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Date: (Filing No. H-)

APPROPRIATIONS AND FINANCIAL AFFAIRS

Reproduced and distributed under the direction of the Clerk of the House.

**STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “A” to H.P. 778, L.D. 1043, Bill, “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, 2012 and June 30, 2013”

Amend the bill by striking out the title and substituting the following:

'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'

Amend the bill by striking out everything after the title and before the summary and inserting the following:

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the 90-day period may not terminate until after the beginning of the next fiscal year; and

Whereas, certain obligations and expenses incident to the operation of state departments and institutions will become due and payable immediately; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

COMMITTEE AMENDMENT

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PART A

PART B

PART C

Sec. C-1. 20-A MRSA §15671, sub-§7, ¶A, as amended by PL 2009, c. 571, Pt. E, §17, is further amended to read:

A. The base total calculated pursuant to section 15683, subsection 2 is subject to the following annual targets.

- (1) For fiscal year 2005-06, the target is 84%.
- (2) For fiscal year 2006-07, the target is 90%.
- (3) For fiscal year 2007-08, the target is 95%.
- (4) For fiscal year 2008-09, the target is 97%.
- (5) For fiscal year 2009-10, the target is 97%.
- (6) For fiscal year 2010-11, the target is 97%.
- (7) For fiscal year 2011-12 ~~and succeeding years~~, the target is ~~100%~~ 97%.
- (8) For fiscal year 2012-13 and succeeding years, the target is 100%.

Sec. C-2. 20-A MRSA §15671, sub-§7, ¶B, as amended by PL 2011, c. 1, Pt. C, §1, is further amended to read:

B. The annual targets for the state share percentage of the statewide adjusted total cost of the components of essential programs and services are as follows.

- (1) For fiscal year 2005-06, the target is 52.6%.
- (2) For fiscal year 2006-07, the target is 53.86%.
- (3) For fiscal year 2007-08, the target is 53.51%.
- (4) For fiscal year 2008-09, the target is 52.52%.
- (5) For fiscal year 2009-10, the target is 48.93%.
- (6) For fiscal year 2010-11, the target is 45.84%.
- (7) For fiscal year 2011-12 ~~and succeeding years~~, the target is ~~55%~~ 46.18%.

Sec. C-3. 20-A MRSA §15671, sub-§7, ¶C is enacted to read:

C. Beginning in fiscal year 2011-12, the annual targets for the state share percentage of the total cost of funding public education from kindergarten to grade 12 including the cost of the components of essential programs and services plus the state

1 contributions to teacher retirement, retired teachers' health insurance and retired
2 teachers' life insurance are as follows.

3 (1) For fiscal year 2011-12, the target is 49.60%.

4 (2) For fiscal year 2012-13, the target is 52.50%.

5 (3) For fiscal year 2013-14 and succeeding years, the target is 55%.

6 **Sec. C-4. 20-A MRSA §15671-A, sub-§2, ¶B**, as amended by PL 2011, c. 1, Pt.
7 C, §2, is further amended to read:

8 B. For property tax years beginning on or after April 1, 2005, the commissioner shall
9 calculate the full-value education mill rate that is required to raise the statewide total
10 local share. The full-value education mill rate is calculated for each fiscal year by
11 dividing the applicable statewide total local share by the applicable statewide
12 valuation. The full-value education mill rate must decline over the period from fiscal
13 year 2005-06 to fiscal year 2008-09 and may not exceed 9.0 mills in fiscal year 2005-
14 06 and may not exceed 8.0 mills in fiscal year 2008-09. The full-value education mill
15 rate must be applied according to section 15688, subsection 3-A, paragraph A to
16 determine a municipality's local cost share expectation. Full-value education mill
17 rates must be derived according to the following schedule.

18 (1) For the 2005 property tax year, the full-value education mill rate is the
19 amount necessary to result in a 47.4% statewide total local share in fiscal year
20 2005-06.

21 (2) For the 2006 property tax year, the full-value education mill rate is the
22 amount necessary to result in a 46.14% statewide total local share in fiscal year
23 2006-07.

24 (3) For the 2007 property tax year, the full-value education mill rate is the
25 amount necessary to result in a ~~45.56%~~ 46.49% statewide total local share in
26 fiscal year 2007-08.

27 (4) For the 2008 property tax year, the full-value education mill rate is the
28 amount necessary to result in a ~~45.99%~~ 47.48% statewide total local share in
29 fiscal year 2008-09.

30 (4-A) For the 2009 property tax year, the full-value education mill rate is the
31 amount necessary to result in a 51.07% statewide total local share in fiscal year
32 2009-10.

33 (4-B) For the 2010 property tax year, the full-value education mill rate is the
34 amount necessary to result in a 54.16% statewide total local share in fiscal year
35 2010-11.

36 (4-C) For the 2011 property tax year ~~and subsequent tax years~~, the full-value
37 education mill rate is the amount necessary to result in a ~~45.0%~~ 53.82% statewide
38 total local share in fiscal year 2011-12 ~~and after~~.

1 (5) For the 2012 property tax year, the full-value education mill rate is the
2 amount necessary to result in a 47.74% statewide total local share in fiscal year
3 2012-13.

4 (6) For the 2013 property tax year, the full-value education mill rate is the
5 amount necessary to result in a 47.50% statewide total local share in fiscal year
6 2013-14.

7 (7) For the 2014 property tax year and subsequent tax years, the full-value
8 education mill rate is the amount necessary to result in a 45% statewide total
9 local share in fiscal year 2014-15 and after.

10 **Sec. C-5. 20-A MRSA §15689, sub-§1-A**, as amended by PL 2007, c. 240, Pt.
11 D, §3, is repealed.

12 **Sec. C-6. 20-A MRSA §15689-A, sub-§20** is enacted to read:

13 **20. Center of Excellence for At-risk Students.** The commissioner may expend and
14 disburse funds for the Center of Excellence for At-risk Students in accordance with the
15 provisions of chapter 227.

16 **Sec. C-7. Mill expectation.** The mill expectation pursuant to the Maine Revised
17 Statutes, Title 20-A, section 15671-A for fiscal year 2011-12 is 7.50.

18 **Sec. C-8. Total cost of funding public education from kindergarten to**
19 **grade 12.** The total cost of funding public education from kindergarten to grade 12 for
20 fiscal year 2011-12 is as follows:

21		2011-12
22		TOTAL
23	Total Operating Allocation	
24		
25	Total operating allocation pursuant to the Maine	\$1,390,771,314
26	Revised Statutes, Title 20-A, section 15683 without	
27	transitions percentage	
28		
29	Total operating allocation pursuant to the Maine	\$1,349,048,174
30	Revised Statutes, Title 20-A, section 15683 with 97%	
31	transitions percentage	
32		
33	Total other subsidizable costs pursuant to the Maine	\$413,851,257
34	Revised Statutes, Title 20-A, section 15681-A	
35		<hr/>
36	Total Operating Allocation	
37		

1	Total operating allocation pursuant to the Maine	\$1,762,899,431
2	Revised Statutes, Title 20-A, section 15683 and total	
3	other subsidizable costs pursuant to Title 20-A, section	
4	15681-A	
5		
6	Total Debt Service Allocation	
7		
8	Total debt service allocation pursuant to the Maine	\$104,575,834
9	Revised Statutes, Title 20-A, section 15683-A	
10		
11	Total Adjustments and Miscellaneous Costs	
12		
13	Total adjustments and miscellaneous costs pursuant to	\$69,591,704
14	the Maine Revised Statutes, Title 20-A, sections 15689	
15	and 15689-A	
16		
17	Total Cost of Funding Public Education from	<hr/>
18	Kindergarten to Grade 12	
19		
20	Total cost of funding public education from	\$1,937,066,969
21	kindergarten to grade 12 for fiscal year 2011-12	
22	pursuant to the Maine Revised Statutes, Title 20-A,	
23	chapter 606-B	
24		
25	Total cost of the state contribution to teacher	\$172,592,848
26	retirement, teacher retirement health insurance and	
27	teacher retirement life insurance for fiscal year	
28	2011-12 pursuant to the Maine Revised Statutes, Title	
29	5, chapters 421 and 423	
30		
31	Adjustment pursuant to the Maine Revised Statutes,	\$41,723,140
32	Title 20-A, section 15683, subsection 2	
33		
34	Total cost of funding public education from	\$2,151,382,957
35	kindergarten to grade 12	

36 **Sec. C-9. Local and state contributions to total cost of funding public**
 37 **education from kindergarten to grade 12.** The local contribution and the state
 38 contribution appropriation provided for general purpose aid for local schools for the fiscal
 39 year beginning July 1, 2011 and ending June 30, 2012 is calculated as follows:

1 savings may be replaced by other Personal Services savings by agreement of the State
 2 and the bargaining agents representing state employees.

3 **Sec. E-3. Calculation and transfer.** Notwithstanding any other provision of
 4 law, the State Budget Officer shall calculate the amount of savings in this Part that
 5 applies against each General Fund account for all departments and agencies from savings
 6 associated with eliminating merit pay increases and longevity payments and shall transfer
 7 the amounts by financial order upon the approval of the Governor. These transfers are
 8 considered adjustments to appropriations in fiscal year 2011-12 and fiscal year 2012-13.
 9 The State Budget Officer shall provide a report of the transferred amounts to the Joint
 10 Standing Committee on Appropriations and Financial Affairs no later than October 1,
 11 2012.

12 **Sec. E-4. Appropriations and allocations.** The following appropriations and
 13 allocations are made.

14 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**
 15 **Executive Branch Departments and Independent Agencies - Statewide 0017**

16 Initiative: Deappropriates funds from eliminating longevity payments for individuals not
 17 eligible on June 30, 2011 and maintains the longevity payment level for those eligible on
 18 June 30, 2011 to the rate in effect on June 30, 2011 during the 2012-2013 biennium.

19	GENERAL FUND	2011-12	2012-13
20	Personal Services	(\$67,904)	(\$135,808)
21			
22	GENERAL FUND TOTAL	<u>(\$67,904)</u>	<u>(\$135,808)</u>

23 **Executive Branch Departments and Independent Agencies - Statewide 0017**

24 Initiative: Reduces funding to reflect projected savings from eliminating merit increases
 25 for fiscal years 2011-12 and 2012-13.

26	GENERAL FUND	2011-12	2012-13
27	Personal Services	(\$3,101,710)	(\$6,333,361)
28			
29	GENERAL FUND TOTAL	<u>(\$3,101,710)</u>	<u>(\$6,333,361)</u>

30 **ADMINISTRATIVE AND FINANCIAL**
 31 **SERVICES, DEPARTMENT OF**
 32 **DEPARTMENT TOTALS**

33		2011-12	2012-13
34	GENERAL FUND	(\$3,169,614)	(\$6,469,169)
35			
36	DEPARTMENT TOTAL - ALL FUNDS	<u>(\$3,169,614)</u>	<u>(\$6,469,169)</u>

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PART F

Sec. F-1. Attrition savings. The attrition rate for the 2012-2013 biennium is increased from 1.6% to 5.0% for judicial branch and executive branch departments and agencies only.

PART G

Sec. G-1. 23 MRSA §4210-B, sub-§7, as enacted by PL 2007, c. 677, §1, is repealed.

Sec. G-2. 23 MRSA §4210-B, sub-§7-A is enacted to read:

7-A. Sales tax revenue. Beginning July 1, 2012 and every July 1st thereafter, the State Controller shall transfer to the STAR Transportation Fund an amount, as certified by the State Tax Assessor, that is equivalent to 100% of the revenue from the tax imposed on the value of rental for a period of less than one year of an automobile pursuant to Title 36, section 1811 for the first 6 months of the prior fiscal year. Beginning on October 1, 2012 and every October 1st thereafter, the State Controller shall transfer to the STAR Transportation Fund an amount, as certified by the State Tax Assessor, that is equivalent to 100% of the revenue from the tax imposed on the value of rental for a period of less than one year of an automobile pursuant to Title 36, section 1811 for the last 6 months of the prior fiscal year. The tax amount must be based on actual sales for that fiscal year and may not consider any accruals that may be required by law.

Sec. G-3. Effective date. This Part takes effect June 30, 2012.

PART H

Sec. H-1. Department of Administrative and Financial Services; lease-purchase authorization. Pursuant to the Maine Revised Statutes, Title 5, section 1587, the Department of Administrative and Financial Services, in cooperation with the Treasurer of State, may enter into financing arrangements in fiscal years 2011-12 and 2012-13 for the acquisition of motor vehicles for the Central Fleet Management Division. The financing agreements entered into in each fiscal year may not exceed \$6,000,000 in principal costs, and a financing arrangement may not exceed 4 years in duration. The interest rate may not exceed 6%. The annual principal and interest costs must be paid from the appropriate line category allocations in the Central Fleet Management Division account.

PART I

Sec. I-1. 30-A MRSA §5681, sub-§5-C, as amended by PL 2011, c. 1, Pt. N, §1, is further amended to read:

5-C. Transfers to General Fund. For the months beginning on or after July 1, 2009, \$25,383,491 in fiscal year 2009-10 ~~and~~ \$38,145,323 in fiscal year 2010-11, \$40,350,638 in fiscal year 2011-12 and \$44,267,343 in fiscal year 2012-13 from the total

1 transfers pursuant to subsection 5 must be transferred to General Fund undedicated
2 revenue. The amounts transferred to General Fund undedicated revenue each fiscal year
3 pursuant to this subsection must be deducted from the distributions required by
4 subsections 4-A and 4-B based on the percentage share of the transfers to the Local
5 Government Fund pursuant to subsection 5. The reductions in this subsection must be
6 allocated to each month proportionately based on the budgeted monthly transfers to the
7 Local Government Fund as determined at the beginning of the fiscal year.

8 **PART J**

9 **Sec. J-1. 36 MRSA §111, sub-§2**, as amended by PL 2001, c. 396, §1, is
10 repealed and the following enacted in its place:

11 **2. Notice.** "Notice" means written notification served personally, sent by certified
12 mail or sent by first-class mail to the last known address of the person for whom the
13 notification is intended. A person's last known address is the person's address as reported
14 on the person's most recently filed Maine tax return or as otherwise specified by the
15 person in written correspondence on file with the bureau, unless the bureau determines
16 that a different address is the most current address for the person, in which case the
17 bureau must use that address. Notice by first-class mail is deemed to be received 3 days
18 after the mailing, excluding Sundays and legal holidays. If the State Tax Assessor is
19 required by a provision of this Title to give notice by certified mail and attempts to do so
20 but the mailing is returned with the notation "unclaimed" or "refused" or a similar
21 notation, the assessor may then give notice by sending the notification by first-class mail.
22 In the case of a joint income tax return, notice may be a single joint notice except that, if
23 the assessor is notified by either spouse that separate residences have been established,
24 the assessor must mail a joint notice to each spouse. If the person for whom notification
25 is intended is deceased or under a legal disability, and the assessor knows of the existence
26 of a fiduciary relationship with respect to that person, notice must be sent by first-class
27 mail to the last known address of the fiduciary.

28 **Sec. J-2. 36 MRSA §141, sub-§1**, as amended by PL 2009, c. 496, §3, is further
29 amended to read:

30 **1. General provisions.** Except as otherwise provided by this Title, an amount of tax
31 that a person declares on a return filed with the State Tax Assessor to be due to the State
32 is deemed to be assessed at the time the return is filed and is payable on or before the date
33 prescribed for filing the return, determined without regard to an extension of time granted
34 for filing the return. When a return is filed, the assessor shall ~~cause it to be examined~~
35 examine it and may conduct audits or investigations to determine the correct tax liability.
36 If the assessor determines that the amount of tax shown on the return is less than the
37 correct amount, the assessor shall assess the tax due the State and provide notice to the
38 taxpayer of the assessment. Except as provided in subsection 2, an assessment may not be
39 made after 3 years from the date the return was filed or 3 years from the date the return
40 was required to be filed, whichever is later. The assessor may make a supplemental
41 assessment within the assessment period prescribed by this section for the same period,
42 periods or partial periods previously assessed if the assessor determines that a previous
43 assessment understates the tax due or otherwise is imperfect or incomplete in any
44 material respect.

1 **Sec. J-3. 36 MRSA §141, sub-§2**, as amended by PL 2011, c. 1, Pt. BB, §1 and
2 affected by §3, is further amended to read:

3 **2. Exceptions.** The following are exceptions to the 3-year time limit specified in
4 subsection 1.

5 A. An assessment may be made within 6 years from the date the return was filed if
6 the tax liability shown on the return, after adjustments necessary to correct any
7 mathematical errors apparent on the face of the return, is less than 1/2 of the tax
8 liability determined by the ~~State Tax Assessor~~ assessor. In determining whether the
9 50% threshold provided by this paragraph is satisfied, the assessor may not consider
10 any portion of the understated tax liability for which the taxpayer has substantial
11 authority supporting its position.

12 B. An assessment may be made at any time with respect to a time period for which
13 a fraudulent return has been filed.

14 C. An assessment may be made at any time with respect to a period for which a
15 return has become due but has not been filed. If a person who has failed to file a
16 return does not provide to the assessor, within 60 days of receipt of notice,
17 information that the assessor considers necessary to determine the person's tax
18 liability for that period, the assessor may assess an estimated tax liability based upon
19 the best information otherwise available. In any proceeding for the collection of tax
20 for that period, that estimate is prima facie evidence of the tax liability. The 60-day
21 period provided by this paragraph must be extended for an additional 60 days if the
22 taxpayer requests an extension in writing prior to the expiration of the original 60-day
23 period.

24 E. The time limitations for assessment specified in this section may be extended to
25 any later date to which the ~~State Tax Assessor~~ assessor and ~~person liable for tax~~
26 taxpayer agree in writing.

27 **Sec. J-4. 36 MRSA §145**, as enacted by PL 2007, c. 627, §5, is amended to read:

28 **§145. Declaration of jeopardy**

29 If the State Tax Assessor determines that the collection of any tax will be jeopardized
30 by delay, the assessor, upon giving notice of this determination to the person liable for the
31 tax by personal service or certified mail, may demand an immediate return with respect to
32 any period or immediate payment of any tax declared to be in jeopardy, or both, and may
33 terminate the current reporting period and demand an immediate return and payment with
34 respect to that period. Notwithstanding any other provision of law, taxes declared to be in
35 jeopardy are payable immediately, and the assessor may proceed immediately to collect
36 those taxes by any collection method authorized by this Title. The person liable for the
37 tax may stay collection by requesting reconsideration of the declaration of jeopardy in
38 accordance with section 151 and depositing with the assessor, ~~within the time period~~
39 specified in section 151, 30 days from receipt of notice of the determination of jeopardy a
40 bond or other security in the amount of the liability with respect to which the stay of
41 collection is sought. A determination of jeopardy by the assessor is presumed to be
42 correct, and the burden of showing otherwise is on the taxpayer.

1 **Sec. J-5. 36 MRSA §151, first ¶**, as amended by PL 2001, c. 583, §1, is further
2 amended to read:

3 ~~Any~~ A person who is subject to an assessment by the State Tax Assessor or entitled
4 by law to receive notice of a determination of the assessor and who is aggrieved ~~as a~~
5 ~~result of~~ by that action may request in writing, within ~~30~~ 60 days after receipt of notice of
6 the assessment or the determination, reconsideration by the assessor of the assessment or
7 the determination. If a person who receives notice of an assessment ~~and~~ does not ~~file a~~
8 request ~~for~~ reconsideration of the assessment in writing within ~~the specified time period~~
9 60 days, the assessor may not reconsider the assessment pursuant to this section and no
10 review is available in Superior Court regardless of whether the ~~taxpayer~~ person
11 subsequently makes payment and requests a refund.

12 **Sec. J-6. 36 MRSA §171**, as amended by PL 2001, c. 583, §3, is further amended
13 to read:

14 **§171. Demand letter**

15 **1. Taxes imposed by this Title.** If any tax imposed by this Title is not paid on or
16 before its due date and no further administrative or judicial review of the assessment is
17 available under section 151, the assessor, within 3 years after administrative and judicial
18 review have been exhausted, may give the taxpayer notice of the amount to be paid,
19 specifically designating the tax, interest and penalty due, and demand payment of that
20 amount within 10 days of that taxpayer's receipt of notice. The notice must be given by
21 personal service or sent by certified mail. The notice must include a warning that, upon
22 failure of that taxpayer to pay as demanded, the assessor may proceed to collect the
23 amount due by any collection method authorized by this Title. The notice must also
24 describe the procedures applicable to the levy and sale of property under section 176-A,
25 the alternatives available to the taxpayer that could forestall levy on property, including
26 installment agreements, and the provisions of this Title relating to redemption of property
27 and the release of the lien on property created by virtue of the levy. If the taxpayer has
28 filed a petition for relief under the United States Bankruptcy Code, the running of the
29 3-year period of limitation imposed by this section is stayed until the bankruptcy case is
30 closed or a discharge is granted, whichever occurs first.

31 **2. Other debts owed to State.** In the case of a fee, fine, penalty or other obligation
32 first owed to the State on or after January 1, 1988 and authorized to be collected by the
33 bureau, the assessor, within 3 years after the obligation is first placed with the bureau for
34 collection, may give the taxpayer notice of the amount to be paid, including any interest
35 and penalties provided by law, and demand payment of that amount within 10 days of
36 that taxpayer's receipt of notice. The notice must be given by personal service or sent by
37 certified mail. The notice must include a warning that, upon failure of that taxpayer to
38 pay as demanded, the assessor may proceed to collect the amount due by any collection
39 method authorized by section 175-A or 176-A. The notice must describe the procedures
40 applicable to the levy and sale of property under section 176-A, the alternatives available
41 to the taxpayer that could forestall levy on property, including installment agreements,
42 and the provisions of this Title relating to redemption of property and the release of the
43 lien on property created by virtue of the levy.

1 **Sec. J-7. 36 MRSA §172, first ¶**, as enacted by PL 1981, c. 364, §11, is amended
2 to read:

3 If any tax liability imposed under this Title that has become final, other than ~~property~~
4 ~~tax, assessed and deemed final~~ a liability for a tax imposed under this Title Part 2,
5 remains unpaid in an amount exceeding \$1,000 for a period greater than 60 days after the
6 taxpayer has received notice of ~~such~~ that finality by personal service or certified mail, and
7 the taxpayer ~~refuses~~ fails to cooperate with the bureau in establishing and remaining in
8 compliance with a reasonable plan for liquidating that liability, the State Tax Assessor
9 shall certify the liability and lack of cooperation:

10 **Sec. J-8. 36 MRSA §175, sub-§2**, as amended by PL 2009, c. 496, §4, is further
11 amended to read:

12 **2. Failure to file or pay taxes; determination to prevent renewal, reissuance or**
13 **other extension of license or certificate.** If the assessor determines that a person who
14 holds a license or certificate of authority issued by this State to conduct a profession,
15 trade or business has ~~neglected or refused~~ failed to file a return at the time required under
16 this Title or to pay a tax liability due under this Title that has been demanded, other than
17 taxes due pursuant to Part 2, and the person continues to fail to file or pay after at least 2
18 specific written notices, each giving 30 days to respond, have been sent by ~~certified mail~~
19 ~~or served by a civil officer~~ first-class mail, then the assessor shall notify the person ~~in~~
20 writing by certified mail or personal service that continued failure to file the required tax
21 return or to pay the overdue tax liability may result in loss of the person's license or
22 certificate of authority. If the person continues for a period in excess of 30 days from
23 notice of possible denial of renewal or reissuance of a license or certificate of authority to
24 fail to file or show reason why the person is not required to file or if the person continues
25 not to pay, the assessor shall notify the person ~~in writing~~ by certified mail or personal
26 service of the assessor's determination to prevent renewal, reissuance or extension of the
27 license or certificate of authority by the issuing agency. A review of this determination is
28 available by requesting reconsideration under section 151, subject to appeal to the
29 Superior Court as provided in section 151. Either by failure to proceed to the next step of
30 appeal or by exhaustion of the steps of appeal, the determination to prevent renewal or
31 reissuance of the license or certificate of authority becomes final unless otherwise
32 determined on appeal. In any event, the license or certificate of authority remains in
33 effect until all appeals have been taken to their final conclusion.

34 **Sec. J-9. 36 MRSA §176-A, sub-§1, ¶B-1** is enacted to read:

35 B-1. "Notice" means written notification served personally or sent by certified mail,
36 except with respect to notice to a person who has consented in writing to some other
37 means of notification.

38 **Sec. J-10. 36 MRSA §176-A, sub-§1, ¶D**, as enacted by PL 1989, c. 880, Pt. E,
39 §3, is repealed.

40 **Sec. J-11. 36 MRSA §176-A, sub-§2, ¶E**, as amended by PL 2001, c. 583, §5, is
41 further amended to read:

42 E. The effect of a levy on salary or wages payable to or received by a taxpayer is
43 continuous from the date the levy is first made until the liability giving rise to the

1 levy is satisfied. Except as otherwise provided by this paragraph, a levy on any other
 2 intangible personal property or rights to intangible personal property remains in effect
 3 until one year after the date that notice of levy ~~and demand~~ under subsection 3,
 4 paragraph A is ~~served on~~ received by the person in possession of or liable to the
 5 taxpayer with respect to intangible personal property, including property that is first
 6 possessed or liabilities that arise after the date of ~~service~~ receipt of the notice of levy
 7 ~~and demand~~. In the case of a levy upon property held by a financial institution
 8 described in subsection 3, paragraph A, the levy extends only ~~extends~~ to accounts in
 9 existence on the date the notice of levy ~~and demand~~ is ~~served on~~ received by the
 10 financial institution, but includes deposits made or collected in those accounts after
 11 the notice of levy is ~~served~~ received. A levy on intangible personal property or rights
 12 to intangible personal property, ownership of which is disputed ~~at on~~ on the time date
 13 that notice the levy is ~~served~~ received, remains in effect until one year after the
 14 dispute is resolved ~~by competent authority~~.

15 **Sec. J-12. 36 MRSA §176-A, sub-§3**, as amended by PL 2005, c. 218, §6, is
 16 further amended to read:

17 **3. Surrender of property or discharge of obligation; exceptions; personal**
 18 **liability; penalty.** A surrender of property or discharge of obligation is governed by this
 19 subsection.

20 A. Except as otherwise provided in paragraph B, any person who is in possession
 21 of, or obligated with respect to, property or rights to property subject to levy upon
 22 which a levy has been made shall, upon demand of the assessor, surrender ~~any such~~
 23 the property or rights or discharge ~~any such~~ the obligation to the assessor within 21
 24 days after receipt of the notice of levy, except that part of the property or rights ~~as~~
 25 that is, at the time of the demand, subject to an attachment or execution under ~~any~~
 26 judicial process. It is a defense to the liability imposed by this subsection that the
 27 person ~~refusing~~ who fails to comply with the terms of a notice of a levy or that
 28 person's bailor has a valid claim against the delinquent taxpayer ~~accruing~~ that accrued
 29 prior to ~~service~~ receipt of the notice of levy or a valid security interest or lien upon
 30 the property of the taxpayer that was perfected prior to ~~service~~ receipt of the notice of
 31 levy; but this defense ~~exonerates the person refusing to comply from liability~~ is
 32 available only to the extent of that claim, security interest or lien.

33 Any financial institution chartered under state or federal law, including, but not
 34 limited to, trust companies, savings banks, savings and loan associations, national
 35 banks and credit unions, shall surrender to the assessor any deposits, including any
 36 interest in the financial institution that would otherwise be required to be surrendered
 37 under this subsection only after 21 days after ~~service~~ receipt of the notice of levy, but
 38 not later than 30 days after ~~service~~ receipt of the notice of levy. Except as provided
 39 in subsection 5, paragraph D, with respect to a levy on salary or wages, any person in
 40 possession of, or obligated with respect to, property subject to a continuing levy
 41 against intangible personal property, which property is first possessed or which
 42 obligation first arises subsequent to ~~service~~ receipt of a notice of levy ~~on such~~ by that
 43 person, shall, upon demand of the assessor, surrender the property or rights, or
 44 discharge the obligation to the assessor within 30 days after the property is first
 45 possessed or the obligation first arises.

1 B. A levy with respect to a life insurance or endowment contract is governed by this
2 paragraph.

3 (1) A levy on an organization with respect to a life insurance or endowment
4 contract issued by that organization, without necessity for the surrender of the
5 contract document, constitutes a demand by the assessor for payment of the
6 amount described in subparagraph (2) and the exercise of the right of the person
7 against whom the tax is assessed to the advance of that amount. The organization
8 shall pay over the amount no later than 90 days after ~~service~~ receipt of the notice
9 of levy. Notice must include a certification by the assessor that a copy of the
10 notice has been mailed to the person against whom the tax is assessed at that
11 person's last known address.

12 (2) A levy under this paragraph is deemed to be satisfied if the organization
13 pays over to the assessor the amount that the organization could have advanced to
14 the person against whom the tax is assessed on the date prescribed in
15 subparagraph (1) for the satisfaction of the levy, increased by the amount of any
16 advance, including contractual interest, made to the person on or after the date
17 the organization ~~had actual~~ received notice or otherwise had knowledge of the
18 existence of the lien with respect to which the levy is made, other than an
19 advance, including contractual interest, made automatically to maintain the
20 contract in force under an agreement entered into before the organization ~~had any~~
21 received such notice or had such knowledge.

22 (3) The satisfaction of a levy under subparagraph (2) is without prejudice to any
23 civil action for the enforcement of any lien imposed by section 175-A with
24 respect to the contract.

25 C. Any person who fails or refuses to surrender any property or rights to property,
26 subject to levy, upon demand by the assessor:

27 (1) Is liable in person and estate to the State in a sum equal to the value of the
28 property not so surrendered, but not exceeding the amount of taxes for the
29 collection of which the levy has been made, together with costs and interest at the
30 rate determined pursuant to section 186 on the sum from the date of the levy.
31 Any amount, other than costs, recovered under this paragraph must be credited
32 against the tax liability for the collection of which the levy was made; and

33 (2) Without reasonable cause, is liable for a penalty equal to 50% of the amount
34 recoverable under subparagraph (1). A part of the penalty may not be credited
35 against the tax liability for the collection of which the levy was made.

36 ~~It is lawful for the~~ The assessor ~~to~~ may collect the liability established by this
37 paragraph by assessment and collection in the manner described in this Part.

38 D. Any person in possession of, or obligated with respect to, property subject to
39 levy upon which a levy has been made, who, upon demand by the assessor,
40 surrenders that property or rights to that property, or discharges the obligation to the
41 assessor, or who pays a liability under paragraph C, subparagraph (1) is discharged
42 from any obligation or liability to the delinquent taxpayer with respect to the property
43 arising from the surrender or payment. In the case of a levy satisfied pursuant to

1 paragraph B, the organization is discharged from any obligation or liability to any
2 beneficiary arising from the surrender or payment.

3 **Sec. J-13. 36 MRS §176-A, sub-§5, ¶D**, as enacted by PL 1989, c. 880, Pt. E,
4 §3, is amended to read:

5 D. A levy upon salary and wages must specify the amount of percentage to be
6 surrendered and delivered to the assessor by the taxpayer's employer for each pay
7 period, consistent with the provisions of this paragraph. Salaries and wages are
8 exempt from levy to the extent of 75% of the taxpayer's disposable earnings for any
9 pay period, or an amount equal to the federal minimum hourly wage multiplied by
10 30, multiplied by the number of weeks in the pay period, whichever is less. A levy
11 on salaries and wages is continuous from the date on which the notice of levy is
12 ~~erved~~ received until the delinquency is discharged and applies to all pay periods
13 commencing after ~~the that~~ date ~~on which the notice of levy is served~~. The assessor
14 shall notify the taxpayer's employer ~~immediately~~ as soon as practicable upon
15 discharge of the delinquency that the levy has been discontinued.

16 **Sec. J-14. 36 MRS §176-A, sub-§6, ¶A**, as amended by PL 1999, c. 699, Pt.
17 D, §27 and affected by §30, is further amended to read:

18 A. As soon as practicable after seizure of property, the assessor shall give notice ~~in~~
19 ~~writing~~ to the owner of the property, or, in the case of personal property, the
20 possessor of the property, or leave notice at the owner's or possessor's usual place of
21 abode or business, if any, within the State. If the owner or possessor cannot be
22 readily located, or has no dwelling or place of business within the State, the notice
23 may be ~~mailed to that person's last known address~~ sent by first-class mail. In the case
24 of real property, the notice must be filed in the registry of deeds in the county where
25 the property is located. The notice must specify the sum demanded and contain:

- 26 (1) In the case of personal property, an account of the property seized; and
27 (2) In the case of real property, a description with reasonable certainty of the
28 property seized.

29 In the case of levy on a motor vehicle that is the subject of a Certificate of Title
30 issued by the Secretary of State, a copy of the notice must be filed with the Secretary
31 of State, who shall note the levy in the records of ownership of the motor vehicle in
32 question. In the case of levy on that type of personal property, a security interest in
33 which may be perfected by filing in the office of the Secretary of State, a copy of the
34 notice must be filed in the office of the Secretary of State, who shall file the notice of
35 levy as a financing statement.

36 **Sec. J-15. 36 MRS §176-A, sub-§6, ¶B**, as amended by PL 2009, c. 434, §10,
37 is further amended to read:

38 B. The assessor, as soon as practicable after the seizure of property, shall cause a
39 notice to be published in a newspaper of general circulation within the county where
40 the seizure is made, or, if there is no such newspaper, post the notice at the city or
41 town hall nearest the place where the seizure is made and in at least 2 other public
42 places. In the case of real property, the notice must be ~~served on~~ sent by certified
43 mail to all persons holding an interest of record, including, without limitation,

1 recorded leases and security interest of all types, in the property as reflected at the
2 time the notice of levy is recorded by the indices of the registry of deeds in the county
3 where the property is located. In the case of ~~personal property that is~~ a motor vehicle
4 subject to a certificate of title issued by the Secretary of State, notice must be ~~served~~
5 ~~or sent by certified mail to~~ all persons holding a security interest of record in the
6 motor vehicle as set forth in the records of the Secretary of State. In the case of
7 personal property that ~~may be~~ is the subject of a security interest perfected by filing
8 in the office of the Secretary of State, notice must be ~~served upon~~ sent by certified
9 mail to all secured parties claiming an interest in the property seized as reflected at
10 the time the notice of levy is recorded in the records maintained by the Secretary of
11 State pursuant to Title 11. The notice must specify the property to be sold, subject to
12 the liabilities of prior encumbrances, if any, and the time, place, manner and
13 conditions of the sale. If levy is made without regard to the 10-day period provided
14 in section 171, public notice of sale of the property seized may not be made within
15 the 10-day period unless subsection 7 applies. It is a Class E crime to intentionally
16 remove or deface the posted notice of sale prior to the scheduled sale date, unless the
17 property has been redeemed or the sale is for some other reason canceled. The
18 assessor or any law enforcement officer may enter onto the land if necessary to carry
19 out the purposes of this section.

20 **Sec. J-16. 36 MRSA §176-A, sub-§15, ¶A,** as enacted by PL 1989, c. 880, Pt.
21 E, §3, is amended to read:

22 A. Who claims an interest in property that has wrongfully been levied upon may
23 apply to the assessor for a stay of proceedings under this section at any time before
24 the property has been sold but within 5 days after receiving ~~actual~~ notice of ~~the~~ levy.
25 ~~Any~~ An action for a stay is governed by Title 5, section 11004; or

26 PART K

27 **Sec. K-1. 36 MRSA §187-B, sub-§1,** as amended by PL 2007, c. 627, §6, is
28 further amended to read:

29 **1. Failure to file return.** ~~Any~~ A person who fails to make and file any return
30 required under this Title at or before the time the return becomes due is liable for one of
31 the following penalties if the person's tax liability shown on ~~such~~ that return or otherwise
32 determined to be due is greater than \$25.

33 A. If the return is filed before or within 30 days after the taxpayer receives from the
34 assessor a formal demand that the return be filed, or if the return is not filed but the
35 tax due is assessed by the assessor before the taxpayer receives from the assessor a
36 formal demand that the return be filed, the penalty is \$25 or 10% of the tax due,
37 whichever is greater.

38 B. If the return is not filed within 30 days after the taxpayer receives from the
39 assessor a formal demand that the return be filed, the penalty is ~~400%~~ \$25 or 25% of
40 the tax due, whichever is greater. The ~~30-day~~ period provided by this paragraph ~~is~~
41 must be extended for up to 120 days if the taxpayer requests an extension in writing
42 prior to the expiration of the original 30-day period.

1 C. If the return is not filed and the assessor makes a determination of jeopardy
2 pursuant to section 145, the penalty is ~~100%~~ 25% of the tax due.

3 This subsection does not apply to ~~any~~ a return required pursuant to chapter 459 ~~and that is~~
4 administered pursuant to the International Fuel Tax Agreement.

5 **Sec. K-2. Application.** This Part takes effect October 1, 2011 and applies to
6 penalties accruing under this section on or after October 1, 2011.

7 **PART L**

8 **Sec. L-1. 36 MRSA §187-B, sub-§7,** as amended by PL 2007, c. 437, §5, is
9 further amended to read:

10 **7. Reasonable cause.** ~~For reasonable cause, the State Tax Assessor~~ The assessor
11 shall waive or abate or, in the case of those penalties that do not accrue automatically
12 under subsection 6, refrain from imposing any penalty imposed by subsection 1;
13 subsection, 1-A; subsection, 2; subsections, 4-A, 4-B, 5-A and or 5-B; or by the terms of
14 the International Fuel Tax Agreement if grounds constituting reasonable cause are
15 established by the taxpayer or if the assessor determines that grounds constituting
16 reasonable cause are otherwise apparent. Reasonable cause includes, but is not limited to,
17 the following circumstances:

18 A. The failure to file or pay resulted directly from erroneous information provided by
19 the Bureau of Revenue Services;

20 B. The failure to file or pay resulted directly from the death or serious illness of the
21 taxpayer or a member of the taxpayer's immediate family;

22 C. The failure to file or pay resulted directly from a natural disaster;

23 D. A return that was due monthly was filed and paid less than one month late and all
24 of the taxpayer's returns and payments during the preceding 12 months were timely;

25 E. A return that was due other than monthly was filed and paid less than one month
26 late and all of the taxpayer's returns and payments during the preceding 3 years were
27 timely;

28 F. The taxpayer has supplied substantial authority justifying the failure to file or pay;
29 or

30 G. The amount subject to a penalty imposed by ~~subsections~~ subsection 1, 2 ~~and, 4-A;~~
31 ~~and subsection~~ or 5-A is de minimis when considered in relation to the amount
32 otherwise properly paid, the reason for the failure to file or pay and the taxpayer's
33 compliance history.

34 ~~The~~ Absent a determination by the assessor that grounds constituting reasonable cause are
35 otherwise apparent, the burden of establishing grounds for waiver or abatement is on the
36 taxpayer.

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PART M

Sec. M-1. 36 MRSA §135, sub-§1, as amended by PL 2007, c. 438, §7, is further amended to read:

1. Taxpayers. Persons subject to tax under this Title shall maintain such records as the State Tax Assessor determines necessary for the reasonable administration of this Title. Records pertaining to taxes imposed by chapters 371 ~~and~~, 575 and 577 and by Part 8 must be retained as long as is required by applicable federal law and regulation. Records pertaining to the special fuel tax user returns filed pursuant to section 3209, subsection 2 and the International Fuel Tax Agreement pursuant to section 3209, subsection 1-B must be retained for 4 years. Records pertaining to all other taxes imposed by this Title must be retained for a period of at least 6 years. The records must be kept in such a manner as to ensure their security and accessibility for inspection by the assessor or any designated agent engaged in the administration of this Title.

Sec. M-2. 36 MRSA §144, sub-§2, ¶A, as amended by PL 2011, c. 211, §18, is further amended to read:

A. Subsection 1 does not apply in the case of premiums imposed pursuant to Title 10, section 1020, subsection 6-A, sales and use taxes imposed by Part 3, estate taxes imposed by chapter 575 or 577, income taxes imposed by Part 8 and any other tax imposed by this Title for which a specific statutory refund provision exists.

Sec. M-3. 36 MRSA §4061, as enacted by PL 1981, c. 451, §7, is amended to read:

§4061. Applicability of provisions

This chapter applies to the estates of persons who die after June 30, 1986 and before January 1, 2013.

Sec. M-4. 36 MRSA §4062, sub-§1-A, ¶A, as amended by PL 2009, c. 213, Pt. E, §1 and affected by §6, is further amended to read:

A. For the estates of decedents dying after December 31, 2002, "federal credit" means the maximum credit against the tax on the federal taxable estate for state death taxes determined under the Code, Section 2011 as of December 31, 2002 exclusive of the reduction of the maximum credit contained in the Code, Section 2011(b)(2); the period of limitations under the Code, Section 2011(c); and the termination provision contained in the Code, Section 2011(f). The state death tax deduction contained in the Code, Section 2058 must be disregarded. The unified credit must be determined under the Code, Section 2010 as of December 31, 2000. The termination provision contained in the Code, Section 2210 must be disregarded. Notwithstanding any other provision of this Title to the contrary, the tax determined by this chapter for estates of decedents dying after December 31, 2009 must be determined in accordance with the law applicable to decedents dying during calendar year 2009, except that for purposes of calculation of the amount of property that may be treated as Maine qualified terminable interest property under subsection 2-B, paragraph C, the applicable exclusion amount must be determined in accordance with the law applicable as of the decedent's actual date of death; and

1 **Sec. M-5. 36 MRSA §4062, sub-§3**, as enacted by PL 1981, c. 451, §7, is
2 amended to read:

3 **3. Nonresident.** "Nonresident" means a natural person domiciled in a jurisdiction
4 other than ~~Maine~~ this State at the time of ~~his~~ that person's death.

5 **Sec. M-6. 36 MRSA §4062, sub-§6**, as enacted by PL 1981, c. 451, §7, is
6 amended to read:

7 **6. Resident.** "Resident" means a natural person domiciled in this State at the time of
8 ~~his~~ that person's death.

9 **Sec. M-7. 36 MRSA §4064**, as amended by PL 2007, c. 466, Pt. A, §62 and
10 affected by §63, is further amended to read:

11 **§4064. Tax on estate of nonresident**

12 A tax is imposed upon the transfer of real property and tangible personal property
13 situated in this State and held by an individual who dies prior to January 1, 2002 or after
14 December 31, 2002 and who at the time of death was not a resident of this State. ~~When~~
15 ~~real or tangible personal property has been transferred into a trust or a limited liability~~
16 ~~company or other pass-through entity, the tax imposed by this section applies as if the~~
17 ~~trust or limited liability company or other pass-through entity did not exist and the~~
18 ~~property was personally owned by the decedent.~~ Maine property is subject to the tax
19 imposed by this section to the extent that such property is either included in the
20 decedent's federal gross estate or is Maine elective property. The amount of this tax is
21 equal to that proportion of the federal credit that the value of the decedent's Maine real
22 and tangible personal property in this State bears to the value of the decedent's federal
23 gross estate. The share of the federal credit used to determine the amount of a
24 nonresident individual's estate tax under this section is computed without regard to
25 whether the specific real or tangible personal property located in the State is marital
26 deduction property.

27 ~~Proceeds from the sale of property are taxable under this section if those proceeds are~~
28 ~~included in the federal gross estate and the sale was made in contemplation of death. A~~
29 ~~sale of property made within 6 months prior to the death of the grantor is deemed to be in~~
30 ~~contemplation of death within the meaning of this section.~~

31 When real or tangible personal property is owned by a pass-through entity, the entity
32 must be disregarded and the property must be treated as personally owned by the
33 decedent if the entity does not actively carry on a business for the purpose of profit and
34 gain; the ownership of the property in the entity was not for a valid business purpose; or
35 the property was acquired by other than a bona fide sale for full and adequate
36 consideration and the decedent retained a power with respect to or interest in the property
37 that would bring the real or tangible personal property located in this State within the
38 decedent's federal gross estate.

39 **Sec. M-8. 36 MRSA §4068, sub-§2, ¶B**, as enacted by PL 2005, c. 218, §43, is
40 amended to read:

41 B. The federal gross estate, increased by the amount of adjusted taxable gifts made
42 by the decedent after December 31, 1976 and by the aggregate amount of any specific

1 gift tax exemption under former Code, Section 2521 used by the decedent after
2 September 8, 1976 ~~exceed~~ and by Maine elective property, exceeds the exclusion and
3 related unified credit amounts specified in section 4062, subsection 1-A.

4 **Sec. M-9. 36 MRSA c. 577** is enacted to read:

5 **CHAPTER 577**

6 **MAINE ESTATE TAX AFTER 2012**

7 **§4101. Applicability of provisions**

8 This chapter applies to the estates of persons who die after December 31, 2012.

9 **§4102. Definitions**

10 As used in this chapter, unless the context otherwise indicates, the following terms
11 have the following meanings.

12 **1. Adjusted federal gross estate.** "Adjusted federal gross estate" means a
13 decedent's federal gross estate as modified by Maine qualified terminable interest
14 property, Maine elective property and the value of all taxable gifts as defined under the
15 Code, Section 2503 made by the decedent during the one-year period ending on the date
16 of the decedent's death.

17 **2. Federal gross estate.** "Federal gross estate" means the gross estate of a decedent
18 as determined by the assessor in accordance with the Code. The termination provision
19 contained in the Code, Section 2210 must be disregarded.

20 **3. Federal taxable estate.** "Federal taxable estate" means the taxable estate of a
21 decedent as determined using the applicable provisions of the Code as of the decedent's
22 date of death, except that the state death tax deduction contained in the Code, Section
23 2058 and the termination provision contained in the Code, Section 2210 must be
24 disregarded.

25 **4. Maine elective property.** "Maine elective property" means all property in which
26 a decedent at the time of death had a qualified income interest for life and with respect to
27 which for purposes of determining the tax imposed by this chapter or chapter 575 on the
28 estate of a predeceased spouse of the decedent the federal taxable estate of that
29 predeceased spouse was decreased pursuant to subsection 7, paragraph A or section 4062,
30 subsection 1-B, paragraph B. The value of Maine elective property is the value
31 determined by the assessor in accordance with the Code as if such property were
32 includible in the decedent's federal gross estate pursuant to the Code, Section 2044 and, in
33 the case of estates that do not incur a federal estate tax, as if the estate had incurred a
34 federal estate tax.

35 **5. Maine exclusion amount.** "Maine exclusion amount" means \$2,000,000.

36 **6. Maine qualified terminable interest property.** "Maine qualified terminable
37 interest property" means property:

38 A. That is eligible to be treated as qualified terminable interest property under the
39 Code, Section 2056(b)(7);

1 B. For which no election allowable under the Code, Section 2056(b)(7) is made with
2 respect to the federal estate tax; and

3 C. With respect to which an election is made, on a return timely filed with the
4 assessor, to treat the property as Maine qualified terminable interest property for
5 purposes of the tax imposed by this chapter. The amount of property with respect to
6 which the election is made may not be less than zero or greater than the amount by
7 which the federal applicable exclusion amount under the Code, Section 2010 exceeds
8 the Maine exclusion amount. For the purposes of this paragraph, "federal applicable
9 exclusion amount" does not include any deceased spousal unused exclusion amount
10 under the Code, Section 2810.

11 **7. Maine taxable estate.** "Maine taxable estate" means the federal taxable estate:

12 A. Decreased by the value of Maine qualified terminable interest property;

13 B. Increased by the value of Maine elective property; and

14 C. Increased by, notwithstanding the Code, Section 2035, the value of all taxable
15 gifts as defined under the Code, Section 2503 made by the decedent during the
16 one-year period ending on the date of the decedent's death.

17 **8. Nonresident.** "Nonresident" means a natural person domiciled in a jurisdiction
18 other than this State at the time of death.

19 **9. Personal representative.** "Personal representative" means a personal
20 representative of a decedent or, if there is no personal representative appointed, qualified
21 and acting within this State, any person who is in the actual or constructive possession of
22 any property included in the federal gross estate of the decedent, any Maine elective
23 property or any taxable gifts made during the one-year period ending on the date of the
24 decedent's death.

25 **10. Resident.** "Resident" means a natural person domiciled in this State at the time
26 of death.

27 **11. Transfer.** "Transfer" includes the passing of property or any interest therein, in
28 possession or enjoyment, present or future, by inheritance, descent, devise, succession,
29 bequest, grant, deed, bargain sale, gift or appointment in the manner described in this
30 chapter.

31 **12. Value.** "Value" means, when determining value for purposes of this chapter,
32 with respect to an estate or to property included in an estate, including Maine qualified
33 terminable interest property, the value as determined by the assessor in accordance with
34 the Code.

35 **§4103. Tax on estate of resident**

36 **1. Imposition of tax.** A tax is imposed on the transfer of the Maine taxable estate of
37 every person who, at the time of death, was a resident of this State. The amount of tax is
38 determined as provided in this section.

39 A. If the Maine taxable estate is \$2,000,000 or less, the tax is \$0.

40 B. If the Maine taxable estate is more than \$2,000,000 but no more than \$5,000,000,
41 the tax is 8% of the excess over \$2,000,000.

1 C. If the Maine taxable estate is more than \$5,000,000 but no more than \$8,000,000,
2 the tax is \$240,000 plus 10% of the excess over \$5,000,000.

3 D. If the Maine taxable estate is more than \$8,000,000, the tax is \$540,000 plus 12%
4 of the excess over \$8,000,000.

5 The amount of this tax is multiplied by a fraction, the numerator of which is the value of
6 that portion of the decedent's adjusted federal gross estate that consists of real and
7 tangible personal property located in this State plus the value of all intangible personal
8 property and the denominator of which is the value of the decedent's adjusted federal
9 gross estate.

10 **2. Other jurisdiction death tax credit.** A credit against the tax imposed by this
11 section is allowed for all constitutionally valid estate, inheritance, legacy and succession
12 taxes actually paid to another jurisdiction upon the value of real or tangible personal
13 property owned by the decedent or subject to those taxes as a part of or in connection
14 with the estate and located in that jurisdiction if the value of that property is also included
15 in the value of the decedent's intangible personal property subject to taxation under this
16 section. The credit provided by this subsection may not exceed the amount of tax
17 otherwise due multiplied by a fraction, the numerator of which is the value of the
18 property located in the other taxing jurisdiction subject to this credit on which tax was
19 actually paid and the denominator of which is the value of the decedent's adjusted federal
20 gross estate. For the purposes of this section, "another jurisdiction" means another state,
21 the District of Columbia, a possession or territory of the United States or any political
22 subdivision of a foreign country that is analogous to a state.

23 **§4104. Tax on estate of nonresident**

24 A tax is imposed on the Maine taxable estate of every person who, at the time of
25 death, was a nonresident. The amount of tax equals the tax computed under section 4103,
26 as if the nonresident were a resident, multiplied by the ratio of the value of that portion of
27 the decedent's adjusted federal gross estate that consists of real and tangible personal
28 property located in this State to the value of the decedent's adjusted federal gross estate.

29 When real or tangible personal property is owned by a pass-through entity, the entity
30 must be disregarded and the property must be treated as personally owned by the
31 decedent if the entity does not actively carry on a business for the purpose of profit and
32 gain; the ownership of the property in the entity was not for a valid business purpose; or
33 the property was acquired by other than a bona fide sale for full and adequate
34 consideration and the decedent retained a power with respect to or interest in the property
35 that would bring the real or tangible personal property located in this State within the
36 decedent's adjusted federal gross estate.

37 **§4105. Personal representative's liability for tax**

38 **1. Payment of tax.** The tax imposed by this chapter must be paid by the personal
39 representative to the extent of assets subject to the personal representative's control. The
40 assessor may accept payment of estate taxes in works of art in accordance with Title 27,
41 chapter 2, subchapter 2.

42 **2. Certification of payment.** A final account of a personal representative of an
43 estate may not be allowed by the Probate Court unless the personal representative has

1 filed in the Probate Court a certificate of the assessor showing either that the amount of
2 tax has been paid, that payment has been secured as provided in section 4108 or that no
3 tax is due.

4 **§4106. Discharge of personal representative's personal liability**

5 If the personal representative makes a written application, accompanied by a copy of
6 the final determination of the federal estate tax liability, if any, and other supporting
7 documentation that the assessor may require, to the assessor for determination of the
8 amount of the tax and discharge of personal liability for that tax, the assessor, as soon as
9 possible and in any event within one year after the making of the application or, if the
10 application is made before the return is filed, within one year after the return is filed, shall
11 notify the personal representative of the amount of the tax and of any interest on that
12 amount. The personal representative, on payment of that amount, is discharged from
13 personal liability for any deficiency in tax subsequently found to be due and is entitled to
14 a certificate of discharge.

15 **§4107. Tax due date; filing of return and payment of tax**

16 **1. Date due.** Except as otherwise provided by this chapter, a return required by this
17 section is due 9 months after the date of the decedent's death and any tax due under this
18 chapter is due at the same time. Interest accrues on any amount of tax not paid by the due
19 date.

20 **2. Return required.** The personal representative shall file a Maine estate tax return
21 whenever:

22 A. The Code requires that a federal estate tax return be filed; or

23 B. The federal gross estate, increased by the amount of adjusted taxable gifts made
24 by the decedent after December 31, 1976 and by the aggregate amount of any specific
25 gift tax exemption under former Code, Section 2521 used by the decedent after
26 September 8, 1976 exceed the Maine exclusion amount.

27 The return must be in the form prescribed by the assessor, and it must be accompanied by
28 a copy of the federal estate tax return, if any, and by other supporting documentation that
29 the assessor may require.

30 **3. No tax liability.** In all cases where a Maine estate tax return is not required to be
31 filed:

32 A. If the personal representative makes no election pursuant to section 4102,
33 subsection 6, paragraph C, the personal representative, surviving joint tenant of real
34 estate or any other person whose real estate might be subject to a lien for taxes
35 pursuant to this chapter may at any time file with the assessor in the form prescribed
36 by the assessor a statement of the value of the federal gross estate; and

37 B. If the personal representative makes an election pursuant to section 4102,
38 subsection 6, paragraph C, the personal representative shall make the election on a
39 timely filed return. The return must be in the form prescribed by the assessor, and it
40 must be accompanied by a copy of the federal estate tax return, if any, and other
41 supporting documentation that the assessor may require, including documentation
42 related to an election made pursuant to section 4102, subsection 6, paragraph C.

1 **§4108. Extension of due date for payment of tax**

2 The assessor may extend the time for payment of the tax or any part of the tax for a
3 reasonable period of time not to exceed one year from the date fixed for payment and
4 may grant successive extensions. The aggregate of extensions with respect to any estate
5 may not exceed 10 years, unless a longer period is called for by a payment arrangement
6 elected pursuant to section 4109. If an extension is granted, the assessor may require the
7 taxpayer to:

8 **1. Bond.** Give a bond to the Treasurer of State in an amount the assessor determines
9 necessary; or

10 **2. Other security.** Deposit with the Treasurer of State bonds or other negotiable
11 obligations of governmental entities with an aggregate value sufficient to adequately
12 secure payment of the tax.

13 **§4109. Extension of time for payment of estate tax when estate consists largely of**
14 **interest in closely held business**

15 **1. Deferred payment arrangement.** If the United States Internal Revenue Service
16 has approved a federal estate tax deferral and installment payment arrangement under the
17 Code, Section 6166, the personal representative may elect a similar deferred payment
18 arrangement under this section for payment of the tax imposed by this chapter, subject to
19 acceptance by the assessor. The assessor may approve a deferral and installment
20 arrangement under similar circumstances and on similar terms with respect to an estate of
21 a decedent dying after December 31, 2011 that does not incur a federal estate tax.

22 **2. Time and manner of election; rejection by assessor.** An election under this
23 section may be made by attaching a payment deferral election in a form prescribed by the
24 assessor to a timely filed Maine estate tax return, in addition to any documentation
25 required by section 4107 and copies of all documentation required by the United States
26 Internal Revenue Service and submitted in support of a federal payment deferral.
27 Documentation submitted to the assessor must clearly indicate the amount of Maine
28 estate tax and interest to be paid in installments; the number of separate installments; and
29 the due date of each installment payment. The assessor may reject the election. An
30 election not rejected in writing by the assessor within 60 days after the election is made is
31 considered accepted.

32 **3. Interest and penalties.** The amount of Maine estate tax deferred under this
33 section is subject to interest pursuant to section 186. Interest payable on the unpaid tax
34 attributable to a 5-year deferral period pursuant to the Code, Section 6166 must be paid
35 annually. Interest payable on any unpaid tax attributable to any period after the 5-year
36 deferral period must be paid annually at the same time as, and as part of, each installment
37 payment of the tax. If any payment of principal or interest under this section is not made
38 on or before the due date, the penalties provided by section 187-B apply.

39 **§4110. Extension of time for filing return**

40 **1. General.** The assessor may grant a reasonable extension of time for filing a return
41 required by this chapter on terms and conditions as the assessor may require as long as
42 payment reasonably estimating the tax due has been made on or before the original

1 payment due date. Except as provided in subsection 2, an extension for filing any return
2 may not exceed 8 months.

3 **2. Federal extension.** When an extension of time is granted within which to file a
4 federal estate tax return, the due date for filing the Maine estate tax return is
5 automatically extended for an equivalent period, as long as payment reasonably
6 estimating the tax due has been made on or before the original payment due date.

7 **§4111. Effect of federal determination**

8 **1. Final federal determination.** Except as provided in subsection 2, a final federal
9 determination as to any of the following issues also determines the same issue for
10 purposes of the tax under this chapter:

11 A. The inclusion in the federal gross estate of any item of property or interest in
12 property; and

13 B. The allowance of any item claimed as a deduction from the federal gross estate.

14 **2. State determination of certain estates.** The assessor is not bound by a final
15 federal determination under subsection 1 if the assessor determines the issue for purposes
16 of the tax under this chapter within one year of the date the return was filed or the date
17 the return is due, whichever is later.

18 **3. Items entering computation of tax.** If there has been a final federal
19 determination with respect to a decedent's federal estate tax, any item, but not its value,
20 entering into the computation of the tax is deemed to have been the subject of the final
21 federal determination, whether or not specifically adjusted thereby.

22 **4. Definition.** For purposes of this section, "final federal determination" means:

23 A. A decision by the United States Tax Court or a judgment, decree or other order by
24 any court of competent jurisdiction that has become final;

25 B. A final disposition by the United States Secretary of the Treasury or the
26 secretary's delegate of a claim for a refund. The disposition is deemed to have
27 occurred:

28 (1) As to items of the claim that are allowed, upon allowance of a refund or upon
29 disallowance of the claim by reason of offsetting items; and

30 (2) As to items of the claim that are disallowed or as to items applied by the
31 United States Secretary of the Treasury or the secretary's delegate as an offset
32 against the claim, upon expiration of the time for instituting suit for refund with
33 respect to those items, unless suit is instituted before the expiration of that time,
34 or upon filing with the assessor a written statement that suit will not be instituted;

35 C. A closing agreement made under the Code, Section 7121;

36 D. An assessment pursuant to a waiver of restrictions on assessment or a notification
37 in writing issued by the United States Secretary of the Treasury or the secretary's
38 delegate that the federal estate tax return has been accepted as filed, unless the
39 personal representative notifies the assessor that a claim for refund of federal estate
40 taxes has been or will be filed; or

1 E. An assessment pursuant to a compromise entered into by the personal
2 representative and the United States Secretary of the Treasury or the secretary's
3 delegate.

4 **§4112. Lien for taxes**

5 All property subject to taxes under this chapter, in whatever form of investment it
6 may happen to be, is charged with a lien for all taxes, interest and penalties that are or
7 may become due on that property. The lien does not attach to any real or personal
8 property after the property has been sold or disposed of for value by the personal
9 representative, trustee or surviving joint tenant. Upon payment of those taxes, interest
10 and penalties due under this chapter or upon determination that no tax is due, the assessor
11 shall upon request execute a discharge of the tax lien for recording in the appropriate
12 registry or registries of deeds.

13 **§4113. Authority of State Tax Assessor**

14 The assessor shall collect all taxes, interest and penalties provided by chapter 7 and
15 by this chapter and may institute proceedings of any nature necessary or desirable for that
16 purpose, including proceedings for the removal of personal representatives and trustees
17 who have failed to pay the taxes due from estates in their hands.

18 The assessor may enforce the collection of any taxes secured by bond in a civil action
19 brought on the bond regardless of the fact that some other official may be named as
20 obligee in the bond.

21 **§4114. Amount of tax determined**

22 The assessor shall determine the amount of tax due and payable under this chapter
23 upon any estate or part of that estate. If, after determination and certification of the full
24 amount of the tax upon an estate or any interest in or part of an estate, the estate receives
25 or becomes entitled to property in addition to that shown in the estate tax return filed with
26 the assessor or the United States Internal Revenue Service changes any item increasing
27 the estate's liability shown in the Maine estate tax return filed with the assessor, the
28 personal representative shall within 180 days of any receipt, entitlement or change file an
29 amended Maine estate tax return. The assessor shall determine the amount of additional
30 tax and shall certify the amount due, including interest and penalties, to the person by
31 whom the tax is payable.

32 **§4115. Authority to make refunds**

33 1. Refund. A personal representative or responsible party otherwise liable for the
34 tax imposed by this chapter may request a refund of any tax imposed by this chapter
35 within 3 years from the date the Maine estate tax return was filed or 3 years from the date
36 the tax was paid, whichever period expires later. A claim for refund must be submitted to
37 the assessor in writing and must state the specific grounds upon which the claim is
38 founded. The claimant may in writing request an informal conference regarding the
39 claim for refund pursuant to section 151.

40 2. Limitation on payment of interest. Interest may not be paid by the assessor on
41 an overpayment of the tax imposed by this chapter that is refunded within 60 days after
42 the date prescribed or permitted by extension of time for filing the Maine estate tax return

1 or within 60 days after the return is filed or within 60 days after a return requesting a
2 refund of the overpayment is filed, whichever is later.

3 **§4116. Appointment of personal representative on probate delay**

4 If, upon the death of a person leaving an estate that may be liable to pay tax under
5 this chapter, a will is not offered for probate or an application for administration is not
6 made within 6 months after the date of death or if the personal representative does not
7 qualify within that period, the Probate Court, upon application by the assessor, may
8 appoint a personal representative. Nothing may prevent the assessor from petitioning for
9 appointment within 6 months after the date of death, if in the opinion of the assessor that
10 action is necessary.

11 **§4117. Persons liable**

12 Personal representatives, trustees, grantees or donees under nonexempt conveyances
13 or nonexempt gifts made during the life of the grantor or donor and persons to whom
14 beneficial interests accrue by survivorship are liable for the taxes imposed by this chapter
15 with interest, as provided, until the taxes are paid. For purposes of this section,
16 "nonexempt conveyances" and "nonexempt gifts" mean any transfer to a person that is
17 includable in the federal gross estate of the decedent and with respect to which no
18 deduction is allowed in computing the federal estate tax liability.

19 If the tax or any part of the tax is paid or collected out of that part of the estate
20 passing to or in possession of any person other than the personal representative in that
21 capacity, that person is entitled to a reimbursement out of any part of the estate still
22 undistributed or by a just and equitable contribution by the person whose interest in the
23 estate of the decedent would have been reduced if the tax had been paid before the
24 distribution of the estate or whose interest in the estate is subject to an equal or prior
25 liability for the payment of tax, debts or other charges against the estate.

26 **§4118. Civil action by State; bond**

27 Personal representatives are liable to the State on their administration bonds for all
28 taxes assessable under this chapter and interest on those taxes. If no administration bond
29 is otherwise required and except as otherwise provided in this section, the judge of
30 probate, notwithstanding any provision of Title 18-A, shall require a bond payable to the
31 judge or the judge's successor sufficient to secure the payment of all estate taxes and
32 interest conditioned in substance to pay all estate taxes due to the State from the estate of
33 the deceased with interest thereon. A bond to secure the payment of estate taxes is not
34 required when the judge of probate finds that any estate tax due and to become due the
35 State is reasonably secured by the lien upon real estate as provided in this chapter or by
36 any other adequate security. An action for the recovery of estate taxes and interest lies on
37 either of the bonds.

38 **Sec. M-10. Application.** Those sections of this Act that amend the Maine
39 Revised Statutes, Title 36, section 4061; section 4062, subsection 1-A, paragraph A;
40 section 4062, subsections 3 and 6; section 4064; and section 4068, subsection 2,
41 paragraph B apply to estates of decedents dying on or after January 1, 2011 but before
42 January 1, 2013.

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PART N

Sec. N-1. 36 MRSA §5111, sub-§1-B, as enacted by PL 1999, c. 731, Pt. T, §3, is amended to read:

1-B. Single individuals and married persons filing separate returns; tax years from 2002 to 2012. For tax years beginning on or after January 1, 2002 but not later than December 31, 2012, for single individuals and married persons filing separate returns:

If Maine Taxable income is:	The tax is:
Less than \$4,200	2% of the Maine taxable income
At least \$4,200 but less than \$8,350	\$84 plus 4.5% of the excess over \$4,200
At least \$8,350 but less than \$16,700	\$271 plus 7% of the excess over \$8,350
\$16,700 or more	\$856 plus 8.5% of the excess over \$16,700

Sec. N-2. 36 MRSA §5111, sub-§1-C is enacted to read:

1-C. Single individuals and married persons filing separate returns; tax years beginning 2013. For tax years beginning on or after January 1, 2013, for single individuals and married persons filing separate returns:

<u>If Maine Taxable income is:</u>	<u>The tax is:</u>
<u>At least \$5,000 but less than \$19,950</u>	<u>6.5% of the excess over \$5,000</u>
<u>\$19,950 or more</u>	<u>\$972 plus 7.95% of the excess over \$19,950</u>

Sec. N-3. 36 MRSA §5111, sub-§2-B, as enacted by PL 1999, c. 731, Pt. T, §5, is amended to read:

2-B. Heads of households; tax years from 2002 to 2012. For tax years beginning on or after January 1, 2002 but not later than December 31, 2012, for unmarried individuals or legally separated individuals who qualify as heads of households:

If Maine Taxable income is:	The tax is:
Less than \$6,300	2% of the Maine taxable income
At least \$6,300 but less than \$12,500	\$126 plus 4.5% of the excess over \$6,300
At least \$12,500 but less than \$25,050	\$405 plus 7% of the excess over \$12,500
\$25,050 or more	\$1,284 plus 8.5% of the excess over \$25,050

Sec. N-4. 36 MRSA §5111, sub-§2-C is enacted to read:

2-C. Heads of households; tax years beginning 2013. For tax years beginning on or after January 1, 2013, for unmarried individuals or legally separated individuals who qualify as heads of households:

1	<u>If Maine Taxable income is:</u>	<u>The tax is:</u>
2	<u>At least \$7,500 but less than \$29,900</u>	<u>6.5% of the excess over \$7,500</u>
3	<u>\$29,900 or more</u>	<u>\$1,456 plus 7.95% of the excess over</u>
4		<u>\$29,900</u>

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6 **Sec. N-5. 36 MRSA §5111, sub-§3-B**, as enacted by PL 1999, c. 731, Pt. T, §7,
7 is amended to read:

8 **3-B. Individuals filing married joint return or surviving spouses; tax years from**
9 **2002 to 2012.** For tax years beginning on or after January 1, 2002 but not later than
10 December 31, 2012, for individuals filing married joint returns or surviving spouses
11 permitted to file a joint return:

12	If Maine Taxable income is:	The tax is:
13	Less than \$8,400	2% of the Maine taxable income
14	At least \$8,400 but less than \$16,700	\$168 plus 4.5% of the excess over \$8,400
15	At least \$16,700 but less than \$33,400	\$542 plus 7% of the excess over \$16,700
16	\$33,400 or more	\$1,711 plus 8.5% of the excess over
17		\$33,400

18

19 **Sec. N-6. 36 MRSA §5111, sub-§3-C** is enacted to read:

20 **3-C. Individuals filing married joint return or surviving spouses; tax years**
21 **beginning 2013.** For tax years beginning on or after January 1, 2013, for individuals
22 filing married joint returns or surviving spouses permitted to file a joint return:

23	<u>If Maine Taxable income is:</u>	<u>The tax is:</u>
24	<u>At least \$10,000 but less than \$39,900</u>	<u>6.5% of the excess over \$10,000</u>
25	<u>\$39,900 or more</u>	<u>\$1,944 plus 7.95% of the excess over</u>
26		<u>\$39,900</u>

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28 **Sec. N-7. 36 MRSA §5124-A, first ¶**, as amended by PL 2009, c. 213, Pt.
29 BBBB, §9 and affected by §17, is further amended to read:

30 The standard deduction of a resident individual is equal to the standard deduction as
31 determined in accordance with the Code, Section 63, ~~exclusive of the Code, Section~~
32 ~~63(e)(1)(C) and Section 63(e)(1)(E)~~, except that for tax years beginning after 2002, the
33 Code, Section 63(e)(2) must be applied as if the basic standard deduction is \$5,000 in the
34 case of a joint return and a surviving spouse and \$2,500 in the case of a married
35 individual filing a separate return.

36 **Sec. N-8. 36 MRSA §5125, sub-§3, ¶D**, as amended by PL 2007, c. 539, Pt.
37 CCC, §9, is further amended to read:

38 D. Reduced by any amount attributable to interest or expenses incurred in the
39 production of income exempt from tax under this Part; and

1 **Sec. N-9. 36 MRSA §5125, sub-§3, ¶E**, as amended by PL 2007, c. 539, Pt.
2 CCC, §10, is further amended to read:

3 E. Reduced by the amount attributable to any contribution that qualified for and was
4 actually utilized as a credit under section 5216-C; ~~and.~~

5 **Sec. N-10. 36 MRSA §5125, sub-§3, ¶F**, as enacted by PL 2007, c. 539, Pt.
6 CCC, §11, is repealed.

7 **Sec. N-11. 36 MRSA §5126, first ¶**, as amended by PL 2001, c. 583, §16, is
8 further amended to read:

9 For income tax years beginning on or after January 1, 1998 but before January 1,
10 1999, a resident individual is allowed \$2,400 for each exemption that the individual
11 properly claims for the taxable year for federal income tax purposes, unless the taxpayer
12 is claimed as a dependent on another return. For income tax years beginning on or after
13 January 1, 1999 but before January 1, 2000, a resident individual is allowed \$2,750 for
14 each exemption that the individual properly claims for the taxable year for federal income
15 tax purposes, unless the taxpayer is claimed as a dependent on another return. For
16 income tax years beginning on or after January 1, 2000 but before January 1, 2013, a
17 resident individual is allowed \$2,850 for each exemption that the individual properly
18 claims for the taxable year for federal income tax purposes, unless the taxpayer is claimed
19 as a dependent on another return. For income tax years beginning on or after January 1,
20 2013, a resident individual is allowed a deduction equal to the total amount of deductions
21 allowed for personal exemptions in accordance with the Code, Section 151.

22 **Sec. N-12. 36 MRSA §5203-C, sub-§2, ¶A**, as enacted by PL 2003, c. 673, Pt.
23 JJ, §3 and affected by §6, is amended to read:

24 A. Resident individuals, trusts and estates. The tax imposed by this subsection does
25 not apply to resident individuals, trusts and estates for tax years beginning on or after
26 January 1, 2012;

27 **Sec. N-13. 36 MRSA §5203-C, sub-§2, ¶B**, as enacted by PL 2003, c. 673, Pt.
28 JJ, §3 and affected by §6, is amended to read:

29 B. Nonresident individuals, trusts and estates with Maine-source income. The tax
30 imposed by this subsection does not apply to nonresident individuals, trusts and
31 estates for tax years beginning on or after January 1, 2012; and

32 **Sec. N-14. 36 MRSA §5203-C, sub-§4, ¶B**, as enacted by PL 2003, c. 673, Pt.
33 JJ, §3 and affected by §6, is amended to read:

34 B. The credit allowable for a taxable year under this subsection is limited to the
35 amount, if any, by which the regular income tax after application of all other credits
36 arising under this Part exceeds the tentative minimum tax. In any year when the tax
37 under this section does not apply, the tentative minimum tax is disregarded for
38 purposes of calculating the credit limitation.

39 **Sec. N-15. 36 MRSA §5204**, as amended by PL 1987, c. 772, §38, is further
40 amended to read:

1 **§5204. Lump-sum retirement plan distributions**

2 In addition to any other tax imposed by this Part, a tax is hereby imposed for each
3 taxable year on every taxpayer who, in accordance with the Code, Section 402(e)(1),
4 elects to compute a separate federal tax on a lump-sum distribution from a retirement plan
5 at the rate of 15% of the separate federal tax imposed on the distribution, except that, for
6 tax years beginning in 2012, the rate is 7.5%. The tax under this section does not apply to
7 tax years beginning on or after January 1, 2013.

8 **Sec. N-16. 36 MRSA §5204-A**, as amended by PL 1993, c. 395, §20, is further
9 amended to read:

10 **§5204-A. Early distribution from qualified retirement plans**

11 The tax imposed under this Part on any individual whose federal income tax for any
12 taxable year is increased pursuant to the Code as a result of an early distribution from a
13 qualified retirement plan must be increased by an amount equal to 15% of the amount by
14 which the individual's federal income tax was increased pursuant to Section 72(t) of the
15 Code as a result of the early distribution, except that, for tax years beginning in 2012, the
16 rate is 7.5%. The tax under this section does not apply to tax years beginning on or after
17 January 1, 2013.

18 **Sec. N-17. 36 MRSA §5402, sub-§1-B**, as enacted by PL 1999, c. 731, Pt. T, §8
19 and affected by §11, is amended to read:

20 **1-B. Cost-of-living adjustment.** The "cost-of-living adjustment" for any calendar
21 year is the Consumer Price Index for the 12-month period ending June 30th of the
22 preceding calendar year divided by the Consumer Price Index for the 12-month period
23 ending June 30, ~~2001~~ 2010.

24 **Sec. N-18. 36 MRSA §5403**, as amended by PL 2009, c. 213, Pt. WWW, §1 and
25 affected by §2, is further amended to read:

26 **§5403. Annual adjustments for inflation**

27 Beginning in 2002, and each subsequent calendar year thereafter, on or about
28 September 15th, the State Tax Assessor shall multiply the cost-of-living adjustment for
29 taxable years beginning in the succeeding calendar year by the dollar amounts of the tax
30 rate tables specified in section 5111, subsections 1-B, 1-C, ~~2-B and~~ 2-C, 3-B and ~~3-C~~. If
31 the dollar amounts of each rate bracket, adjusted by application of the cost-of-living
32 adjustment, are not multiples of \$50, any increase must be rounded to the next lowest
33 multiple of \$50. If the cost-of-living adjustment for any taxable year would be less than
34 the cost-of-living adjustment for the preceding calendar year, the cost-of-living
35 adjustment is the same as for the preceding calendar year. The assessor shall incorporate
36 such changes into the income tax forms, instructions and withholding tables for the
37 taxable year.

38 ~~Beginning in 2009 and each subsequent calendar year thereafter, the assessor shall~~
39 ~~reduce the cost of living adjustment by an amount that increases estimated noncorporate~~
40 ~~income tax revenue by \$10,500,000 for that calendar year using as a benchmark the most~~
41 ~~recent revenue projections of the Revenue Forecasting Committee established in Title 5,~~
42 ~~section 1710 E.~~

1 EE. The amount claimed as a deduction in determining federal adjusted gross
2 income that is included in the credit for wellness programs under section 5219-FF;
3 and

4 **Sec. O-5. 36 MRSA §5122, sub-§1, ¶FF** is enacted to read:

5 FF. For taxable years beginning in 2011 and 2012:

6 (1) An amount equal to the depreciation deduction claimed by the taxpayer
7 under the Code, Section 168(k) with respect to property placed in service in the
8 State during the taxable year, excluding any property described under section
9 5219-GG, subsection 2; and

10 (2) An amount equal to the net increase in depreciation attributable to the
11 depreciation deduction claimed by the taxpayer under the Code, Section 168(k)
12 with respect to property placed in service outside the State during the taxable
13 year and any property placed in service in the State described under section
14 5219-GG, subsection 2.

15 **Sec. O-6. 36 MRSA §5122, sub-§2, ¶GG**, as amended by PL 2011, c. 138, §2
16 and affected by §4, is further amended to read:

17 GG. To the extent included in the taxpayer's federal adjusted gross income, the
18 recovery of a portion of a federal standard deduction claimed in a prior year for
19 which the taxpayer was not allowed under this Part to reduce federal adjusted gross
20 income or Maine adjusted gross income for that year; ~~and~~

21 **Sec. O-7. 36 MRSA §5122, sub-§2, ¶HH**, as enacted by PL 2011, c. 138, §3
22 and affected by §4, is amended to read:

23 HH. To the extent included in federal adjusted gross income, annuity payments made
24 to the survivor of a deceased member of the military as the result of service in active
25 or reserve components of the United States Army, Navy, Air Force, Marines or Coast
26 Guard under a survivor benefit plan or reserve component survivor benefit plan
27 pursuant to 10 United States Code, Chapter 73; and

28 **Sec. O-8. 36 MRSA §5122, sub-§2, ¶II** is enacted to read:

29 II. For taxable years beginning on or after January 1, 2012, an amount equal to the
30 net increase in the depreciation deduction allowable under the Code, Sections 167
31 and 168 that would have been applicable to that property had the depreciation
32 deduction under the Code, Section 168(k) not been claimed with respect to such
33 property placed in service during the taxable year beginning in 2011 or 2012 for
34 which an addition was required under subsection 1, paragraph FF, subparagraph (2)
35 for the taxable year beginning in 2011 or 2012.

36 Upon the taxable disposition of property to which this paragraph applies, the amount
37 of any gain or loss includable in federal adjusted gross income must be adjusted for
38 Maine income tax purposes by an amount equal to the difference between the
39 addition modification for such property under subsection 1, paragraph FF,
40 subparagraph (2) related to property placed in service outside the State and the
41 subtraction modifications allowed pursuant to this paragraph.

1 The total amount of subtraction claimed for property placed in service outside the
2 State under this paragraph for all tax years may not exceed the addition modification
3 under subsection 1, paragraph FF, subparagraph (2) for the same property.

4 **Sec. O-9. 36 MRSA §5200-A, sub-§1, ¶N**, as amended by PL 2007, c. 240, Pt.
5 CCC, §3 and affected by §4, is further amended to read:

6 N. With respect to property placed in service during the taxable year, an amount
7 equal to the net increase in depreciation or expensing attributable to:

8 (1) For taxable years beginning on or after January 1, 2002 but prior to January 1,
9 2006, a 30% bonus depreciation deduction claimed by the taxpayer pursuant to
10 Section 101 of the federal Job Creation and Worker Assistance Act of 2002,
11 Public Law 107-147 with respect to property placed in service during the taxable
12 year;

13 (2) For taxable years beginning on or after January 1, 2002 but prior to January 1,
14 2006, a 50% bonus depreciation deduction claimed by the taxpayer pursuant to
15 Section 201 of the federal Jobs and Growth Tax Relief Reconciliation Act of
16 2003, Public Law 108-27 with respect to property placed in service during the
17 taxable year; and

18 (3) For taxable years beginning on or after January 1, 2003 but prior to January 1,
19 2011, the increase in aggregate cost under Section 179 of the Code arising from
20 amendments to the Code applicable to tax years beginning on or after January 1,
21 2003;

22 **Sec. O-10. 36 MRSA §5200-A, sub-§1, ¶T**, as repealed and replaced by PL
23 2009, c. 652, Pt. A, §53, is amended to read:

24 T. For taxable years beginning on or after January 1, 2008 but before January 1,
25 2011, an amount equal to the net increase in depreciation attributable to the
26 depreciation deduction claimed by the taxpayer under the Code, Section 168(k)
27 arising from amendments to the Code applicable to taxable years beginning on or
28 after January 1, 2008;

29 **Sec. O-11. 36 MRSA §5200-A, sub-§1, ¶W**, as amended by PL 2011, c. 90, Pt.
30 H, §5 and affected by §8, is further amended to read:

31 W. For tax years beginning on or after January 1, 2009 but before January 1, 2011,
32 an amount equal to the gross income during the taxable year from the discharge of
33 indebtedness deferred under the Code, Section 108(i); ~~and~~

34 **Sec. O-12. 36 MRSA §5200-A, sub-§1, ¶X**, as enacted by PL 2011, c. 90, Pt. H,
35 §6 and affected by §8, is amended to read:

36 X. The amount claimed as a deduction in determining federal taxable income that is
37 included in the credit for wellness programs under section 5219-FF-; and

38 **Sec. O-13. 36 MRSA §5200-A, sub-§1, ¶Y** is enacted to read:

39 Y. For taxable years beginning in 2011 and 2012:

1 (1) An amount equal to the depreciation deduction claimed by the taxpayer
2 under the Code, Section 168(k) with respect to property placed in service in the
3 State during the taxable year, excluding any property described under section
4 5219-GG, subsection 2; and

5 (2) An amount equal to the net increase in depreciation attributable to the
6 depreciation deduction claimed by the taxpayer under the Code, Section 168(k)
7 with respect to property placed in service outside the State during the taxable
8 year and any property placed in service in the State described under section
9 5219-GG, subsection 2.

10 **Sec. O-14. 36 MRSA §5200-A, sub-§2, ¶T**, as repealed and replaced by PL
11 2009, c. 652, Pt. A, §56, is amended to read:

12 T. An amount equal to the value of any prior year addition modification under
13 subsection 1, paragraph V, but only to the extent that:

- 14 (1) Maine taxable income is not reduced below zero;
- 15 (2) The taxable year is within the allowable federal period for carry-over plus the
16 number of years that the net operating loss carry-over adjustment was not
17 deducted as a result of the restriction with respect to tax years beginning in 2009,
18 2010 and 2011;
- 19 (3) The amount has not been previously used as a modification pursuant to this
20 subsection; and
- 21 (4) The modification under this paragraph is not claimed for any tax year
22 beginning in 2009, 2010 or 2011; ~~and~~

23 **Sec. O-15. 36 MRSA §5200-A, sub-§2, ¶U**, as enacted by PL 2009, c. 652, Pt.
24 A, §57 and affected by §58, is amended to read:

25 U. An amount equal to the gross income from discharge of indebtedness previously
26 deferred under the Code, Section 108(i) and included in federal taxable income. The
27 total subtraction for all years under this paragraph may not exceed the amount of the
28 addition modification under subsection 1, paragraph W for the same indebtedness;
29 and

30 **Sec. O-16. 36 MRSA §5200-A, sub-§2, ¶V** is enacted to read:

31 V. For taxable years beginning on or after January 1, 2012, an amount equal to the
32 net increase in the depreciation deduction allowable under the Code, Sections 167
33 and 168 that would have been applicable to that property had the depreciation
34 deduction under the Code, Section 168(k) not been claimed with respect to such
35 property placed in service during the taxable year beginning in 2011 or 2012 for
36 which an addition was required under subsection 1, paragraph Y, subparagraph (2)
37 for the taxable year beginning in 2011 or 2012.

38 Upon the taxable disposition of property to which this paragraph applies, the amount
39 of any gain or loss includable in federal adjusted gross income must be adjusted for
40 Maine income tax purposes by an amount equal to the difference between the
41 addition modification for such property under subsection 1, paragraph Y,

1 subparagraph (2) related to property placed in service outside the State and the
2 subtraction modifications allowed pursuant to this paragraph.

3 The total amount of subtraction claimed for property placed in service outside the
4 State under this paragraph for all tax years may not exceed the addition modification
5 under subsection 1, paragraph Y, subparagraph (2) for the same property.

6 **Sec. O-17. 36 MRSA §5219-GG** is enacted to read:

7 **§5219-GG. Maine capital investment credit**

8 **1. Credit allowed.** A taxpayer that claims a depreciation deduction under the Code,
9 Section 168(k) for property placed in service in the State during the taxable year
10 beginning in 2011 or 2012 is allowed a credit against the taxes imposed by this Part in an
11 amount equal to 10% of the amount claimed for the taxable year under the Code, Section
12 168(k) with respect to such property, except for excluded property under subsection 2.

13 **2. Certain property excluded.** The following property is not eligible for the credit
14 under this section:

15 A. Property owned by a public utility as defined by Title 35-A, section 102;

16 B. Property owned by a person that provides radio paging services as defined by
17 Title 35-A, section 102;

18 C. Property owned by a person that provides mobile telecommunications services as
19 defined by Title 35-A, section 102;

20 D. Property owned by a cable television company as defined by Title 30-A, section
21 2001;

22 E. Property owned by a person that provides satellite-based direct television
23 broadcast services; and

24 F. Property owned by a person that provides multichannel, multipoint television
25 distribution services.

26 **3. Limitations; carry-forward.** The credit allowed under subsection 1 may not
27 reduce the tax under this Part to less than zero. Any unused portion of the credit may be
28 carried forward to the following year or years not to exceed 20 years.

29 **4. Recapture.** The credit allowed under this section is subject to recapture to the
30 extent claimed by the taxpayer if the property forming the basis of the credit is not used
31 in the State for the entire 12-month period following the date it is placed in service in the
32 State. If any portion of the credit is recaptured pursuant to this subsection, the income
33 modifications under section 5122, subsection 1, paragraph FF, section 5122, subsection 2,
34 paragraph II, section 5200-A, subsection 1, paragraph Y and section 5200-A, subsection
35 2, paragraph V must be amended for the tax year during which the failure occurs to
36 reflect the recapture of the credit and the recaptured credit amount must be added to the
37 tax due on the amended return.

38 **Sec. O-18. Application.** Unless otherwise specified, this Part applies to tax years
39 beginning on or after January 1, 2011.

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PART P

Sec. P-1. 36 MRSA §6207, sub-§1, ¶B, as enacted by PL 2009, c. 213, Pt. XXX, §2, is amended to read:

B. For application periods beginning on August 1, 2009 ~~and on~~, August 1, 2010, August 1, 2011 and August 1, 2012, the benefit is limited to 80% of the amount determined under paragraph A-1.

PART Q

Sec. Q-1. 10 MRSA c. 110, sub-c. 12 is enacted to read:

SUBCHAPTER 12

MAINE NEW MARKETS CAPITAL INVESTMENT PROGRAM

§1100-Z. Maine New Markets Capital Investment Program

1. Findings and intent. The Legislature finds that encouragement of investment in qualified businesses and developments located in economically distressed areas of the State and the creation and preservation of jobs are in the public interest and promote the general welfare of the State. The Legislature further finds that the enactment of incentives as set forth in this subchapter to promote investments is necessary in order to ensure the long-term economic vitality of this State, to preserve numerous opportunities for jobs for the people of the State and to make this State more competitive in the attraction of investment capital and thus to ensure the preservation and betterment of the economy of the State for the benefit of its people. The Legislature further finds that the foregoing benefits to the State and its people far exceed the costs to the State of providing the incentives set forth in this subchapter. The Legislature further finds that the provisions of this subchapter are necessary to accomplish these objectives.

The Legislature finds that the incentives offered by the State pursuant to this subchapter are intended to induce major investments in qualified businesses and developments located in economically distressed areas of the State and that any party who accepts and reasonably relies upon these inducements in making qualified investments is entitled to the full realization of these incentives without impairment by subsequent changes in law. The Legislature finds that when determining whether a project is financially feasible an investing party must rely in good faith upon the Legislature to ensure that the promised incentives of this subchapter will be available for a period of 7 years following the date of each qualified investment and that a party's confidence in the full realization of these benefits is a critical factor in inducing the party to make the desired investment. It is the intent of this Legislature that all successor Legislatures honor the commitments held out by this subchapter.

2. Program. The Maine New Markets Capital Investment Program, referred to in this section as "the program," is established to encourage new investment in economically distressed areas of the State. For the purposes of this section, unless otherwise defined in

1 this section, all terms have the same meaning as under Title 36, section 5219-GG and
2 Section 45D of the United States Internal Revenue Code of 1986, as amended.

3 **3. Application for tax credits; allocation of tax credit authority.** Tax credit
4 authority is allocated under the program as described in this subsection.

5 A. The authority shall provide an application form, which must be available to
6 applicants no later than the date when the final rule implementing this section is
7 adopted.

8 B. A qualified community development entity that seeks an allocation of tax credit
9 authority shall apply to the authority. The qualified community development entity
10 shall submit an application on a form that the authority provides. The application
11 must include:

12 (1) The name, address and tax identification number of the entity and evidence
13 of the certification of the entity as a qualified community development entity;

14 (2) A copy of an allocation agreement executed by the qualified community
15 development entity, its controlling entity or other entity controlled by the same
16 controlling entity and the Community Development Financial Institutions Fund
17 of the United States Department of the Treasury, which includes the State in its
18 service area;

19 (3) A certificate executed by an executive officer of the qualified community
20 development entity attesting that the allocation agreement remains in effect and
21 has not been revoked or canceled by the Community Development Financial
22 Institutions Fund;

23 (4) Information regarding the amount of tax credit authority requested and the
24 proposed use of proceeds from the issuance of the qualified equity investment or
25 long-term debt security; and

26 (5) Responses to the following 5 questions, which must be answered
27 affirmatively or negatively without explanation or elaboration, to determine
28 qualification for participating in the program:

29 (a) Whether the Community Development Financial Institutions Fund has
30 awarded multiple rounds of federal New Markets Tax Credit allocation to the
31 qualified community development entity, its controlling entity or other entity
32 controlled by the same controlling entity;

33 (b) Whether the qualified community development entity, its controlling
34 entity or other entity controlled by the same controlling entity has
35 participated as a qualified community development entity in a state New
36 Markets Tax Credit program or has made an investment in this State that
37 qualifies for federal New Markets Tax Credits;

38 (c) Whether the qualified community development entity, its controlling
39 entity or other entity controlled by the same controlling entity has made an
40 investment qualified for tax credits in a business located in a nonmetropolitan
41 census tract;

1 (d) Whether the qualified community development entity, its controlling
2 entity or other entity controlled by the same controlling entity has made an
3 investment qualified for tax credits in a state where it did not previously have
4 substantial operations; and

5 (e) Whether the qualified community development entity, its controlling
6 entity or other entity controlled by the same controlling entity has explored
7 potential investment opportunities in this State that would qualify under this
8 subchapter.

9 Applicants answering affirmatively to 4 or more of the 5 questions must be
10 determined to be qualified.

11 C. In the rule implementing this subchapter, the authority shall set a nonrefundable
12 application fee, which must be paid to the authority at the time each application is
13 submitted. The authority shall also set an annual report fee and establish a payment
14 schedule along with requirements for the report pursuant to subsection 5.

15 D. Within 60 days of receipt of an application for tax credit authority, the authority
16 shall either approve the application and, as part of that approval, indicate the amount
17 of tax credit authority issued to the qualified community development entity or
18 determine that the authority intends to deny the application. If the authority intends
19 to deny the application, it shall inform the qualified community development entity
20 by written notice of the grounds for the intended denial. Upon receipt of the notice of
21 intended denial by the qualified community development entity:

22 (1) If the qualified community development entity provides any additional
23 information required by the authority or otherwise completes its application
24 within 15 days, the application must be considered complete as of the original
25 date of submission and the authority has an additional 30 days to either approve
26 or deny the application; or

27 (2) If the qualified community development entity fails to provide the
28 information or complete its application within the 15-day period, the application
29 is deemed denied and may be resubmitted in full with a new submission date.

30 E. The authority shall approve applications for tax credit authority in the order
31 applications are received by the authority. Applications received on the same day are
32 deemed to have been received simultaneously. For applications received on the same
33 day and determined to be complete, the authority shall certify, consistent with
34 remaining tax credit capacity, tax credit authority in proportionate percentages based
35 upon the ratio of the amount of tax credit authority requested in an application to the
36 total amount of tax credit authority requested in all applications received on the same
37 day. If a pending request cannot be fully certified because of the limitations
38 contained in this subchapter, the authority shall certify the portion that may be
39 certified unless the qualified community development entity elects to withdraw its
40 request rather than receive partial credit. The authority shall provide written
41 notification to each qualified community development entity of the approval of tax
42 allocation authority and the amount of tax credit authority it was allocated.

1 F. Within 24 months after receipt of the notice of the allocation of tax credit
2 authority, the qualified community development entity shall issue the qualified equity
3 investments or long-term debt securities and receive cash in the amount of the total
4 amount of tax credit authority that the qualified community development entity was
5 allocated. The qualified community development entity shall provide the authority
6 with evidence of the entity's receipt of the cash investment within 10 business days
7 after receipt. If the qualified community development entity does not issue the
8 qualified equity investment or long-term debt security and receive the cash purchase
9 price within 24 months following receipt of the tax credit authority notice for any
10 portion of its allocation, such unused allocation of tax credit authority lapses and the
11 qualified community development entity may not issue the qualified equity
12 investments or long-term debt securities without reapplying to the authority for
13 additional tax credit authority. Any tax credit authority that lapses reverts back to the
14 authority and may be reissued only in accordance with the application process
15 outlined in this section.

16 G. Upon receipt of notice that a qualified community development entity has issued
17 its qualified equity investments or long-term debt securities, the authority shall certify
18 the entity's qualified equity investments or long-term debt securities as qualified
19 equity investments and eligible for tax credits under Title 36, section 5219-GG. The
20 authority shall provide written notice, sent by certified mail or any other means
21 considered feasible by the authority, of the certification to the qualified community
22 development entity, Maine Revenue Services and the Commissioner of
23 Administrative and Financial Services. The notice must include the names of persons
24 eligible to claim the tax credits and their respective tax credit amounts. If the names
25 of the persons that are eligible to claim the tax credits change due to a transfer of a
26 qualified equity investment or a change in an allocation pursuant to this subchapter,
27 the qualified community development entity shall notify the authority of such change.

28 H. On the date designated by the authority, the authority shall begin accepting
29 applications for the full \$250,000,000 of qualified equity investments under
30 subsection 4. An applicant may not be awarded more than 25% of the total tax credit
31 authority available.

32 **4. Limit on amount of tax credits authorized.** The maximum aggregate amount of
33 qualified equity investments for which the authority may issue tax credit authority under
34 this section is \$250,000,000; a tax credit claim may not exceed \$20,000,000 in any one
35 state fiscal year over the 7 years of the tax credit allowance dates as described in Title 36,
36 section 5219-GG, subsection 1, paragraph A.

37 **5. Reporting and disclosure of information.** The authority shall require annual
38 reports of a qualified community development entity granted tax credit allocation
39 authority pursuant to subsection 3. Reports may be shared with Maine Revenue Services
40 and the Commissioner of Administrative and Financial Services. Notwithstanding
41 section 975-A, the authority may disclose any information to Maine Revenue Services
42 and the Commissioner of Administrative and Financial Services that it considers
43 necessary for the administration of the program pursuant to this section, Title 36, section
44 2531 or Title 36, section 5219-GG.

1 **6. Report.** The authority shall report no later than January 1, 2015 to the joint
2 standing committee of the Legislature having jurisdiction over appropriations and
3 financial affairs and the joint standing committee of the Legislature having jurisdiction
4 over taxation matters on the activities of the program, including, but not limited to, the
5 amount of private investment received and the total number of jobs created or retained.

6 **7. Rules.** By December 30, 2011, the authority shall adopt rules necessary to
7 implement this section. Rules adopted pursuant to this subsection are routine technical
8 rules under Title 5, chapter 375, subchapter 2-A.

9 **Sec. Q-2. 36 MRSA §191, sub-§2, ¶QQ,** as amended by PL 2011, c. 211, §20,
10 is further amended to read:

11 QQ. The disclosure of registration, reporting and payment information to the
12 Department of Agriculture, Food and Rural Resources necessary for the
13 administration of Title 32, chapter 28; ~~and~~

14 **Sec. Q-3. 36 MRSA §191, sub-§2, ¶RR,** as enacted by PL 2011, c. 211, §21, is
15 amended to read:

16 RR. The disclosure to the Finance Authority of Maine of the cumulative value of
17 eligible premiums submitted for reimbursement pursuant to Title 10, section 1020-C-;
18 and

19 **Sec. Q-4. 36 MRSA §191, sub-§2, ¶SS** is enacted to read:

20 SS. The disclosure of information to the Finance Authority of Maine necessary for
21 the administration of the new markets capital investment credit in sections 2531 and
22 5219-GG and to the Commissioner of Administrative and Financial Services as
23 necessary for the execution of the memorandum of agreement pursuant to section
24 5219-GG, subsection 3.

25 **Sec. Q-5. 36 MRSA §2531** is enacted to read:

26 **§2531. New markets capital investment credit**

27 A taxpayer subject to tax under this chapter that holds a qualified equity investment
28 certified by the Finance Authority of Maine pursuant to Title 10, section 1100-Z,
29 subsection 3, paragraph G is allowed a credit equal to the amount determined in
30 accordance with section 5219-GG against the tax otherwise due under this chapter. The
31 provisions in section 5219-GG govern the allowance of the credit and limitations on the
32 credit amount, refundability, carry-over and recapture.

33 **Sec. Q-6. 36 MRSA §5219-GG** is enacted to read:

34 **§5219-GG. New markets capital investment credit**

35 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
36 following terms have the following meanings.

37 A. "Applicable percentage" means 0% for each of the first 2 credit allowance dates,
38 7% for the 3rd credit allowance date and 8% for the next 4 credit allowance dates.

39 B. "Authority" means the Finance Authority of Maine.

1 C. "Commissioner" means the Commissioner of Administrative and Financial
2 Services.

3 D. "Credit allowance date" means, with respect to any qualified equity investment,
4 the date on which the investment is initially made and each of the 6 anniversary dates
5 of the date thereafter.

6 E. "Long-term debt security" means any debt instrument issued by a qualified
7 community development entity, at par value or a premium, with an original maturity
8 date of at least 7 years from the date of its issuance, with no acceleration of
9 repayment, amortization or prepayment features prior to its original maturity date.
10 The qualified community development entity that issues the debt instrument may not
11 make cash interest payments on the debt instrument during the period commencing
12 with its issuance and ending on its final credit allowance date in excess of the
13 cumulative operating income, as defined in the regulations adopted pursuant to the
14 Code, Section 45D, of the qualified community development entity for the same
15 period prior to giving effect to interest expense on such debt instrument. This
16 paragraph does not limit the holder's ability to accelerate payments on the debt
17 instrument in situations when the qualified community development entity has
18 defaulted on covenants designed to ensure compliance with this section; section 191,
19 subsection 2, paragraph SS; section 2531; and Title 10, section 1100-Z or the Code,
20 Section 45D.

21 F. "Purchase price" means the amount of the investment in the qualified community
22 development entity for the qualified equity investment.

23 G. "Qualified active low-income community business" has the same meaning as in
24 the Code, Section 45D.

25 H. "Qualified community development entity" has the same meaning as in the Code,
26 Section 45D, except that the entity must have entered into or be controlled by or
27 under common control of an entity that has entered into an allocation agreement with
28 the Community Development Financial Institutions Fund of the United States
29 Department of the Treasury with respect to credits authorized by the Code, Section
30 45D.

31 I. "Qualified equity investment" means any equity investment in, or long-term debt
32 security issued by, a qualified community development entity that:

33 (1) Has at least 85% of its cash purchase price used by the issuer to make
34 qualified low-income community investments in qualified active low-income
35 community businesses located in the State by the 2nd anniversary of the initial
36 credit allowance date;

37 (2) Is acquired after December 31, 2011 at its original issuance solely in
38 exchange for cash; and

39 (3) Is designated by the issuer as a qualified equity investment and is certified by
40 the authority pursuant to Title 10, section 1100-Z, subsection 3, paragraph G.
41 "Qualified equity investment" includes any qualified equity investment that does
42 not meet the provisions of Title 10, section 1100-Z, subsection 3, paragraph G if
43 the investment was a qualified equity investment in the hands of a prior holder.

1 The qualified community development entity shall keep sufficiently detailed
2 books and records with respect to the investments made with the proceeds of the
3 qualified equity investments to allow the direct tracing of the proceeds into
4 qualified low-income community investments in qualified active low-income
5 community businesses in the State.

6 J. "Qualified low-income community investment" means any capital or equity
7 investment in, or loan to, any qualified active low-income community business made
8 after the effective date of this paragraph. With respect to any one qualified active
9 low-income community business, the maximum amount of qualified low-income
10 community investments that may be made in the business, on a collective basis with
11 all of its affiliates, with the proceeds of qualified equity investments that have been
12 certified under Title 10, section 1100-Z, subsection 3, paragraph G is \$10,000,000
13 whether made by one or several qualified community development entities.

14 **2. Credit allowed.** A person that holds a qualified equity investment certified by the
15 authority pursuant to Title 10, section 1100-Z, subsection 3, paragraph G on a credit
16 allowance date that falls within the taxable year is allowed a credit equal to the applicable
17 percentage that applies to the credit allowance date multiplied by the purchase price paid
18 for the qualified equity investment. Notwithstanding any other provision of law, other
19 than the recapture provisions of subsection 7, the person, and any subsequent person, that
20 is the holder of the credit certificate issued by the authority for a qualified equity
21 investment is entitled, in the aggregate, to the entire 39% credit amount computed with
22 respect to the 7 credit allowance dates. In no event may the credit amount in the
23 aggregate exceed 39% for any single qualified equity investment certified by the
24 authority.

25 **3. Memorandum of agreement.** Upon receipt of the authority's written notice of
26 the certification of a qualified equity investment's tax credit eligibility, the commissioner
27 shall enter into an agreement on behalf of the State with the person eligible to claim the
28 credit pursuant to Title 10, section 1100-Z, subsection 3, paragraph G. That agreement
29 must provide that the State shall, with the exception of recapture pursuant to subsection 7,
30 allow the tax credit as provided for in subsection 2 and recognize that the person named
31 as eligible for tax credit pursuant to Title 10, section 1100-Z, subsection 3, paragraph G is
32 entitled to claim the tax credits and the respective tax credit amounts in the aggregate, to
33 the entire 39% credit amount computed with respect to the 7 credit allowance dates.

34 **4. Carry-over to succeeding year.** Any unused portion of the credit may be carried
35 over to the following taxable year or years, except that the carry-over period for unused
36 credit amounts may not exceed 20 years.

37 **5. Pass-through entity; allocation of the credit.** Credits allowed pursuant to this
38 section to a partnership, limited liability company, S corporation or other similar pass-
39 through entity must be allocated to the partners, members, shareholders or other owners
40 in accordance with section 5219-G or pursuant to an executed agreement among the
41 partners, members or shareholders or other owners documenting an alternate allocation
42 method.

43 **6. Credit refundable.** The credit allowed under this section is fully refundable.

1 **7. Recapture of credits.** The assessor may recapture all of the credit allowed under
2 this section if:

3 A. Any amount of federal tax credits available with respect to a qualified equity
4 investment that is eligible for a tax credit under this section is recaptured under the
5 Code, Section 45D. In such case, the recapture must be proportionate to the federal
6 recapture with respect to the qualified equity investment;

7 B. The qualified community development entity redeems or makes a principal
8 repayment with respect to the qualified equity investment that generated the tax credit
9 prior to the final credit allowance date of the qualified equity investment. In such
10 case, the recapture must be proportionate to the amount of the redemption or
11 repayment with respect to the qualified equity investment; or

12 C. The qualified community development entity fails to invest at least 85% of the
13 purchase price of the qualified equity investment in qualified low-income community
14 investments in qualified active low-income community businesses located in the
15 State within 24 months of the issuance of the qualified equity investment and
16 maintain this level of investment in qualified low-income community investments in
17 qualified active low-income community businesses located in the State until the last
18 credit allowance date for the qualified equity investment. For purposes of calculating
19 the amount of qualified low-income community investments held by a qualified
20 community development entity, an investment is considered held by the qualified
21 community development entity even if the investment has been sold or repaid as long
22 as the qualified community development entity reinvests an amount equal to the
23 capital returned to or recovered from the original investment, exclusive of any profits
24 realized, in another qualified active low-income community business in this State
25 within 12 months of the receipt of the capital. A qualified community development
26 entity may not be required to reinvest capital returned from qualified low-income
27 community investments after the 6th anniversary of the issuance of the qualified
28 equity investment, the proceeds of which were used to make the qualified low-
29 income community investment, and the qualified low-income community investment
30 is considered to be held by the issuer through the qualified equity investment's final
31 credit allowance date.

32 The assessor shall provide written notice to the qualified community development entity
33 of any proposed recapture of tax credits pursuant to this subsection. The qualified
34 community development entity must be provided 90 days to cure any deficiency indicated
35 in the authority's original recapture notice and avoid such recapture. If the entity fails or
36 is unable to cure the deficiency within the 90-day period, the assessor shall provide the
37 qualified community development entity and the person from whom the credit is to be
38 recaptured with a final order of recapture. Any amount of tax credits for which a final
39 recapture order has been issued must be recaptured from the person that actually claimed
40 the tax credit.

41 **Sec. Q-7. Application.** This Part applies to tax years beginning on or after
42 January 1, 2012.

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PART R

Sec. R-1. Calculation and transfer; General Fund; central services savings. Notwithstanding any other provision of law, the State Budget Officer shall calculate the amount of savings in this Part that applies against each General Fund account for departments and agencies statewide as a result of improvements in contracting with vendors and the use of procurement cards. The State Budget Officer shall transfer the savings by financial order upon approval of the Governor. These transfers are considered adjustments to appropriations in fiscal years 2011-12 and 2012-13. The State Budget Officer shall provide the Joint Standing Committee on Appropriations and Financial Affairs a report of the transferred amounts not later than January 15, 2012.

Sec. R-2. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Departments and Agencies - Statewide 0016

Initiative: Reduces funding to reflect projected savings in the procurement of goods and services.

GENERAL FUND	2011-12	2012-13
Unallocated	(\$2,000,000)	(\$2,000,000)
GENERAL FUND TOTAL	<u>(\$2,000,000)</u>	<u>(\$2,000,000)</u>

PART S

Sec. S-1. 28-A MRSA §89 is enacted to read:

§89. Renewal of contracts for wholesale liquor activities

1. Minimum requirements. The Commissioner of Administrative and Financial Services shall enter into a competitive bidding process to renew, replace or continue any contract awarded pursuant to section 88 for the sale, franchise, license or lease of the State's wholesale liquor activities associated with distributing and selling spirits and fortified wines sold by the State and shall award the contract at least one year before the end of the contract that is scheduled to end on June 30, 2014 and no later than June 20, 2013. The joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs must have an opportunity to review the contract prior to its execution. A contract awarded under this subsection may not extend for more than 10 years and must require the following payments:

A. A minimum initial payment of \$20,000,000 by the entity awarded the contract, due at the time of the award of the contract;

1 thereafter, whether or not the member is in service at retirement, as long as the member
2 has at the time of retirement at least 5 years of creditable service. Creditable service as a
3 member of any other retirement program of the Maine Public Employees Retirement
4 System may be combined with creditable service as a member of the Legislative
5 Retirement Program for the purpose of determining the completion of 5 years of
6 creditable service.

7 **Sec. T-3. 3 MRSA §851, sub-§2-B**, as enacted by PL 1999, c. 756, §4, is
8 amended to read:

9 **2-B. Five-year minimum creditable service requirement for eligibility to receive**
10 **a service retirement benefit at applicable age; applicability.** The minimum
11 requirement of 5 years of creditable service for eligibility to receive service retirement
12 benefits under subsection 1-C, 1-D or 1-E applies only to:

13 A. A member who was in service on October 1, 1999;

14 B. Upon return to service, a member who had left service prior to October 1, 1999
15 with or without withdrawing that member's contributions and who on or after October
16 1, 1999 returned to service; or

17 C. A member who was first in service on or after October 1, 1999.

18 For those members to whom the 5-year minimum creditable service requirement does not
19 apply, the 10-year minimum creditable service requirement for eligibility to receive
20 service retirement benefits remains in effect on and after October 1, 1999.

21 **Sec. T-4. 3 MRSA §851, sub-§2-C** is enacted to read:

22 **2-C. Early retirement; less than 5 years creditable service on July 1, 2011.** Any
23 member, whether or not in service at retirement, who on July 1, 2011 had less than 5
24 years of creditable service and who has completed at least 25 years of creditable service
25 may retire any time before the member's 65th birthday. Creditable service as a member
26 of any other retirement program of the Maine Public Employees Retirement System may
27 be combined with creditable service as a member of the Legislative Retirement Program
28 for the purpose of determining the completion of 25 years of creditable service. The
29 retirement allowance is determined in accordance with section 852, except that it is
30 reduced by 6% for each year that the member's age precedes age 65.

31 **Sec. T-5. 4 MRSA §1351, sub-§1-B** is enacted to read:

32 **1-B. At least 5 years creditable service on July 1, 2011.** Eligibility for retirement
33 for a member who on July 1, 2011 had at least 5 years of creditable service is governed
34 by subsection 1 if the member had 10 years of creditable service on July 1, 1993 or by
35 subsection 1-A, if the member had less than 10 years of creditable service on July 1,
36 1993.

37 **Sec. T-6. 4 MRSA §1351, sub-§1-C** is enacted to read:

38 **1-C. Less than 5 years creditable service on July 1, 2011.** A member who on July
39 1, 2011 had less than 5 years of creditable service may retire at 65 years of age or
40 thereafter, whether or not the member is in service at retirement, as long as the member
41 has at the time of retirement at least 5 years of creditable service.

1 **Sec. T-7. 4 MRSA §1351, sub-§2-A**, as enacted by PL 1999, c. 756, §7, is
2 amended to read:

3 **2-A. Five-year minimum creditable service requirement for eligibility to receive**
4 **a service retirement benefit at applicable age; applicability.** The minimum
5 requirement of 5 years of creditable service for eligibility to receive service retirement
6 benefits under subsection 1-A, 1-B or 1-C applies only to:

7 A. A member who was in service on October 1, 1999;

8 B. Upon return to service, a member who had left service prior to October 1, 1999
9 with or without withdrawing that member's contributions and on or after October 1,
10 1999 returned to service; or

11 C. A member who was first in service on or after October 1, 1999.

12 For those members to whom the 5-year minimum creditable service requirement does not
13 apply, the 10-year minimum creditable service requirement for eligibility to receive
14 service retirement benefits remains in effect on and after October 1, 1999.

15 **Sec. T-8. 4 MRSA §1351, sub-§3-B** is enacted to read:

16 **3-B. Early retirement; less than 5 years creditable service on July 1, 2011.** Any
17 member, whether or not in service at retirement, who on July 1, 2011 had less than 5
18 years of creditable service and who had completed at least 25 years of creditable service
19 may retire any time before the member's 65th birthday. The retirement allowance is
20 determined in accordance with section 1352, except that the benefit is reduced by 6% for
21 each year that the member's age precedes age 65.

22 **Sec. T-9. 4 MRSA §1358, sub-§1**, as amended by PL 2009, c. 473, §§1 and 2, is
23 repealed and the following enacted in its place:

24 **1. Cost-of-living adjustments.** Except as provided in subsection 2, paragraph A,
25 retirement allowances under this chapter must be adjusted on the same basis as provided
26 for members of the State Employee and Teacher Retirement Program by Title 5, section
27 17806.

28 **Sec. T-10. 5 MRSA §17806, sub-§1, ¶A**, as amended by PL 2009, c. 473, §3, is
29 further amended to read:

30 A. Except as provided in paragraph A-1, whenever there is a percentage increase in
31 the Consumer Price Index from July 1st to June 30th, the board shall automatically
32 make an equal percentage increase in retirement benefits, beginning in September, up
33 to a maximum annual increase of ~~4%~~ 3%. Effective July 1, 2011, the increase applies
34 to that portion of the retirement benefit, up to \$20,000, which amount must be
35 indexed in subsequent years by the same percentage adjustments granted under this
36 paragraph.

37 **Sec. T-11. 5 MRSA §17806, sub-§1, ¶B**, as amended by PL 1989, c. 557, is
38 further amended to read:

39 B. Whenever the annual percentage increase in the Consumer Price Index from July
40 1st to June 30th exceeds ~~4%~~ 3%, the board shall make whatever adjustments in the
41 retirement benefits are necessary to reflect an annual increase of ~~4%~~ 3% and shall

1 submit a supplemental budget request to the Governor for the additional funds that
2 would be required to make adjustments in the retirement benefits to reflect the actual
3 increase in the Consumer Price Index. The request ~~shall~~ must include a report stating
4 the cost of the ~~4%~~ 3% increase, the actual percentage increase in the Consumer Price
5 Index and the percentage adjustments granted during the previous 5 years. The board
6 shall make an additional adjustment in the retirement benefits in the month following
7 the appropriation only in that amount.

8 **Sec. T-12. 5 MRSA §17851, sub-§1-D** is enacted to read:

9 **1-D. Member in service at retirement; at least 5 years creditable service on July**
10 **1, 2011.** Eligibility for retirement for a member who on July 1, 2011 had at least 5 years
11 of creditable service is governed by subsection 1-B if the member had 10 years of
12 creditable service on July 1, 1993 or was 60 years of age and had been in service for a
13 minimum of one year immediately before July 1, 1993 or by subsection 1-C if the
14 member had less than 10 years of creditable service on July 1, 1993 and had not reached
15 60 years of age with one year of creditable service immediately before July 1, 1993. For
16 the purpose of calculating creditable service under this subsection only, creditable service
17 includes:

18 A. Creditable service available to a member that the member was eligible to
19 purchase on June 30, 2011 and that the member does purchase in accordance with
20 rules adopted by the board; and

21 B. Creditable service for which the member makes payment for certain days off
22 without pay during fiscal year 2009-10 or fiscal year 2010-11. The amount of the
23 required payment must be made in accordance with section 17704-B and payment
24 may be made at any time prior to retirement.

25 **Sec. T-13. 5 MRSA §17851, sub-§1-E** is enacted to read:

26 **1-E. Member in service at retirement; fewer than 5 years creditable service on**
27 **July 1, 2011.** A member who on July 1, 2011 had neither 5 years of creditable service
28 nor had reached 62 years of age with one year of creditable service immediately before
29 July 1, 2011 who is in service at retirement qualifies for a service retirement benefit if the
30 member retires upon or after reaching 65 years of age.

31 The creditable service and age requirements of this subsection may not be increased for a
32 member who:

33 A. Has been in service for a minimum of one year immediately before retirement or
34 has at least 5 years of creditable service, which, for the purpose of determining
35 completion of the 5-year requirement, may include creditable service as a member of
36 the Legislative Retirement Program under Title 3, section 701, subsection 8; or

37 B. Meets the applicability requirements of subsection 3-A.

38 **Sec. T-14. 5 MRSA §17851, sub-§2-D** is enacted to read:

39 **2-D. Member not in service at retirement; at least 5 years creditable service on**
40 **July 1, 2011.** Eligibility for retirement for a member who is not in service at retirement
41 and who on July 1, 2011 had at least 5 years of creditable service is governed by
42 subsection 2-B if the member had 10 years of creditable service on July 1, 1993 or by

1 subsection 2-C if the member had less than 10 years of creditable service on July 1, 1993.
2 For the purpose of calculating creditable service under this subsection only, creditable
3 service includes:

4 A. Creditable service available to a member that the member was eligible to
5 purchase on June 30, 2011 and that the member does purchase in accordance with
6 rules adopted by the board; and

7 B. Creditable service for which the member makes payment for certain days off
8 without pay during fiscal year 2009-10 or fiscal year 2010-11. The amount of the
9 required payment must be made in accordance with section 17704-B and payment
10 may be made at any time prior to retirement.

11 **Sec. T-15. 5 MRSA §17851, sub-§2-E** is enacted to read:

12 **2-E. Member not in service at retirement; fewer than 5 years creditable service**
13 **on July 1, 2011. A member who on July 1, 2011 did not have 5 years of creditable**
14 **service and who is not in service at retirement qualifies for a service retirement benefit if**
15 **the member retires upon or after reaching 65 years of age:**

16 The creditable service and age requirements of this subsection may not be increased for a
17 member who:

18 A. Has at least 5 years of creditable service, which, for the purpose of determining
19 completion of the 5-year requirement, may include creditable service as a member of
20 the Legislative Retirement Program under Title 3, section 701, subsection 8; or

21 B. Meets the applicability requirements of subsection 3-A.

22 **Sec. T-16. 5 MRSA §17851, sub-§3-A**, as amended by PL 1999, c. 756, §15, is
23 further amended to read:

24 **3-A. Five-year minimum creditable service requirement for eligibility to receive**
25 **a service retirement benefit at the applicable age; applicability.** The minimum
26 requirement of 5 years of creditable service for eligibility to receive service retirement
27 benefits under subsection 1-C, paragraph B ~~and~~, subsection 2-C, paragraph B and
28 subsections 2-D and 2-E applies only to:

29 A. A member who is in service on October 1, 1999;

30 B. Upon return to service, a member who had left service prior to October 1, 1999
31 with or without withdrawing that member's contributions and on or after October 1,
32 1999 returns to service; or

33 C. A member who is first in service on or after October 1, 1999.

34 For other members to whom subsections 1-C ~~and~~, 2-C, 2-D and 2-E apply, the 10 years of
35 creditable service requirement for eligibility to receive a service retirement benefit at the
36 applicable age remains in effect on and after October 1, 1999.

37 **Sec. T-17. 5 MRSA §17852, sub-§1**, as amended by PL 2007, c. 491, §160, is
38 further amended to read:

1 **1. Member in service at retirement.** The amount of the service retirement benefit
2 for members qualified under section 17851, subsection 1-B ~~or~~, 1-C, 1-D or 1-E must be
3 computed as follows:

4 A. One-fiftieth of the member's average final compensation multiplied by the
5 number of years of membership service and up to 25 years of prior service.
6 Membership service under this paragraph does not include creditable service under
7 the Legislative Retirement Program;

8 B. The total amount of the service retirement benefit of any member qualifying
9 under section 17851, subsection 1-B ~~or~~, 1-C, 1-D or 1-E who became a member
10 before July 1, 1947, and for whom the date of establishment of the retirement system
11 is July 1, 1942, must be at least equal to 1/2 of the member's average final
12 compensation, if the member has at least 20 years of total creditable service,
13 including at least 13 years of prior service if the member retires upon or after
14 reaching age 70; or

15 C. Effective October 1, 1999, for a member who, on October 1, 1999 or thereafter,
16 meets the creditable service requirement for eligibility to receive a service retirement
17 benefit, at the applicable age if so required, under section 17851, subsection 1-B;
18 section 17851, subsection 1-C, paragraph A; section 17851, subsection 1-C,
19 paragraph B; section 17851, subsection 1-D; section 17851, subsection 1-E; section
20 17851, subsection 2-B; section 17851, subsection 2-C, paragraph A; or section
21 17851, subsection 2-C, paragraph B; section 17851, subsection 2-D; or section
22 17851, subsection 2-E, the factors specified in paragraphs A and B may not be
23 changed, alone or in combination.

24 **Sec. T-18. 5 MRSA §17852, sub-§2**, as amended by PL 1999, c. 489, §15, is
25 further amended to read:

26 **2. Member not in service at retirement.** The amount of the service retirement
27 benefit for members qualified under section 17851, subsection 2-B ~~or~~, 2-C, 2-D or 2-E
28 must be computed in accordance with subsection 1.

29 **Sec. T-19. 5 MRSA §17852, sub-§3-B** is enacted to read:

30 **3-B. Member with creditable service of 25 years or more whether or not in**
31 **service at retirement; fewer than 5 years of creditable service on July 1, 2011.** The
32 amount of the service retirement benefit for members qualified under section 17851,
33 subsection 3 is computed in accordance with subsection 1, except that the benefit is
34 reduced by 6% for each year that the member's age precedes 65 years of age.

35 **Sec. T-20. 5 MRSA §17857, sub-§3-B** is enacted to read:

36 **3-B. Reduction of benefits; less than 5 years of creditable service on July 1,**
37 **2011.** On and after July 1, 2011, upon retirement before reaching the 65 years of age, the
38 service retirement benefit of a member who transferred or who was restored to service
39 subject to subsection 2 must be reduced as follows:

40 A. If the member transferred under the provisions of subsection 2, paragraph A:

41 (1) If applicable, the portion of the retirement benefit based upon creditable
42 service earned before being transferred must be reduced in accordance with

1 section 17852, subsection 10, paragraph C-1 or, if the member was covered under
2 section 17851-A, the portion of the retirement benefit based upon creditable
3 service earned before being transferred must be reduced as provided in that
4 section; and

5 (2) The portion of the retirement benefit based upon creditable service earned
6 after being transferred must be reduced in accordance with section 17852,
7 subsection 3-B.

8 B. If the member was a retiree restored to service subject to subsection 2, former
9 paragraph B:

10 (1) If applicable, the portion of the retirement benefit based upon creditable
11 service earned before the member's initial retirement must be reduced in
12 accordance with section 17852, subsection 10, paragraph C-1 or, if the member
13 was covered under section 17851-A, the portion of the retirement benefit based
14 upon creditable service earned before the member's initial retirement must be
15 reduced as provided in that section; and

16 (2) The portion of the retirement benefit based upon creditable service earned
17 after being restored to service must be reduced in accordance with section
18 17852, subsection 3-B.

19 C. If the member was transferred subject to subsection 2, paragraph C, the retirement
20 benefit must be reduced in accordance with section 17852, subsection 3-B.

21 D. If the member was transferred subject to subsection 2, paragraph D and:

22 (1) If the member completes the service or service and age requirements for
23 retirement under the special plan that the member was under previously, if
24 applicable, the retirement benefit must be reduced in accordance with section
25 17852, subsection 10, paragraph C-1 or, if the member was covered under section
26 17851-A, the retirement benefit must be reduced as provided in that section; or

27 (2) If the member does not complete the service or service and age requirements
28 for retirement under the special plan that the member was under previously, the
29 retirement benefit must be reduced in accordance with section 17852, subsection
30 3-B.

31 This subsection applies to members who on July 1, 2011 have less than 5 years of
32 creditable service under this Part. For the purpose of calculating creditable service
33 under this subsection, creditable service includes: creditable service under this Part;
34 creditable service as a member of the Legislative Retirement Program under Title 3,
35 section 701, subsection 8; creditable service available to a member that the member
36 was eligible to purchase on June 30, 2011 and that the member does purchase in
37 accordance with rules adopted by the board; and creditable service for which the
38 member makes payment for certain days off without pay during fiscal year 2009-10
39 or fiscal year 2010-11. The amount of the required payment must be made in
40 accordance with section 17704-B and payment may be made at any time prior to
41 retirement.

1 **Sec. T-21. Cost-of-living increase to retirement benefits.** Notwithstanding
2 any other provision of law, retirement benefits may not be adjusted to reflect any cost-of-
3 living increase that would otherwise begin in September 2011, September 2012 or
4 September 2013.

5 **Sec. T-22. Noncumulative cost-of-living adjustment retirement benefit.**
6 No later than August 15th in 2012, 2013 and 2014, the Executive Director of the Maine
7 Public Employees Retirement System shall notify the State Controller of the total cost of
8 providing a payment to retirees that would otherwise have been eligible for a cost-of-
9 living adjustment but for the operation of the suspension of the annual cost-of-living
10 adjustments pursuant to the provisions of this Part. The benefit calculation is equal to the
11 change in the Consumer Price Index for the year ending in June of the prior calendar
12 year, up to a maximum of 3%, but in no case may the change be less than 0%, multiplied
13 by the retirement benefit payments up to a maximum of \$20,000 for the one-year period
14 ending August 31st of that calendar year, excluding any retirement benefits calculated
15 pursuant to this section. The State Controller shall transfer the amounts calculated
16 pursuant to this section up to the balance available in the reserve for retirement benefits
17 established in the Maine Revised Statutes, Title 5, section 1522 no later than September
18 1st of each year. If the balance in the reserve for retirement benefits on that date is not
19 sufficient to fully fund the total benefits calculated, the State Controller shall transfer the
20 amount that is available in the reserve to the Maine Public Employees Retirement System
21 and the executive director shall proportionally reduce the benefit calculated by this
22 section to equal the amount of funding provided.

23 **Sec. T-23. Award a cost-of-living adjustment.** Notwithstanding the provisions
24 of the Maine Revised Statutes, Title 5, section 17806, subsection 1, paragraph A-1 and
25 any other provision of this Part, in 2011 the Board of Trustees of the Maine Public
26 Employees Retirement System shall award a cost-of-living adjustment to retirees of the
27 Legislative Retirement Program, the Judicial Retirement Program and the State Employee
28 and Teacher Retirement Program equal to the amount required to achieve cost-neutrality
29 as required in Title 5, section 17806, subsection 1, paragraph A-1 as a result of the 2009
30 negative Consumer Price Index. The board shall award this cost-of-living adjustment
31 only if the Consumer Price Index is at a level sufficient to allow for the adjustment; there
32 is no increase in member benefits; there is no additional cost to the State; and there is no
33 increase in the plans' unfunded actuarial liability.

34 **Sec. T-24. Calculation and transfer of funds; retiree cost-of-living**
35 **adjustment savings.** Notwithstanding the Maine Revised Statutes, Title 5, section
36 1585 or any other provision of law, the State Budget Officer shall calculate the amount of
37 savings in this Part that applies against each account for departments and agencies
38 statewide that have occurred as a result of updated actuarial assumptions and the changes
39 to retirement benefits authorized in this Part. The State Budget Officer shall transfer the
40 savings by financial order upon approval of the Governor on or before January 15, 2012.
41 These transfers are considered adjustments to appropriations and allocations in fiscal year
42 2011-12 and fiscal year 2012-13.

43 **Sec. T-25. Appropriations and allocations.** The following appropriations and
44 allocations are made.

45 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

1 **Executive Branch Departments and Independent Agencies - Statewide 0017**

2 Initiative: Reduces funding to reflect projected savings from changes to future pension
3 obligations.

4	GENERAL FUND	2011-12	2012-13
5	Personal Services	(\$21,257,303)	(\$22,754,814)
6			
7	GENERAL FUND TOTAL	<u>(\$21,257,303)</u>	<u>(\$22,754,814)</u>

8 **Executive Branch Departments and Independent Agencies - Statewide 0017**

9 Initiative: Reduces funding to reflect savings from recalculating the baseline pension
10 budget using updated actuarial assumptions.

11	GENERAL FUND	2011-12	2012-13
12	Personal Services	(\$2,502,574)	(\$4,065,180)
13			
14	GENERAL FUND TOTAL	<u>(\$2,502,574)</u>	<u>(\$4,065,180)</u>

15 **ADMINISTRATIVE AND FINANCIAL**
16 **SERVICES, DEPARTMENT OF**
17 **DEPARTMENT TOTALS**

18		2011-12	2012-13
19	GENERAL FUND	(\$23,759,877)	(\$26,819,994)
20			
21	DEPARTMENT TOTAL - ALL FUNDS	<u>(\$23,759,877)</u>	<u>(\$26,819,994)</u>

22 **Sec. T-26. Effective date.** Those sections of this Part that amend the Maine
23 Revised Statutes, Title 5, section 17806, subsection 1, paragraphs A and B take effect
24 January 1, 2014.

25 **PART U**

26 **Sec. U-1. Design of new retirement benefit plan for state employees and**
27 **teachers; working group established.** A working group, referred to in this Part as
28 "the working group," is established to develop an implementation plan designed to close
29 the current defined benefit retirement plan for all state employees and teachers and
30 replace it with a retirement benefit plan, referred to in this Part as "the plan," that is
31 supplemental to Social Security and applies to all state employees and teachers who are
32 first hired after June 30, 2015 with no prior creditable service. The working group must
33 be staffed within the existing resources of the Maine Public Employees Retirement
34 System and the Department of Administrative and Financial Services.

1 **1. Definitions.** For purposes of this Part, the following terms have the following
2 meanings.

3 A. "State employee" has the same meaning as in the Maine Revised Statutes, Title 5,
4 section 17001, subsection 40.

5 B. "Teacher" has the same meaning as in the Maine Revised Statutes, Title 5, section
6 17001, subsection 42.

7 **2. Working group membership.** The working group consists of:

8 A. The Executive Director of the Maine Public Employees Retirement System, who
9 serves as the chair of the working group;

10 B. The Commissioner of Administrative and Financial Services, or a designee of the
11 commissioner;

12 C. A member appointed by the chair of the working group nominated by the Maine
13 Education Association;

14 D. A member appointed by the chair of the working group nominated by the Maine
15 School Management Association; and

16 E. A member appointed by the chair of the working group nominated by the Maine
17 State Employees Association.

18 **3. New retirement plan.** The working group shall design a retirement plan to
19 supplement Social Security for state employees and teachers in accordance with this
20 subsection.

21 A. Every member of the plan must contribute to both Social Security and Medicare,
22 and the employer of each member must contribute the employer's share of Social
23 Security and Medicare.

24 B. Each active member of the plan must be entitled to participate in a supplemental
25 retirement plan.

26 C. The supplemental retirement plan must be designed to:

27 (1) Attract new state employees and teachers and meet employer recruitment
28 needs and employee needs for retirement benefit portability and retirement
29 security;

30 (2) Be competitive with retirement benefit plans provided by similar employers
31 that contribute to their employees' retirement security in addition to Social
32 Security;

33 (3) Limit the State's long-term cost exposure to 2% of employee gross payroll
34 and the employee's exposure to loss of retirement security;

35 (4) Provide the State with the ability to make additional retirement plan
36 contributions in any given biennium without increasing the 2% long-term
37 contribution ceiling;

38 (5) Ensure that employees and employers share plan administrative costs; and

39 (6) Provide financial information to assist employees in understanding how to
40 preserve their living standards.

1 2-B, 2-C and 3 shall contribute 100% of the individual premium until such time as
2 the retiree reaches normal retirement age.

3 K. The total premium increase for active and retired state employee health insurance
4 is capped at the fiscal year 2010-11 funding level for the fiscal years ending June 30,
5 2012 and June 30, 2013.

6 L. The provisions of paragraphs I and J do not apply to those individuals receiving
7 retirement benefits under section 17907 or section 17929.

8 **Sec. V-2. Calculation and transfer of funds; retiree health insurance.**

9 Notwithstanding the Maine Revised Statutes, Title 5, section 1585 or any other provision
10 of law, the State Budget Officer shall calculate the amount of savings in in section 5 that
11 applies against each account for departments and agencies statewide that have occurred as
12 a result of the retiree health provisions authorized in this Part. The State Budget Officer
13 shall transfer the savings by financial order upon approval of the Governor on or before
14 January 15, 2012. These transfers are considered adjustments to appropriations and
15 allocations in fiscal years 2011-12 and 2012-13.

16 **Sec. V-3. Calculation and transfer of funds; health insurance.**

17 Notwithstanding the Maine Revised Statutes, Title 5, section 1585 or any other provision
18 of law, the State Budget Officer shall calculate the amount of savings in in section 6 that
19 applies against each account for departments and agencies statewide that have occurred as
20 a result of the health insurance provisions authorized in this Part. The State Budget
21 Officer shall transfer the savings by financial order upon approval of the Governor on or
22 before January 15, 2012. These transfers are considered adjustments to appropriations
23 and allocations in fiscal years 2011-12 and 2012-13.

24 **Sec. V-4. Report.** The Executive Director of Employee Health and Benefits
25 within the Department of Administrative and Financial Services shall report to the Joint
26 Standing Committee on Appropriations and Financial Affairs on or before January 1,
27 2012 with a plan to constrain health insurance premium growth in the future.

28 **Sec. V-5. Appropriations and allocations.** The following appropriations and
29 allocations are made.

30 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**
31 **Executive Branch Departments and Independent Agencies - Statewide 0017**

32 Initiative: Reduces funding to reflect projected savings from changes to future retiree
33 health obligations.

34	GENERAL FUND	2011-12	2012-13
35	Personal Services	(\$5,542,429)	(\$9,157,284)
36			
37	GENERAL FUND TOTAL	<u>(\$5,542,429)</u>	<u>(\$9,157,284)</u>

38 **Sec. V-6. Appropriations and allocations.** The following appropriations and
39 allocations are made.

1 the General Fund an amount equal to the amount available from the unappropriated
2 surplus after all required deductions of appropriations, budgeted financial commitments
3 and adjustments considered necessary by the State Controller have been made as follows:

- 4 A. Thirty-five percent to the stabilization fund;
- 5 B. Twenty percent to the Retirement Allowance Fund established in section 17251;
- 6 C. Twenty percent to the Reserve for General Fund Operating Capital;
- 7 D. Fifteen percent to the Retiree Health Insurance Internal Service Fund established
8 in section 1519 to be used solely for the purpose of amortizing the unfunded actuarial
9 liability associated with future health benefits; and
- 10 E. Ten percent to the Capital Construction and Improvements Reserve Fund
11 established in section 1516-A.

12 **PART Y**

13 **Sec. Y-1. 5 MRSA §286-B**, as amended by PL 2009, c. 213, Pt. N, §1, is further
14 amended to read:

15 **§286-B. Irrevocable Trust Funds for Other Post-employment Benefits**

16 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
17 following terms have the following meanings.

- 18 A. "Retiree health benefits" means health benefits as determined from time to time
19 by the State Employee Health Commission pursuant to section 285.
- 20 B. "Investment trust fund" means the Retiree Health Insurance Post-employment
21 Benefits Investment Trust Fund established under section 17432.
- 22 C. "Irrevocable trust ~~fund funds~~" means the Irrevocable Trust ~~Fund Funds~~ for Other
23 Post-employment Benefits established under subsection 2. "Irrevocable trust funds"
24 includes the state employee plan, the teacher plan and the first responder plan.
- 25 D. "State employee plan" means the irrevocable trust fund established for eligible
26 participants described in section 285, subsection 1-A.
- 27 E. "Teacher plan" means the irrevocable trust fund established for eligible
28 participants described in Title 20-A, section 13451, subsections 2, 2-A, 2-B and 2-C.
- 29 F. "First responder plan" means the irrevocable trust fund established for eligible
30 participants described in section 285, subsection 11-A.

31 **2. Establishment.** The Irrevocable Trust ~~Fund Funds~~ for Other Post-employment
32 Benefits ~~is~~ are established to meet the State's unfunded liability obligations for retiree
33 health benefits. The state employee plan is established for eligible participants as
34 described in section 285, subsections subsection 1-A and 11 A who are the beneficiaries
35 of the irrevocable trust fund and. The teacher plan is established for eligible participants,
36 beginning July 1, 2011 for eligible participants, as described in Title 20-A, section 13451,
37 subsections 2, 2-A, 2-B and 2-C who are the beneficiaries of the irrevocable trust fund.
38 The first responder plan is established for eligible participants as described in section 285,

1 subsection 11-A. Funds appropriated for the irrevocable trust ~~fund~~ funds must be held in
2 trust and must be invested or disbursed for the exclusive purpose of providing for retiree
3 health benefits and may not be encumbered for, or diverted to, other purposes. Funds
4 appropriated for the irrevocable trust ~~fund~~ funds may not be diverted or deappropriated
5 by any subsequent action.

6 Annually, beginning with the fiscal year starting July 1, 2007, the Legislature shall
7 appropriate funds to meet the State's obligations under any group health plan, policy or
8 contract purchased by the State Employee Health Commission to provide retiree health
9 benefits pursuant to section 285, subsection 5 and, if applicable, to meet the State's
10 obligations under any self-insured group health plan pursuant to section 285, subsection
11 9. Unfunded liabilities may not be created except those resulting from experience losses.
12 Unfunded liability resulting from experience losses must be retired over a period not
13 exceeding 10 years.

14 Annually, beginning with the fiscal year starting July 1, 2009, the Legislature shall
15 appropriate funds that will retire, in 30 years or less from July 1, 2007, the unfunded
16 liability for retiree health benefits for eligible participants ~~as described in this section~~ the
17 state employee plan. The unfunded liability referred to in this section is that determined
18 by the Department of Administrative and Financial Services, Office of the State
19 Controller's actuaries and certified by the Commissioner of Administrative and Financial
20 Services as of June 30, 2006.

21 Annually, beginning with the fiscal year starting July 1, 2011, the Legislature shall
22 appropriate funds that will retire, in 30 years or less from July 1, 2007, the unfunded
23 liability for retiree health benefits for eligible participants in the first responder plan. The
24 unfunded liability referred to in this section is that determined by the Department of
25 Administrative and Financial Services, Office of the State Controller's actuaries and
26 certified by the Commissioner of Administrative and Financial Services as of June 30,
27 2006.

28 Annually, beginning with the fiscal year starting July 1, 2013, the Legislature shall
29 appropriate funds that will retire, in 30 years or less from July 1, 2007, the unfunded
30 liability for retiree health benefits for eligible participants in the teacher plan. The
31 unfunded liability referred to in this section is that determined by the Department of
32 Administrative and Financial Services, Office of the State Controller's actuaries and
33 certified by the Commissioner of Administrative and Financial Services as of June 30,
34 2006.

35 **3. Trustees.** ~~The Treasurer of State and the State Controller shall serve as~~ trustees of
36 the irrevocable trust ~~fund~~ funds are as follows.

37 A. The Treasurer of State and the State Controller shall serve as trustees of the state
38 employee plan.

39 B. An independent, nongovernmental entity with a physical presence in the State
40 selected by the Treasurer of State with the advice of the State Controller and
41 municipal, school management and education associations pursuant to the process set
42 forth in Title 5, chapter 155 shall serve as the trustee of the teacher plan and the first
43 responder plan.

1 **4. Duties of the trustees.** The trustees of the irrevocable trust ~~fund~~ funds have the
2 following duties.

3 A. The trustees of the irrevocable trust ~~fund~~ funds shall calculate the funds necessary
4 to fund the state employee health insurance program, including the unfunded liability
5 as determined in accordance with subsection 2, on an actuarially sound basis and
6 transmit those calculations to the State Budget Officer as required by chapter 149.
7 The Legislature shall appropriate and transfer annually those funds the trustees of the
8 irrevocable trust ~~fund~~ funds determine to be necessary under this subsection to fund
9 the state employee health insurance program on an actuarially sound basis, including
10 a contribution to the irrevocable trust ~~fund~~ funds.

11 B. The trustees of the irrevocable trust ~~fund~~ funds biannually shall make, or cause to
12 be made, valuations of the assets and liabilities of the state employee health insurance
13 program. The trustees of the irrevocable trust ~~fund~~ funds shall select an independent
14 actuary to make annual valuations of the assets and liabilities of the state employee
15 health insurance program on the basis of actuarial assumptions adopted by the
16 trustees of the irrevocable trust ~~fund~~ funds. The actuary may not be an officer or
17 employee of the State. The goal of the actuarial assumptions is to achieve a fully
18 funded state employee health insurance program.

19 C. The trustees of the irrevocable trust ~~fund~~ funds annually shall conduct, or cause to
20 be conducted, an audit of the irrevocable trust ~~fund~~ funds. The trustees of the
21 irrevocable trust ~~fund~~ funds shall select an independent auditor to perform the audit.
22 The auditor may not be an officer or employee of the State.

23 D. The trustees of the irrevocable trust ~~fund~~ funds shall make the final decision on all
24 matters pertaining to administration, actuarial assumptions, actuarial
25 recommendations, funding, payout schedule and long-term time horizon for the
26 irrevocable trust ~~fund~~ funds.

27 **5. Investment of funds.** The trustees of the investment trust fund are responsible for
28 the investment and reinvestment of the funds appropriated to the irrevocable trust ~~fund~~
29 funds and transferred to the investment trust fund in accordance with the Maine Uniform
30 Trust Code and the Maine Uniform Prudent Investor Act under Title 18-B, subject to the
31 guidelines set for the investment trust fund in section 17435.

32 **6. Report to Legislature.** The trustees of the irrevocable trust ~~fund~~ funds shall
33 make a written report to the joint standing committee of the Legislature having
34 jurisdiction over appropriations matters and the joint standing committee of the
35 Legislature having jurisdiction over labor matters on or before March 1st of each year
36 that contains a discussion of any areas of policy or administration of the irrevocable trust
37 ~~fund~~ funds that, in the opinion of the trustees of the irrevocable trust ~~fund~~ funds, should
38 be brought to the attention of the joint standing committees; a discussion of the progress
39 toward meeting the goals of this section; and a review of the status of the irrevocable trust
40 ~~fund~~ funds.

41 **Sec. Y-2. Trust document.** The Treasurer of State and the State Controller shall
42 work with the Attorney General to draft an irrevocable trust document to govern the
43 receipt, control, investment and disbursement of funds placed into the teacher plan and
44 the first responder plan under the Maine Revised Statutes, Title 5, section 286-B.

1	GENERAL FUND	2011-12	2012-13
2	Personal Services	(\$5,000,000)	(\$5,500,000)
3			
4	GENERAL FUND TOTAL	<u>(\$5,000,000)</u>	<u>(\$5,500,000)</u>

5 **PART AA**

6 **Sec. AA-1. 34-A MRSA §1403, sub-§12** is enacted to read:

7 **12. Transfer of funds.** Notwithstanding Title 5, section 1585 or any other provision
8 of law, the commissioner, upon recommendation of the State Budget Officer and
9 approval of the Governor, is authorized to transfer by financial order All Other funding
10 between accounts within the same fund for the purposes of paying food, heating and
11 utility expenses.

12 **PART BB**

13 **Sec. BB-1. Transfer of funds; overtime expenses.** Notwithstanding the Maine
14 Revised Statutes, Title 5, section 1585 or any other provision of law, the Department of
15 Corrections, upon the recommendation of the State Budget Officer and approval of the
16 Governor, is authorized to transfer, by financial order, Personal Services, All Other or
17 Capital Expenditures funding between accounts within the same fund for the purposes of
18 paying overtime expenses in fiscal years 2011-12 and 2012-13.

19 **Sec. BB-2. Transfers and adjustments to position count.** The Commissioner
20 of Corrections shall review the current organizational structure to improve organizational
21 efficiency and cost-effectiveness. Notwithstanding any other provision of law, the State
22 Budget Officer shall transfer the position counts and available balances by financial order
23 in order to achieve the purposes of this section. In accordance with the requirements of
24 the Maine Revised Statutes, Title 5, section 1585, a financial order describing such a
25 transfer must be submitted by the Department of Administrative and Financial Services,
26 Bureau of the Budget to the Office of Fiscal and Program Review 30 days before a
27 transfer is to be implemented. In case of extraordinary emergency transfers, the 30-day
28 prior submission requirement may be waived by vote of the joint standing committee of
29 the Legislature having jurisdiction over appropriations and financial affairs. Any transfer
30 or adjustment pursuant to this section that would result in a program or mission change or
31 facility closure must be reported to the joint standing committee of the Legislature having
32 jurisdiction over criminal justice and public safety matters for review before the
33 associated financial order is submitted to the Governor for approval. These transfers are
34 considered adjustments to authorized position count, appropriations and allocations.

35 **PART CC**

36 **Sec. CC-1. 20-A MRSA §19102, sub-§4** is enacted to read:

37 **4. Learning technology program; evaluation for implementation in grades 7 to**
38 **12.** Notwithstanding any other provision of law, the commissioner shall conduct an
39 annual comprehensive review of the learning technology program and report to the joint

1 standing committee of the Legislature having jurisdiction over appropriations and
2 financial affairs and the joint standing committee of the Legislature having jurisdiction
3 over education matters on the progress and results of the comprehensive review by
4 February 15th annually. In conducting the comprehensive review, the commissioner
5 shall:

6 A. Through a competitive bidding process consistent with Title 5, chapter 155,
7 subchapter 1-A contract with an education policy research institute to assess the
8 effect of the laptop program on student performance in achieving the content
9 standards and performance indicators established by the statewide system of learning
10 results established in section 6209 using valid, standardized assessment measures;

11 B. Identify high-need areas for improvements in students' learning and skills;

12 C. Provide targeted training and professional development of teachers from the 7th
13 to 12th grade who participate in the laptop program; and

14 D. Contract with an education policy research institute to conduct a biennial audit
15 including an evaluation of the costs, effectiveness and achievement outcomes of the
16 learning technology program.

17 The commissioner, with advice from the advisory board, shall submit a report that
18 includes findings and recommendations, including suggested legislation to revise and
19 update chapter 606-B and this chapter, for presentation to the joint standing committee of
20 the Legislature having jurisdiction over appropriations and financial affairs and the joint
21 standing committee of the Legislature having jurisdiction over education matters by
22 January 31st annually.

23 **PART DD**

24 **Sec. DD-1. 20-A MRSA §253, sub-§7,** as enacted by PL 1981, c. 693, §§5 and
25 8, is repealed.

26 **Sec. DD-2. 20-A MRSA §6401-A** is enacted to read:

27 **§6401-A. School nurse consultant position**

28 **1. Establishment.** The position of school nurse consultant is established within the
29 department. The Policy Director of Special Services within the department shall
30 supervise the school nurse consultant.

31 **2. Qualifications.** The school nurse consultant must be licensed as a registered
32 professional nurse in the State and have a master's degree in nursing or a related field and
33 experience in school health care or community nursing.

34 **Sec. D-3. 20-A MRSA §6401-B** is enacted to read:

35 **§6401-B. Duties**

36 The school nurse consultant under section 6401-A shall provide statewide nursing
37 leadership, consultation and direction for coordinated school health care programs. The
38 school nurse consultant shall:

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PART FF

Sec. FF-1. Working group; development of implementing legislation. The Commissioner of Administrative and Financial Services shall convene a working group to develop proposed legislation that transfers personnel, position counts and responsibilities from the Executive Department, State Planning Office to other departments and agencies of the State.

- 1. The members of the working group are:
 - A. The Director of the State Planning Office within the Executive Department or the director's designee;
 - B. The Commissioner of Labor or the commissioner's designee;
 - C. The Commissioner of Public Safety or the commissioner's designee;
 - D. The Commissioner of Defense, Veterans and Emergency Management or the commissioner's designee;
 - E. The Commissioner of Conservation or the commissioner's designee;
 - F. The Commissioner of Economic and Community Development or the commissioner's designee;
 - G. The Commissioner of Marine Resources or the commissioner's designee;
 - H. The Commissioner of Environmental Protection or the commissioner's designee;
 - I. One member of a local or regional governing body appointed by the President of the Senate; and
 - J. One representative of a municipal or regional governing body appointed by the Speaker of the House.

2. The Commissioner of Administrative and Financial Services shall serve as the chair of the working group.

3. The Executive Department, State Planning Office and the Department of Administrative and Financial Services, Division of Financial and Personnel Services shall provide staff assistance to the working group.

Sec. FF-2. Report. The working group shall submit its recommendations and any related proposed legislation to the Joint Standing Committee on Appropriations and Financial Affairs no later than December 1, 2011. The proposed legislation must include recommendations for the disposition of programs in the Executive Department, State Planning Office and a recommendation regarding the job title, duties and salary range for the Director, State Planning Office position. After receipt and review of the report, the joint standing committee may submit legislation to the Second Regular Session of the 125th Legislature to transfer duties and responsibilities from the State Planning Office to other departments and agencies of State Government.

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PART GG

Sec. GG-1. Transfer of funds; Department of Inland Fisheries and Wildlife carrying account. On or before August 1, 2011, the State Controller shall transfer \$30,000 from the Inland Fisheries and Wildlife Carrying Balances - General Fund account to the Enforcement Operations - Inland Fisheries and Wildlife program, General Fund account for the purchase of one replacement aircraft engine. On or before August 1, 2012, the State Controller shall transfer \$30,000 from the Inland Fisheries and Wildlife Carrying Balances - General Fund account to the Enforcement Operations - Inland Fisheries and Wildlife program, General Fund account for the purchase of one replacement aircraft engine.

Sec. GG-2. Transfer of funds; Department of Inland Fisheries and Wildlife carrying account. On or before August 1, 2011, the State Controller shall transfer \$15,347 from the Inland Fisheries and Wildlife Carrying Balances - General Fund account to the Licensing Services - Inland Fisheries and Wildlife program, General Fund account to fund the retroactive portion of the position reclassification of one Supervisor of Licensing and Registration position.

Sec. GG-3. Transfer of funds; Department of Inland Fisheries and Wildlife carrying account. On or before August 1, 2011, the State Controller shall transfer \$23,622 from the Inland Fisheries and Wildlife Carrying Balances - General Fund account to the Resource Management Services - Inland Fisheries and Wildlife program, General Fund account to fund the retroactive portion of the position reclassifications of 2 Biologist II positions.

Sec. GG-4. Transfer of funds; Department of Inland Fisheries and Wildlife carrying account. On or before July 31, 2011, the State Controller shall transfer \$155,241 from the Inland Fisheries and Wildlife Carrying Balances - General Fund account to the Enforcement Operations - Inland Fisheries and Wildlife program, General Fund account to fund the payment of outstanding amounts due for dispatch services provided by the Department of Public Safety.

PART HH

Sec. HH-1. 12 MRSA §10202, sub-§9, as amended by PL 2009, c. 213, Pt. I, §1, is further amended to read:

9. Fiscal Stability Program. The Fiscal Stability Program is established to ensure that the general public and hunters and anglers share the cost of the fish and wildlife conservation programs of the department. To achieve this goal, beginning with the ~~2012-2013~~ 2014-2015 biennial budget and for each biennial budget thereafter, the biennial budget submitted by the executive branch must include an additional General Fund appropriation of 18% in excess of the department's requested biennial budget.

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PART II

Sec. II-1. 8 MRSA §1036, sub-§2, ¶E, as amended by PL 2009, c. 462, Pt. H, §1, is further amended to read:

E. Ten percent of the net slot machine income must be forwarded by the board to the State Controller to be credited to the Fund for a Healthy Maine established by Title 22, section 1511 and segregated into a separate account under Title 22, section 1511, subsection 11, with the use of funds in the account restricted to the purposes described in Title 22, section 1511, subsection 6, paragraph E. For the fiscal years ending June 30, 2010, June 30, 2011 ~~and~~, June 30, 2012 and June 30, 2013, the amount credited annually by the State Controller to the Fund for a Healthy Maine under this paragraph may not exceed \$4,500,000 annually and any funds in excess of \$4,500,000 annually during these fiscal years must be credited as General Fund undedicated revenue;

Sec. II-2. 22 MRSA §1560-D, sub-§10, as enacted by PL 2007, c. 467, §3, is amended to read:

10. Transfers of funds. Notwithstanding any other provision of law, for fiscal years beginning on or after July 1, 2009 the State Controller shall transfer \$92,660 no later than June 30, 2010 and \$145,147 no later than June 30, 2011 from the Fund for a Healthy Maine to General Fund undedicated revenue.

~~For fiscal years beginning on or after July 1, 2011 the State Controller in consultation with the State Tax Assessor shall determine the General Fund revenue loss resulting from this section and transfer that amount at least annually from the Fund for a Healthy Maine to General Fund undedicated revenue.~~

PART JJ

Sec. JJ-1. Suspension of cost-of-living adjustment for judges. Notwithstanding the Maine Revised Statutes, Title 4, section 4, subsection 2-A, a cost-of-living adjustment for the State's chief justices, chief judge, deputy chief judge, associate justices and associate judges may not be made on July 1, 2011 or July 1, 2012.

PART KK

Sec. KK-1. 22 MRSA §3104-A, sub-§1, as amended by PL 2009, c. 291, §3, is repealed and the following enacted in its place:

1. Food assistance. The department shall provide food assistance to households that would be eligible for assistance under the federal Food Stamp Act of 1977, 7 United States Code, Section 2011 et seq. and under the federal Food and Nutrition Act of 2008 but for provisions of Sections 401, 402 and 403 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 that are receiving food assistance under this subsection as of July 1, 2011. Any household receiving assistance as of that date may continue to receive assistance, as long as that household remains eligible, without regard to interruptions in coverage or gaps in eligibility for service. A noncitizen legally

1 admitted to the United States who is neither receiving assistance on July 1, 2011 nor has
2 an application pending for assistance on July 1, 2011 that is later approved is not eligible
3 for food assistance through a state-funded program unless that noncitizen is:

4 A. Elderly or disabled, as described under the laws governing supplemental security
5 income in 42 United States Code, Sections 1381 to 1383f (2010);

6 B. A victim of domestic violence; or

7 C. Experiencing other hardship, such as time necessary to obtain proper work
8 documentation, as defined by the department by rule. Rules adopted by the
9 department under this paragraph are routine technical rules as defined by Title 5,
10 chapter 375, subchapter 2-A.

11 **Sec. KK-2. 22 MRSA §3174-G, sub-§1, ¶¶E and F**, as amended by PL 2003,
12 c. 469, Pt. A, §5 and affected by c. 673, Pt. Y, §3, are further amended to read:

13 E. The parent or caretaker relative of a child described in paragraph B or D when
14 the child's family income is equal to or below 200% of the nonfarm income official
15 poverty line, subject to adjustment by the commissioner under this paragraph.
16 Medicaid services provided under this paragraph must be provided within the limits
17 of the program budget. Funds appropriated for services under this paragraph must
18 include an annual inflationary adjustment equivalent to the rate of inflation in the
19 Medicaid program. On a quarterly basis, the commissioner shall determine the fiscal
20 status of program expenditures under this paragraph. If the commissioner determines
21 that expenditures will exceed the funds available to provide Medicaid coverage
22 pursuant to this paragraph, the commissioner must adjust the income eligibility limit
23 for new applicants to the extent necessary to operate the program within the program
24 budget. If, after an adjustment has occurred pursuant to this paragraph, expenditures
25 fall below the program budget, the commissioner must raise the income eligibility
26 limit to the extent necessary to provide services to as many eligible persons as
27 possible within the fiscal constraints of the program budget, as long as the income
28 limit does not exceed 200% of the nonfarm income official poverty line; ~~and~~

29 F. A person 20 to 64 years of age who is not otherwise covered under paragraphs A
30 to E when the person's family income is below or equal to 125% of the nonfarm
31 income official poverty line, provided that the commissioner shall adjust the
32 maximum eligibility level in accordance with the requirements of the paragraph.

33 (2) If the commissioner reasonably anticipates the cost of the program to exceed
34 the budget of the population described in this paragraph, the commissioner shall
35 lower the maximum eligibility level to the extent necessary to provide coverage
36 to as many persons as possible within the program budget.

37 (3) The commissioner shall give at least 30 days' notice of the proposed change
38 in maximum eligibility level to the joint standing committee of the Legislature
39 having jurisdiction over appropriations and financial affairs and the joint standing
40 committee of the Legislature having jurisdiction over health and human services
41 matters; and

42 **Sec. KK-3. 22 MRSA §3174-G, sub-§1, ¶G** is enacted to read:

1 G. A person who is a noncitizen legally admitted to the United States to the extent
2 that coverage is allowable by federal law if the person is:

3 (1) A woman during her pregnancy and up to 60 days following delivery; or

4 (2) A child under 21 years of age.

5 **Sec. KK-4. 22 MRSA §3762, sub-§3, ¶B**, as amended by PL 2007, c. 539, Pt.
6 XX, §1, is further amended to read:

7 B. The department may use funds, insofar as resources permit, provided under and in
8 accordance with the United States Social Security Act or state funds appropriated for
9 this purpose or a combination of state and federal funds to provide assistance to
10 families under this chapter. In addition to assistance for families described in this
11 subsection, funds must be expended for the following purposes:

12 (1) To continue the pass-through of the first \$50 per month of current child
13 support collections and the exclusion of the \$50 pass-through from the budget
14 tests and benefit calculations;

15 (2) To provide financial ~~and medical~~ assistance to ~~certain~~ noncitizens legally
16 admitted to the United States who are receiving assistance under this subsection
17 as of July 1, 2011. Recipients of assistance under this subparagraph are limited
18 to the categories of noncitizens who would be eligible for the TANF ~~or Medicaid~~
19 ~~programs programs~~ but for their status as aliens under PRWORA. Eligibility for
20 the TANF ~~and Medicaid programs program~~ for these categories of noncitizens
21 must be determined using the criteria applicable to other recipients of assistance
22 ~~from these programs; from the TANF program~~. Any household receiving
23 assistance as of July 1, 2011 may continue to receive assistance, as long as that
24 household remains eligible, without regard to interruptions in coverage or gaps in
25 eligibility for service. A noncitizen legally admitted to the United States who is
26 neither receiving assistance on July 1, 2011 nor has an application pending for
27 assistance on July 1, 2011 that is later approved is not eligible for financial
28 assistance through a state-funded program unless that noncitizen is:

29 (a) Elderly or disabled, as described under the laws governing supplemental
30 security income in 42 United States Code, Sections 1381 to 1383f (2010);

31 (b) A victim of domestic violence; or

32 (c) Experiencing other hardship, such as time necessary to obtain proper
33 work documentation, as defined by the department by rule. Rules adopted by
34 the department under this division are routine technical rules as defined by
35 Title 5, chapter 375, subchapter 2-A;

36 (3) To provide benefits to certain 2-parent families whose deprivation is based on
37 physical or mental incapacity;

38 (4) To provide an assistance program for needy children, 19 to 21 years of age,
39 who are in full-time attendance in secondary school. The program is operated for
40 those individuals who qualify for TANF under the United States Social Security
41 Act, except that they fail to meet the age requirement, and is also operated for the

1 parent or caretaker relative of those individuals. Except for the age requirement,
2 all provisions of TANF, including the standard of need and the amount of
3 assistance, apply to the program established pursuant to this subparagraph;

4 (5) To provide assistance for a pregnant woman who is otherwise eligible for
5 assistance under this chapter, except that she has no dependents under 19 years of
6 age. An individual is eligible for the monthly benefit for one eligible person if
7 the medically substantiated expected date of the birth of her child is not more
8 than 90 days following the date the benefit is received;

9 (6) To provide a special housing allowance for TANF families whose shelter
10 expenses for rent, mortgage or similar payments, homeowners insurance and
11 property taxes equal or exceed 75% of their monthly income. The special
12 housing allowance is limited to \$100 per month for each family. For purposes of
13 this subparagraph, "monthly income" means the total of the TANF monthly
14 benefit and all income countable under the TANF program, plus child support
15 received by the family, excluding the \$50 pass-through payment;

16 (7) In determining benefit levels for TANF recipients who have earnings from
17 employment, the department shall disregard from monthly earnings the
18 following:

19 (a) One hundred and eight dollars;

20 (b) Fifty percent of the remaining earnings that are less than the federal
21 poverty level; and

22 (c) All actual child care costs necessary for work, except that the department
23 may limit the child care disregard to \$175 per month per child or \$200 per
24 month per child under 2 years of age or with special needs;

25 (8) In cases when the TANF recipient has no child care cost, the monthly TANF
26 benefit is the maximum payment level or the difference between the countable
27 earnings and the standard of need established by rule adopted by the department,
28 whichever is lower;

29 (9) In cases when the TANF recipient has child care costs, the department shall
30 determine a total benefit package, including TANF cash assistance, determined in
31 accordance with subparagraph (7) and additional child care assistance, as
32 provided by rule, necessary to cover the TANF recipient's actual child care costs
33 up to the maximum amount specified in section 3782-A, subsection 5. The
34 benefit amount must be paid as provided in this subparagraph.

35 (a) Before the first month in which child care assistance is available to an
36 ASPIRE-TANF recipient under this paragraph and periodically thereafter, the
37 department shall notify the recipient of the total benefit package and the
38 following options of the recipient: to receive the total benefit package
39 directly; or to have the department pay the recipient's child care assistance
40 directly to the designated child care provider for the recipient and pay the
41 balance of the total benefit package to the recipient.

1 (b) If an ASPIRE-TANF recipient notifies the department that the recipient
2 chooses to receive the child care assistance directly, the department shall pay
3 the total benefit package to the recipient.

4 (c) If an ASPIRE-TANF recipient does not respond or notifies the
5 department of the choice to have the child care assistance paid directly to the
6 child care provider from the total benefit package, the department shall pay
7 the child care assistance directly to the designated child care provider for the
8 recipient. The department shall pay the balance of the total benefit package
9 to the recipient;

10 (10) Child care assistance under this paragraph must be paid by the department
11 in a prompt manner that permits an ASPIRE-TANF recipient to access child care
12 necessary for work; and

13 (11) The department shall adopt rules pursuant to Title 5, chapter 375 to
14 implement this subsection. Rules adopted pursuant to this subparagraph are
15 routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

16 **PART LL**

17 **Sec. LL-1. 22 MRSA §3762, sub-§18** is enacted to read:

18 **18. Denial of assistance based on positive drug test.** A recipient of TANF
19 assistance may be denied TANF assistance as described in this subsection.

20 A. The department may administer a drug test to a recipient of TANF assistance who
21 has been convicted of a drug-related felony, as described in Section 115 of
22 PRWORA, within 20 years of that person's date of conviction.

23 B. If a person under paragraph A tests positive for an illegal drug, the department
24 shall notify that person that:

25 (1) The person's TANF assistance is subject to termination;

26 (2) The person is entitled to a fair hearing regarding the termination of TANF
27 assistance; and

28 (3) If the person requests a fair hearing, the person shall submit to a 2nd drug test
29 to verify the results of the first drug test.

30 C. The results of the 2nd drug test must be available prior to the fair hearing, if
31 practicable. The person shall cooperate in a timely manner in submitting to the 2nd
32 drug test. If the 2nd drug test confirms that the person is using an illegal drug, the
33 person may avoid termination of TANF assistance by enrolling in a substance abuse
34 treatment program appropriate to the type of illegal drug being used by that person.

35 D. If the department determines that, for good cause, a person is unable to enroll in a
36 substance abuse program as required by paragraph C, the person remains eligible for
37 TANF assistance until such time that the department determines that the person is
38 able to enroll in a substance abuse treatment program.

- 1 D. The Superintendent of the Dorothea Dix Psychiatric Center or the
2 superintendent's designee;
- 3 E. The Superintendent of the Riverview Psychiatric Center or the superintendent's
4 designee;
- 5 F. The Commissioner of Administrative and Financial Services or the
6 commissioner's designee;
- 7 G. One member of the staff of the Dorothea Dix Psychiatric Center selected by the
8 Commissioner of Health and Human Services from among candidates provided by
9 the President of the Maine State Employees Association;
- 10 H. One member of the staff of the Dorothea Dix Psychiatric Center selected by the
11 Commissioner of Health and Human Services from among candidates provided by
12 the President of the American Federation of State, County and Municipal Employees,
13 Maine branch; and
- 14 I. The following, invited by the Commissioner of Health and Human Services to
15 participate in the working group:
- 16 (1) The Chief Executive Officer of Spring Harbor Hospital or the chief executive
17 officer's designee;
- 18 (2) The Chief Executive Officer of Acadia Hospital or the chief executive
19 officer's designee;
- 20 (3) Two members of the Consumer Council System of Maine, including the
21 Executive Director of the Consumer Council System of Maine or the executive
22 director's designee;
- 23 (4) The Executive Director of the Disability Rights Center or the executive
24 director's designee;
- 25 (5) The Executive Director of the National Alliance on Mental Illness Maine or
26 the executive director's designee;
- 27 (6) The Chief Executive Officer of Aroostook Mental Health Services, Inc. or
28 the chief executive officer's designee;
- 29 (7) The Executive Director of Community Health and Counseling Services, Inc.
30 or the executive director's designee;
- 31 (8) The Chief Executive Officer of the Charlotte White Center or the chief
32 executive officer's designee; and
- 33 (9) The President of the Eastern Maine Development Corporation or the
34 president's designee.
- 35 **3. Working group chair.** The Commissioner of Health and Human Services shall
36 serve as the chair of the working group.
- 37 **4. Staff assistance.** The Department of Health and Human Services shall provide
38 staff assistance to the working group.
- 39 **5. Report.** In developing recommendations and suggested implementing legislation,
40 the working group shall develop a plan that:

- 1 A. Establishes recovery outcomes to be tracked;
- 2 B. Ensures that the transitional needs of patients are effectively met;
- 3 C. Includes provision of essential community living supports for housing, vocational
- 4 and nonvocational involvements and health care;
- 5 D. Includes support for other critical community-based resources and treatment
- 6 services;
- 7 E. Focuses on integrating all health care;
- 8 F. Ensures that adequate capacity exists locally for inpatient hospitalizations;
- 9 G. Ensures that adequate essential community care services to support outcomes are
- 10 available;
- 11 H. Ensures that community and family education is optimized to support integration;
- 12 and
- 13 I. Ensures that the delivery of high-quality, efficient service is achieved.

14 The working group shall submit its plan and proposed legislation to the Commissioner of
15 Health and Human Services, who shall report to the Joint Standing Committee on
16 Appropriations and Financial Affairs and the Joint Standing Committee on Health and
17 Human Services no later than December 1, 2011. After receipt and review of the plan,
18 the committees may submit legislation to the Second Regular Session of the 125th
19 Legislature to implement the recommendations regarding the Dorothea Dix Psychiatric
20 Center.

21 **PART OO**

22 **Sec. OO-1. Interdepartmental cooperation; Department of Health and**
23 **Human Services and Department of the Attorney General.** The Department of
24 Health and Human Services and the Department of the Attorney General shall work
25 cooperatively to explore opportunities for increased collaboration as well as to identify
26 short-term and long-term improvements to the fraud detection and referral process and
27 any savings that can be realized from these improvements.

28 **PART PP**

29 **Sec. PP-1. 22 MRSA §3762, sub-§15,** as enacted by PL 1997, c. 695, §1, is
30 repealed.

31 **Sec. PP-2. 22 MRSA §3762, sub-§§18 and 19** are enacted to read:

32 **18. Lifetime limit on assistance.** Beginning January 1, 2012, a family may not
33 receive TANF assistance for longer than 60 months except in those cases in which the
34 department has determined that the family qualifies for an exemption or extension under
35 rules adopted by the department. When an adult has received TANF assistance for 60
36 months, unless the adult has been exempted or granted an extension by the department,
37 the family unit in which the adult is a member is ineligible for assistance. The
38 department shall consider conditions or situations beyond the control of the adult

1 recipient, including but not limited to a physical or mental condition that prevents the
2 adult from obtaining or retaining gainful employment, being a victim of domestic
3 violence, participating in good standing in an approved education program or a program
4 that is expected to lead to gainful employment, being the caretaker relative in the
5 household who is not the parent of the child or children in the assistance unit and who is
6 required to remain at home to care for a dependent in the assistance unit and loss of
7 employment by the adult following termination of TANF under this subsection.

8 The department shall adopt rules to implement this subsection. Rules adopted pursuant to
9 this subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter
10 2-A.

11 **19. Pretermination notice process.** No later than 120 days prior to the end of a
12 family's 60th month of receiving assistance, the department shall offer the adult recipient
13 an opportunity to hold a meeting to review the family's case and:

14 A. Explain the exemption and extension criteria established in subsection 18 to the
15 family and determine if those criteria apply to the family; and

16 B. Explain that any determination made pursuant to this subsection may be appealed
17 in accordance with the hearing process established in subsection 9, paragraph B.

18 For a family whose assistance is to be terminated, a supervisory review by the department
19 is required. The review must include but is not limited to an evaluation of the need for
20 additional information to determine if cause for an exemption or extension exists. If the
21 conclusion of the evaluation determines additional vocational, health, mental health or
22 other information is necessary, the department shall work in collaboration with the adult
23 recipient in the development of the information prior to the determination of status or
24 termination.

25 For a family whose assistance is to be terminated pursuant to this subsection, the
26 department shall provide information to the family regarding any other resources that
27 may be available to help meet that family's basic needs.

28 **Sec. PP-3. 22 MRSA §3763, sub-§1,** as enacted by PL 1997, c. 530, Pt. A, §16,
29 is amended to read:

30 **1. Family contract.** During the TANF orientation process, a representative of the
31 department and the TANF recipient shall enter into a family contract. The family
32 contract must state the responsibilities of the parties to the agreement including, but not
33 limited to, cooperation in child support enforcement and determination of paternity, the
34 requirements of the ASPIRE-TANF program and referral to parenting activities and
35 health care services. Except as provided in section 3762, subsection 4, refusal to sign the
36 family contract or to abide by the provisions of the contract, except for referral to
37 parenting activities and health care services, will result in ~~sanctions~~ termination of
38 benefits under section 1-A. Failure to comply with referrals to parenting activities or
39 health care services without good cause will result in a review and evaluation of the
40 reason for noncompliance by the representative of the department and may result in
41 sanctions. Written copies of the family contract and a notice of the right to a fair hearing
42 must be given to the individual. The family contract must be amended in accordance with
43 section 3788 when a participant enters the ASPIRE-TANF program and when
44 participation review occurs.

1 Benefits that have been terminated under this subsection must be restored once the adult
2 recipient signs a new contract under subsection 1 and complies with the provisions of the
3 family contract.

4 **Sec. PP-4. 22 MRSA §3763, sub-§1-A** is enacted to read:

5 **1-A. Partial and full termination of benefits.** Benefits under this chapter must be
6 terminated by the department under the provisions of subsection 1 and sections 3785 and
7 3785-A as follows:

8 A. For a first failure to meet the conditions of a family contract, termination of
9 benefits applies to the adult recipient;

10 B. For a first failure to meet the conditions of a family contract for which termination
11 of benefits under paragraph A lasts for longer than 90 days and for a 2nd and
12 subsequent violation, termination of benefits applies to the adult recipient and the full
13 family unit; and

14 C. Prior to the implementation of a full family unit sanction, the department shall
15 offer the adult recipient an opportunity to claim good cause for noncompliance as
16 described in section 3785.

17 Benefits that have been terminated under this subsection must be restored once the adult
18 recipient signs a new contract under subsection 1 and complies with the provisions of the
19 family contract.

20 **Sec. PP-5. Notification.** The Department of Health and Human Services shall
21 notify current sanctioned adult recipients no later than October 1, 2011 of the provisions
22 of the Maine Revised Statutes, Title 22, section 3763, subsection 1-A and the ability to
23 maintain family eligibility by complying with the family contract or providing
24 information to substantiate an exemption by January 1, 2012. If the adult recipient is in
25 good standing under the family contract as of January 1, 2012, previous sanctions do not
26 apply.

27 **Sec. PP-6. Rename Office of Integrated Access and Support - Central**
28 **Office program.** Notwithstanding any other provision of law, the Office of Integrated
29 Access and Support - Central Office program within the Department of Health and
30 Human Services is renamed the Office for Family Independence program.

31 **Sec. PP-7. Rules.** The Department of Health and Human Services shall revise its
32 rules to impose a quit penalty on Temporary Assistance for Needy Families -
33 Unemployed Parents participants that requires a recalculation of benefits to exclude the
34 family member who quit employment without cause. The penalty period remains in
35 effect until such time as the family member obtains equivalent employment.

36 **Sec. PP-8. Rules.** The Department of Health and Human Services may adopt rules
37 necessary to implement the provisions of this Part. Rules adopted pursuant to this section
38 are routine technical rules pursuant to the Maine Revised Statutes, Title 5, chapter 375,
39 subchapter 2-A.

40 **Sec. PP-9. Report on the impact of Temporary Assistance for Needy**
41 **Families program reforms.** By November 1, 2012, the Department of Health and
42 Human Services shall report to the Joint Standing Committee on Appropriations and

1 Financial Affairs and the Joint Standing Committee on Health and Human Services on
 2 the impact of the changes made to the Temporary Assistance for Needy Families program
 3 in this Part, including: the number of cases removed as a result of the 60-month limit; the
 4 number of individual sanctions imposed; the number of full-family sanctions imposed;
 5 the number of administrative hearings requested; and the number of cases for which
 6 assessment information was requested and was provided.

7 **PART QQ**

8 **Sec. QQ-1. Transfer from unappropriated surplus at close of fiscal year**
 9 **2011-12.** Notwithstanding any other provision of law, at the close of fiscal year
 10 2011-12, the State Controller shall transfer up to \$25,000,000 from the unappropriated
 11 surplus of the General Fund to the Department of Health and Human Services, Medical
 12 Care - Payments to Providers account in the General Fund after all required deductions of
 13 appropriations, budgeted financial commitments and adjustments considered necessary
 14 by the State Controller have been made and as the first priority after the transfers required
 15 pursuant to the Maine Revised Statutes, Title 5, sections 1507, 1511 and 1522 and before
 16 the transfers required pursuant to Title 5, section 1536.

17 **Sec. QQ-2. Purpose of transfers.** Transfers made pursuant to this Part must be
 18 expended for hospital settlements.

19 **Sec. QQ-3. Transfer considered adjustments to appropriations.**
 20 Notwithstanding the Maine Revised Statutes, Title 5, section 1585 or any other provision
 21 of law, amounts transferred pursuant to this Part are considered adjustments to
 22 appropriations in fiscal year 2012-13 only. These funds may be allotted by financial order
 23 upon recommendation of the State Budget Officer and approval of the Governor.

24 **PART RR**

25 **Sec. RR-1. PL 2011, c. 45, §6** is amended to read:

26 **Sec. 6. Appropriations and allocations.** The following appropriations and
 27 allocations are made.

28 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)**
 29 **LICENSURE OF WATER SYSTEM OPERATORS, BOARD OF**

30 **Water System Operators - Board of Licensure 0104**

31 Initiative: Deallocates funds as a result of savings from reduced costs for testing.

32	OTHER SPECIAL REVENUE FUNDS	2011-12	2012-13
33	All Other	\$0	(\$10,600)
34			
35	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	(\$10,600)

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PART SS

Sec. SS-1. 22 MRSA §2681, sub-§16 is enacted to read:

16. Fee imposed. Beginning July 1, 2011, a fee is imposed on all enrollees in the program established under this section. The amount of the fee must be determined by rule adopted by the department to cover the administrative and other operating costs of the program. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

PART TT

Sec. TT-1. 4 MRSA §17, sub-§15, ¶A, as enacted by PL 2003, c. 400, §1, is amended to read:

A. The State Court Administrator may contract for the services of qualified individuals as needed on a per diem basis to perform court security-related functions and services.

(1) For the purposes of this subsection, "qualified individuals" means municipal law enforcement officers, deputy sheriffs and other individuals who are certified pursuant to Title 25, section 2804-B or 2804-C and have successfully completed additional training in court security provided by the Maine Criminal Justice Academy or equivalent training.

(2) When under contract pursuant to this paragraph and then only for the assignment specifically contracted for, qualified individuals have the same duties and powers throughout the counties of the State as sheriffs have in their respective counties.

(3) Qualified municipal law enforcement officers and deputy sheriffs performing contractual services pursuant to this paragraph continue to be employees of the municipalities and counties in which they are ~~deputized~~ employed.

(4) Qualified individuals other than municipal law enforcement officers or deputy sheriffs performing contractual services pursuant to this paragraph may not be considered employees of the State for any purpose, except that they must be treated as employees of the State for purposes of the Maine Tort Claims Act and the Maine Workers' Compensation Act of 1992. They must be paid reasonable per diem fees plus reimbursement of actual, necessary and reasonable expenses incurred in the performance of their duties, consistent with policies established by the State Court Administrator.

PART UU

Sec. UU-1. Agency rules; child care rates; Department of Health and Human Services. The Department of Health and Human Services is directed to revise its rules in the Child Care Subsidy Policy Manual to establish state-paid child care rates at the 50th percentile of the most current local market rate survey. Rules adopted pursuant

1 to this section are routine technical rules as defined in the Maine Revised Statutes, Title
2 5, chapter 375, subchapter 2-A.

3 **PART VV**

4 **Sec. VV-1. PL 2007, c. 240, Pt. X, §2,** as amended by PL 2009, c. 213, Pt.
5 SSSS, §1, is further amended to read:

6 **Sec. X-2. Transfer of funds.** Notwithstanding the Maine Revised Statutes, Title
7 5, section 1585 or any other provision of law, until June 30, ~~2014~~ 2013, available
8 balances of appropriations in MaineCare General Fund accounts may be transferred
9 between accounts by financial order upon the recommendation of the State Budget
10 Officer and approval of the Governor.

11 **Sec. VV-2. PL 2007, c. 240, Pt. X, §5,** as amended by PL 2009, c. 213, Pt.
12 SSSS, §2, is further amended to read:

13 **Sec. X-5. Weekly MaineCare reporting.** Until June 30, ~~2014~~ 2013, the
14 Commissioner of Health and Human Services shall issue a weekly financial summary and
15 report on MaineCare program expenditures. The report must be submitted to the joint
16 standing committee of the Legislature having jurisdiction over appropriations and
17 financial affairs and the joint standing committee of the Legislature having jurisdiction
18 over human services matters and must be presented in a budget to actual format detailing
19 amounts at the program level. This reporting requirement is in addition to the reporting
20 requirements contained in the Maine Revised Statutes, Title 22, section 3174-B.

21 **Sec. VV-3. PL 2007, c. 240, Pt. X, §6,** as amended by PL 2009, c. 213, Pt.
22 SSSS, §3, is further amended to read:

23 **Sec. X-6. Quarterly MaineCare reporting.** Until June 30, 2010, the
24 Commissioner of Health and Human Services shall issue a quarterly financial summary
25 and report on MaineCare program expenditures. The report must be submitted to the joint
26 standing committee of the Legislature having jurisdiction over appropriations and
27 financial affairs and the joint standing committee of the Legislature having jurisdiction
28 over health and human services matters within 14 days of certification of the quarterly
29 CMS-64 report to the United States Department of Health and Human Services, Centers
30 for Medicare and Medicaid Services. This report must segregate expenditures by
31 enrollment category and type of service. From July 1, 2010 to June 30, ~~2014~~ 2013 the
32 commissioner shall continue to issue a quarterly financial summary and report on
33 MaineCare program expenditures in a format and with content equivalent to the prior
34 year's reports and incorporating the capabilities of the new Maine integrated health
35 management solution system. This reporting requirement is in addition to the reporting
36 requirements contained in the Maine Revised Statutes, Title 22, section 3174-B.

37 **Sec. VV-4. MaineCare financial order transfer authority report.** The
38 Commissioner of Health and Human Services shall review the effects the MaineCare
39 financial order transfer authority authorized by Public Law 2007, chapter 240, Pt. X,
40 section 2 has had on funding available for individual MaineCare General Fund accounts.
41 The review must quantify the net change in funding available to each account by fiscal
42 year as a result of the transfer authority with the goal of ultimately adjusting baseline

1 appropriations to these programs in order to no longer require significant financial order
2 transfers between MaineCare General Fund accounts. The commissioner shall report the
3 findings and recommendations for adjustments to appropriations to the Joint Standing
4 Committee on Appropriations and Financial Affairs no later than December 1, 2011.

5 **PART WW**

6 **Sec. WW-1. 22 MRSA §7247**, as enacted by PL 2003, c. 483, §1, is amended to
7 read:

8 **§7247. Controlled Substances Prescription Monitoring Program Fund**

9 The Controlled Substances Prescription Monitoring Program Fund is established
10 within the office to be used by the director of the office to fund or assist in funding the
11 program. Any balance in the fund does not lapse but is carried forward to be expended
12 for the same purposes in succeeding fiscal years. The fund must be deposited with and
13 maintained and administered by the office. The office may accept funds into the fund
14 from any source, public or private, including grants or contributions of money or other
15 things of value, that it determines necessary to carry out the purposes of this chapter.
16 Money received by the office to establish and maintain the program must be used for the
17 expenses of administering this chapter. ~~No General Fund appropriation may be made~~
18 ~~available for the purposes of this chapter.~~

19 **PART XX**

20 **Sec. XX-1. Mental health services report.** The Commissioner of Health and
21 Human Services shall report to the Joint Standing Committee on Appropriations and
22 Financial Affairs and the Joint Standing Committee on Health and Human Services no
23 later than February 1, 2012 regarding the implementation of fiscal year 2011-12 funding
24 for mental health services for individuals not eligible for MaineCare and for housing
25 services in order to conform to the consent decree in the case of Paul Bates, et al. v.
26 Robert Glover, et al. and pursuant to the Court Master's June 25, 2010 update. The report
27 must include recommendations from the Court Master pertaining to the consent decree
28 and recommendations for funding for fiscal year 2012-13.

29 **PART YY**

30 **Sec. YY-1. Substance Abuse Services Commission; convene stakeholder**
31 **group; purchase of controlled medications; agency rules.** The Substance Abuse
32 Services Commission, established in the Maine Revised Statutes, Title 5, section
33 12004-G, subsection 13-C, shall convene a stakeholder group consisting of Substance
34 Abuse Service Commission members and representatives from the prescribing and
35 pharmacy communities, the Board of Licensure in Medicine, the Maine Board of
36 Pharmacy, the Department of the Attorney General, the Office of MaineCare Services
37 and the Office of Substance Abuse within the Department of Health and Human Services
38 and the MaineCare recipient consumer community. The stakeholder group shall examine
39 the issue of MaineCare recipients using cash to purchase controlled schedule II, III and
40 IV prescription medications beyond the recipients' MaineCare benefit coverage. The

1 stakeholder group shall assess the prevalence of such cash purchases and make
2 recommendations to the Commissioner of Health and Human Services no later than
3 December 15, 2011 for any necessary rule changes. Any rules adopted by the department
4 pursuant to this section are routine technical rules as defined in the Maine Revised
5 Statutes, Title 5, chapter 375, subchapter 2-A.

6 **PART ZZ**

7 **Sec. ZZ-1. Emergency rule-making authority; health and human services**
8 **matters.** The Department of Health and Human Services is authorized to adopt
9 emergency rules under the Maine Revised Statutes, Title 5, sections 8054 and 8073 in
10 order to implement those provisions of this Act over which the department has subject
11 matter jurisdiction for which specific authority has not been provided in any other Part of
12 this Act without the necessity of demonstrating that immediate adoption is necessary to
13 avoid a threat to public health, safety or general welfare.

14 **PART AAA**

15 **Sec. AAA-1. Transfer from Employment Rehabilitation Fund.** At the
16 close of fiscal year 2010-11, the State Controller shall transfer \$1,000,000 from the
17 available balance in the Employment Rehabilitation Fund, Other Special Revenue Funds
18 account within the Workers' Compensation Board to the General Fund unappropriated
19 surplus.

20 **PART BBB**

21 **Sec. BBB-1. 24-A MRSA §6914**, as amended by PL 2005, c. 400, Pt. A, §14, is
22 further amended to read:

23 **§6914. Intragovernmental transfer**

24 Starting July 1, 2004, Dirigo Health shall transfer funds, as necessary, to a special
25 dedicated, nonlapsing revenue account administered by the agency of State Government
26 that administers MaineCare for the purpose of providing a state match for federal
27 Medicaid ~~dollars~~ services provided to individuals eligible pursuant to Title 22, section
28 3174-G, subsection 1, paragraph E whose nonfarm income is greater than 150% of the
29 nonfarm income official poverty line and is below or equal to 200% of the nonfarm
30 income official poverty line. Dirigo Health shall annually set the amount of contribution.

31 Beginning January 1, 2012, Dirigo Health shall transfer funds as necessary to a
32 special dedicated, nonlapsing revenue account administered by the agency of State
33 Government that administers MaineCare for the purpose of providing a state match for
34 federal Medicaid services provided to individuals eligible pursuant to Title 22, section
35 3174-G, subsection 1, paragraph E whose nonfarm income is greater than 133% of the
36 nonfarm income official poverty line and is below or equal to 150% of the nonfarm
37 income official poverty line. Dirigo Health shall annually set the amount of contribution.

1 interest rate may not exceed 6% and total interest costs with respect to the financing
2 arrangements entered into in each fiscal year may not exceed \$300,000. The annual
3 principal and interest costs must be paid from the appropriate line category appropriations
4 and allocations in the Department of Public Safety General Fund and Highway Fund
5 accounts.

6 **PART DDD**

7 **Sec. DDD-1. Rename Motor Vehicle Contingency Account - Building**
8 **program.** Notwithstanding any other provision of law, the Motor Vehicle Contingency
9 Account - Building program within the Department of the Secretary of State is renamed
10 the Motor Vehicle Miscellaneous Revenue program.

11 **PART EEE**

12 **Sec. EEE-1. Transfer from General Fund undedicated revenue; Callahan**
13 **Mine Site Restoration, Department of Transportation.** Notwithstanding any
14 other provision of law, the State Controller shall transfer \$500,000 by August 15, 2011
15 from the General Fund unappropriated surplus to the Callahan Mine Site Restoration,
16 Other Special Revenue Funds program within the Department of Transportation to be
17 used to design and implement clean-up initiatives of the Callahan Mine site.

18 **PART FFF**

19 **Sec. FFF-1. 36 MRSA §505, sub-§4,** as amended by PL 2005, c. 332, §12, is
20 further amended to read:

21 **4. When interest collected.** The date or dates from and after which interest must
22 accrue, which must also be the date or dates on which taxes become delinquent. The rate
23 of interest must be specified in the vote and must apply to delinquent taxes committed
24 during the taxable year until those taxes are paid in full. Except as provided in subsection
25 4-A, the maximum rate of interest must be established by the Treasurer of State and may
26 not exceed the prime rate as published in the Wall Street Journal on the first business day
27 of the calendar year, rounded up to the next whole percent plus 3 percentage points. The
28 Treasurer of State shall ~~send a written notice of post~~ that rate of interest on the Treasurer
29 of State's publicly accessible website on or before January 20th of each year ~~to the chief~~
30 ~~municipal officer of each municipality.~~ The interest must be added to and become part of
31 the taxes.

32 **PART GGG**

33 **Sec. GGG-1. Transfers from available fiscal year 2010-11 Other Special**
34 **Revenue Funds balances to General Fund - Professional and Financial**
35 **Regulation.** At the close of fiscal year 2010-11, the State Controller shall transfer
36 \$3,000,000 from available balances in Other Special Revenue Funds accounts within the
37 Department of Professional and Financial Regulation to the General Fund unappropriated
38 surplus. On or before June 30, 2011, the Commissioner of Professional and Financial

1 Regulation shall determine from which accounts the funds will be transferred so that the
2 sum equals \$3,000,000 and notify the State Controller and the Joint Standing Committee
3 on Appropriations and Financial Affairs of the amounts to be transferred from each
4 account.

5 **Sec. GGG-2. Transfers from available fiscal year 2012-13 Other Special**
6 **Revenue Funds balances to General Fund - Professional and Financial**
7 **Regulation.** At the close of fiscal year 2012-13, the State Controller shall transfer
8 \$1,000,000 from available balances in Other Special Revenue Funds accounts within the
9 Department of Professional and Financial Regulation to the General Fund unappropriated
10 surplus. On or before June 30, 2013, the Commissioner of Professional and Financial
11 Regulation shall determine from which accounts the funds will be transferred so that the
12 sum equals \$1,000,000 and notify the State Controller and the joint standing committee
13 of the Legislature having jurisdiction over appropriations and financial affairs of the
14 amounts to be transferred from each account.

15 **PART HHH**

16 **Sec. HHH-1. 4 MRSA §28,** as enacted by PL 2009, c. 213, Pt. QQ, §2, is
17 amended to read:

18 **§28. Additional fee revenue dedicated**

19 The judicial branch may credit 4%, up to a maximum of \$300,000 per fiscal year, of
20 fee revenue collected pursuant to administrative orders of the court to a nonlapsing Other
21 Special Revenue Funds account to support the capital expenses of the judicial branch. If
22 the fee revenue from the judicial branch is less than the amount budgeted as undedicated
23 fee revenue for the General Fund, the amount credited to the Other Special Revenue
24 Funds account during the fiscal year must be reduced by a percentage equal to the
25 percentage by which General Fund undedicated fee revenue is under budget.

26 **PART III**

27 **Sec. III-1. 1 MRSA §521, sub-§2,** as amended by PL 1977, c. 696, §11, is
28 further amended to read:

29 **2. Dissemination.** A copy of every executive order ~~shall~~ must be filed with the
30 Legislative Council, and the Law and Legislative Reference Library, and ~~every county~~
31 ~~law library in this State~~ the executive order must be posted in a conspicuous location on
32 the State's publicly accessible website, within one week after the Governor has issued that
33 order.

34 **PART JJJ**

35 **Sec. JJJ-1. Transfer from Other Special Revenue Funds to**
36 **unappropriated surplus of the General Fund.** Notwithstanding any other
37 provision of law, the State Controller shall transfer \$43,000,000 on June 30, 2012 from
38 Other Special Revenue Funds to the unappropriated surplus of the General Fund. On July

1, 2012, the State Controller shall transfer \$43,000,000 from the General Fund unappropriated surplus to Other Special Revenue Funds as repayment. This transfer is considered an interfund advance.

PART KKK

Sec. KKK-1. Streamline and Prioritize Core Government Services Task Force established. The Commissioner of Administrative and Financial Services shall establish the Streamline and Prioritize Core Government Services Task Force, referred to in this Part as "the task force."

Sec. KKK-2. Task force membership. Notwithstanding Joint Rule 353, the task force consists of the following 12 members:

1. The Commissioner of Administrative and Financial Services or the commissioner's designee, who serves as chair of the task force;

2. Two members representing Maine for-profit businesses, appointed by the Governor;

3. Two members representing Maine not-for-profit agencies, appointed by the Governor;

4. One member representing a higher educational institution of Maine, appointed by the Governor;

5. Four members of the Joint Standing Committee on Appropriations and Financial Affairs jointly appointed by the committee chairs, at least one member representing the Senate and 2 members representing the party with the largest number of members in the committee from either the House of Representatives or the Senate and 2 members representing the party with the second largest number of members in the committee from either the House of Representatives or the Senate; and

6. Two members of the public at large, appointed by the Governor.

Sec. KKK-3. Convening of task force. The task force shall convene no later than September 1, 2011.

Sec. KKK-4. Duties. The task force shall undertake a comprehensive analysis of departments and agencies within the executive branch, offices of the constitutional officers, the Department of Audit and independent agencies statewide with the goals of prioritizing services provided by government agencies, consolidating functions and eliminating duplication and inefficiencies in programs, contracted personal services, state travel policies and advertising and public notice policies. In carrying out its duties, the task force shall investigate and identify major sources of administrative excess, redundancy and inefficiency and program overlap with other state, local or federal programs. The task force shall identify any positions that should be reduced, eliminated or consolidated to deliver optimum services in the most cost-effective manner, including positions in the unclassified service and major policy-influencing positions as set out in the Maine Revised Statutes, Title 5, chapter 71, and in contracted personal services. The task force shall develop recommendations designed to achieve a targeted spending

1 reduction of a minimum of \$25,000,000 in fiscal year 2012-13. The task force may
 2 establish subcommittees and draw on experts inside and outside of State Government.

3 **Sec. KKK-5. Staff assistance.** The Department of Administrative and Financial
 4 Services shall provide staff assistance to the task force.

5 **Sec. KKK-6. Reports to the Joint Standing Committee on Appropriations**
 6 **and Financial Affairs.** The task force shall submit monthly progress reports to the
 7 Joint Standing Committee on Appropriations and Financial Affairs and a report of its
 8 findings and recommendations and any necessary implementing legislation to the Joint
 9 Standing Committee on Appropriations and Financial Affairs by December 15, 2011.
 10 The committee is authorized to submit legislation to the Second Regular Session of the
 11 125th Legislature.

12 **Sec. KKK-7. Implementation; achievement of savings.** If, after receipt and
 13 review of the recommendations presented by the task force pursuant to section 6, the
 14 Legislature fails to enact legislation in the Second Regular Session of the 125th
 15 Legislature that achieves \$25,000,000 in savings, the Commissioner of Administrative
 16 and Financial Services shall make recommendations to the Governor regarding the
 17 achievement of the balance of these savings through the use of the temporary curtailment
 18 of allotment power specified in the Maine Revised Statutes, Title 5, section 1668, and the
 19 Governor is authorized to achieve those savings using that power. The State Budget
 20 Officer shall determine amounts in section 8 to be distributed by financial order upon
 21 approval of the Governor.

22 **Sec. KKK-8. Appropriations and allocations.** The following appropriations
 23 and allocations are made.

24 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**
 25 **Executive Branch Departments and Independent Agencies - Statewide 0017**

Initiative: Reduces funding to reflect savings to be identified by the Streamline and
 Prioritize Core Government Services Task Force.

26			
27	GENERAL FUND	2011-12	2012-13
28	Unallocated	\$0	(\$25,000,000)
29			
30	GENERAL FUND TOTAL	<u>\$0</u>	<u>(\$25,000,000)</u>

31 **PART LLL**

32 **Sec. LLL-1. Tax expenditures.** In accordance with the Maine Revised Statutes,
 33 Title 5, section 1666, funding is continued for each individual tax expenditure, as defined
 34 in Title 5, section 1666, reported in the budget document submitted by the Governor on
 35 February 11, 2011.

PART MMM

Sec. MMM-1. 5 MRSA §17859 is enacted to read:

§17859. Retiring and returning to work

1. Restoration to service. Any state employee or teacher who has reached normal retirement age and who retires on or after July 1, 2011 may be restored to service for up to 5 years. The decision to hire a retired state employee or retired teacher under this section is at the discretion of the appointing authority. The retired state employee or retired teacher must have had a bona fide termination of employment in accordance with state and federal laws and rules, may not return to employment after retirement with the same employer for at least 30 calendar days after the termination of employment and may not return to employment before the effective date of the person's retirement.

2. Compensation and benefits. The compensation and benefits of the retired state employee or retired teacher who returns to service after retirement as set out in subsection 1 is governed by this subsection.

A. The compensation of the retired state employee or retired teacher who returns to service must be set at 75% of the compensation established for the position to be filled, at a step determined by the appointing authority.

B. The retired state employee or retired teacher who returns to service under this section is not a member and therefore may not accrue additional creditable service or change the retired state employee's or retired teacher's earnable compensation for benefit calculation purposes.

C. During the period of reemployment, the retired state employee or retired teacher is not entitled to health insurance, dental insurance or life insurance benefits. The retired state employee or retired teacher is entitled to all other benefits for the reemployment position under collective bargaining agreements or civil service laws and rules. Health insurance benefits must be provided under the provisions of section 285, subsection 1-A for retired state employees or Title 20-A, section 13451 for retired teachers and life insurance benefits must be provided under the provisions of section 18055.

3. Contributions to the Maine Public Employees Retirement System and state group health plan. The portion of the employer contribution that goes to pay the retirement system for the unfunded liability and the state group health plan for retiree health care must be continued and based on the retired state employee's or retired teacher's compensation as provided under subsection 2 during the reemployment period.

4. Notification requirements. Employers under this section are required to identify and report to the retirement system, in the manner specified by the retirement system, each individual who is a retiree who becomes an employee of the employer under the option provided in this section. Departments shall also report each retiree who becomes an employee to the Bureau of the Budget in a manner specified by the bureau. The employer shall report each such employee whenever and so long as the employee is the employer's employee.

1 Government and the Joint Standing Committee on Appropriations and Financial Affairs
 2 by January 15, 2012 on the development and implementation of the website
 3 improvements.

4 **Sec. NNN-4. Calculation and transfer.** Notwithstanding any other provision of
 5 law, the State Budget Officer shall calculate the amount of savings in section 5 of this
 6 Part that applies against each General Fund account for all departments and agencies
 7 from savings associated with publishing adopted rule notices only on the publicly
 8 accessible website and shall transfer the amounts by financial order upon the approval of
 9 the Governor. These transfers are considered adjustments to appropriations in fiscal year
 10 2011-12 and fiscal year 2012-13. The State Budget Officer shall provide a report of the
 11 transferred amounts to the Joint Standing Committee on Appropriations and Financial
 12 Affairs no later than October 1, 2012.

13 **Sec. NNN-5. Appropriations and allocations.** The following appropriations
 14 and allocations are made.

15 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**
 16 **Departments and Agencies - Statewide 0016**

Initiative: Deappropriates funds to reflect savings to be realized by requiring the
 Secretary of State to publish adopted rule notices only on the publicly accessible website.

17			
18	GENERAL FUND	2011-12	2012-13
19	All Other	(\$116,000)	(\$116,000)
20			
21	GENERAL FUND TOTAL	<u>(\$116,000)</u>	<u>(\$116,000)</u>

22 **PART OOO**

23 **Sec. OOO-1. 10 MRSA §1023-J, first ¶**, as amended by PL 2003, c. 578, §8, is
 24 further amended to read:

25 The Agricultural Marketing Loan Fund, referred to in this section as the "fund," is
 26 created. The fund must be deposited with and maintained by the Finance Authority of
 27 Maine. The fund must be administered by the Commissioner of Agriculture, Food and
 28 Rural Resources in accordance with Title 7, chapter 101, subchapter 1-D. All money
 29 received by the Finance Authority of Maine from any source for the development and
 30 implementation of an improved agricultural marketing loan program must be credited to
 31 the fund. Any money credited to the fund from the issuance of bonds on behalf of the
 32 State for financing loans for agricultural enterprises may be used only for the following
 33 purposes: to provide assistance to agricultural enterprises in this State for the design,
 34 construction or improvement of commodity and storage buildings and packing and
 35 marketing facilities; for the purchase, construction or renovation of buildings, equipment,
 36 docks, wharves, piers or vessels used in connection with a commercial agricultural
 37 enterprise; for the purchase of land in connection with development of new cranberry
 38 acreage; for the purchase of land for irrigation reservoirs or to provide direct access to
 39 water for irrigation; for the purchase of land necessary for the start-up of a new

1 agricultural enterprise; for the expansion of an existing agricultural enterprise when the
2 land acquisition is necessary to comply with land use regulations; for the development of
3 a business plan in accordance with the provisions of Title 7, section 436-A; for
4 improvements to pastureland, including seeding and actions to promote rotational
5 grazing; or, if the commissioner so approves at the time of loan insurance commitment, to
6 pledge money in the fund as security for, and to apply money in the fund to, payment of
7 principal, interest and other amounts due on any term loans insured by the Finance
8 Authority of Maine to an eligible dairy farmer. Repayment of these loans and interest on
9 these loans must be credited to the fund and may be used for the purposes stated in this
10 section or Title 7, section 436. Interest earned on money in the fund and interest earned
11 on loans made from the fund may be used to pay the administrative costs of processing
12 loan applications and servicing and administering the fund and loans and grants made
13 from the fund since the inception of the agricultural marketing loan program, to the extent
14 that these costs exceed the fee for administrative costs established by Title 7, section 435,
15 subsection 4.

16 **PART PPP**

17 **Sec. PPP-1. 5 MRSA §937, sub-§1, ¶F**, as amended by PL 2007, c. 1, Pt. D, §1,
18 is further amended to read:

19 F. Director, ~~Planning and Management Information~~ Policy and Programs.

20 **Sec. PPP-2. 20-A MRSA §203, sub-§1, ¶F**, as amended by PL 2009, c. 571, Pt.
21 W, §2, is further amended to read:

22 F. Director, ~~Planning and Management Information~~ Policy and Programs.

23 **PART QQQ**

24 **Sec. QQQ-1. Elimination of vacant positions; calculation and transfer.**
25 Notwithstanding any other provision of law, the State Budget Officer shall calculate the
26 amount of savings from the elimination of vacant positions in section 2 that applies
27 against each General Fund account, Highway Fund account and All Other Funds accounts
28 for all executive branch departments and agencies statewide, including the Department of
29 the Attorney General, the Department of the Secretary of State and the Department of
30 Audit, and transfer those savings and the headcount by financial order upon the approval
31 of the Governor. These transfers are considered adjustments to authorized position count
32 and appropriations and allocations in fiscal years 2011-12 and 2012-13 based on a report
33 submitted to the Joint Standing Committee on Appropriations and Financial Affairs and
34 the Joint Standing Committee on Transportation in May 2011.

35 **Sec. QQQ-2. Appropriations and allocations.** The following appropriations
36 and allocations are made.

37 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

38 **Executive Branch Departments and Independent Agencies - Statewide 0017**

39 Initiative: Reduces funding from the elimination of 227.267 position count representing
40 259 positions as a result of the review of vacant positions statewide as authorized in

1 Public Law 2011, chapter 1, Part R, section 1. This initiative represents the General Fund
 2 share of savings from the position eliminations.

3	GENERAL FUND	2011-12	2012-13
4	POSITIONS - LEGISLATIVE COUNT	(61.500)	(61.500)
5	POSITIONS - FTE COUNT	(3.808)	(3.808)
6	Personal Services	(\$3,749,197)	(\$3,942,484)
7			
8	GENERAL FUND TOTAL	<u>(\$3,749,197)</u>	<u>(\$3,942,484)</u>

9 **PART RRR**

10 **Sec. RRR-1. Transfer from unappropriated surplus; Maine Budget**
 11 **Stabilization Fund.** Notwithstanding any other provision of law, the State Controller
 12 shall transfer \$4,000,000 during fiscal year 2011-12 from the General Fund
 13 unappropriated surplus to the Maine Budget Stabilization Fund within the Department of
 14 Administrative and Financial Services.

15 **Sec. RRR-2. Transfer from Unclaimed Property Fund; Maine Budget**
 16 **Stabilization Fund.** Notwithstanding any other provision of law, the State Controller
 17 shall transfer any amounts transferred from the Unclaimed Property Fund account in the
 18 Office of the Treasurer of State to the General Fund pursuant to the Maine Revised
 19 Statutes, Title 33, section 1964 at the close of the fiscal year ending June 30, 2011 that
 20 exceed \$2,333,420 to the Maine Budget Stabilization Fund within the Department of
 21 Administrative and Financial Services.

22 **PART SSS**

23 **Sec. SSS-1. Transfers to Maine Clean Election Fund.** Notwithstanding the
 24 Maine Revised Statutes, Title 21-A, section 1124, subsection 2, paragraph B, the State
 25 Controller shall transfer \$2,000,000, currently authorized to be transferred on or before
 26 January 1, 2013, from the General Fund to the Maine Clean Election Fund on or before
 27 September 1, 2012 in order to ensure that adequate funds will be available to the
 28 Commission on Governmental Ethics and Election Practices.

29 **PART TTT**

30 **Sec. TTT-1. Transfer; Fund for a Healthy Maine; General Fund.**
 31 Notwithstanding any other provision of law, the State Controller shall transfer \$1,375,000
 32 by June 30, 2012 and \$3,240,445 by June 30, 2013 from the Fund for a Healthy Maine,
 33 Other Special Revenue Funds account in the Department of Administrative and Financial
 34 Services to the unappropriated surplus of the General Fund.

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PART UUU

Sec. UUU-1. 5 MRSA §1591, sub-§2, ¶A, as amended by PL 2011, c. 1, Pt. O, §1, is further amended to read:

A. Any balance remaining in the accounts of the Department of Health and Human Services, Bureau of Elder and Adult Services appropriated for the purposes of homemaker or home-based care services at the end of any fiscal year to be carried forward for use by either program in the next fiscal year; ~~and~~

Sec. UUU-2. 5 MRSA §1591, sub-§2, ¶B as enacted by PL 2011, c. 1, Pt. O, §2, is amended to read:

B. Any balance remaining in the Traumatic Brain Injury Seed program, General Fund account at the end of any fiscal year to be carried forward for use in the next fiscal year; ~~and~~

Sec. UUU-3. 5 MRSA §1591, sub-§2, ¶C is enacted to read:

C. Any balance remaining in the General Fund account of the Department of Health and Human Services, Bureau of Medical Services appropriated for All Other line category expenditures at the end of any fiscal year to be carried forward for use in the next fiscal year.

PART VVV

Sec. VVV-1. Standardized room and board rates; children's private nonmedical institution services; revision of agency rules. The Department of Health and Human Services shall revise its rules to standardize the room and board rates paid to providers of children's private nonmedical institution services. These rate changes must maintain costs within existing resources. In standardizing rates, the department shall consider room and board costs that are influenced by the acuity of the needs of the child and cost of care, the size of the private nonmedical institution and cost factors that vary by region of the State. In the process of developing standardized rates, the department shall include representatives of providers of private nonmedical institution services from across the State, from a variety of types of service and from small, medium and large facilities. Rules adopted pursuant to this section are major substantive rules as required by the Maine Revised Statutes, Title 22, section 3174-Z. Rules adopted pursuant to this section may not take effect prior to February 1, 2012.

PART WWW

Sec. WWW-1. 2 MRSA §6, sub-§3, as repealed and replaced by PL 2005, c. 683, Pt. A, §2, is amended to read:

3. Range 89. The salaries of the following state officials and employees are within salary range 89:

- Director, Bureau of General Services;
- Director, Bureau of Alcoholic Beverages and Lottery Operations;

1 State Budget Officer;
2 State Controller;
3 Director of the Bureau of Forestry;
4 Director, State Planning Office;
5 Director, Energy Resources Office;
6 Director of Human Resources;
7 Director, Bureau of Parks and Lands; ~~and~~
8 Director of Econometric Research; and
9 Director of the Governor's Office of Communications.

10 **Sec. WWW-2. 2 MRSA §10** is enacted to read:

11 **§10. Governor's Office of Communications**

12 **1. Office established.** The Governor's Office of Communications, referred to in this
13 section as "the office," is established to consolidate, coordinate and streamline
14 communication functions in State Government. The office is administered by the
15 Executive Department.

16 **2. Director.** The office is under the control and supervision of the Director of the
17 Governor's Office of Communications. The director is appointed by the Governor and
18 serves at the pleasure of the Governor.

19 **3. Coordination with departments and agencies.** The office shall provide
20 coordinated public communication services to state departments and agencies.

21 **Sec. WWW-3. Review of statewide communications functions to improve**
22 **efficiency and cost-effectiveness.** The Director of the Governor's Office of
23 Communications, established in the Maine Revised Statutes, Title 2, section 10, shall
24 conduct a statewide review of positions currently responsible for communications internal
25 and external to state departments and agencies in order to identify positions for transfer to
26 the Governor's Office of Communications. To assist with this review, the director shall
27 use staff resources from the Department of Administrative and Financial Services, Bureau
28 of the Budget and Bureau of Human Resources and must be provided staff resources from
29 personnel of other agencies. The director is authorized to identify savings and position
30 eliminations to the General Fund and other funds from the improvements identified from
31 the review. Notwithstanding any other provision of law, the State Budget Officer shall
32 transfer position counts and available balances by financial order upon approval of the
33 Governor. These transfers are considered adjustments to authorized position count,
34 appropriations and allocations in fiscal years 2011-12 and 2012-13. The State Budget
35 Officer shall provide the Joint Standing Committee on Appropriations and Financial
36 Affairs a report of the transferred positions and amounts no later than October 1, 2011.

37 **Sec. WWW-4. Transition.** Notwithstanding any other provision of law,
38 employees of departments or agencies within the State who were employees immediately
39 prior to the effective date of this Part retain all their employee rights, privileges and
40 benefits, including sick leave, vacation and seniority, provided under the Civil Service

1 Law, collective bargaining agreements and current state personnel policies. The
2 Department of Administrative and Financial Services, Bureau of Human Resources shall
3 provide assistance to the affected departments and agencies and shall assist with the
4 orderly implementation of this Part.

5 **PART XXX**

6 **Sec. XXX-1. 22 MRSA §3187, last ¶**, as enacted by PL 2003, c. 684, §1, is
7 amended to read:

8 Rules regarding principles of reimbursement for intermediate care facilities for the
9 mentally retarded adopted pursuant to section 3173 are major substantive rules as defined
10 in Title 5, chapter 375, subchapter 2-A, except that rules adopted to establish an approval
11 process for capital expenditures to renovate or construct intermediate care facilities for
12 the mentally retarded are routine technical rules as defined in Title 5, chapter 375,
13 subchapter 2-A.

14 **PART YYY**

15 **Sec. YYY-1. Lapse available balance.** Notwithstanding any other provision of
16 law, at the close of fiscal year 2010-11, the State Controller shall lapse \$2,800,000 from
17 the General Purpose Aid for Local Schools General Fund account within the Department
18 of Education representing fiscal year 2010-11 excess funding for state wards and state
19 agency clients to the unappropriated surplus of the General Fund.

20 **PART ZZZ**

21 **Sec. ZZZ-1. Implementation of recommendations of natural resources**
22 **agency task force.** By February 15, 2012, the Governor shall implement
23 recommendations of the 2008 plan developed by the natural resources agency task force
24 appointed by the Governor to implement Public Law 2007, chapter 539, Part YY, section
25 2 to:

26 1. Execute a memorandum of understanding between the Department of Inland
27 Fisheries and Wildlife and the Department of Conservation on a system of unified
28 management of all state boat launch facilities under their jurisdictions;

29 2. Develop a plan for collocating natural resources agencies and staff currently
30 located in various regional offices to increase communication and collaboration; and

31 3. Develop a plan for a rational alignment of districts for natural resources agencies
32 to increase communication and collaboration among staff members and between agencies
33 and the local government and citizens of those districts.

34 **Sec. ZZZ-2. Report.** By February 15, 2012, the Commissioner of Conservation
35 and the Commissioner of Inland Fisheries and Wildlife shall provide a copy of the
36 memorandum of understanding executed under section 1, subsection 1 to the Joint
37 Standing Committee on Appropriations and Financial Affairs. By February 15, 2012, the
38 Commissioner of Conservation, the Commissioner of Inland Fisheries and Wildlife, the

1 Commissioner of Agriculture, Food and Rural Resources, the Commissioner of
2 Environmental Protection and the Commissioner of Marine Resources shall provide the
3 Joint Standing Committee on Appropriations and Financial Affairs a report on the plans
4 developed under section 1, subsections 2 and 3.

5 **PART AAAA**

6 **Sec. AAAA-1. Judicial Department to coordinate drug court efforts.** The
7 Judicial Department shall coordinate drug court efforts within existing General Fund
8 resources and authorized headcount. This activity was previously supported with a Fund
9 for a Healthy Maine allocation, which was eliminated in Part A of this Act.

10 **PART BBBB**

11 **Sec. BBBB-1. Transfer to General Fund; Accident, Sickness and Health**
12 **Insurance Internal Service Fund.** Notwithstanding any other provision of law, the
13 State Controller shall transfer \$1,900,000 representing the General Fund and Other
14 Special Revenue Funds shares from the Accident, Sickness and Health Insurance Internal
15 Service Fund in the Department of Administrative and Financial Services to the
16 unappropriated surplus of the General Fund no later than June 30, 2012. The State
17 Controller also shall transfer the equitable excess reserves as required by state law or
18 federal regulations by June 30, 2012.

19 **PART CCCC**

20 **Sec. CCCC-1. 36 MRSA §5142, sub-§8-A,** as enacted by PL 2005, c. 332, §22
21 and affected by §30, is repealed.

22 **Sec. CCCC-2. 36 MRSA §5142, sub-§8-B** is enacted to read:

23 **8-B. Minimum taxability threshold; exemptions.** Minimum taxability thresholds
24 for nonresidents are governed by this subsection.

25 A. Compensation for personal services performed in the State as an employee is
26 Maine-source income subject to taxation under this Part if the nonresident taxpayer is
27 present in the State performing personal services for more than 12 days during that
28 taxable year and directly earns or derives more than \$3,000 in gross income during
29 the year in the State from all sources.

30 B. A nonresident individual who is present for business in the State on other than a
31 systematic or regular basis, either directly or through agents or employees, has
32 Maine-source income derived from or effectively connected with a trade or business
33 in the State and subject to taxation under this Part only if the nonresident individual
34 was present in the State for business more than 12 days during the taxable year and
35 earns or derives more than \$3,000 of gross income during the taxable year from
36 contractual or sales-related activities.

37 C. Performance of the following personal services for 24 days during a calendar year
38 may not be counted toward the 12-day threshold under paragraph A:

1 commercial agricultural production, commercial fishing or commercial aquacultural
2 production. In order to qualify for this exemption, the electricity or fuel for a commercial
3 fishing vessel must be used in qualifying activities, including support operations.

4 **Sec. EEEE-3. Application.** This Part applies to purchases of fuel for use in a
5 commercial fishing vessel on or after October 1, 2011.

6 **PART FFFF**

7 **Sec. FFFF-1. 36 MRSA §1760, sub-§93** is enacted to read:

8 **93. Plastic bags sold to redemption centers.** Sales to a local redemption center
9 licensed under Title 32, section 1871-A of plastic bags used by the redemption center to
10 sort, store or transport returnable beverage containers.

11 **Sec. FFFF-2. Retroactivity.** This Part applies retroactively to January 1, 2004.

12 **PART GGGG**

13 **Sec. GGGG-1. 36 MRSA §1760, sub-§23-C, ¶C,** as amended by PL 2005, c.
14 618, §2 and affected by §5, is further amended to read:

15 C. Aircraft, if the property is an aircraft not exempted under subsection 88-A; and

16 **Sec. GGGG-2. 36 MRSA §1760, sub-§45, ¶A-3,** as amended by PL 2007, c.
17 691, §1 and affected by §2, is further amended to read:

18 A-3. If the property is an aircraft not exempted under subsection 88 or 88-A and the
19 owner at the time of purchase was a resident of another state or tax jurisdiction and
20 the aircraft is present in this State not more than 20 days during the 12 months
21 following its purchase, exclusive of days during which the aircraft is in this State for
22 the purpose of undergoing "major alterations," "major repairs" or "preventive
23 maintenance" as those terms are described in 14 Code of Federal Regulations,
24 Appendix A to Part 43, as in effect on January 1, 2005. For the purposes of this
25 paragraph, the location of an aircraft on the ground in the State at any time during a
26 day is considered presence in the State for that entire day, and a day must be
27 disregarded if at any time during that day the aircraft is used to provide free
28 emergency or compassionate air transportation arranged by an incorporated nonprofit
29 organization providing free air transportation in private aircraft by volunteer pilots so
30 children and adults may access life-saving medical care; or

31 **Sec. GGGG-3. 36 MRSA §1760, sub-§88-A** is enacted to read:

32 **88-A. Aircraft and parts.** Sales, use or leases of aircraft and sales of repair and
33 replacement parts exclusively for use in aircraft or in the significant overhauling or
34 rebuilding of aircraft or aircraft parts or components from July 1, 2011 to June 30, 2015.

35 **PART HHHH**

36 **Sec. HHHH-1. 5 MRSA §13070-J, sub-§1, ¶D,** as amended by PL 2009, c.
37 337, §5, is further amended to read:

1 D. "Economic development incentive" means federal and state statutorily defined
2 programs that receive state funds, dedicated revenue funds and tax expenditures as
3 defined by section 1666 whose purposes are to create, attract or retain business
4 entities related to business development in the State, including but not limited to:

- 5 (1) Assistance from Maine Quality Centers under Title 20-A, chapter 431-A;
- 6 (2) The Governor's Training Initiative Program under Title 26, chapter 25,
7 subchapter 4;
- 8 (3) Municipal tax increment financing under Title 30-A, chapter 206;
- 9 (4) The jobs and investment tax credit under Title 36, section 5215;
- 10 (5) The research expense tax credit under Title 36, section 5219-K;
- 11 (6) Reimbursement for taxes paid on certain business property under Title 36,
12 chapter 915;
- 13 (7) Employment tax increment financing under Title 36, chapter 917;
- 14 (8) The shipbuilding facility credit under Title 36, chapter 919;
- 15 (9) The credit for seed capital investment under Title 36, section 5216-B; ~~and~~
- 16 (10) The credit for pollution-reducing boilers under Title 36, section 5219-Z;
17 and
- 18 (11) The credit for Maine fishery infrastructure investment under Title 36,
19 section 5216-D.

20 **Sec. HHHH-2. 12 MRSA c. 903, sub-c. 8** is enacted to read:

21 **SUBCHAPTER 8**

22 **MAINE FISHERY INFRASTRUCTURE TAX CREDIT PROGRAM**

23 **§10331. Tax credit certificates**

24 **1. Authorization; short title.** In order to encourage investment in and contributions
25 to infrastructure improvements and facilities that enhance the State's fisheries, the
26 department in coordination with the Department of Marine Resources is authorized to
27 issue certificates of eligibility for the Maine fishery infrastructure investment tax credit
28 permitted by Title 36, section 5216-D, subject to the requirements of this section. This
29 program may be known and cited as "the Maine Fishery Infrastructure Tax Credit
30 Program."

31 **2. Eligibility for tax credit certificate; rules.** The department in coordination with
32 the Department of Marine Resources shall adopt rules in accordance with the Maine
33 Administrative Procedure Act to implement the Maine Fishery Infrastructure Tax Credit
34 Program. Rules adopted pursuant to this subsection are major substantive rules as
35 defined by Title 5, chapter 375, subchapter 2-A. The rules must establish requirements

1 for public fishery infrastructure project eligibility for a tax credit certificate and must
2 include at least the following.

3 A. A tax credit certificate may be issued in an amount not more than 50% of the
4 amount of cash actually invested in or contributed to an eligible public fishery
5 infrastructure project in any calendar year.

6 B. An eligible public fishery infrastructure project must be determined by the
7 department in coordination with the Department of Marine Resources to have a
8 public benefit and be:

9 (1) A publicly owned infrastructure improvement or facility that enhances the
10 State's fisheries; or

11 (2) A privately owned infrastructure improvement or facility that is publicly
12 accessible.

13 **3. Credit certificate limit.** The aggregate investment or contribution eligible for tax
14 credits under this subchapter may not exceed \$5,000,000 per project.

15 **4. List of projects.** The department shall develop and maintain a list of projects
16 eligible under this subchapter and rules adopted under this subchapter. The department
17 shall coordinate with the Department of Marine Resources in the identification of projects
18 that benefit freshwater and saltwater fisheries.

19 **5. Revocation of tax credit certificate.** The department may revoke a tax credit
20 certificate under this subchapter if any representation to the department in connection
21 with the application for the certificate proves to have been false when made or if the
22 applicant violates any conditions established by the department and stated in the tax
23 credit certificate. The revocation may be in full or in part as the department determines.
24 The department shall specify the amount of credit being revoked and send notice of the
25 revocation to the investor or contributor and to the State Tax Assessor.

26 **6. Reports.** As a condition for determination of eligibility or continuation of
27 eligibility for a tax credit certificate under this subchapter, the department may require
28 any information or reports from the public fishery infrastructure project that it considers
29 necessary.

30 **Sec. HHHH-3. 36 MRS §5216-D** is enacted to read:

31 **§5216-D. Maine Fishery Infrastructure Investment Tax Credit Program**

32 **1. Definitions.** As used in this section, unless the context indicates otherwise, the
33 following terms have the following meanings.

34 A. "Certificate" means a tax credit certificate issued by the Department of Inland
35 Fisheries and Wildlife pursuant to Title 12, chapter 903, subchapter 8.

36 B. "Investment" means an investment or contribution for which a certificate has been
37 received.

38 C. "Investor" means a taxpayer that has received a certificate.

39 **2. Credit.** An investor is entitled to a credit against the tax otherwise due under this
40 Part equal to the amount of the tax credit certificate issued by the Department of Inland

1 Fisheries and Wildlife in accordance with Title 12, section 10331 and as limited by
2 subsection 3. In the case of partnerships, limited liability companies, S corporations,
3 nontaxable trusts and any other entities that are treated as pass-through entities for tax
4 purposes under the Code, but not including pass-through entities taxed under chapter 819,
5 the individual partners, members, stockholders, beneficiaries or equity owners of such
6 entities must be treated as the investors under this section and are allowed a credit against
7 the tax otherwise due from them under this Part in proportion to their respective interests
8 in those partnerships, limited liability companies, S corporations, nontaxable trusts or
9 other pass-through entities. Except as limited or authorized by subsection 3 or 4, 25% of
10 the credit must be taken in the taxable year the investment is made and 25% per year
11 must be taken in each of the next 3 taxable years.

12 **3. Limitation.** The amount of the credit allowed under this section for any one
13 taxable year may not exceed 50% of the tax imposed by this Part on the investor for the
14 taxable year before application of the credit.

15 **4. Carry forward.** A credit under this section not taken because of the limitation in
16 subsection 3 must be taken in the next taxable year in which the credit may be taken, and
17 the limitation of subsection 3 also applies to the carry-forward years. In no case may this
18 carry-forward period exceed 15 years.

19 **5. Recapture.** If the Department of Inland Fisheries and Wildlife revokes a
20 certificate, there must be added to the tax imposed on the investor under this Part for the
21 taxable year in which the revocation occurs an amount equal to the excess of the amount
22 of credit revoked over the amount of credit not yet taken.

23 **6. Effect of other tax benefits.** A person may not claim a credit under this section if
24 the person also claims a deduction for the same investment under another provision of
25 this Part.

26 **PART III**

27 **Sec. III-1. Personal Services balances authorized to carry; Department**
28 **of Corrections.** Notwithstanding any other provision of law, the Department of
29 Corrections is authorized to carry up to \$1,112,240 of fiscal year 2010-11 year-end
30 balances in the Personal Services line category of General Fund accounts to fiscal year
31 2011-12 to be used for the purpose of paying the retroactive costs of the reclassifications,
32 range changes and approved bargaining unit changes included in Part A of this Act.
33 These balances may be transferred by financial order to the accounts from which these
34 retroactive costs will be expended upon the recommendation of the State Budget Officer
35 and approval of the Governor.

36 **Sec. III-2. Position eliminations; Department of Corrections.** No later
37 than August 1, 2011, the Department of Corrections shall identify positions for
38 elimination to achieve General Fund savings that are equal to or greater than the amount
39 deappropriated from the Departmentwide - Corrections General Fund account in section
40 3. Notwithstanding any other provision of law, the State Budget Officer shall calculate
41 the amount of savings that applies against each account in the Department of Corrections
42 and is authorized to transfer authorized headcount and Personal Services savings by

1 financial order upon the approval of the Governor. These transfers are considered
2 adjustments to authorized headcount and appropriations.

3 **Sec. III-3. Appropriations and allocations.** The following appropriations and
4 allocations are made.

5 **CORRECTIONS, DEPARTMENT OF**

6 **Departmentwide - Corrections Z096**

7 Initiative: Reduces funding to offset the cost of reclassifications, range changes and
8 bargaining unit changes included in several programs in Part A.

9	GENERAL FUND	2011-12	2012-13
10	Personal Services	(\$287,739)	(\$295,926)
11			
12	GENERAL FUND TOTAL	<u>(\$287,739)</u>	<u>(\$295,926)</u>

13 **PART JJJJ**

14 **Sec. JJJJ-1. Transfer; Maine Budget Stabilization Fund.** Notwithstanding
15 any other provision of law, the State Controller shall transfer \$29,700,000 from the Maine
16 Budget Stabilization Fund in the Department of Administrative and Financial Services to
17 General Fund unappropriated surplus by the close of fiscal year 2011-12 to offset a
18 General Fund revenue shortfall.

19 **PART KKKK**

20 **Sec. KKKK-1. Review of alternative sources of funding for emergency**
21 **broadcast alerts.** The Department of Defense, Veterans and Emergency Management,
22 Maine Emergency Management Agency, in consultation with the Commissioner of
23 Administrative and Financial Services, shall research the potential for federal funds to
24 fund the cost of providing emergency broadcast alerts to the citizens of the State through
25 the Maine Public Broadcasting Network. The agency shall report its findings on
26 available federal resources no later than January 2, 2012 to the Joint Standing Committee
27 on Criminal Justice and Public Safety and the Joint Standing Committee on
28 Appropriations and Financial Affairs.

29 **PART LLLL**

30 **Sec. LLLL-1. 37-B MRSA §1151, sub-§8,** as enacted by PL 1997, c. 742, §2, is
31 amended to read:

32 **8. Duties.** The duties of the commission are to:

33 A. Advise the Maine Women Veterans Coordinator and the Department of Defense,
34 Veterans and Emergency Management on issues affecting women veterans; ~~and,~~

1 ~~B. Serve as a liaison between women veterans and the Department of Veterans~~
2 ~~Affairs Medical and Regional Office Center at Togus.~~

3 **Sec. LLLL-2. 37-B MRSA §1151, sub-§§9 to 11** are enacted to read:

4 **9. Maine Women Veterans Coordinator.** The Director of the Bureau of Maine
5 Veterans' Services shall contract for a Maine Women Veterans Coordinator, referred to in
6 this section as "the coordinator." The coordinator shall serve as a liaison to the
7 Department of Defense, Veterans and Emergency Management on behalf of women
8 veterans. The coordinator shall represent women veterans and communicate issues
9 related to women veterans, including issues presented by the commission, to the United
10 States Veterans Administration and state, regional and national veterans organizations or
11 working groups. The coordinator shall engage in activities that disseminate information
12 to women veterans in the State regarding available federal and state services intended to
13 serve veterans generally and women veterans specifically. The contract may include the
14 costs of conference fees, lodging and professional membership fees for the coordinator
15 directly related to the duties described in this subsection. The coordinator shall submit an
16 annual report to the director as determined by the director.

17 **10. Fund created.** The Fund for Women Veterans is established and is administered
18 by the Director of the Bureau of Maine Veterans' Services for the purpose of reimbursing
19 members of the commission for expenses directly related to their duties under subsection
20 8, including biannual conference attendance fees and lodging fees associated with a
21 conference. The fund may also be used to pay the contracted services of the coordinator.
22 The fund is a dedicated, nonlapsing fund. The director shall submit a report by January
23 15th annually on the work of the coordinator and commission including an accounting of
24 expenditures of the fund to the joint standing committee of the Legislature having
25 jurisdiction over veterans affairs.

26 **11. Repeal.** This section is repealed June 30, 2015.

27 **Sec. LLLL-3. Transfer from General Fund unappropriated surplus;**
28 **Bureau of Maine Veterans' Services, Fund for Women Veterans, Department**
29 **of Defense, Veterans and Emergency Management.** Notwithstanding any other
30 provision of law, the State Controller shall transfer \$20,000 by July 15, 2011 and \$12,500
31 by July 15, 2012 from General Fund unappropriated surplus to the Bureau of Maine
32 Veterans' Services, Fund for Women Veterans, Other Special Revenue Funds account
33 within the Department of Defense, Veterans and Emergency Management.

34 **PART MMMM**

35 **Sec. MMMM-1. Calculation and transfer; General Fund; Office of**
36 **Information Technology.** Notwithstanding any other provision of law, the State
37 Budget Officer shall calculate the amount of savings in this Part from a decrease in
38 charges made to the Department of Administrative and Financial Services, Office of
39 Information Technology for its services that applies against each General Fund account
40 for departments and agencies statewide. The State Budget Officer shall transfer the
41 savings by financial order upon approval of the Governor. These transfers are considered
42 adjustments to appropriations in fiscal years 2011-12 and 2012-13. The State Budget

1 Officer shall provide the Joint Standing Committee on Appropriations and Financial
2 Affairs a report of the transferred amounts not later than January 15, 2012.

3 **Sec. MMMM-2. Appropriations and allocations.** The following
4 appropriations and allocations are made.

5 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

6 **Executive Branch Departments and Independent Agencies - Statewide 0017**

7 Initiative: Reduces funding to recognize savings from implementing a decrease in charges
8 made to the Department of Administrative and Financial Services, Office of Information
9 Technology for its services. The savings to the Office of Information Technology are
10 freezing merit and longevity payments and changes to pension and health insurance.

11	GENERAL FUND	2011-12	2012-13
12	All Other	(\$220,938)	(\$346,148)
13			
14	GENERAL FUND TOTAL	(\$220,938)	(\$346,148)

15 **PART NNNN**

16 **Sec. NNNN-1. Transfer; Other Special Revenue Funds; Office of Public**
17 **Advocate; State Nuclear Safety Advisor; General Fund.** Notwithstanding any
18 other provision of law, the State Controller shall transfer \$55,621 from available balances
19 in the State Nuclear Safety Advisor, Other Special Revenue Funds account within the
20 Office of the Public Advocate to the unappropriated surplus of the General Fund by June
21 30, 2012.

22 **Sec. NNNN-2. Transfer; Other Special Revenue Funds; Office of Public**
23 **Advocate; Railroad Freight Services Quality Fund; General Fund.**
24 Notwithstanding any other provision of law, the State Controller shall transfer \$20,453
25 from available balances in the Railroad Freight Service Quality Fund, Other Special
26 Revenue Funds account within the Office of the Public Advocate to the unappropriated
27 surplus of the General Fund by June 30, 2012.

28 **PART OOOO**

29 **Sec. OOOO-1. Judicial branch report on electronic filing.** The judicial
30 branch shall develop a plan to implement electronic filing for civil docket cases. The
31 judicial branch shall submit the plan along with an estimate of the cost to implement
32 electronic filing in civil docket cases to the Joint Standing Committee on Appropriations
33 and Financial Affairs and the Joint Standing Committee on Judiciary no later than
34 February 1, 2012.

35 **Sec. OOOO-2. Judicial branch report on audio broadcast.** The judicial
36 branch shall develop a plan to provide an audio broadcast of Law Court oral arguments.
37 The judicial branch shall submit the plan along with an estimate of the cost to implement

1 and maintain audio broadcasts of Law Court oral arguments to the Joint Standing
2 Committee on Appropriations and Financial Affairs and the Joint Standing Committee on
3 Judiciary no later than February 1, 2012.

4 **PART PPPP**

5 **Sec. PPPP-1. 28-A MRSA §606, sub-§2**, as amended by PL 2005, c. 539, §6, is
6 further amended to read:

7 **2. On-premises retailers must report purchases.** All persons licensed to sell
8 liquor to be consumed on the premises shall report all liquor purchases to the alcohol
9 bureau ~~on forms provided~~ in a manner determined by the alcohol bureau.

10 **PART QQQQ**

11 **Sec. QQQQ-1. 3 MRSA §2, first ¶**, as amended by PL 2009, c. 213, Pt. LL, §1,
12 is further amended to read:

13 Each member of the Senate and House of Representatives, beginning with the first
14 Wednesday of December 2000 and thereafter, is entitled to \$10,815 in the first year and
15 \$7,725 in the 2nd year of each biennium, except that if a Legislator who is a recipient of
16 retirement benefits from the federal Social Security Administration files a written request
17 with the Executive Director of the Legislative Council within one week after the
18 biennium commences, the Legislator is entitled to \$9,270 in each year of the biennium.
19 Each member of the Senate and the House of Representatives must receive a cost-of-
20 living adjustment in annual legislative salary, except that the percentage increase may not
21 exceed 5% in any year, and except that the percentage increase may not exceed 3%
22 beginning with the fiscal year ending June 30, 2014. Beginning December 1, 2001, the
23 salary for each legislative session must be adjusted each December 1st by the percentage
24 change in the Consumer Price Index for the most recently concluded fiscal year; except
25 that no member of the Senate or the House of Representatives may receive a cost-of-
26 living adjustment in annual legislative salary for the Second Regular Session of the 124th
27 Legislature, and except that no member of the Senate or the House of Representatives
28 may receive a cost-of-living adjustment in annual legislative salary for the Second
29 Regular Session of the 125th Legislature and the First Regular Session and the Second
30 Regular Session of the 126th Legislature, and any percentage change in the Consumer
31 Price Index for the fiscal years ending June 30, 2011, June 30, 2012 and June 30, 2013
32 may not be applied to the base salary. In addition, each Legislator is entitled to be paid
33 for travel at each legislative session once each week at the same rate per mile to and from
34 that Legislator's place of abode as state employees receive, the mileage to be determined
35 by the most reasonable direct route, except that Legislators may be reimbursed for tolls
36 paid for travel on the Maine Turnpike as long as they have a receipt for payment of the
37 tolls, such tolls to be reimbursed when Legislators use the Maine Turnpike in traveling to
38 and from sessions of the Legislature or in performance of duly authorized committee
39 assignments. Each Legislator is entitled to mileage on the first day of the session, and
40 those amounts of salary and expenses at such times as the Legislature may determine
41 during the session, and the balance at the end of the session.

1 **Sec. QQQQ-2. Legislative account; lapsed balances; Legislature, General**
2 **Fund.** Notwithstanding any other provision of law, \$36,677 of unencumbered balance
3 forward in the Personal Services line category and \$65,800 in the All Other line category
4 in the Legislature, General Fund account in the Legislature lapses to the General Fund in
5 fiscal year 2011-12. These balances will be available as a result of reducing the length of
6 the Second Regular Session of the 125th Legislature by one week. Additionally, \$38,102
7 of unencumbered balance forward in the Personal Services line category and \$65,800 in
8 the All Other line category in the Legislature, General Fund account in the Legislature
9 lapses to the General Fund in fiscal year 2012-13. These balances will be available as a
10 result of reducing the length of the First Regular Session of the 126th Legislature by one
11 week.

12 Notwithstanding any other provision of law, \$593,672 of unencumbered balance
13 forward in the Personal Services line category in the Legislature, General Fund account in
14 the Legislature lapses to the General Fund in fiscal year 2011-12. In addition, \$87,305 of
15 unencumbered balance forward in the Personal Services line category in the Legislature,
16 General Fund account in the Legislature lapses to the General Fund in fiscal year 2012-
17 13. These balances will be available from health insurance savings resulting from those
18 Legislators who decline health insurance coverage.

19 Notwithstanding any other provision of law, \$1,777,681 of unencumbered balance
20 forward in the Personal Services line category in the Legislature, General Fund account in
21 the Legislature lapses to the General Fund in fiscal year 2011-12.

22 Notwithstanding any other provision of law, \$192,700 of unencumbered balance
23 forward in the Personal Services line category in the Legislature, General Fund account in
24 the Legislature lapses to the General Fund in fiscal year 2011-12. In addition, \$526,512
25 of unencumbered balance forward in the Personal Services line category in the
26 Legislature, General Fund account in the Legislature lapses to the General Fund in fiscal
27 year 2012-13. These balances will be available as a result of implementing Personal
28 Services cost-savings measures determined by the Legislative Council.

29 **Sec. QQQQ-3. Legislative account; lapsed balances; Law and Legislative**
30 **Reference Library, General Fund.** Notwithstanding any other provision of law,
31 \$76,209 of unencumbered balance forward in the Personal Services line category in the
32 Law and Legislative Reference Library, General Fund account in the Legislature lapses to
33 the General Fund in fiscal year 2011-12.

34 Notwithstanding any other provision of law, \$11,235 of unencumbered balance
35 forward in the Personal Services line category in the Law and Legislative Reference
36 Library, General Fund account in the Legislature lapses to the General Fund in fiscal year
37 2011-12. In addition, \$31,777 of unencumbered balance forward in the Personal Services
38 line category in the Law and Legislative Reference Library, General Fund account in the
39 Legislature lapses to the General Fund in fiscal year 2012-13. These balances will be
40 available as a result of implementing Personal Services cost-savings measures determined
41 by the Legislative Council.

42 **Sec. QQQQ-4. Legislative account; lapsed balances; Office of Program**
43 **Evaluation and Government Accountability, General Fund.** Notwithstanding
44 any other provision of law, \$164,030 of unencumbered balance forward in the Personal

1 Services line category and \$50,000 in the All Other line category in the Office of
2 Program Evaluation and Government Accountability, General Fund account in the
3 Legislature lapses to the General Fund in fiscal year 2011-12.

4 Notwithstanding any other provision of law, \$17,440 of unencumbered balance
5 forward in the Personal Services line category in the Office of Program Evaluation and
6 Government Accountability, General Fund account in the Legislature lapses to the
7 General Fund in fiscal year 2011-12. In addition, \$44,852 of unencumbered balance
8 forward in the Personal Services line category in the Office of Program Evaluation and
9 Government Accountability, General Fund account in the Legislature lapses to the
10 General Fund in fiscal year 2012-13. These balances will be available as a result of
11 implementing Personal Services cost-savings measures determined by the Legislative
12 Council.

13 **Emergency clause.** In view of the emergency cited in the preamble, this
14 legislation takes effect when approved, except as otherwise indicated.'

15 **SUMMARY**

16 **PART A**

17
18 This Part makes appropriations and allocations of funds for the 2012-2013 biennium.

19 **PART B**

20
21 This Part makes appropriations and allocations of funds for approved reclassifications
22 and range changes.

23 **PART C**

24
25 This Part establishes the total cost of education from kindergarten to grade 12 for
26 fiscal year 2011-12, the state contribution and the annual target state share percentage. It
27 also authorizes the Commissioner of Education to provide funding to the Center of
28 Excellence for At-risk Students.

29 This Part revises several amounts to reflect updated appropriation levels. It also
30 includes General Fund appropriations for teacher retirement, retired teachers' health
31 insurance and retired teachers' life insurance in the annual targets for the state share
32 percentage of the total cost of funding public education from kindergarten to grade 12.

33 **PART D**

34
35 This Part continues the voluntary employee incentive program during the 2012-2013
36 biennium and recognizes the resulting savings. It provides for the lapsing of \$350,000 in
37 savings to the General Fund in fiscal years 2011-12 and 2012-13.

38 **PART E**

39
40 This Part continues for 2 years the pay freeze by denying the awarding of merit pay
41 to employees in the various departments and agencies within the executive branch,

1 including the constitutional officers and the Department of Audit, the legislative branch
2 and the judicial branch during the 2012-2013 biennium. It maintains longevity payments
3 for employees eligible for a longevity payment on June 30, 2011 at the rate in effect on
4 that date during the 2012-2013 biennium. It provides that employees that are not eligible
5 for a longevity payment on June 30, 2011 may not be granted one during the period from
6 July 1, 2011 to June 30, 2013. The savings in this Part may be replaced by other Personal
7 Services savings by agreement of the State and the bargaining agents representing state
8 employees. This Part also requires the State Budget Officer to calculate the amount of
9 savings in this Part that applies against each General Fund account for all departments
10 and agencies from savings associated with merit pay and longevity pay changes and to
11 transfer the amounts by financial order upon the approval of the Governor.

12 **PART F**

13
14 This Part recognizes an increase in the attrition rate from 1.6% to 5.0% for the
15 2012-2013 biennium for judicial branch and executive branch departments and agencies
16 only, whose baseline budgets for Personal Services were developed using a 5% attrition
17 factor.

18 **PART G**

19
20 This Part increases the transfer of revenue from the tax on certain automobile rentals
21 to the STAR Transportation Fund from 50% to 100% beginning in fiscal year 2012-13.

22 **PART H**

23
24 This Part authorizes the Department of Administrative and Financial Services to enter
25 into financing arrangements for the acquisition of motor vehicles for the Central Fleet
26 Management Division with an interest rate not exceeding 6%.

27 **PART I**

28
29 This Part continues into fiscal years 2011-12 and 2012-13 the reductions to revenue
30 sharing accomplished by fixed dollar amount transfers back to the General Fund after the
31 calculation of the 5% share of the prior month's income and sales tax collections. This
32 process for reducing revenue sharing, while maintaining the "revenue sharing" aspect of
33 the program, was first implemented beginning in fiscal year 2009-10. The fixed amounts
34 in the 2012-2013 biennium are designed to achieve a total budgeted transfer amount for
35 the revenue-sharing programs of \$94,000,000 in each fiscal year.

36 **PART J**

37
38 This Part amends certain uniform administrative provisions of Title 36. The changes
39 provide that regular tax assessments and certain other notices may be sent by regular
40 first-class mail, rather than by certified mail. It also increases from 30 to 60 days the time
41 limit for requesting administrative reconsideration of a tax assessment or other
42 determination of the State Tax Assessor.

43 **PART K**

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This Part reduces the amount of penalties imposed for failure to file a tax return after the taxpayer receives a formal demand that the return be filed.

PART L

This Part clarifies that in addition to a taxpayer establishing that reasonable cause exists for waiver or abatement of certain tax penalties, the penalties must also be waived if the State Tax Assessor determines that grounds constituting reasonable cause are otherwise apparent.

PART M

This Part provides that, with respect to the estate tax for estates of decedents dying after December 31, 2012, there is an exclusion amount of \$2,000,000 and provides a progressive rate structure of 8% for estates of more than \$2,000,000 but less than or equal to \$5,000,000, 10% for estates of more than \$5,000,000 but less than or equal to \$8,000,000 and 12% for estates of more than \$8,000,000. For estates of decedents dying on or after January 1, 2012, it 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

This Part does the following.

1. It provides a new individual income tax rate schedule that contains 6.5% and 7.95% tax rates, effective for tax years beginning on or after January 1, 2013.
2. It conforms the Maine standard deduction amounts to the federal amounts, effective for tax years beginning on or after January 1, 2012.
3. It repeals the exclusion of mortgage insurance premiums from Maine itemized deductions, effective for tax years beginning on or after January 1, 2012.
4. It conforms the Maine personal exemption amount to the federal amount, effective for tax years beginning on or after January 1, 2013.
5. It eliminates the Maine alternative minimum tax on individuals, effective for tax years beginning on or after January 1, 2012.
6. It reduces the lump-sum retirement plan distribution tax and the early distribution from retirement plan tax by half for tax years beginning in 2012 and eliminates these taxes for tax years beginning on or after January 1, 2013.
7. It eliminates the lump-sum retirement plan distribution tax and the early distribution from retirement plan tax, effective for tax years beginning on or after January 1, 2013.

PART O

1 This Part repeals the income tax addition modifications related to the federal Section
2 179 business expensing thresholds for tax years beginning on or after January 1, 2011 and
3 provides a credit equal to 10% of the federal bonus depreciation on property placed in
4 service in Maine during tax years beginning in 2011 and 2012, excluding certain utility
5 and telecommunications property. The credit is limited to the tax liability of the taxpayer,
6 and any unused portion may be carried forward up to 20 years. The credit is recaptured if
7 the underlying property is not utilized in Maine for the 12-month period following the
8 date the property is placed in service.

9 **PART P**

10
11 This Part amends the Circuitbreaker Program to limit the amount of the benefit to
12 80% of the amount of the benefit that would otherwise be available for application
13 periods beginning in 2011 and 2012.

14 **PART Q**

15
16 This Part enacts the Maine New Markets Capital Investment Program, which is
17 modeled after the federal tax credit to attract investment in economically distressed areas.
18 It provides a refundable credit taken over 7 years equal to 39% of qualified investments
19 for which a maximum aggregate amount of tax credit of \$250,000 is authorized. The
20 credit amounts are 0% for the first 2 years, 7% in the 3rd year and 8% in the last 4 years.
21 The credit can be carried forward.

22 The Part requires the Finance Authority of Maine to develop a process for qualified
23 community development entities to apply for allocation of the Maine credit, to certify the
24 qualified investments and to engage in rulemaking to implement the program. It requires
25 the Commissioner of Administrative and Financial Services to enter into a memorandum
26 of agreement with the investors eligible for the credit. The Department of Administrative
27 and Financial Services, Bureau of Revenue Services processes the credits through tax
28 returns and executes the recapture of the credit as needed. The Part requires the Finance
29 Authority of Maine to report, no later than January 1, 2015, to the joint standing
30 committees of the Legislature having jurisdiction over appropriations and financial affairs
31 and over taxation matters on the activities and performance of the program.

32 **PART R**

33
34 This Part requires the State Budget Officer to calculate the amount of savings that
35 applies to each General Fund account for all departments and agencies from savings from
36 improvements in contracting with vendors and the use of procurement cards and to
37 transfer the amounts by financial order upon the approval of the Governor.

38 **PART S**

39
40 This Part directs the Commissioner of Administrative and Financial Services to begin
41 the process to open competitive bidding for the extension of the privatization of the
42 wholesale liquor business in Maine in order to conclude the process at least one year
43 before the conclusion of the existing contract. The new contract award must require an
44 advance payment of \$20,000,000 due at the time of the award of the contract, which

1 would accrue to the General Fund prior to June 20, 2013. The remainder of the payments
2 under the contract would be set up as a combination of guaranteed fixed annual payments
3 due at the beginning of each fiscal year over the life of the contract. The final set of
4 payments represents a share of the profits due at the end of each fiscal year. The share of
5 the profits would accrue to the General Fund and would be due at the end of each fiscal
6 year based on the profits of the prior calendar year. The guaranteed fixed annual
7 payments would be due at the beginning of each fiscal year in which the contract is in
8 effect and would be allocated for the following purposes:

9 1. The revolving loan fund for drinking water systems and revolving loan fund for
10 wastewater treatment facilities receive 15% or the maximum amount for which matching
11 funds are available, whichever is less;

12 2. Department of Transportation highway preservation and rehabilitation projects
13 receive 20%;

14 3. The General Fund receives 35%; and

15 4. The Maine Budget Stabilization Fund receives 30% plus any amount not allocated
16 to the drinking water and wastewater revolving loan programs.

17 **PART T**

18
19 This Part reduces the cap on cost-of-living increases on the retirement benefit for
20 members of the State Employee and Teacher Retirement Program, the Judicial
21 Retirement Program and the Legislative Retirement Program from 4% to 3% effective
22 January 1, 2014. It also limits the amount of retirement benefits subject to a cost-of-
23 living adjustment to the first \$20,000, which is to be indexed. It also requires that
24 retirement benefits for members of these retirement programs may not be adjusted in
25 September 2011, September 2012 or September 2013. It requires the State Budget
26 Officer to calculate the savings and transfer the amounts by financial order upon approval
27 of the Governor.

28 This Part increases the normal retirement age for legislative, judicial, state employee
29 and teacher members of the Maine Public Employees Retirement System who have fewer
30 than 5 years of service on July 1, 2011 to 65 years of age. It requires the State Budget
31 Officer to calculate the savings and transfer the amounts by financial order upon approval
32 of the Governor.

33 This Part also requires the Executive Director of the Maine Public Employees
34 Retirement System to notify the State Controller of the total cost of providing a payment
35 to retirees that would otherwise have been eligible for a cost-of-living adjustment but for
36 the operation of the suspension of the annual cost-of-living adjustments. The benefit
37 calculation is equal to the annual benefit payments up to a maximum of \$20,000 for the
38 year ending on August 31st times the annual change in the Consumer Price Index of the
39 previous June, up to a maximum of 3% but no less than 0%. Total additional retirement
40 payments may be awarded only up to the amount paid to the Maine Public Employees
41 Retirement System, which is determined by balances in the reserve account. If the annual
42 transfer amount is insufficient to fund the full benefit as calculated, the benefits are
43 reduced proportionally to stay within the amounts available for transfer. This is a
44 noncumulative benefit payment that is separate from other retirement benefits.

1 This Part also provides that the Board of Trustees of the Maine Public Employees
2 Retirement System shall in 2011 award a cost-of-living adjustment to retirees of the
3 Legislative Retirement Program, the Judicial Retirement Program and the State Employee
4 and Teacher Retirement Program equal to the amount required to achieve cost-neutrality.
5 The board shall award this cost-of-living adjustment only if the Consumer Price Index is
6 at a level sufficient to allow for the adjustment; there is no increase in member benefits;
7 there is no additional cost to the State; and there is no increase in the plans' unfunded
8 actuarial liability.

9 **PART U**

10
11 This Part establishes a working group under the Executive Director of the Maine
12 Public Employees Retirement System to develop an implementation plan designed to
13 close the current defined benefit retirement plan for all state employees and teachers and
14 replace it with a retirement benefit plan, supplemental to Social Security, that applies to
15 all state employees and teachers who are first hired after June 30, 2015 with no prior
16 creditable service.

17 **PART V**

18
19 This Part amends the statutory provisions pertaining to state employee retiree health
20 insurance. Specifically this Part:

21 1. Changes the vesting period for retiree health benefits for those persons first
22 employed by the State on or after July 1, 2011 to 10 years and changes the state share of
23 premiums for those individuals;

24 2. Requires state employees who retire on or after January 1, 2012, or state
25 employees employed as teachers in the unorganized territory or the Maine Center for the
26 Deaf and Hard of Hearing and the Governor Baxter School for the Deaf who retire on or
27 after July 1, 2012, to pay 100% of the health care premium until they reach normal
28 retirement age.

29 3. Caps the total premium cost for fiscal years 2011-12 and 2012-13 at the fiscal year
30 2010-11 levels.

31 4. Clarifies that the changes proposed for the state employee retiree health insurance
32 do not apply to individuals receiving disability retirement benefits.

33 5. Requires the Executive Director of Employee Health and Benefits within the
34 Department of Administrative and Financial Services to report to the Joint Standing
35 Committee on Appropriations and Financial Affairs with a plan to constrain the growth in
36 health insurance premiums in the future.

37 **PART W**

38
39 This Part amends the statutory provisions pertaining to retired teacher health
40 insurance. Specifically, this Part:

41 1. Eliminates the requirement that retired teachers who are eligible for Medicare be
42 enrolled in the program administered for state employees;

1 This Part authorizes the Commissioner of Corrections to transfer All Other funds by
2 financial order between accounts within the same fund for the purposes of paying food,
3 heating and utility expenses.

4 **PART BB**
5

6 This Part authorizes the Department of Corrections to transfer by financial order
7 Personal Services, All Other and Capital Expenditures funding between accounts within
8 the same fund for the purposes of paying departmental overtime expenses.

9 This Part requires that financial orders made to achieve organizational improvements
10 to the Department of Corrections be submitted to the Office of Fiscal and Program
11 Review 30 days before the transfers are implemented.

12 This Part requires the Commissioner of Corrections to review the current
13 organizational structure to improve organizational efficiency and cost-effectiveness, and
14 it authorizes the State Budget Officer to transfer positions and available balances by
15 financial order. This Part also specifies that any change in the current organizational
16 structure of the Department of Corrections that would result in a program or mission
17 change or facility closure must be reported to the joint standing committee of the
18 Legislature having jurisdiction over criminal justice and public safety matters for review
19 before the change may be implemented by financial order.

20 **PART CC**
21

22 This Part clarifies that the Maine Learning Technology Initiative program, which
23 currently includes grades 7 and 8, also includes grades 9 to 12, provides for a competitive
24 bidding process to select the research institute that performs required research and
25 requires the Commissioner of Education to conduct an annual comprehensive review of
26 the program and provide annual reports to the Legislature.

27 **PART DD**
28

29 This Part removes the requirement to establish a school nurse consultant position
30 from the Department of Health and Human Services and places it within the Department
31 of Education. The amendment also fixes a cross-reference.

32 **PART EE**
33

34 This Part establishes the Statewide Capital Equipment Fund. Any appropriations
35 provided to the fund must be used for emergency capital equipment purchases.
36 Departments and agencies requiring funds must submit a request to the Commissioner of
37 Administrative and Financial Services. When a request is approved, funds may be
38 transferred by financial order upon the recommendation of the State Budget Officer and
39 approval of the Governor.

40 **PART FF**
41

1 This Part establishes a working group to develop proposed legislation that transfers
2 personnel, position counts and responsibilities from the Executive Department, State
3 Planning Office to other departments or agencies in State Government.

4 **PART GG**

5
6 This Part does the following.

7 1. It changes the number of aircraft engines the Department of Inland Fisheries and
8 Wildlife may purchase each year of the biennium from 2 to one.

9 2. It authorizes a one-time transfer of \$15,347 from the Inland Fisheries and Wildlife
10 Carrying Balances - General Fund account to fund the retroactive portion of the position
11 reclassification of one Supervisor of Licensing and Registration position.

12 3. It authorizes a one-time transfer of \$23,622 from the Inland Fisheries and Wildlife
13 Carrying Balances - General Fund account to fund the retroactive portion of the position
14 reclassifications of 2 Biologist II positions.

15 4. It authorizes a one-time transfer of \$155,241 to fund the payment of outstanding
16 amounts due the Department of Public Safety for dispatch services.

17 **PART HH**

18
19 This Part moves the application of the Fiscal Stability Program within the
20 Department of Inland Fisheries and Wildlife from the 2012-2013 biennial budget to the
21 2014-2015 biennial budget.

22 **PART II**

23
24 This Part:

25 1. Extends the \$4,500,000 cap on transfers from net slot machine revenue to the
26 Fund for a Healthy Maine through the fiscal year ending June 30, 2013; and

27 2. Repeals a provision that required the transfer of funding from the Fund for a
28 Healthy Maine to offset the General Fund revenue loss associated with limiting the sale
29 of certain flavored cigars.

30 **PART JJ**

31
32 This Part suspends cost-of-living adjustments for the State's chief justices, chief
33 judge, deputy chief judge, associate justices and associate judges in fiscal year 2011-12
34 and fiscal year 2012-13.

35 **PART KK**

36
37 This Part eliminates eligibility for supplemental food assistance or TANF benefits for
38 noncitizens legally admitted to the United States, for the first 5 years after they land in the
39 United States, who are neither receiving assistance on July 1, 2011 nor have an
40 application pending for assistance on July 1, 2011 that is later approved unless they are
41 elderly or disabled, victims of domestic violence or qualify under hardship rules adopted

1 by the Department of Health and Human Services. Individuals receiving supplemental
2 food assistance or TANF benefits on July 1, 2011 continue to receive assistance as long
3 as they remain eligible. It also eliminates eligibility for MaineCare benefits for
4 noncitizens legally admitted to the United States even if they were receiving benefits on
5 July 1, 2011, except for children and women who are pregnant and women within 60
6 days after delivery.

7 **PART LL**
8

9 This Part allows the Department of Health and Human Services to require a person
10 receiving TANF assistance to undergo a drug test if that person was convicted of a drug-
11 related felony and that conviction occurred 20 years or less from the date of the request
12 for a drug test. A person who tests positive for an illegal drug is subject to termination of
13 TANF assistance unless the person requests a fair hearing and submits to a 2nd drug test.
14 If the results of the 2nd drug test confirm that the person is using an illegal drug, the
15 department is required to terminate that person's TANF assistance unless the person
16 enrolls in a substance abuse treatment program or the department determines the person is
17 unable to enroll for good cause.

18 **PART MM**
19

20 This Part directs the Department of Health and Human Services to revise its rules to
21 impose a penalty for certain transfers of assets to qualify for state support for boarding
22 home services.

23 **PART NN**
24

25 This Part establishes a working group charged with developing a plan regarding the
26 future role of the Dorothea Dix Psychiatric Center to take effect June 30, 2012.
27 Membership on the working group includes one member of the Senate; one member of
28 the House of Representatives; the Commissioner of Health and Human Services and the
29 Commissioner of Administrative and Financial Services; the superintendents of the
30 Dorothea Dix Psychiatric Center and Riverview Psychiatric Center; the Chief Executive
31 Officer of Spring Harbor Hospital; the Chief Executive Officer of Acadia Hospital; the
32 Executive Director and one other member of the Consumer Council System of Maine; the
33 Chief Executive Officer of Aroostook Mental Health Services, Inc.; the Executive
34 Director of Community Health and Counseling Services; the Executive Director of the
35 Disability Rights Center; the Chief Executive Officer of the Charlotte White Center; the
36 President of the Eastern Maine Development Corporation; and 2 members of the staff of
37 the Dorothea Dix Psychiatric Center.

38 **PART OO**
39

40 This Part directs the Department of Health and Human Services and the Department
41 of the Attorney General to work on issues related to fraud detection and to explore any
42 antifraud savings that can be realized.

43 **PART PP**
44

1 This Part establishes a 60-month lifetime limit for Temporary Assistance for Needy
2 Families, or TANF, benefits beginning January 1, 2012 unless the family qualifies for an
3 exemption or extension based upon criteria established by the Department of Health and
4 Human Services. It requires the department to establish a pretermination notice process.
5 For a violation of the terms of the family contract between the department and the adult
6 recipient, it provides for termination of benefits, for the adult only or for the full family,
7 depending on the circumstances. Benefits are restored once the adult recipient signs and
8 complies with the provisions of the family contract. If an adult recipient who has been
9 sanctioned complies with the family contract as of January 1, 2012, previous sanctions do
10 not apply.

11 This Part requires the Department of Health and Human Services to adopt rules
12 imposing a quit penalty on TANF-Unemployed Parents participants who quit
13 employment without cause.

14 This Part authorizes the Department of Health and Human Services to adopt routine
15 technical rules necessary to implement these changes and requires the department to
16 report to the Joint Standing Committee on Appropriations and Financial Affairs and the
17 Joint Standing Committee on Health and Human Services by November 1, 2012 with
18 regard to the impact of the changes to the TANF program.

19 **PART QQ**

20
21 This Part authorizes the transfer of up to \$25,000,000 from the unappropriated
22 surplus of the General Fund to the Medical Care - Payments to Providers General Fund
23 account to be used to pay hospital settlements. Any amounts transferred are to be
24 considered adjustments to appropriations in fiscal year 2012-13 only and may be allotted
25 by financial order.

26 **PART RR**

27
28 This Part corrects the department name in an appropriations and allocations section
29 enacted in Public Law 2011, chapter 45.

30 **PART SS**

31
32 This Part establishes a fee to cover the administrative and other operational costs of
33 the Maine Rx Plus Program. The fee is estimated to be between \$12 and \$15 annually per
34 enrollee.

35 **PART TT**

36
37 This Part clarifies that the Judicial Department may use municipal law enforcement
38 officers to provide court security.

39 **PART UU**

40
41 This Part requires the Department of Health and Human Services to revise its rules to
42 establish state-paid child care rates at the 50th percentile of the most current local market
43 rate survey.

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PART VV

This Part 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 through June 30, 2013. It also continues the requirement that the Department of Health and Human Services provide quarterly and monthly reporting on MaineCare program expenditures through June 30, 2013.

This Part also requires the Commissioner of Health and Human Services to review the effects the MaineCare financial order transfer authority authorized by Public Law 2007, chapter 240, Pt. X, section 2 has had on funding available for individual MaineCare General Fund accounts and report the findings and recommendations for adjustments to appropriations to the Joint Standing Committee on Appropriations and Financial Affairs no later than December 1, 2011.

PART WW

This Part eliminates the prohibition on using General Fund appropriations to support the operation of the Controlled Substances Prescription Monitoring Program Fund.

PART XX

This Part requires the Commissioner of Health and Human Services to report to the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Health and Human Services no later than February 1, 2012 regarding the implementation of fiscal year 2011-12 funding for mental health services for individuals not eligible for MaineCare and for housing services in order to conform to the consent decree in the case of Paul Bates, et al. v. Robert Glover, et al. and pursuant to the Court Master's June 25, 2010 update. The report must include recommendations from the Court Master pertaining to the consent decree and recommendations for funding for fiscal year 2012-13.

PART YY

This Part 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 the Commissioner of Health and Human Services to address the issue. It also describes the composition of the group and authorizes the adoption of routine technical rules.

PART ZZ

This Part 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 jurisdiction for which specific authority that has not been addressed by some other Part of this bill.

PART AAA

1 This Part requires the State Controller to transfer \$1,000,000 from available balances
2 in the Employment Rehabilitation Fund, Other Special Revenue Funds account within the
3 Workers' Compensation Board to the General Fund unappropriated surplus at the close of
4 fiscal year 2010-11.

5 **PART BBB**
6

7 This Part reduces the access payments made to support the cost of Dirigo Health from
8 2.14% to 1.87% on July 1, 2011, to 1.64% on July 1, 2012 and to 1.14% on July 1, 2013
9 and eliminates the access payment effective January 1, 2014. This Part also requires
10 Dirigo Health to transfer additional funds to the MaineCare program for the state match
11 for Medicaid services for parents with incomes greater than 133% and less than or equal
12 to 150% of the federal poverty level. This Part further requires the Board of Trustees of
13 Dirigo Health and the Executive Director of Dirigo Health to evaluate and report on the
14 impact of the changes in this Part and their implications on planning for the transition to
15 and implementation of a health insurance exchange in this State pursuant to the federal
16 Patient Protection and Affordable Care Act.

17 **PART CCC**
18

19 This Part authorizes the Department of Administrative and Financial Services to enter
20 into financing arrangements in fiscal years 2011-12 and 2012-13 for the acquisition of
21 motor vehicles for the Department of Public Safety, Bureau of State Police.

22 **PART DDD**
23

24 This Part renames the Motor Vehicle Contingency Account - Building program
25 within the Department of the Secretary of State the Motor Vehicle Miscellaneous
26 Revenue program to more accurately reflect the intent of this program.

27 **PART EEE**
28

29 This Part authorizes the transfer of \$500,000 from General Fund unappropriated
30 surplus to the Callahan Mine Site Restoration, Other Special Revenue Funds program
31 within the Department of Transportation to design and implement clean-up initiatives of
32 the site.

33 **PART FFF**
34

35 This Part replaces the requirement that the Treasurer of State provide written notice
36 to each municipality of the maximum rate of interest that municipalities may charge on
37 delinquent taxes with a requirement to post that rate on the Treasurer of State's publicly
38 accessible website.

39 **PART GGG**
40

41 This Part transfers \$3,000,000 from available balances in Other Special Revenue
42 Funds accounts within the Department of Professional and Financial Regulation to the

1 General Fund at the close of fiscal year 2010-11 and an additional \$1,000,000 at the close
2 of fiscal year 2012-13.

3 **PART HHH**
4

5 This Part specifies that the amount that the judicial branch may credit to a nonlapsing
6 Other Special Revenue Funds account to support the capital expenses of the judicial
7 branch is 4% of the fee revenue collected, up to a maximum of \$300,000 per fiscal year.
8 This Part also specifies that, if the fee revenue from the judicial branch is less than the
9 amount budgeted as undedicated fee revenue for the General Fund, the amount credited to
10 the Other Special Revenue Funds account must be reduced by that percentage by which
11 General Fund undedicated fee revenue is under budget.

12 **PART III**
13

14 This Part eliminates a requirement that executive orders be filed with county law
15 libraries and requires that they be posted on the State's publicly accessible website in a
16 conspicuous location.

17 **PART JJJ**
18

19 This Part authorizes an interfund advance of \$43,000,000 from Other Special
20 Revenue Funds to the General Fund unappropriated surplus for one day at the end of
21 fiscal year 2011-12.

22 **PART KKK**
23

24 This Part establishes the Streamline and Prioritize Core Government Services Task
25 Force to undertake a comprehensive analysis of State Government that will achieve
26 General Fund savings throughout departments and agencies statewide of \$25,000,000.

27 The task force has 12 members, including 4 members of the Joint Standing
28 Committee on Appropriations and Financial Affairs to be jointly appointed by the chairs
29 of that committee. At least one of those chosen must be a member of the Senate and 2
30 members must be chosen from each of the 2 political parties having the most members. It
31 also requires monthly interim reports and a final report by December 15, 2011 to the Joint
32 Standing Committee on Appropriations and Financial Affairs and requires the committee
33 to report its recommendations to achieve a minimum of \$25,000,000 to the Legislative
34 Council.

35 **PART LLL**
36

37 This Part continues authorization for each individual tax expenditure provided for by
38 statute.

39 **PART MMM**
40

41 This Part creates an option for state employees and teachers who have reached
42 normal retirement age and retire on or after July 1, 2011 to return to employment with the

1 same employer. The retiree may not return to service for at least 30 calendar days or
2 prior to the effective date of the individual's retirement. Under this option, which does
3 not apply to returning substitute teachers, the retiree may be restored to service for up to 5
4 years and must be paid 75% of the salary of the position that the retiree is hired to fill.
5 The employer is required to notify the Maine Public Employees Retirement System and
6 the Bureau of the Budget of any reemployed member and must pay to the system the
7 employer contribution that goes to pay for the unfunded liability and retiree health care.
8 The State Budget Officer is directed to calculate the General Fund and Highway Fund
9 savings that result from the restoration to service option and transfer those amounts to the
10 respective Salary Plan accounts by financial order.

11 **PART NNN**

12
13 This Part requires the Secretary of State to publish adopted rule notices only on the
14 publicly accessible website maintained by the Secretary of State. This Part also requires
15 the Secretary of State to improve the search features of the website and requires a
16 progress report to the Joint Standing Committee on State and Local Government and the
17 Joint Standing Committee on Appropriations and Financial Affairs by January 15, 2012.

18 **PART OOO**

19
20 This Part amends the language related to the Agricultural Marketing Loan Fund to
21 expand the allowed uses of interest earned on money in and loans from the fund.

22 **PART PPP**

23
24 This Part changes the position title of Director, Planning and Management
25 Information within the Department of Education to Director, Policy and Programs within
26 the Department of Education.

27 **PART QQQ**

28
29 This Part authorizes the State Budget Officer to calculate the amount of savings that
30 applies to each executive branch department and agency from the elimination of vacant
31 positions and transfer the savings and related headcount by financial order upon the
32 approval of the Governor.

33 **PART RRR**

34
35 This Part transfers \$4,000,000 from the unappropriated surplus of the General Fund
36 to the Maine Budget Stabilization Fund during fiscal year 2011-12. It also transfers
37 General Fund revenue in excess of the budgeted amount for the Unclaimed Property Fund
38 transfer from the General Fund to the Maine Budget Stabilization Fund. Based on current
39 balances in the funds and projected claims, this amount is projected to be approximately
40 \$5,000,000.

41 **PART SSS**

1 This Part changes the date by which the State Controller must transfer revenues to the
2 Maine Clean Election Fund in fiscal year 2012-13 from on or before January 1, 2013 to
3 on or before September 1, 2012.

4 **PART TTT**

5
6 This Part requires the State Controller to transfer funds from the Fund for a Healthy
7 Maine to the unappropriated surplus of the General Fund.

8 **PART UUU**

9
10 This Part directs the Department of Health and Human Services to carry forward any
11 balances in the All Other line category in the Bureau of Medical Services General Fund
12 account from year to year.

13 **PART VVV**

14
15 This Part directs the Department of Health and Human Services to standardize the
16 room and board rates paid for children's private nonmedical institution services to stay
17 within existing resources and to adopt major substantive rules to implement the changes.
18 The department is required to consider room and board costs that are influenced by the
19 acuity of the needs of the child and cost of care, the size of the private nonmedical
20 institution and cost factors that vary by region of the State and to include representatives
21 of providers of private nonmedical institution services. The rules may not take effect prior
22 to February 1, 2012.

23 **PART WWW**

24
25 This Part creates the Governor's Office of Communications within the Executive
26 Department and authorizes the transfer of positions by financial order. It also provides
27 the necessary transition provisions. An existing position will be transferred and
28 reorganized to establish the Director of the Governor's Office of Communications
29 position.

30 **PART XXX**

31
32 Current statute requires that any rules regarding principles of reimbursement for
33 intermediate care facilities for the mentally retarded that are adopted pursuant to the
34 Maine Revised Statutes, Title 22, section 3173 be major substantive rules. This Part
35 clarifies that rules adopted to establish an approval process for capital expenditures to
36 renovate or construct these facilities are routine technical rules.

37 **PART YYY**

38
39 This Part requires the State Controller to lapse \$2,800,000 from the General Purpose
40 Aid for Local Schools General Fund account within the Department of Education
41 representing fiscal year 2010-11 excess funding for state wards and state agency clients to
42 the unappropriated surplus of the General Fund at the close of fiscal year 2010-11.

43 **PART ZZZ**

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This Part directs the Governor to implement recommendations of the 2008 plan developed by the natural resources agency task force appointed by the Governor to implement Public Law 2007, chapter 539, Part YY, section 2 relating to eliminating duplication and achieving efficiencies in the natural resources sector by executing a memorandum of understanding between the Department of Inland Fisheries and Wildlife and the Department of Conservation on a system of unified management of all state boat launch facilities under their jurisdictions; developing a plan for collocating natural resources agencies and staff currently located in various regional offices; and developing a plan for aligning districts for natural resources agencies. It requires a report by the commissioners of the natural resources agencies to report to the Joint Standing Committee on Appropriations and Financial Affairs by February 15, 2012.

PART AAAA

This Part requires the Judicial Department to coordinate drug court efforts within existing General Fund resources and authorized headcount. This activity was previously supported with a Fund for a Healthy Maine allocation, which was eliminated in Part A of this Act.

PART BBBB

This Part transfers \$1,900,000 from the Accident, Sickness and Health Insurance Internal Service Fund in the Department of Administrative and Financial Services to the unappropriated surplus of the General Fund no later than June 30, 2012. The State Controller also shall transfer the equitable excess reserves as required by state law or federal regulations by June 30, 2012.

PART CCCC

This Part provides new minimum taxability thresholds for nonresidents. The new thresholds permit greater income-earning activity by nonresidents in the State before Maine income tax liability is triggered. This Part also excludes from the determination of taxability in the State up to 24 days of personal services related to certain training, management functions, equipment upgrades and new investment.

PART DDDD

This Part exempts from the sales tax certain meals provided to residents of retirement facilities and applies the exemption retroactively to tax years beginning on or after January 1, 2010. This Part includes an effective date of October 1, 2011.

PART EEEE

This Part requires the refund of sales tax beginning October 1, 2011 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 sales tax if the purchaser obtains a certificate verifying eligibility from the State Tax Assessor.

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PART FFFF

This Part exempts from sales tax plastic bags used by redemption centers to sort, store or transport returnable beverage containers. The Part includes a retroactive date of January 1, 2004.

PART GGGG

This Part expands the current exemption from sales and use tax for aircraft to apply to all aircraft, regardless of weight or the state of residency of the purchaser and expands the exemption to include sales of repair and replacement parts used exclusively in aircraft and in the overhauling and rebuilding of aircraft and aircraft parts. The expansion of the exemptions applies from July 1, 2011 to June 30, 2015.

PART HHHH

This Part provides an income tax credit for investment in or contributions to eligible public fishery infrastructure projects in the State. Eligible projects must be certified by the Department of Inland Fisheries and Wildlife, which is required to adopt rules for determination of eligibility. Tax certificates may be issued for up to \$5,000,000 per project. Credits must be taken in increments of 25% over 4 years and may not exceed 50% of the total tax imposed on the investor for the taxable year before application of the credit. Unused credits may be carried forward for up to 15 years. The credit applies to both freshwater and saltwater fisheries. The provisions require the Department of Inland Fisheries and Wildlife to coordinate with the Department of Marine Resources in the certification of eligible projects.

PART IIII

This Part 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. It also requires the department to identify positions for elimination that have a value equal to or greater than the amounts deappropriated from the Departmentwide - Corrections General Fund account in Part A. The State Budget Officer is authorized to make the transfers and adjustments to authorized headcount and appropriations upon the approval of the Governor.

PART JJJJ

This Part requires the State Controller to transfer \$29,700,000 from the Maine Budget Stabilization Fund to General Fund unappropriated surplus by the close of fiscal year 2011-12.

PART KKKK

This Part requires the Department of Defense, Veterans and Emergency Management, Maine Emergency Management Agency, in consultation with the

1 Commissioner of Administrative and Financial Services, to research the potential for
2 federal funds to fund the cost of providing emergency broadcast alerts to the citizens of
3 the State through the Maine Public Broadcasting Network. It requires the agency to
4 report its findings no later than January 2, 2012 to the Joint Standing Committee on
5 Criminal Justice and Public Safety and the Joint Standing Committee on Appropriations
6 and Financial Affairs.

7 **PART LLLL**
8

9 This Part establishes the Maine Women Veterans Coordinator and creates a fund to
10 be administered by the Director of the Bureau of Maine Veterans' Services to pay the
11 contracted services of the coordinator for efforts related to outreach and communication
12 on behalf of women veterans and to reimburse members of the Advisory Commission on
13 Women Veterans for expenses specific to their duties as members of the commission.
14 The amendment repeals the statute establishing the coordinator and commission June 30,
15 2015.

16 **PART MMMM**
17

18 This Part requires the State Budget Officer to calculate the amount of savings that
19 applies to each General Fund account for all departments and agencies from savings from
20 a decrease in charges made to the Department of Administrative and Financial Services,
21 Office of Information Technology for its services and to transfer the amounts by financial
22 order upon the approval of the Governor.

23 **PART NNNN**
24

25 This Part transfers \$55,621 from the State Nuclear Safety Advisor, Other Special
26 Revenue Funds account within the Office of the Public Advocate to the unappropriated
27 surplus of the General Fund. The funds transferred represent fees from the Maine
28 Yankee Atomic Power Company that were provided to the Office of the Public Advocate
29 to support a State Nuclear Safety Advisor position that no longer exists. This Part also
30 transfers \$20,053 from the Railroad Freight Service Quality Fund, Other Special Revenue
31 Funds account within the Office of the Public Advocate to the unappropriated surplus of
32 the General Fund.

33 **PART OOOO**
34

35 This Part requires the judicial branch to develop a plan to implement electronic filing
36 in civil docket cases and a plan to implement audio broadcasts of Law Court oral
37 arguments and to report the plan and cost estimates to the Joint Standing Committee on
38 Appropriations and Financial Affairs and the Joint Standing Committee on Judiciary no
39 later than February 1, 2012.

40 **PART PPPP**
41

42 This Part requires persons licensed to sell liquor to be consumed on the premises to
43 report all liquor purchases to the Department of Administrative and Financial Services,

1 Bureau of Alcohol Beverages and Lottery Operations. Current law requires such
2 purchases to be reported to the Department of Public Safety.

3 **PART QQQQ**
4

5 This Part suspends the cost-of-living adjustment for Legislators for 3 years and
6 amends the cap in future years to 3%. It also clarifies that for those years in which the
7 cost-of-living adjustment is suspended, it may not be applied to the base salary.

8 In addition to initiatives recognizing savings in Part A as deappropriations from the
9 legislative branch agencies, this Part also lapses balances to the General Fund totaling
10 \$3,384,249 from legislative accounts within the Legislature, \$119,221 from the Law and
11 Legislative Reference Library and \$276,322 from the Office of Program Evaluation and
12 Government Accountability. These lapsed balances include savings from implementing
13 Personal Services cost-savings measures determined by the Legislative Council.