensation of a member of the Maine Public Employees Retirement System not be affected by the lost pay resulting from this part if the member makes the employee contribution that he or she would have made if the wages had not been reduced. The Legislature will determine the manner in which to implement reductions in Personal Services expenditures which may include office closures and elimination of merit and longevity pay.

PART TTT caps the amount transferred from the General Fund and distributed to support Maine milk producers fiscal year 2008-09 and the 2010-2011 biennium, suspends payments under the Maine milk income loss contract, establishes a task force to examine the State's dairy industry and authorizes the Maine Milk Commission to establish 4 tiers of production.

PART UUU authorizes the State Controller to carry forward any unexpended debt service funds in the Office of Treasurer of State, Debt Service, General Fund account at the end of fiscal years 2008-09 and 2009-10 for their intended use through June 30, 2011.

PART VVV authorizes the expenditure of federal American Recovery and Reinvestment Act of 2009 funding by financial order with certain restrictions and authorizes the transfer of funds amounts to cover administrative

expenses.

PART WWW changes the method of indexing the individual income tax brackets.

PART XXX limits the allowable benefit under the Maine Residents Property Tax Program.

PART YYY reduces the Maine resident homestead property tax exemption.

PART ZZZ eliminates all federal net operating loss carry-forwards and the recapture of previously denied federal net operating loss carry-backs and allows the recapture of the disallowed deductions under specified circumstances.

PART AAAA requires financial institutions to disclose automated search account information to Maine Revenue Services for the purpose of establishing, modifying and enforcing tax debts.

PART BBBB updates the Maine Revised Statutes, Title 36 to conform the Maine tax code to the federal tax code, primarily affecting the State's income tax and estate tax laws. It also amends provisions of Maine Revised Statutes, Title 36 related to federal bonus depreciation, income from the discharge of certain business indebtedness, Maine individual income tax standard deduction amounts, unemployment compensation benefits and the Maine earned income tax credit.

PART CCCC establishes the Penalty Reserve within the General Purpose Aid to Local Schools program, specifies its purpose. It also requires the Commissioner of Education to report on the balance of the Penalty reserve and provide recommendations on how to disburse the funds.

PART DDDD directs the Department of Health and Human Services, Office of Substance Abuse to conduct data collection on the need for gambling addiction services and report its results.

PART EEEE authorizes the Department of Administrative and Financial Services, on behalf of the Department of Education, to enter into financing arrangements in fiscal year 2009-10 for the acquisition of portable computer systems to support the operations of the Maine Learning Technology Initiative program and specifies legislative intent regarding the program.

PART FFFF establishes the Water Quality Improvement Fund, through surcharges on specified activities to provide funding for grants to identify and abate pollution in shellfish growing areas and to pay the 3 employees within the Department of Marine Resources in the Shellfish Fund account within the Bureau of Resource Management program; clarifies how the fund may be distributed; provides for a transfer of funds from the General Fund to be repaid by revenues credited to the Water Quality Improvement Fund and a transfer from the Land Management and Planning Program, Submerged Lands Fund, Other Special Revenue Funds account within the Department of Conservation to the Bureau of Resource Management program, Shellfish Fund, Other Special Revenue Funds account within the Department of Marine Resources in fiscal years 2009-10 and 2010-11.

PART GGGG phases out the Maine Juvenile Drug Treatment Court program.

PART HHHH proposes to increase the fee assessed to the unorganized territories and to towns and plantations to fund the Land Use Regulation Commission (LURC) and adds a requirements to the annual report.

PART IIII lapses unencumbered balance forward in the personal services line category in the Education in Unorganized Territory, General Fund account to the General Fund on June 30, 2009.

PART JJJJ authorizes the Department of Public Safety's liquor licensing and compliance division to license additional agency liquor stores and requires the division to consider whether an applicant can satisfy certain criteria when determining whether to issue a license.

PART KKKK provides additional time for a school administrative unit to comply with the reorganization law under specified circumstances.

PART LLLL requires the Department of Health and Human Services develop a plan, in conjunction with a stakeholders group, to achieve specified savings General Fund savings in assertive community treatment in children's behavioral health in fiscal year 2010-11. In the absence of an agreement, the department must adopt routine technical rules to achieve the savings.

PART MMMM directs the Department of Health and Human Services to work with alternative response program providers to achieve specified targeted savings and specifies the areas to be given priority in achieving the savings.

PART NNNN limits the amount distributed to certified legislative candidates by the Commission on Governmental Ethics and Election Practices during the 2010 election cycle to 5% less than the amount distributed during the 2008 election cycle and the amount distributed to certified gubernatorial candidates during the 2010 election cycle from 5% less than the amount that would be distributed pursuant to the Maine Revised Statutes; allows certified gubernatorial and legislative candidates to raise an additional amount of seed money to cover the reduction; and requires the transfer of the resulting, specified, savings to the General Fund by the end of each fiscal year of the biennium.

PART OOOO corrects a contradiction in the statutory language regarding the warrant article in the Maine Revised Statutes, Title 20-A, section 1512, subsections 1 and 6.

PART PPPP directs the Department of Health and Human Services to investigate the feasibility establishing a risk-based managed care contract for specific MaineCare populations or services and report back to the Joint Standing Committee on Health and Human Services.

PART QQQQ This Part makes appropriations and allocations for the fiscal year ending June 30, 2009.

PART RRRR authorizes the Department of Health and Human Services to adopt emergency rules to implement certain provisions of this Act.

PART SSSS establishes June 30, 2011 as the termination date for the additional authority granted to transfer funds between MaineCare programs and extends MaineCare reporting requirements through the biennium.

PART TTTT provides for the generation of tax revenue from tax debtors using mining techniques on an integrated data warehouse. Data in the data warehouse will also be used to in projecting state tax revenue.

PART UUUU provides for a proportional deallocation in the Fund for a Healthy Maine.

PART VVVV deappropriates General Fund savings from implementing a decrease in charges for the services of the Department of Administrative and Financial Services, Division of Financial and Personnel Services and Office of Information Technology.

PART WWWW increases the maximum amount of securities that may be issued by the Maine Governmental

Facilities Authority for specific allocation to the judicial branch.

PART XXXX extends the authority for the Maine Governmental Facilities Authority to issue securities for capital repairs and improvements to state-owned facilities.

PART YYYY increases the motor vehicle license reinstatement fee for certain suspensions and provides that a percentage of specified fees accrues to the General Fund.

PART ZZZZ modifies the calculation of the 2012-2013 biennial budget baseline for the Medical Care - Payments to Providers program.

PART AAAAA was added by House Amendment "E" to Committee Amendment "A" (H-408) to make technical corrections to Part A and eliminate position counts added in error for previously authorized limited-period positions.

LD 369 An Act To Authorize a General Fund Bond Issue To Rebuild a Bulkhead and Wharf at the Gulf of Maine Research Institute

ONTP

Sponsor(s)	<u>Committee Report</u>	Amendments Adopted
EBERLE	ONTP	
MILLS P		

The funds provided by this bond issue, in the amount of \$2,200,000, will be added to other funds already secured through bonds and federal money to rebuild a bulkhead and wharf at the Gulf of Maine Research Institute.

LD 913, as enacted, contains a similar bond proposal.

LD 439 An Act To Authorize a General Fund Bond Issue for Research and Development To Stimulate Maine's Innovation Economy

ONTP

Sponsor(s)	Committee Report	Amendments Adopted
CAIN SCHNEIDER	ONTP	

The bill authorizes a bond issue of up to \$50,000,000 per year for each of the next 4 years totaling up to \$200,000,000 to be used for competitive grants to stimulate economic growth and job creation through investments in research and development and commercialization.

LD 472 An Act To Authorize a General Fund Bond Issue for Energy Conservation

ONTP

Sponsor(s)	<u>Committee Report</u>	Amendments Adopted
BARTLETT	ONTP	