

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
125<sup>TH</sup> LEGISLATURE  
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

**JOINT STANDING COMMITTEE ON APPROPRIATIONS AND  
FINANCIAL AFFAIRS**

July 2011

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STATE OF MAINE  
125<sup>TH</sup> LEGISLATURE  
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LEGISLATIVE DIGEST OF BILL SUMMARIES AND  
ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 125<sup>th</sup> Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD 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 LD is noted to the right of the LD title. The following describes the various final actions.

*CARRIED OVER* ..... carried over to a subsequent session of the Legislature  
*CON RES XXX*..... chapter # of constitutional resolution passed by both houses  
*CONF CMTE UNABLE TO AGREE*..... Committee of Conference unable to agree; legislation died  
*DIED BETWEEN HOUSES*..... House & Senate disagreed; legislation died  
*DIED IN CONCURRENCE*..... defeated in each house, but on different motions; legislation died  
*DIED ON ADJOURNMENT*..... action incomplete when session ended; legislation died  
*EMERGENCY*..... enacted law takes effect sooner than 90 days after session adjournment  
*FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE* ..... emergency failed to receive required 2/3 vote  
*FAILED, ENACTMENT or FINAL PASSAGE*..... failed to receive final majority vote  
*FAILED, MANDATE ENACTMENT* ..... legislation proposing local mandate failed required 2/3 vote  
*HELD BY GOVERNOR*..... Governor has not signed; final disposition to be determined at subsequent session  
*LEAVE TO WITHDRAW*..... sponsor's request to withdraw legislation granted  
*NOT PROPERLY BEFORE THE BODY* ..... ruled out of order by the presiding officer; legislation died  
*INDEF PP*..... indefinitely postponed; legislation died  
*ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X*... ought-not-to-pass report accepted; legislation died  
*P&S XXX*..... chapter # of enacted private & special law  
*PUBLIC XXX*..... chapter # of enacted public Law  
*RESOLVE XXX*..... chapter # of finally passed resolve  
*VETO SUSTAINED*..... Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 125<sup>th</sup> Legislature is September 28, 2011. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

*Joint Standing Committee on Appropriations and Financial Affairs*

**LD 1043**

**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, 2011, June 30, 2012 and June 30, 2013**

**PUBLIC 380  
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FLOOD ROSEN R	OTP-AM	H-620 H-636 FLOOD S-324 ROSEN R

LD 1043 is the Governor's proposed 2012-2013 Biennial Budget Bill.

**Committee Amendment "A" (H-620)**

Committee Amendment "A" (H-620) is the unanimous report of the Committee in response to the Governor's proposed bill.

**House Amendment "A" To Committee Amendment "A" (H-636)**

This amendment makes a number of technical changes to Committee Amendment "A."

**Senate Amendment "H" To Committee Amendment "A" (S-324)**

This amendment makes changes to ensure proper administration and treatment of bonus depreciation and the Maine capital investment credit, and makes other technical corrections.

**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 continues the voluntary employee incentive program during the 2012-2013 biennium and recognizes the resulting savings.

PART E denies merit pay increases to employees within the executive, legislative and judicial branches and provides that employees who are not eligible for a longevity payment on June 30, 2011 may not be granted one during the 2012-2013 biennium.

PART F recognizes an increase in the attrition rate for executive and judicial branch employees.

PART G increases the transfer of revenue from the tax on certain automobile rentals to the STAR Transportation Fund from 50% to 100% beginning in fiscal year 2012-13. (This Part was amended by LD 1480 Pt. J).

PART H authorizes the Department of Administrative and Financial Services to enter into financing

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arrangements for the acquisition of motor vehicles for the Central Fleet Management Division.

PART I continues the reductions to revenue sharing accomplished by fixed dollar amount transfers, designed to achieve a set total budgeted transfer amount back to the General Fund after the calculations of the prior month's income and sale tax collections.

PART J amends certain uniform administrative provisions of Title 36 (Taxation) of the Maine Revised Statutes.

PART K reduces the amount of penalties imposed for failure to file a tax return.

PART L clarifies the authority of the State Tax Assessor to waive certain tax penalties under certain conditions.

PART M provides for an exclusion amount and a progressive rate structure for estates of specified values and provides conformance with federal law with respect to the treatment of Maine qualified terminable interest property. It also clarifies provisions related to the estates of nonresidents.

PART N makes changes to the income tax rate schedules, deductions, exclusions and personal exemptions; eliminates the Maine alternative minimum tax on individuals, and reduces then eliminates the lump-sum retirement plan distribution tax.

PART O repeals the income tax addition modifications related to federal Section 179 business expensing thresholds and provides a bonus depreciation credit on certain property placed in service in Maine. This Part was amended by Senate Amendment "H" to Committee Amendment "A" (S-324).

PART P amends the Circuitbreaker Program to limit the benefit that would otherwise be available for application periods beginning in 2011 and 2012.

PART Q enacts the Maine New Markets Capital Investment Program.

PART R requires the calculation and transfer of General Fund savings in all departments and agencies resulting from the use of procurement cards.

PART S directs the Commissioner of Administrative and Financial Services to begin the process to open competitive bidding for the extension of the privatization of the wholesale liquor business in Maine and requires a specified advance payment before the end of fiscal year 2012-13. It specifies the set up of the remainder of the payments and the purposes for which those payments would be allocated. This Part was amended by House Amendment "A" to Committee Amendment "A" (H-636).

PART T freezes then caps cost-of-living (COLA) increases on retirement benefits; limits the application of COLA payments to a specified amount of retirement benefits; and provides for an ad-hoc payment in lieu of the COLA under specified conditions. It also increases the normal retirement age for specified members of the Maine Public Retirement System.

PART U establishes a working group to develop a plan to replace the current defined benefit retirement plan for new state employees and teachers with a supplement to Social Security.

PART V amends the statutory provisions pertaining to state employee retiree health insurance and caps the total premium costs for fiscal years 2011-12 and 2012-13 for active employees and retirees. It also requires the Executive Director of Employee Health and Benefits to develop a plan to constrain future premium increases. This Part was amended by House Amendment "A" to Committee Amendment "A" (H-636).

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PART W amends the statutory provisions pertaining to retired teacher health insurance. This Part was amended by Senate Amendment "H" to Committee Amendment "A" (S-324).

PART X establishes a new "cascade" transfer to set aside up to \$15,000,000 a year for the payment of non-cumulative cost-of-living adjustments in the 3 years in which they are suspended in Part T.

PART Y creates an irrevocable trust fund for other post-employment benefits for retired teachers and first responders and sets deadlines for the prefunding of the liabilities.

PART Z authorizes the Commissioner of Administrative and Financial Services to implement an employee retirement incentive program and specifies a time period for maintaining resulting vacancies.

PART AA authorizes transfers within the Department of Corrections to pay for food, heating and utility expenses.

PART BB authorizes transfers within the Department of Corrections of All Other and Capital Expenditures funding between accounts within the same fund for departmental overtime expenses.

Part CC clarifies that the Maine Learning Technology Initiative program includes grades 9-12, provides for a competitive bidding process to select the research institute that performs required research and requires the Commissioner of Education to conduct an annual comprehensive review of the program.

PART DD moves the requirement to establish a school nurse consultant position from the Department of Health and Human Services to the Department of Education.

PART EE establishes the Statewide Capital Equipment Fund.

PART FF establishes a working group to develop recommendations and proposed legislation regarding the transfer of personnel and responsibilities from the Executive Department, State Planning Office to other departments or agencies in State Government.

PART GG changes the number of aircraft engines the Department of Inland Fisheries and Wildlife may purchase in each year of the biennium; authorizes a one-time transfer from the department's carrying balance to fund the retroactive portion of a position reclassification and a one-time transfer to fund the payment of outstanding balances for dispatch services.

PART HH delays the application of the Fiscal Stability Program within the Department of Inland Fisheries and Wildlife.

PART II extends the cap on transfers from net slot machine revenue to the Fund for a Healthy Maine and repeals a provision that requires the transfer of funding from the fund to offset the General Fund revenue loss associated with limiting the sale of certain flavored cigars.

PART JJ suspends the cost-of-living adjustments for the State's chief justices, chief judge, deputy chief judge, associate justices and associate judges in each year of the biennium.

PART KK eliminates eligibility for supplemental food assistance, TANF benefits and MaineCare benefits for certain noncitizens legally admitted to the United States with specified exceptions.

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PART LL allows the Department of Health and Human Services to require a person receiving supplemental food assistance or TANF benefits who was convicted of a drug related felony to undergo a drug test under certain conditions and specifies the actions to be taken by the department in response to a positive test result.

PART MM directs the Department of Health and Human Services to impose a penalty for certain transfers of assets to qualify for state support for boarding home services.

PART NN establishes a working group to develop a plan regarding the future role of the Dorothea Dix Psychiatric Center and specifies the group's membership.

PART OO directs the Department of Health and Human Services and the Department of the Attorney General to work on issues related to fraud detection.

PART PP establishes a lifetime limit for TANF benefits under certain conditions, requires the Department of Health and Human Services to adopt rules imposing penalty on TANF-unemployed Parents participants who quit employment without cause and requires the department to report on the impact of changes to the TANF program.

PART QQ authorizes a transfer from the unappropriated surplus of the General Fund to be used to pay hospital settlements.

PART RR makes a technical correction to a department name in a previously enacted bill.

PART SS establishes a fee to cover the administrative and other operational costs of the Maine Rx Plus program.

PART TT clarifies that the Judicial Department may use municipal law enforcement officers to provide court security.

PART UU establishes state-paid child care rates at the 50th percentile of the most current local market rate survey.

PART VV continues the authority of the Department of Health and Human Services to transfer available balances of General Fund appropriations between MaineCare accounts by financial order and the requirement to report on MaineCare expenditures and requires a review the effects of financial order transfer authority has had on the funding available for individual MaineCare General Fund accounts.

PART WW eliminates the prohibition on using General Fund appropriations to support the operation of the Controlled Substances Prescription Monitoring Program fund.

PART XX requires the Commissioner of Health and Human Services to report of the implementation of fiscal year 2011-12 funding for mental health services for individuals not eligible for MaineCare or housing services in order to conform to the consent decree.

PART YY directs the Substance Abuse Services Commission to create a stakeholder group to look at the prevalence of the use of cash to purchase certain controlled medications and to make recommendations to address the issue.

PART ZZ gives the Department of Health and Human Services the authority to adopt emergency rules to implement any provisions of this bill over which it has subject matter.

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PART AAA requires the State Controller to transfer \$1,000,000 funds from available balances in the Employment Rehabilitation Fund, Other Special Revenue Funds account within the Workers' Compensation Board to the General Fund unappropriated surplus.

PART BBB reduces the access payments made to support the cost of Dirigo Health; requires Dirigo Health to transfer additional funds to the MaineCare program for specified purposes; and requires the Board of Trustees and Executive Director of Dirigo Health to evaluate and report on the impact of the changes in this part.

PART CCC authorizes the Department of Administrative and Financial Services to enter into financing agreements for the acquisition of motor vehicles for the Department of Public Safety, Bureau of State Police.

PART DDD renames a program within the Department of the Secretary of State.

PART EEE authorizes the transfer of 500,000 from the General Fund to the Callahan Mine Site Restoration, Other Special Revenue Funds program within the Department of Transportation to design and implement clean-up initiatives.

PART FFF changes the required method by which the Office of the Treasurer provides written notice to each municipality of the maximum rate of interest that they may charge on delinquent taxes.

PART GGG transfers \$3,000,000 from available balances in Other Special Revenue accounts within the Department of Professional and Financial Regulation to the General Fund.

PART HHH specifies the amount that the judicial branch may credit to a nonlapsing Other Special Revenue Funds account to support its capital expenses.

PART III changes the requirement for the filing and posting of executive orders.

PART JJJ authorizes an interfund advance of \$43,000,000 from Other Special Revenue funds to the General Fund for one day at the end of fiscal year 2011-12.

PART KKK establishes the Streamline and Prioritize Core Government Services Task Force, and specifies the amount of General Fund savings to be achieved at \$25,000,000.

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

PART MMM specifies the conditions under which state employees and teachers who have reached normal retirement age and retire after September 1, 2011 may return to work for the same employer. (This Part was amended by LD 1480 Pt. L).

PART NNN requires the Secretary of State to publish adopted rule notices only on the publicly accessible website maintained by the Secretary of State and requires the Secretary of State to improve the search features of the site.

PART OOO expands the allowed uses of interest earned on balances in the Agricultural Marketing Loan Fund.

PART PPP changes a position title in the Department of Education.

PART QQQ authorizes the State Budget Officer to calculate and transfer the savings from the elimination of



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vacant positions.

PART RRR transfers \$4,000,000 from the unappropriated surplus of the General Fund to the Maine Budget Stabilization Fund and transfers General Fund revenue in excess of the budgeted amount for the Unclaimed Property Fund to the Maine Budget Stabilization Fund.

PART SSS changes the date by which the State Controller must transfer revenues to the Maine Clean Election Fund.

PART TTT transfers funds from the Fund for a Healthy Maine to the unappropriated surplus of the General Fund.

PART UUU directs the Department of Health and Human Services to carry forward any balances in the All Other line category in the Bureau of Medical Services General Fund account from year to year.

PART VVV directs the Department of Health and Human Services to standardize the room and board rates for children's private nonmedical institution services to stay within existing resources and specifies some factors to be considered in calculating the rates.

PART WWW creates the Governor's Office of Communications within the Executive Department.

PART XXX clarifies that rules adopted to establish an approval process for capital expenditures to renovate or construct intermediate care facilities for the developmentally disabled are routine technical rules.

PART YYY lapses \$2,800,000 from the General Purpose Aid for Local Schools General Fund account within the Department of Education to the unappropriated surplus of the General Fund at the close of fiscal year 2010-11.

PART ZZZ directs the Governor to implement specific recommendations of the 2008 plan developed by the natural resources agency task force and requires a report by the commissioners of the natural resources agencies to the Joint Standing Committee on Appropriations and Financial Affairs.

PART AAAA requires the Judicial Department to coordinate drug court efforts within existing General Fund resources and authorized headcount.

PART BBBB transfers \$1,900,000 from the Accident, Sickness and Health Insurance Internal Services Fund in the Department of Administrative and Financial Services to the General fund and transfers equitable excess reserves as required by state law or federal regulations.

PART CCCC provides new minimum taxability thresholds for nonresidents.

PART DDDD exempts from the sales tax certain meals provided to residents of retirement facilities retroactive to tax years beginning on or after January 1, 2010.

PART EEEE requires the refund of sales tax on purchases of fuel for use in a commercial fishing vessel and permits the issuance of a certificate permitting the purchases of such fuel without paying taxes under specified conditions.

PART FFFF retroactively exempts from sales tax plastic bags used by redemption centers.

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PART GGGG expands the current exemption from sales and use tax for aircraft to apply to all aircraft and to expand the exemption to include sales and repair and replacement parts used exclusively in aircraft and in the overhauling and rebuilding of aircraft and aircraft parts.

PART HHHH provides an income tax credit for investment in or contributions to eligible public fishery infrastructure projects in the State.

PART IIII authorizes year-end Personal Services balances in the Department of Corrections to carry from fiscal year 2010-11 to fiscal year 2011-12 to be used for the retroactive costs of reclassifications, range changes and bargaining unit changes.

PART JJJJ requires the State Controller to transfer \$29,700,000 from the Maine Budget Stabilization Fund to the General Fund in fiscal year 2011-12.

PART KKKK requires the Department of Defense, Veterans and Emergency Management, Maine Emergency Management Agency and the Commissioner of the Department of Administrative and Financial Services to research the potential for using federal funds to fund the cost of providing emergency broadcast alerts through the Maine Public Broadcasting Network.

PART LLLL creates a fund to be administered by the Director of the Bureau of Maine Veterans' Services to be used to contract for a Maine Women Veterans Coordinator and specifies the services to be provided.

PART MMMM requires the State Budget Officer to calculate and transfer the amount of savings that applies to each General Fund Account from a decrease in charges made to the Department of Administrative and Financial Services, Office of Information Technology.

PART NNNN transfers \$55,621 from the State Nuclear Safety Advisor, Other Special Revenue Funds account and \$20,053 from the Railroad Freight Service Quality Fund, Other Special Revenue account within the Office of the Public Advocate to the unappropriated surplus of the General Fund.

PART OOOO requires the judicial branch to develop and report on a plan to implement electronic filing in civil docket cases and a plan to implement audio broadcasts of law Court oral arguments.

PART PPPP requires persons licensed to sell liquor to be consumed on the premises to report all liquor purchases to the Department of Administrative and Financial Services, Bureau of Alcohol and Lottery Operations.

PART QQQQ suspends the cost-of-living adjustments for Legislators for 3 years and lowers the cap on adjustments in future years. It also lapses balances to the General Fund totaling \$3,384,249 from various accounts within the Legislature.

PART RRRR was added by House Amendment "A" to Committee Amendment "A" (H-636) to direct the Director of the Bureau of Alcoholic Beverages and Lottery Operations to reduce cost of goods sold expenditures below budgeted amounts to recognize savings from extending the lottery contract in fiscal year 2011-12 and rebidding the existing contract in fiscal year 2012-13.

Public Law 2011, chapter 380 was enacted as an emergency measure effective June 20, 2011.