

**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, 2014 and June 30, 2015**

**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:**

## **PART A**

**Sec. A-1. Appropriations and allocations.** In order to provide for the necessary expenditures of State Government and other purposes for the fiscal years ending June 30, 2014 and June 30, 2015, the following sums as designated in the following tabulations are appropriated or allocated out of money not otherwise appropriated or allocated.

## **PART B**

**Sec. B-1. Appropriations and allocations.** The following appropriations and allocations are made to provide funding for approved reclassifications and range changes.

## PART C

## PART C

**Sec. C-1. Notwithstanding any other provision of law, 5 MRSA §17154, sub-§6, as amended by PL2007, c. 491, §85 is further amended to read:**

**6. Payment of employer charges for teachers.** For teachers, percentage rates to be predetermined by the actuary and approved by the board must be applied to the total earnable compensation of members covering the most recent school year preceding the preparation of the biennial budget.

A. The resulting amount must be appropriated and credited to the appropriate funds.

B. Notwithstanding this section, the employer retirement costs and administrative operating expenses related to the retirement programs applicable to those teachers whose funding is provided from federal grants or through federal reimbursement must be paid by local school systems from those federal funds.

C. Notwithstanding this section, the employer retirement costs and administrative operating expenses related to the retirement program applicable to those teachers who are permitted to continue to accrue service credit while on a one-year leave of absence and participating in the education of prospective teachers by teaching and supervising students enrolled in college-level teacher preparation programs in this State must be paid from funds provided by the college employing the teacher during that year.

D. Notwithstanding this section, the employer retirement costs and administrative operating expenses related to the retirement program applicable to a teacher who is permitted to continue to accrue service credit while on a leave of absence and serving as President of the Maine Education Association must be paid from funds provided by the Maine Teachers Association. For purposes of this paragraph, in computing the employer cost, "earnable compensation" means the amount that the teacher would have earned if the teacher had remained in a teaching position.

E. Notwithstanding this section, the employer retirement costs and administrative operating expenses related to the retirement program applicable to those teachers whose funding is provided directly or through reimbursement from private or public grants must be paid by local school systems from those funds. "Public grants" does not include state or local funds provided to school administrative units under Title 20-A, chapters 315 and 606-B.

F. Notwithstanding this section, effective September 1, 1993, the employer retirement costs and administrative operating expenses related to the retirement program, less the unfunded liability, that are applicable to a teacher who is permitted to continue to accrue service credit while on released time and serving as president of a recognized or certified collective bargaining agent representing teachers must be paid from funds provided by the collective bargaining agent or school administrative unit. For purposes of this paragraph, in computing the employer cost, "earnable compensation" means the amount that the teacher would have earned if the teacher had remained in a teaching position.

G. Notwithstanding this section, beginning in fiscal year 2013-14, the employer retirement costs that are applicable to the normal cost of retirement for a teacher shall be included in the total allocation in accordance with Title 20-A, chapter 606-B for the school administrative unit that employs the teacher.

H. Notwithstanding this section, beginning in fiscal year 2013-14, the employer retirement costs and administrative operating expenses related to the retirement programs applicable to those teachers employed by school administrative units, as defined in Title 20-A MRSA section 1 subsection 26, whose funding is provided from local and state funds must be paid by local school administrative units.

I. Notwithstanding this section, beginning in fiscal year 2013-14, the employer retirement costs and administrative operating expenses related to the retirement programs applicable to those teachers employed by private schools, as defined in Title 20-A section 1 subsection 22, must be paid by the private school.

**Sec. C-2. 20-A MRSA §4775**, as enacted by PL 1997, c. 758, §2, is amended to read:

The department shall pay 50% of the in-state tuition for the first 36 credit hours taken each semester by a student at an eligible institution and up to 612 credit hours per academic year. The eligible institution may not make any additional tuition charges for the course but may impose fees and charges, other than tuition, that are ordinarily imposed on students not covered by this chapter. Funds appropriated to the department to carry out the purposes of this chapter must be in addition to the customary and ongoing amounts appropriated for general purpose aid for local schools.

**Sec. C-3. 20-A MRSA §15671, sub-§7, ¶B**, as amended by PL 2011, c. 655, Pt. C, §3, 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, the target is 46.02%.

(8) For fiscal year 2012-13, the target is ~~46.60%~~45.87%.

(9) For fiscal year 2013-14, the target is 46.10%

**Sec. C-4. 20-A MRSA §15671, sub-§7, ¶C**, as amended by PL 2011, c. 655, Pt. C, §4, is further amended 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 contributions to teacher retirement, retired teachers' health insurance and retired teachers' life insurance are as follows.

(1) For fiscal year 2011-12, the target is 49.47%.

(2) For fiscal year 2012-13, the target is ~~50%~~49.35%.

(3) For fiscal year 2013-14 ~~and succeeding years~~, the target is ~~55%~~49.42%.

(4) For fiscal year 2014-15 ~~and succeeding years~~, the target is 55%.

**Sec. C-5. 20-A MRSA §15671-A, sub-§2, ¶B**, as amended by PL 2011, c. 655, Pt. C, §5, is further amended to read:

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

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

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

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

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

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

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

(4-C) For the 2011 property tax year, the full-value education mill rate is the amount necessary to result in a 53.98% statewide total local share in fiscal year 2011-12.

(5) For the 2012 property tax year, the full-value education mill rate is the amount necessary to result in a ~~53.40%~~54.13% statewide total local share in fiscal year 2012-13.

(6) For the 2013 property tax year, the full-value education mill rate is the amount necessary to result in a ~~47.50%~~53.90% statewide total local share in fiscal year 2013-14.

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

**Sec. C-6. 20-A M RSA §15681, sub-§6**, as enacted by PL 2011, c. 635, Pt. A, §5, is repealed.

**Sec. C-7. 20-A M RSA §15681-A, sub-§4**, as revised by PL 2005, c. 397, Pt. D, §3, is further amended to read:

**4. Career and technical education costs.** Career and technical education costs in the base year adjusted to the year prior to the allocation year. This section is repealed effective for the 2014-15 funding year; and

**Sec. C-8. 20-A M RSA §15688, sub-§8**, as enacted by PL2005, c. 2, Pt. D §61 effected by PL2005, c. 12, Pt. WW, §18, is amended to read:

**1. School administrative unit; total cost.** For each school administrative unit, the commissioner shall annually determine the school administrative unit's total cost of education. A school administrative unit's total cost of education must include:

A. The school administrative unit's base total calculated pursuant to section 15683, subsection 1, adjusted pursuant to the transition targets described in section 15671, subsection 7, paragraph A;

- B. The other subsidizable costs described in section 15681-A; ~~and~~
- C. The total debt service allocation described in section 15683-A; ~~and-~~
- D. Beginning in the 2013-14 funding year, the normal cost of retirement for a teacher pursuant to Title 5, section 17154, sub-section 6.

**Sec. C-9. 20-A MRSA §15688-A**, is enacted to read:

**15688-A. Enhancing student performance and opportunity costs**

Beginning 2013-14, the commissioner may expend and disburse funds to meet the purposes of this section to the appropriate school administrative unit, institution or under contractual obligations.

**1. Career and technical education costs.** Beginning in fiscal year 2014-15, the allocation for career and technical education shall be based upon a program driven model that considers components for direct instruction, central administration, supplies, operation and maintenance of plant, other student and staff support and equipment. Monthly payments shall be made directly to school administrative units with career and technical education centers and directly to career and technical education regions. Should school administrative units with career and technical education centers or the career and technical education regions have any unexpended funds at the end of the fiscal year, these funds shall be carried forward for the purposes of career and technical education.

**2. Maine College Transitions Program.** The commissioner may expend and disburse funds to provide for expanded access to Maine College Transitions programming through the state's Adult Education system.

**3. School Improvement and Support.** The commissioner may expend and disburse funds to support school improvement activities in accordance with Chapter 222.

**4. National Industry Standards for Career and Technical Education.** The commissioner may expend and disburse funds to support enhancements to Career and Technical Education programs that align those programs with national industry standards, in accordance with Chapter 313.

**5. Comprehensive Early College Programs.** The commissioner may expend and disburse funds to support early college programs that meet the following criteria:

- A. Provide secondary students with the opportunity to graduate from high school in four years with a high school diploma and at least 30 regionally accredited transferable post-secondary credits allowing for completion of an Associate's Degree within one additional year of post-secondary schooling;
- B. Involves a high school, a Career and Technical Education center, and one or more institutions of higher education;



- C. C. Organizes students into cohort groups and provides them with extensive additional guidance and support throughout the program with the goals of raising aspirations, increasing employability and encouraging postsecondary degree attainment; and
- D. Maintains a focus on serving students who might not otherwise pursue a postsecondary education.

**6. Educator Effectiveness.** The commissioner may expend and disburse funds to support the implementation of performance evaluation and professional growth systems in accordance with Chapter 508.

**7. Transition to Proficiency-based diplomas.** The commissioner may expend and disburse funds to support the transition to proficiency-based diplomas pursuant to §4722-A sub-§4.

**Sec. C-10. 20-A MRSA §15689, sub-§1, ¶A,** as amended by PL 2011, c. 655, Pt. C, §8, is further amended to read:

A. The sum of the following calculations:

- (1) Multiplying 5% of each school administrative unit's essential programs and services per-pupil elementary rate by the average number of resident kindergarten to grade 8 pupils as determined under section 15674, subsection 1, paragraph C, subparagraph (1); and
- (2) Multiplying 5% of each school administrative unit's essential programs and services per-pupil secondary rate by the average number of resident grade 9 to grade 12 pupils as determined under section 15674, subsection 1, paragraph C, subparagraph (1).

The 5% factor in subparagraphs (1) and (2) must be replaced by: 4% for the 2009-10 funding year including funds provided under Title XIV of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act of 2009; 3% for the 2010-11 funding year including funds provided under Title XIV of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act of 2009; 3% for the 2011-12 funding year and ~~4%~~ 3% for the 2012-13 funding year and 2% for the 2013-14 funding year and subsequent years; and

**Sec. C-11. 20-A MRSA §15689, sub-§1, ¶B,** as amended by PL 2011, c. 655, Pt. C, §9, is further amended to read:

B. The school administrative unit's special education costs as calculated pursuant to section 15681-A, subsection 2 multiplied by the following transition percentages:

- (1) In fiscal year 2005-06, 84%;
- (2) In fiscal year 2006-07, 84%;
- (3) In fiscal year 2007-08, 84%;
- (4) In fiscal year 2008-09, 45%;
- (5) In fiscal year 2009-10, 40% including funds provided under Title XIV of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act of 2009;
- (6) In fiscal year 2010-11, 35% including funds provided under Title XIV of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act of 2009;
- (7) In fiscal year 2011-12, 30%; and
- (8) In fiscal year 2012-13 ~~and succeeding years, 35%~~30%; and
- (9) In fiscal year 2013-14 and succeeding years, 25%

**Sec. C-12. 20-A MRSA §15689, sub-§11**, as enacted by PL 2011, c. 419, §3, is amended to read:

**11. Minimum economically disadvantaged student adjustment.** Beginning in fiscal year 2012-13, and for each subsequent fiscal year, each school administrative unit may receive an adjustment for economically disadvantaged students determined as follows.

A. A school administrative unit is eligible for the adjustment for economically disadvantaged students under the following conditions:

- (1) The school administrative unit receives an adjustment for the minimum state allocation pursuant to subsection 1;
- (2) The school administrative unit's percentage of economically disadvantaged students as determined pursuant to section 15675, subsection 2 is greater than the state average percentage of economically disadvantaged students; and
- (3) The school administrative unit operates a school.

B. The amount of the adjustment for economically disadvantaged students is the difference, but not less than zero, between the state share of the total allocation under this chapter and the amount computed as the school administrative unit's total allocation for economically disadvantaged students, multiplied by the relevant percentage in subsection 1, paragraph B. For the 2012-13 funding year and subsequent years, this adjustment shall be reduced to 98%. For the 2013-14 funding year and subsequent years, this adjustment shall be reduced to 95%

**Sec. C-13. 20-A MRSA §15689-A, sub-§11**, as amended by PL 2005, c. 519, Pt. XX, §5, is further amended to read:

**11. Courses for credit at eligible postsecondary institutions.** The commissioner may pay costs for secondary students to take postsecondary courses at eligible institutions. Eligible secondary students may include home school students pursuant to section 5001-A, sub-section 3, paragraph 4 and shall exclude students that are not Maine residents pursuant to section 5205, sub-section 10.

**Sec. C-14. 20-A MRSA §15689-A, sub-§20**, as amended by PL 2011, c. 380, Pt. C, §6, is further amended to read:

**20. ~~Center of Excellence for At-risk Students.~~ Choice and Opportunity Fund.** The commissioner may expend and disburse funds ~~for the Center of Excellence for At-risk Students in accordance with the provisions of chapter 227, within the limits of the allocation made under this section~~ to expand educational options for students who are economically disadvantaged as signified by qualification for the National School Lunch Program under 7 Code of Federal Regulations, Part 210 (2007), including, but not limited to, the following:

A. to reimburse economically disadvantaged families for some portion of the costs of transporting students transferred from one school administrative unit to another pursuant to §5205(6).

B. to reimburse economically disadvantaged families for the tuition and transportation costs associated with attending an approved private school or a public elementary or secondary school in a school administrative unit other than the one in which they are resident, pursuant to §5203(1) and §5204(1).

C. to reimburse economically disadvantaged families for the cost of residential services related to attending a residential public charter school that is beyond a reasonable commuting distance from the student's place of residence.

**Sec. C-15. 20-A MRSA §15689-C, sub-§ 1**, as amended by PL 2009, c. 275, §1, is further amended to read:

**1. Annual recommendation.** Prior to December 15th of each year, the commissioner, ~~with the approval of the state board,~~ shall recommend to the Governor and the Department of Administrative and Financial Services, Bureau of the Budget the funding levels that the commissioner recommends for the purposes of this chapter. Beginning with the recommendations due in 2009, the commissioner's annual recommendations must be in the form and manner described in subsection 4.

**Sec. C-16. 20-A MRSA §15689-C, sub-§ 2**, as amended by PL 2005, c. 2, §§61,72,74 affected by PL 2005 c. 12 Pt. WW. §18, is further amended to read:

**2. Funding level computations.** The following are the funding level computations that

support the commissioner's funding level recommendations:

- A. The requested funding levels for the operating allocation under section 15683;
- B. The requested funding levels for debt service under section 15683-A, which are as follows:
  - (1) The known obligations and estimates of anticipated principal and interest costs for the allocation year;
  - (2) The expenditures for the insured value factor for the base year;
  - (3) The level of lease payments and lease-purchase payments pursuant to section 15672, subsection 2-A for the year prior to the allocation year; and
  - (4) Funds allocated by the state board for new school construction projects funded in the current fiscal year;
- C. The requested funding levels for adjustments under section 15689, which must be computed by estimating costs for the allocation year; ~~and~~
- D. The requested funding levels for miscellaneous costs under section 15689-A;
- E. The requested funding levels for enhancing student performance and opportunity costs under section 15688-A; and
- F. The normal costs of teacher retirement pursuant to Title 5, section 17154, subsection 6.

[ 2005, c. 2, Pt. D, §§72, 74 (AFF); 2005, c. 2, Pt. D, §61 (NEW); 2005, c. 12, Pt. WW, §18 (AFF) .]

**Sec. C-17. 20-A MRSA §15689-D**, as amended by PL 2009, c. 275, §3, is further amended to read:

**1. Annual recommendations.** The Department of Administrative and Financial Services, Bureau of the Budget shall annually certify to the Legislature the funding levels that the Governor recommends under sections 15683, 15683-A, 15688-A, 15689, ~~and 15689-A~~ and the amount for any other components the total cost of funding public education from kindergarten to grade 12 pursuant to this chapter. The Governor's recommendations must be transmitted to the Legislature within the time schedules set forth in Title 5, section 1666 and in the form and manner described in subsection 2. The commissioner may adjust, consistent with the Governor's recommendation for funding levels, per-pupil amounts not related to staffing pursuant to section 15680 and targeted funds pursuant to section 15681.

**2. Funding level computations.** The Governor's recommendations under subsection 1 must specify the amounts that are recommended for the total operating allocation pursuant to section 15683, the total of other subsidizable costs pursuant to section 15681-A, the total debt service allocation pursuant to section 15683-A, the total enhancing student performance and opportunity costs pursuant to section 15688-A, the total adjustments pursuant to section 15689, the total miscellaneous costs pursuant to section 15689-A, the amount for any other components of the total cost of funding public education from kindergarten to grade 12 and the total cost of funding public education from kindergarten to grade 12 pursuant to this chapter. The Governor's

recommendations regarding the adjustments and miscellaneous costs components also must delineate each amount that is recommended for each subsection and paragraph under sections 15689 and 15689-A and the purposes for each cost in these sections. For each amount shown in the Governor's recommendations, the Governor's recommendations must also show the amount for the same component or purpose that is included in the most recently approved state budget, the differences between the amounts in the most recently approved state budget and the Governor's recommendations and the reasons for the changes.

**Sec. C-18. 20-A MRS §15689-E, sub-§1**, as enacted by PL 2005, c. 2, Pt. D, §61, and affected by §§ 72 and 74 and affected by PL 2005, c. 12, Pt. WW, §18, is amended to read:

**1. Appropriation for state share of adjustments, debt service and operating; single account.** Appropriate the necessary funds for the State's share for general purpose aid for local schools with a separate amount for each of the following components:

A. Adjustments and miscellaneous costs described in sections 15689 and 15689-A, including an appropriation for special education pupils placed directly by the State, for:

- (1) Tuition and board for pupils placed directly by the State in accordance with rules adopted or amended by the commissioner; and
- (2) Special education tuition and other tuition for residents of state-operated institutions attending programs in school administrative units or private schools in accordance with rules adopted or amended by the commissioner; and

B. The state share of the total operating allocation and the total debt service allocation described in sections 15683 and 15683-A; ~~and~~

C. The state share of the total enhancing student performance and opportunity costs described in sections 15688-A; and

D. The state share of the total normal cost of teacher retirement pursuant to Title 5, section 17154, subsection 6.

**Sec. C-19. 20-A MRS §15689-F, sub-§3**, is enacted to read:

**3. Casino revenues.** If the annual funding for public education from kindergarten through grade twelve enacted by the legislature is supported by casino revenues credited to the Department of Education pursuant to Title 8, Section 1036, the department shall journal expenditures from the General Purpose Aid for Local Schools account to the K-12 Essential Programs and Services Other Special Revenue fund account to meet financial obligations and for purposes of cash flow.

**Sec. C-20. 20-A MRS §15690, sub-§1, ¶D**, as amended by PL 2011, c. 655, Pt. C, §12, is further amended to read:

D. Beginning in fiscal year 2010-11, in any fiscal year in which the sum of the State's contribution toward the cost of the components of essential programs and services, exclusive

of federal funds that are provided and accounted for in the cost of the components of essential programs and services, plus any federal stimulus funds applied to the State's contribution, falls below the State's target of 55% of the cost of the components of essential programs and services, the commissioner shall calculate the percentage of the State's 55% share that is funded by state appropriations and federal stimulus funds and, notwithstanding any other provision of this paragraph, a school administrative unit that raises at least the same percentage of its required local contribution to the total cost of funding public education from kindergarten to grade 12, including state-funded debt service, as the State's contribution plus federal stimulus funds toward its 55% share of the cost of the components of essential programs and services may not have the amount of its state subsidy limited or reduced under paragraph C.

This paragraph is repealed June 30, ~~2013~~2014.

**Sec. C-21. Mill expectation.** The mill expectation pursuant to the Maine Revised Statutes, Title 20-A, section 15671-A for fiscal year 2013-14 is 8.11.

**Sec. C-22. Total cost of funding public education from kindergarten to grade 12.** The total cost of funding public education from kindergarten to grade 12 for fiscal year 2013-14 is as follows:

	<b>2013-14 TOTAL</b>
<b>Total Operating Allocation</b>	
Total operating allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683 without transitions percentage	\$1,397,825,218
Total operating allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683 with 97% transitions percentage	\$1,355,890,461
Total other subsidizable costs pursuant to the Maine Revised Statutes, Title 20-A, section 15681-A	\$441,647,710
<b>Total Operating Allocation</b>	<hr/>
Total operating allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683 and total other subsidizable costs pursuant to Title 20-A, section 15681-A	\$1,797,538,171
<b>Total Debt Service Allocation</b>	
Total debt service allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683-A	\$97,440,243

<b>Enhancing Student Performance and Opportunity</b>	\$9,050,000
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**Total Adjustments and Miscellaneous Costs**

Total adjustments and miscellaneous costs pursuant to the Maine Revised Statutes, Title 20-A, sections 15689 and 15689-A	\$68,520,413
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<b>Total Normal Cost of Teacher Retirement</b>	\$28,898,559
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**Total Cost of Funding Public Education from Kindergarten to Grade 12**

Total cost of funding public education from kindergarten to grade 12 for fiscal year 2013-14 pursuant to the Maine Revised Statutes, Title 20-A, chapter 606-B	\$2,001,447,386
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Total cost of the state contribution to teacher retirement, teacher retirement health insurance and teacher retirement life insurance for fiscal year 2013-14 pursuant to the Maine Revised Statutes, Title 5, chapters 421 and 423 excluding the normal cost of teacher retirement	\$172,515,043
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Adjustment pursuant to the Maine Revised Statutes, Title 20-A, section 15683, subsection 2	\$41,934,757
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Total cost of funding public education from kindergarten to grade 12	\$2,215,897,186
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**Sec. C-23. Local and state contributions to total cost of funding public education from kindergarten to grade 12.** The local contribution and the state contribution appropriation provided for general purpose aid for local schools for the fiscal year beginning July 1, 2013 and ending June 30, 2014 is calculated as follows:

	<b>2013-14 LOCAL</b>	<b>2013-14 STATE</b>
<b>Local and State Contributions to the Total Cost of Funding Public Education from Kindergarten to Grade 12</b>		
Local and state contributions to the total cost of funding public education from kindergarten to grade 12 pursuant to the Maine Revised Statutes, Title 20-A, section 15683 - subject to statewide distributions required by law	\$1,078,757,450	\$922,689,936

State contribution to the total cost of teacher retirement, teacher retirement health insurance and teacher retirement life insurance for fiscal year 2012-13 pursuant to the Maine Revised Statutes, Title 5, chapters 421 and 423	\$172,515,043
State contribution to the total cost of funding public education from kindergarten to grade 12	\$1,095,204,979

**Sec. C-24. Limit of State's obligation.** If the State's continued obligation for any individual component contained in those sections of this Part that set the total cost of funding public education from kindergarten to grade 12 and the local and state contributions for that purpose exceeds the level of funding provided for that component, any unexpended balances occurring in other programs may be applied to avoid proration of payments for any individual component. Any unexpended balances from this Part may not lapse but must be carried forward for the same purpose.

**Sec. C-25. Authorization of payments.** Those sections of this Part that set the total cost of funding public education from kindergarten to grade 12 and the local and state contributions for that purpose may not be construed to require the State to provide payments that exceed the appropriation of funds for general purpose aid for local schools for the fiscal year beginning July 1, 2013 and ending June 30, 2014.

## SUMMARY

### PART C

This Part establishes the Total Cost of Education from Kindergarten to Grade 12 for fiscal year 2013-14, the state contribution and the annual target state share percentage.



## **PART D**

**Sec. D-1. Department of Administrative and Financial Services; lease-purchase authorization.** Pursuant to 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 2013-14 and 2014-15 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 5%. The annual principal and interest costs must be paid from the appropriate line category allocations in the Central Fleet Management Division account.

## **SUMMARY PART D**

This Part authorizes the Department of Administrative and Financial Services to enter into financing arrangements in fiscal years 2013-14 and 2014-15 for the acquisition of motor vehicles for the Central Fleet Management Division.

## **PART E**

**Sec. E-1. Merit increases and longevity payments.** Notwithstanding the Maine Revised Statutes, Title 26, section 979-D or section 1285 or any other provision of law, any merit increase or longevity payment, regardless of funding source, scheduled to be awarded or paid between July 1, 2013 and June 30, 2015 to any person employed by the departments and agencies within the executive branch, including the constitutional officers and the Department of Audit, may not be awarded, authorized or implemented. These savings may be replaced by other Personal Services savings by agreement of the State and the bargaining agents representing state employees.

**Sec. E-2. Calculation and transfer.** Notwithstanding any other provision of law, the State Budget Officer shall calculate the amount of savings in Part A of this Act that applies against each General Fund account for all departments and agencies from savings associated with eliminating merit pay increases and longevity payments and shall transfer the amounts by financial order upon the approval of the Governor. These transfers are considered adjustments to appropriations in fiscal year 2013-14 and fiscal year 2014-15. The State Budget Officer shall provide a report of the transferred amounts to the Joint Standing Committee on Appropriations and Financial Affairs no later than October 1, 2014.

## **SUMMARY PART E**

This Part continues for two years the freeze on merit increases and denies the award of longevity pay to employees in the various departments and agencies within the executive branch, including the constitutional officers and the Department of Audit, during the 2014-2015 biennium. This Part also requires the State Budget Officer to calculate the amount of savings in Part A that applies against each General Fund account for all departments and agencies from savings associated with eliminating merit pay and longevity pay and to transfer the amounts by financial order upon the approval of the Governor.

## PART F

**Sec. F-1. Governmental Structure and Operations Review.** The Director of the Governor's Office of Policy and Management shall use the powers and duties established under Title 5, section 3104 to analyze the structures and functions of government and identify potential savings in the fiscal year 2013-14 and fiscal year 2014-15 biennial budget. The savings identified must provide a minimum of \$10 million in General Fund savings in fiscal year 2013-14 that can be achieved administratively and that do not require legislative approval but can be achieved by financial order upon the recommendation of the State Budget Officer and the approval of the Governor. The Director must also make recommendations for an additional \$20 million of savings in fiscal year 2014-15 that will be achieved either by administrative actions or program eliminations subject to approval of the Legislature.

The Director, in addition to his powers and duties identified above, shall utilize the Zero Base Budgeting template prioritizations developed during the fiscal year 2014-2015 biennial budget, review technology spending and existing business processes to identify savings opportunities.

**Sec. F-2. Report to the Joint Standing Committee on Appropriations and Financial Affairs.** The Director shall submit a report of his findings and recommendations and any necessary implementing legislation to the Joint Standing Committee on Appropriations and Financial Affairs by September 30, 2013. The committee is authorized to submit legislation to the Second Regular Session of the 126th Legislature.

## SUMMARY

### PART F

This Part directs the Director of the Governor's Office of Policy and Management to analyze the structures and functions of government to identify \$10 million in savings in fiscal year 2013-14 and \$20 million in savings in fiscal year 2014-15. The first \$10 million are to be savings that can be achieved administratively. The director is required to provide a report of his findings and recommendations to the Joint Standing Committee of Appropriations and Financial Affairs by September 30, 2014.

## **PART G**

**Sec. G-1. Review of positions.** The Department of Administrative and Financial Services, Bureau of the Budget and the Executive Department, Office of Policy and Management shall undertake a review of vacant and filled positions within Executive Branch departments and agencies regardless of funding source. The review shall identify 100 positions to be eliminated. A report outlining the findings of the review shall be submitted to the Joint Standing Committee on Appropriations and Financial Affairs by October 15, 2013 with recommendations for the positions to be eliminated. The report must also be delivered to the Joint Standing Committee on Transportation if the report includes any positions that are partially or wholly funded by the Highway Fund or by internal service funds, enterprise funds or Other Special Revenue Funds accounts of the Department of Transportation, the Department of Public Safety or the Department of the Secretary of State.

## **SUMMARY**

### **PART G**

This Part directs the Department of Administrative and Financial Services, Bureau of the Budget and the Executive Department, Office of Policy and Management to undertake a review of positions within the Executive Branch departments and agencies and identify 100 positions to be eliminated. They are required to present their report by October 15, 2013 to the Joint Standing Committee on Appropriations and Financial Affairs and to the Joint Standing Committee on Transportation.

## PART H

**Sec. H-1. 5 MRSA §285, sub-§7, ¶K** as enacted by PL 2011, c. 380, Pt. V, §1, is amended to read:

K. The total premium for active and retired state employee health insurance is capped at the fiscal year 2010-11 funding level for the fiscal years ending June 30, 2012, ~~and~~ June 30, 2013, June 30, 2014 and June 30, 2015. The total premium for fiscal years ending after June 30, 2015 shall be limited to no more than the Consumer Price Index (CPI) plus 3%.

**Sec. H-2. 5 MRSA §286-B, sub-§2,** as amended by PL 2011, c. 380, Pt. Y, §1, is further amended to read:

Annually, beginning with the fiscal year starting July 1, ~~2013~~ 2015, the Legislature shall appropriate funds that will retire, in 30 years or less from July 1, 2007, the unfunded liability for retiree health benefits for eligible participants in the teacher plan. The unfunded liability referred to in this section is that determined by the Department of Administrative and Financial Services, Office of the State Controller's actuaries and certified by the Commissioner of Administrative and Financial Services as of June 30, 2006.

**Sec. H-3. 20 -A MRSA §13451, sub-§3, last ¶,** as amended PL 2011, c. 540, §2 and affected by §3 is further amended to read:

For the fiscal years ending June 30, 2012, ~~and~~ June 30, 2013, June 30, 2014 and June 30, 2015 the State's total cost for retired teachers' health insurance premiums is capped at the fiscal year 2010-11 level. The total premium for fiscal years ending after June 30, 2015 shall be limited to no more than the Consumer Price Index (CPI) plus 3%. The providers of the health insurance benefit plans for retired teachers must submit their premium costs, plan for ensuring adherence with this statute and any related data as requested by the State's Executive Director of Health Insurance.

**Sec. H-4. Calculation and transfer of funds; retiree health insurance.** Notwithstanding the Maine Revised Statutes, Title 5, section 1585 or any other provision of law, the State Budget Officer shall calculate the amount of savings in Part A of this Act that applies against each account for departments and agencies statewide that have occurred as a result of the retiree health provisions authorized in this Part. The State Budget Officer shall transfer the savings by financial order upon approval of the Governor on or before January 15, 2014. These transfers are considered adjustments to appropriations and allocations in fiscal years 2013-14 and 2014-15.

**Sec. H-5. Calculation and transfer; health insurance.** Notwithstanding any other provision of law, the State Budget Officer shall calculate the amount of savings in Part A of this Act that applies against each Highway Fund account for all departments and agencies

from savings associated with health insurance changes and shall transfer the amounts by financial order upon the approval of the Governor. These transfers are considered adjustments to appropriations and allocations in fiscal year 2013-14 and fiscal year 2014-15.

## **SUMMARY**

### **PART H**

This Part does the following:

It caps the State's contribution for active and retired state employee health insurance at fiscal year 2010-11 levels and limits the premium for years beginning after June 30, 2015 to no more than the Consumer Price Index plus 3%.

It caps the State's total cost for retired health insurance premiums at fiscal year 2010-11 levels and limits the premium for years beginning after June 30, 2015 to no more than the Consumer Price Index plus 3%.

It requires providers of the health insurance benefit plans for retired teachers to submit their premium costs, plan for ensuring adherence with the statutory change and any related data as requested by the State's Executive Director of Health Insurance.

It delays the date that the Legislature must begin to appropriate funds to retire the unfunded liability for retiree health benefits for eligible participants in the teacher plan until July 1, 2015.

It requires the State Budget Officer to calculate the savings in Part A of this bill that applies against each account as a result of the changes and to distribute those changes by financial order upon the recommendation of the Governor as adjustments to appropriations and allocations.

## **PART I**

**Sec. I-1. State Lottery Fund; reduction to expenses; transfer to General Fund.** The Director of the Bureau of Alcoholic Beverages and Lottery Operations within the Department of Administrative and Financial Services shall reduce cost of goods sold expenditures below budgeted amounts by \$3,200,000 in fiscal year 2013-14 and \$3,200,000 in fiscal year 2014-15 based on rebidding the existing contract in order to increase General Fund revenue by \$3,200,000 in fiscal year 2013-14 and \$3,200,000 in fiscal year 2014-15.

## **SUMMARY**

### **PART I**

This Part directs the Director of the Bureau of Alcoholic Beverages and Lottery Operations to reduce the cost of goods sold expenditures by \$3,200,000 in each of fiscal year 2013-14 and 2014-15 from rebidding the existing lottery contract in order to increase General Fund revenue.

## **PART J**

### **Sec. J-1. State-municipal revenue sharing; distributions to municipalities.**

Notwithstanding the Maine Revised Statutes, Title 30-A, section 5681 or any other provision of law, between June 1, 2013 and June 1, 2015 calculations of 5% of the receipts during the previous month from the taxes imposed under Title 36, Parts 3 and 8, and Title 36, section 2552, subsection 1, paragraphs A to F and L and transfers from General Fund undedicated revenue to the Local Government Fund shall be suspended. No distributions shall be made from the Local Government Fund or the Disproportionate Tax Burden Fund between July 1, 2013 and June 30, 2015.

## **SUMMARY**

### **PART J**

This Part suspends distributions to municipalities from the Local Government Fund and the Disproportionate Tax Burden Fund for the 2014-2015 biennium.



## PART K

**Sec. K-1. 36 MRSA §691, sub-§1, ¶A**, as amended by PL 2009, c. 571, Pt. II, §1 and affected §5, is further amended to read:

A. "Eligible business equipment" means qualified property that, in the absence of this subchapter, would first be subject to assessment under this Part ~~on or~~ after April 1, ~~2008~~1995. "Eligible business equipment" includes, without limitation, repair parts, replacement parts, replacement equipment, additions, accessions and accessories to other qualified business property ~~that first became subject to assessment under this Part before after April 1, 2008 if the part, addition, equipment, accession or accessory would, in the absence of this subchapter, first be subject to assessment under this Part on or after April 1, 2008~~on hand but not in service if acquired after April 1, 1995, regardless of when placed in service. "Eligible business equipment" also includes inventory parts.

"Eligible business equipment" does not include:

- (1) Office furniture, including, without limitation, tables, chairs, desks, bookcases, filing cabinets and modular office partitions;
- (2) Lamps and lighting fixtures used primarily for the purpose of providing general purpose office or worker lighting;
- (3) Property owned or used by an excluded person;
- (4) Telecommunications personal property subject to the tax imposed by section 457;
- (5) Gambling machines or devices, including any device, machine, paraphernalia or equipment that is used or usable in the playing phases of any gambling activity as that term is defined in Title 8, section 1001, subsection 15, whether that activity consists of gambling between persons or gambling by a person involving the playing of a machine. "Gambling machines or devices" includes, without limitation:
  - (a) Associated equipment as defined in Title 8, section 1001, subsection 2;
  - (b) Computer equipment used directly and primarily in the operation of a slot machine as defined in Title 8, section 1001, subsection 39;
  - (c) An electronic video machine as defined in Title 17, section 1831, subsection 4;
  - (d) Equipment used in the playing phases of lottery schemes; and
  - (e) Repair and replacement parts of a gambling machine or device;
- (6) Property located at a retail sales facility and used primarily in a retail sales activity ~~unless the property is owned by a business that operates a retail sales facility in the State exceeding 100,000 square feet of interior customer selling~~

~~space that is used primarily for retail sales and whose Maine-based operations derive less than 30% of their total annual revenue on a calendar year basis from sales that are made at a retail sales facility located in the State. For purposes of this subparagraph, the following terms have the following meanings:~~

- ~~(a) "Primarily" means more than 50% of the time;~~
- ~~(b) "Retail sales activity" means an activity associated with the selection and purchase of goods or services or the rental of tangible personal property. "Retail sales activity" does not include production as defined in section 1752, subsection 9-B; and~~
- ~~(c) "Retail sales facility" means a structure used to serve customers who are physically present at the facility for the purpose of selecting and purchasing goods or services at retail or for renting tangible personal property. "Retail sales facility" does not include a separate structure that is used as a warehouse or call center facility;~~

- (7) Property that is not entitled to an exemption by reason of the additional limitations imposed by subsection 2; or
- (8) Personal property that would otherwise be entitled to exemption under this subchapter used primarily to support a telecommunications antenna used by a telecommunications business subject to the tax imposed by section 457.

**Sec. K-2. 36 MRSA §694, sub-§ 2, ¶A**, as enacted by PL 2005, c. 623, § 1, is amended to read:

**2. Entitlement to reimbursement by State; calculation.** Reimbursement is calculated as follows.

A. Notwithstanding section 661, upon proof in a form satisfactory to the bureau, unless a municipality chooses reimbursement under paragraph B, a municipality that has accepted a valid exemption under this subchapter is entitled to recover from the State the applicable percentage of property tax revenue lost by reason of the exemption. Except as otherwise provided in this subsection, the applicable percentage is:

- ~~(1) For property tax years beginning April 1, 2008, 100%;~~
- ~~(2) For property tax years beginning April 1, 2009, 90%;~~
- ~~(3) For property tax years beginning April 1, 2010, 80%;~~
- ~~(4) For property tax years beginning April 1, 2011, 70%;~~
- (5) For property tax years beginning April 1, 2012, 60%; ~~and~~
- (6) For property tax years beginning April 1, 2013 ~~and for subsequent tax years,~~ 50%;

(7) For property tax years beginning April 1, 2014, 60%;

(8) For property tax years beginning April 1, 2015, 55%;

(9) For property tax years beginning April 1, 2016 and for subsequent tax years, 50%.

**Sec. K-3. 36 MRSA §700-C** is enacted to read:

**§700-C. Transition.**

Reimbursement provided by this chapter is eliminated for property taxes paid on or after January 1, 2013. Property that would otherwise qualify for reimbursement under this chapter is eligible for exemption to the extent provided, and except as excluded, under Chapter 105, subchapter 4-C for property tax years beginning on or after April 1, 2014.

**Sec. K-4. Application.** That section of this Part that amends the Maine Revised Statutes, Title 36, section 691, subsection 1, paragraph A applies to property tax years beginning on or after April 1, 2014.

**Sec. K-5. Retroactivity.** That section of this Part that enacts the Maine Revised Statutes, Title 36, section 700-C applies retroactively to property taxes paid on or after January 1, 2013.

**SUMMARY  
PART K**

This Part does the following:

It eliminates eligibility under the Business Equipment Tax Exemption (BETE) program for property located at certain retail sales facilities.

It sunsets the Business Equipment Tax Reimbursement (BETR) program with respect to property taxes paid after 2012. Property that would have otherwise qualified for the BETR program, except the property located at retail sales facilities, is to be treated as eligible business equipment for purposes of the BETE program for property tax years beginning on or after April 1, 2014.

It increases the municipal reimbursement rate under the BETE program from 50% to 60% for the property tax year beginning April 1, 2014, and 55% for the property tax year beginning April 1, 2015. The rate for subsequent property tax years would be 50%.

## PART L

**Sec. L-1. 36 MRSA §6201, sub-§3**, as amended by PL 2007, c. 438, §112 is further amended to read:

**3. Elderly household.** "Elderly household" means a household in which, during the year for which relief is requested:

A. At least one member of the household had attained the age of ~~62~~ 65;

~~B. The claimant was not married and had attained the age of 55 and was, due to disability, receiving federal disability payments such as supplemental security income; or~~

~~C. The claimant was married and had attained the age of 55 and both the claimant and the claimant's spouse were, due to disability, receiving federal disability payments such as supplemental security income.~~

**Sec. L-2. 36 MRSA §6201, sub-§ 7** as enacted by PL 1987, c. 516, §§ 3, 6 is amended to read:

**7. Household income.** "Household income" means all income received by ~~all persons of a household~~ the claimant and the claimant's spouse in a calendar year while members of the household.

**Sec. L-3. 36 MRSA §6201, sub-§9-A** is enacted to read:

**9-A. Investment income.** "Investment income" means taxable interest, tax-exempt interest, ordinary dividends and capital gains reduced by capital losses but not reduced below \$0. For purposes of this subsection, the terms "taxable interest," "tax-exempt interest," "ordinary dividends," "capital gains" and "capital losses" have the same meanings as those terms have for federal income tax purposes under the Code.

**Sec. L-4. 36 MRSA §6201, sub-§ 11-A** as amended by PL 2005, c. 2, Pt. E, § 2 and affected by §§ 7, 8 is further amended to read:

**11-A. Rent constituting property taxes accrued for nonelderly household.** "Rent constituting property taxes accrued for nonelderly household" means ~~20%~~ 15% of the gross rent actually paid in cash or its equivalent in any tax year by a claimant and the claimant's household solely for the right of occupancy of their Maine homestead in the tax year and which rent constitutes the basis, in the succeeding calendar year, of a claim for relief under this chapter by the claimant.

**Sec. L-5. 36 MRSA §6207, sub-§ 2-A** as enacted by PL 2007, c. 700, Pt. A, § 2 is amended to read:

~~2-A. Income eligibility. For application periods beginning on or after August 1, 2008, a single member household with a household income in excess of \$60,000 and a household with 2 or more members with a household income in excess of \$80,000 are not eligible for a benefit. For application periods beginning on or after August 1, 2013, a single-member household with a household income in excess of \$38,200 and a household with 2 or more members with a household income in excess of \$59,300 are not eligible for a benefit.~~

**Sec. L-6. 36 MRSA §6207, sub-§3**, as amended by PL 1999, c. 494, §16 is further amended to read:

**3. Subsidized housing; special needs payment.** A claim may not be granted under this section to claimants:

A. Whose housing costs for the year for which relief is requested were subsidized by government programs that limit housing costs to a percentage of household income, ~~except that the exclusion provided by this paragraph does not apply to persons receiving social security disability or supplemental security income disability benefits.~~

**Sec. L-7. 36 MRSA §6209, sub-§4** as amended by PL 2009, c. 434, §81 is further amended to read:

**4. Income eligibility adjustment.** Beginning ~~March 1, 2009,~~ March 1, 2014, the State Tax Assessor shall annually multiply the household income eligibility adjustment factor by the maximum income eligibility amounts specified in section 6207, subsection 2-A, as previously adjusted. The result must be rounded to the nearest \$50 and applies to the application period beginning the next August 1st.

**Sec. L-8. 36 MRSA §6209, sub-§ 5** is enacted to read:

**5. Investment income adjustment.** Beginning March 1, 2014, the State Tax Assessor shall annually multiply the household income eligibility adjustment factor by the maximum investment income amount specified in section 6221 as previously adjusted. The result must be rounded to the nearest \$50 and applies to the application period beginning the next August 1st.

**Sec. L-9. 36 MRSA §6221** is enacted to read:

**§6221. Denial of benefit for households having excess investment income**

A benefit is not allowed under this chapter if, for the year for which relief is requested, the aggregate amount of investment income of a household exceeds \$10,000.

**Sec. L-10. 36 MRSA §6222** is enacted to read:

**§6222. Denial of benefit for certain households**

A benefit is not allowed under this chapter unless, during the year for which relief is requested, the claimant or the claimant's spouse had attained the age of 65.

**SUMMARY  
PART L**

This Part does the following:

It amends the current Maine Residents Property Tax Refund (Circuitbreaker) Program to remove dependent income from the definition of household income and to reduce the household income eligibility threshold for nonelderly households to the pre-2005 levels adjusted for inflation (\$38,200 for single-member households and to \$59,300 for multiple member households). The annual adjustment for income eligibility is amended to next take place in 2014.

It reduces the percentage used to convert rent to an amount representing rent constituting property taxes for nonelderly households from 20% to 15% of gross rent.

It repeals provisions allowing certain claimants receiving federal disability payments to qualify for the low-income elderly portion of the program.

It repeals provisions that allow claimants that live in subsidized housing and who receive social security disability or supplemental security income disability benefits to qualify for the general portion of the program. A benefit is denied in cases where the claimant or claimant's household has certain investment income in excess of \$10,000. Benefits under the program would be limited to households where the claimant or claimant's spouse had attained the age of 65 during the year for which relief is requested.

It applies to application periods beginning on or after August 1, 2013.

## PART M

**Sec. M-1. 36 MRSA §681, sub-§5** as enacted by PL 2005, c. 647, §3 and affected by §3 is amended to read:

**5. Qualifying shareholder.** "Qualifying shareholder" means a person who is a:

A. ~~Shareholder~~ A shareholder in a cooperative housing corporation that owns a homestead in this State;

B. ~~Shareholder for the preceding 12 months in the cooperative housing corporation specified in paragraph A; and~~

C. ~~Permanent~~ A permanent resident of this State; and

D. Beginning on April 1, 2014, the age of 65 by April 1 of the year of the exemption.

**Sec. M-2. MRSA §683, sub-§1** as amended by PL 2009, c. 213, Pt. YYY, § 1 and affected by PL 2009, c. 652, Pt. A, § 63 is further amended to read:

**1. Exemption amount for property tax years beginning on or before April 1, 2013.** Except for assessments for special benefits, the just value of \$10,000 of the homestead of a permanent resident of this State who has owned a homestead in this State for the preceding 12 months is exempt from taxation for property tax years beginning on or before April 1, 2013. In determining the local assessed value of the exemption, the assessor shall multiply the amount of the exemption by the ratio of current just value upon which the assessment is based as furnished in the assessor's annual return pursuant to section 383. If the title to the homestead is held by the applicant jointly or in common with others, the exemption may not exceed \$10,000 of the just value of the homestead, but may be apportioned among the owners who reside on the property to the extent of their respective interests. A municipality responsible for administering the homestead exemption has no obligation to create separate accounts for each partial interest in a homestead owned jointly or in common.

**Sec. M-3. 36 MRSA §683, sub-§1-B** is enacted to read:

**1-B. Exemption amount for property tax years beginning on or after April 1, 2014.** Except for assessments for special benefits, the just value of \$20,000 of the homestead of a permanent resident of this State who has attained the age of 65 by April 1 of the year of exemption is exempt from taxation for property tax years beginning on or after April 1, 2014. The individual claiming exemption under this subsection must file an application form with the assessor or the assessor's representative consistent with section 684. In determining the local assessed value of the exemption, the assessor shall multiply the amount of the exemption by the ratio of current just value upon which the assessment is based as furnished in the assessor's annual return pursuant to section 383. If the title to the homestead is held by the applicant jointly or in common with others, the exemption may not exceed \$20,000 of the just value of the

homestead, but may be apportioned among the owners who reside on the property to the extent of their respective interests. A municipality responsible for administering the homestead exemption has no obligation to create separate accounts for each partial interest in a homestead owned jointly or in common.

**Sec. M-4. 36 MRSA §683, sub-§5** as enacted by PL 2005, c. 647, § 4 and affected by §5 is amended to read:

**5. Determination of exemption for cooperative housing corporation.** A cooperative housing corporation may apply for an exemption under this subchapter to be applied against the valuation of property of the corporation that is occupied by qualifying shareholders. The application must include a list of all qualifying shareholders and must be updated annually to reflect changes in the ownership and residency of qualifying shareholders. The exemption is equal to the amount specified in subsection 1 multiplied by the number of units in the cooperative property occupied by qualifying shareholders. For property tax years beginning on or after April 1, 2014, the exemption is equal to the amount specified in subsection 1-B multiplied by the number of units in the cooperative property occupied by qualifying shareholders. A cooperative housing corporation that receives an exemption pursuant to this section shall apportion the property tax reduction resulting from the exemption among the qualifying shareholders on a per unit basis. Any supplemental assessment resulting from disqualification for exemption must be applied in the same manner against the qualifying shareholders for whom the disqualification applies.

**Sec. M-5. Application.** The section of this Part that amends the Maine Revised Statutes, Title 36, section 683, subsection 1 applies to property tax years beginning on or before April 1, 2013. Those sections of this Part that enact the Maine Revised Statutes, Title 36, section 681, subsection 5, paragraph D and section 683, subsection 1-B and amend section 683, subsection 5 apply to property tax years beginning on or after April 1, 2014.

## SUMMARY PART M

This Part does the following:

It ends the current homestead exemption for Maine residents for property tax years beginning on or after April 1, 2014 and replaces it with a new homestead exemption limited to homeowners age 65 and older. The new homestead exemption amount is increased to \$20,000 and the requirement that an individual own a home in Maine during the preceding 12 months is removed.

It adjusts the definition of a “qualifying shareholder” for purposes of the homestead property tax exemption to include the requirement that the qualifying shareholder of a cooperative housing corporation must have attained the age of 65 by April 1 of the year of the exemption.



## PART N

**Sec. N-1. 36 MRSA §1752, sub-§25**, is enacted to read:

**25. Transferred electronically.** “Transferred electronically” means delivered to the purchaser by means other than tangible storage media.

**Sec. N-2. 36 MRSA §1811, ¶1**, as amended by PL 2011, c.209, §4 and affected by §5, is further amended to read:

### **§1811. Sales tax**

A tax is imposed on the value of all products transferred electronically, tangible personal property and taxable services sold at retail in this State. The rate of tax is 7% on the value of liquor sold in licensed establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43; 7% on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp; 10% on the value of rental for a period of less than one year of an automobile, of a pickup truck or van with a gross vehicle weight of less than 26,000 pounds rented from a person primarily engaged in the business of renting automobiles or of a loaner vehicle that is provided other than to a motor vehicle dealer's service customers pursuant to a manufacturer's or dealer's warranty; 7% on the value of prepared food; and 5% on the value of all other products transferred electronically, tangible personal property and taxable services. Value is measured by the sale price, except as otherwise provided. The value of rental for a period of less than one year of an automobile or of a pickup truck or van with a gross vehicle weight of less than 26,000 pounds rented from a person primarily engaged in the business of renting automobiles is the total rental charged to the lessee and includes, but is not limited to, maintenance and service contracts, drop-off or pick-up fees, airport surcharges, mileage fees and any separately itemized charges on the rental agreement to recover the owner's estimated costs of the charges imposed by government authority for title fees, inspection fees, local excise tax and agent fees on all vehicles in its rental fleet registered in the State. All fees must be disclosed when an estimated quote is provided to the lessee.

## SUMMARY

### PART N

This Part clarifies that sales tax applies to the sale of digital products that are delivered electronically to the purchaser, such as by a purchaser's download of the product onto a digital device.

## PART O

**Sec. O-1. 5 MRSA §1532, sub-§7** as enacted by PL 2007, c. 322, §1, is repealed.

**Sec. O-2. 36 MRSA §208-A, sub-§1** as repealed and replaced by PL 2007, c. 322, §2, is amended to read:

**1. Request for adjustment.** A municipality that has experienced a sudden and severe disruption in its municipal valuation may request an adjustment to the equalized valuation determined by the State Tax Assessor under section 208 for the purposes of calculating distributions of education funding under Title 20-A, chapter 606-B and state-municipal revenue sharing under Title 30-A, section 5681. A municipality requesting an adjustment under this section must file a petition, with supporting documentation, with the State Tax Assessor by March 31<sup>st</sup> of the year following the tax year in which the sudden and severe disruption occurred and indicate the time period for which adjustments to distributions are requested under subsection 5.

**Sec. O-3. 36 MRSA §208-A, sub-§2** as repealed and replaced by PL 2007, c. 322, §2, is amended to read:

**2. Sudden and severe disruption.** A municipality experiences a sudden and severe disruption in its municipal valuation if:

A. The municipality experiences ~~an equalized~~ a net reduction in equalized municipal valuation of at least 2% from the equalized municipal valuation that would apply without adjustment under this section;

B. The ~~equalized~~ net reduction in equalized municipal valuation is attributable to the ~~closure~~ cessation of business operations, removal, ~~replacement, retrofit, obsolescence~~ or destruction of property resulting from disaster, disaster or abatement attributable to a single taxpayer that occurred in the prior tax year; and

C. The municipality's equalized tax rate of residential property exceeds the state average.

For purposes of this subsection, "removal" does not include property that was present in the municipality for less than 24 months. This subsection does not apply to property acquired by a municipality that otherwise could seek relief pursuant to this section.

**Sec. O-4. 36 MRSA §208-A, sub-§3** as repealed and replaced by PL 2007, c. 322, §2, is repealed and the following enacted in its place:

**3. Procedure.** A municipality may request an adjustment under this section by filing a petition with the State Tax Assessor in accordance with this subsection.

A. On forms prescribed by the State Tax Assessor, the municipality shall identify a net reduction in equalized municipal valuation of at least 2% of the municipality's equalized value, the property of a single taxpayer, the date of the loss, and the cause of the loss. The municipality must include a professional appraisal of the property responsible for the loss that shows the value of the property immediately prior to the loss and the value of the

property following the loss. In determining the values of the property, the appraiser must consider the cost, income capitalization and sales comparison approaches to the valuation of property. The appraisal must be prepared by a professional appraiser approved for that purpose by the State Tax Assessor. The municipality is required to provide any other documentation to support its claim as determined by the State Tax Assessor.

B. The State Tax Assessor shall examine the documentation provided by the municipality and determine whether the municipality qualifies for an adjustment under this section.

C. If the State Tax Assessor determines that a municipality qualifies for an adjustment under this section, the State Tax Assessor shall calculate the amount of the adjustment for the municipality by determining the amount by which the state valuation determined under section 208 would be reduced as a result of the net sudden and severe disruption of equalized municipal valuation for the state valuations to be used in the next fiscal year by the Commissioner of Education and the Treasurer of State. The State Tax Assessor shall adjust subsequent state valuations until such time as the state valuation recognizes the loss. The State Tax Assessor may limit the time period or amount of adjustment to reflect the circumstances of the sudden and severe loss of valuation.

**Sec. O-5. 36 MRSA §208-A, sub-§5** as repealed and replaced by PL 2007, c. 322, §2, is amended to read:

**5. Effect of modified state valuation.** The determination of an adjustment to state valuation has the following effect.

A. The Commissioner of Education shall use the adjusted state valuation amount instead of the valuation certified under section 305 in calculate the amount by which the local share of education funding under Title 20-A, chapter 606-B would have been increased if the adjusted state valuation amount had been used for the applicable time period in calculating for the following fiscal year education funding obligations. The commissioner shall certify to the State Controller the amount required to make the necessary payments and pay that amount to the municipality.

B. The Treasurer of State shall use the adjusted state valuation amount instead of the valuation certified under section 305 in calculating ~~future~~ for the following fiscal year distributions of state-municipal revenue sharing.

**Sec. O-6. 36 MRSA §694, sub-§2, ¶ B**, as amended by P.L. 2007, c.627, section 25, is further amended to read:

B. In the case of a municipality that chooses reimbursement under this paragraph in which the personal property factor exceeds 5%, the applicable percentage for exempt business equipment is 50% plus an amount equal to 1/2 of the personal property factor. For purposes of this paragraph, "personal property factor" means the percentage derived from a fraction, the numerator of which is the value of business personal property in the municipality, whether taxable or exempt, and the denominator of which is the value of all taxable property

in the municipality plus the value of exempt business equipment. For purposes of this paragraph, the taxable value of exempt business equipment is the value that would have been assessed on that equipment if it were taxable. In order to obtain the reimbursement under this paragraph, the municipality must provide to the State Tax Assessor an appraisal of the exempt business equipment of all taxpayers whose equalized municipal valuation makes up at least 2% of the overall equalized valuation of the municipality. In determining the value of the property the appraiser must consider the cost, income capitalization and sales comparison approaches to the valuation of property. The appraisal must determine a value for the property within the five years prior to the date of the claim and must be prepared by a professional appraiser approved for that purpose by the State Tax Assessor. This appraisal must be the basis on which the property is assessed for municipal property tax purposes.

**Sec. O-7. Retroactive application.** This Part applies retroactively to property tax years beginning on or after April 1, 2013.

## **SUMMARY PART O**

This Part does the following:

It deletes the provision for funding from the Maine Budget Stabilization Fund certain payments for adjustments to state valuation for sudden and severe disruption of valuation.

It specifies the date by which a claim for adjustment must be filed. It amends the definition of what constitutes a sudden and severe disruption.

It clarifies and specifies the procedure for a municipality's filing of a claim and the review and determination of that claim by the State Tax Assessor.

It provides that a municipality must submit a professional appraisal of the property at issue with its claim for relief under section 208-A.

It provides that the adjustments allowed under this section shall be applied by the Commissioner of Education and the Treasurer of State to the following fiscal year.

It makes various changes to clarify the wording of the existing section.

It provides that the additional reimbursement under the Business Equipment Tax Exemption of certain qualified property is conditioned on the municipality including an approved professional appraisal with its claim for reimbursement.

It provides for retroactive application.

**PART P**

**Sec. P-1. 36 MRSA §1760, sub-§14** is repealed.

**Sec. P-2. Application.** This Part applies to sales occurring on or after October 1, 2013.

**SUMMARY  
PART P**

This Part repeals the sales tax exemption for publications (magazines, newspapers, etc.) issued at average intervals not exceeding three months. Repeal of the exemption applies to sales occurring on or after October 1, 2013.

## PART Q

**Sec. Q-1. 36 MRSA §5111, sub-§1-C**, as enacted by PL 2011, c. 380, Pt. N, §2 and affected by §19 amended 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 but no later than December 31, 2013, for single individuals and married persons filing separate returns:

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

**Sec. Q-2. 36 MRSA §5111, sub-§1-D**, is enacted to read:

**1-D. Single individuals and married persons filing separate returns; tax years beginning 2014.** For tax years beginning on or after January 1, 2014, for single individuals and married persons filing separate returns:

<u>If Maine Taxable income is:</u>	<u>The tax is:</u>
<u>At least \$5,200 but less than \$20,900</u>	<u>6.5% of the excess over \$5,200</u>
<u>\$20,900 or more</u>	<u>\$1,021 plus 7.95% of the excess over \$20,900</u>

**Sec. Q-3. 36 MRSA §5111, sub-§2-C**, as enacted by PL 2011, c. 380, Pt. N, §4 and affected by §19 amended to read:

**2-C. Heads of households; tax years beginning 2013.** For tax years beginning on or after January 1, 2013 but no later than December 31, 2013, for unmarried individuals or legally separated individuals who qualify as heads of households:

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

**Sec. Q-4. 36 MRSA §5111, sub-§2-D** is enacted to read:

**2-D. Heads of households; tax years beginning 2014.** For tax years beginning on or after January 1, 2014, for unmarried individuals or legally separated individuals who qualify as heads of households:

<u>If Maine Taxable income is:</u>	<u>The tax is:</u>
<u>At least \$7,850 but less than \$31,350</u>	<u>6.5% of the excess over \$7,850</u>

\$31,350 or more

\$1,528 plus 7.95% of the excess over \$31,350

**Sec. Q-5. 36 MRSA §5111, sub-§3-C** as enacted by PL 2011, c. 380, Pt. N, §6 and affected by §19 amended to read:

**3-C. Individuals filing married joint return or surviving spouses; tax years beginning 2013.** For tax years beginning on or after January 1, 2013 but no later than December 31, 2013, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

If Maine Taxable income is:

At least \$10,000 but less than \$39,900

\$39,900 or more

The tax is:

6.5% of the excess over \$10,000

\$1,944 plus 7.95% of the excess over \$39,900

**Sec. Q-6. 36 MRSA §5111, sub-§3-D** is enacted to read:

**3-D. Individuals filing married joint return or surviving spouses; tax years beginning 2014.** For tax years beginning on or after January 1, 2014, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

If Maine Taxable income is:

At least \$10,450 but less than \$41,850

\$41,850 or more

The tax is:

6.5% of the excess over \$10,450

\$2,041 plus 7.95% of the excess over \$41,850

**Sec. Q-7. 36 MRSA §5402, sub-§1**, as enacted by Initiated Bill 1983, c. 2, §4 is amended to read:

**1. Chained Consumer Price Index.** "Chained Consumer Price Index" means the average over a 12-month period of the ~~National~~ Chained Consumer Price Index, not seasonally adjusted, published monthly by the Bureau of Labor Statistics, United States Department of Labor designated as the "Chained ~~National~~ Consumer Price Index for All Urban Consumers-United States City Average."

**Sec. Q-8. 36 MRSA §5402, sub-§1-B**, as amended by PL 2011, c. 380, Pt. N, §17 and affected by §19 and §20 is further amended to read:

**1-B. Cost-of-living adjustment.** The "cost-of-living adjustment" for any calendar year is the Chained Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, ~~2010~~ 2014.

**Sec. Q-9. 36 MRSA §5403**, as amended by PL 2011, c. 380, Pt. N, §18 and affected by §19 amended to read is further amended to read:

### **36 §5403. ANNUAL ADJUSTMENTS FOR INFLATION**

Beginning in ~~2002~~ 2015, and each subsequent calendar year thereafter, on or about September 15th, the State Tax Assessor shall multiply the cost-of-living adjustment for taxable years beginning in the succeeding calendar year by the dollar amounts of the tax rate tables specified in section 5111, subsections ~~1-B, 1-C, 2-B, 2-C, 3-B~~ 1-D, 2-D and ~~3-C~~ 3-D. If the dollar amounts of each rate bracket, adjusted by application of the cost-of-living adjustment, are not multiples of \$50, any increase must be rounded to the next lowest multiple of \$50. If the cost-of-living adjustment for any taxable year would be less than the cost-of-living adjustment for the preceding calendar year, the cost-of-living adjustment is the same as for the preceding calendar year. The assessor shall incorporate such changes into the income tax forms, instructions and withholding tables for the taxable year.

**Sec. Q-10. Effective Date.** That Section of this Part that amends the Maine Revised Statutes, Title 36, section 5403 is effective August 31, 2013.

### **SUMMARY PART Q**

This Part suspends the inflation adjustment for tax years beginning in 2014 and 2015 and amends the inflation adjustment calculation for tax years beginning after 2015 based on the Chained Consumer Price Index instead of the Consumer Price Index.



## **PART R**

**Sec. R-1. 5 MRSA §1664, sub-§1, ¶E**, as amended by PL 2007, c. 613, §§1-3, is repealed.

**Sec. R-1. 5 MRSA §1665, sub-§5**, as amended by PL 2003, c. 20, Pt. OO, §2 and affected by PL 2003, c. 20, Pt. OO, §4, is repealed.

## **SUMMARY PART R**

This section repeals the requirement that the State Budget Document contain the prioritized public improvements budget estimate.

## PART S

**Sec. S-1. 5 MRSA §8-F**, as amended by PL 1979, c. 541, Pt. A, §16 is further amended to read:

### **§8-F. Rules and regulations**

Each department shall establish and promulgate, ~~subject to the approval of the State Budget Officer,~~ rules and regulations to carry out the purposes of sections 8-B to 8-C. ~~Such rules and regulations shall be transmitted to the Legislative Council for its review biennially.~~

**Sec. S-2. 5 MRSA §43**, as amended by 1985, c. 779, §8 is further amended to read:

### **§43. Annual reports of state agencies**

As used in sections 43 through 46, the word "agency" shall mean a state department, agency, office, board, commission or quasi-independent agency, board, commission, authority or institution.

The administrative head or body of each agency shall, on or before September 1st, annually, deliver to the Governor a report of such agency during the preceding fiscal year ending June 30th. An agency using a fiscal year other than that used by the State may report on the basis of its preceding fiscal year. The Legislative branch, through the Legislative Council, and the Judicial branch, through the Chief Justice of the Supreme Judicial Court, the University of Maine System and the Maine Maritime Academy, may also submit reports of these branches of State Government for the previous fiscal year.

The Governor shall immediately cause such reports to be edited with regard to content, arrangement and brevity, except that the constitutional officers elected by the Legislature, the Legislative Council and the Chief Justice and the University of Maine System and the Maine Maritime Academy shall approve any editing of their respective reports.

The Governor shall consolidate such reports and shall cause them to be ~~printed and published in convenient form for distribution and sale~~ posted on the Internet in a format that is easily accessible by the public as a public document entitled "The Maine State Government Annual Report" no later than December 31st.

~~The State Purchasing Agent shall distribute a reasonable number of copies of the report to each reporting agency, to legislative staff agencies and to each member of the Legislature, or, in the even-numbered years, to each member-elect taking office the following January. Eighty copies of the report shall be delivered to the State Librarian for exchange and library use. The State Purchasing Agent shall prorate the cost of the report among the reporting agencies. He shall provide for the sale of additional copies of the report to state agencies and the public at a reasonable price sufficient to cover the cost of printing and distribution. The income received under this section shall be credited to an Intragovernmental Service Account which shall be~~

~~carried forward and expended by the State Purchasing Agent for the purposes of sections 43 through 46.~~

**Sec. S-3. 5 MRSA §1670**, as enacted by PL 1995, c. 591, §1 is repealed:

**Sec. S-4. PL 1993, c. 707, Pt. G, §12**, as amended by PL 1995, c. 395, Pt. F, §1 is further amended to read:

**Sec. G-12. Maine Labor Relations Board unit clarification decisions that result in the determination of positions as confidential.** Notwithstanding any other provision of law, the employer cost of the pick-up retirement from unit clarification decisions of the Maine Labor Relations Board that result in the determination of positions as confidential may be funded in the fiscal year in which the unit clarification decision is made and in each fiscal year of the ensuing biennium from accrued salary savings within an appropriation or allocation for Personal Services in the account where the savings exist or in another account in the same fund and department. These costs are considered ongoing current services items in subsequent fiscal year budget submissions. ~~The Commissioner of Administrative and Financial Services shall report to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs no later than February 1<sup>st</sup> of each fiscal year with the number of cases that have been settled or are expected to be settled and the cost of any settlement, segregated by funding source.~~

## SUMMARY PART S

This Part does the following:

It eliminates a provision requiring the State Budget Officer to approve department and agency rules on housing and food provided to state employees. It also eliminates the requirement that these rules be transmitted to the Legislative Council.

It amends the reporting requirements related to the Maine State Government Annual Report. The report will now be posted on the Internet in a format that is easily accessible by the public rather than published in print form.

It repeals certain notification and reporting procedures related to new federal mandates.

It eliminates the requirement that the Commissioner of Administrative and Financial Services annually report on certain Maine Labor Relations Board bargaining unit clarification decisions.

## **PART T**

**Sec. T-1. Tax expenditures.** In accordance with the Maine Revised Statutes, Title 5, section 1666, funding is continued for each individual tax expenditure, as defined in Title 5, section 1666, reported in the budget document submitted by the Governor on January 11, 2013.

## **SUMMARY**

### **PART T**

This Part verifies that funding is continued for each individual tax expenditure.

## PART U

**Sec. U-1. 36 MRSA §4641-B, sub-§4-B, ¶C, sub-¶(3)**, as enacted by PL 2011, c. 453, §6, is amended to read:

(3) On a monthly basis the Treasurer of State shall apply 50% of the revenues in accordance with this subparagraph. The Treasurer of State shall first credit ~~\$245,160~~ \$2,445,160 of the revenues available under this subparagraph to the General Fund, after which the Treasurer of State shall pay any remaining revenues available under this subparagraph to the Maine State Housing Authority, which shall deposit the funds in the Housing Opportunities for Maine Fund created in Title 30-A, section 4853.

**Sec. U-2. 36 MRSA §4641-B, sub-§4-B, ¶D, sub-¶(3)**, as enacted by PL 2011, c. 453, §6, is amended to read:

(3) On a monthly basis the Treasurer of State shall apply 50% of the revenues in accordance with this subparagraph. The Treasurer of State shall first credit ~~\$1,879,560~~ \$3,979,560 of the revenues available under this subparagraph to the General Fund, after which the Treasurer of State shall pay any remaining revenues available under this subparagraph to the Maine State Housing Authority, which shall deposit the funds in the Housing Opportunities for Maine Fund created in Title 30-A, section 4853.

## SUMMARY

### PART U

This Part caps the amount of funding transferred from the real estate transfer tax to the Maine State Housing Authority.

## PART V

**Sec. V-1. 5 MRSA §17851-A, sub-§1, ¶G**, as amended by PL 1999, c. 493, §5 is further amended to read:

G. Liquor inspectors, including the Chief Inspector, in the employment of the Department of Public Safety, Bureau of Liquor Enforcement on July 1, 1998, or hired thereafter, and in the employment of the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations on July 1, 2013, or hired thereafter;

**Sec. V-2. 28-A MRSA §2, sub-§2-A**, as enacted by PL 1997, c. 373, §10 is repealed.

**Sec. V-3. 28-A MRSA §2, sub-§6**, as amended by PL 2003, c. 451, Pt. T, §7 is further amended to read:

6. Bureau. "Bureau" means the ~~division within the~~ Department of ~~Public Safety~~ Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations. ~~designated by the commissioner to enforce the law relating to the manufacture, importation, storage, transportation and sale of all liquor and to administer those laws relating to licensing and collection of taxes on malt liquor and wine.~~

**Sec. V-4. 28-A MRSA §2, sub-§9-A**, as amended by PL 1993, c. 410, Pt. ZZ, §2 is amended to read:

9-A. Commissioner. "Commissioner" means the Commissioner of ~~Public Safety~~ Administrative and Financial Services.

**Sec. V-5. 28-A MRSA §2, sub-§14**, as amended by PL 1993, c. 373, §14 is further amended to read:

**14. Licensee.** "Licensee" means ~~the a person to whom a license of any kind is issued~~ licensed by the bureau. "Licensee" includes, but is not limited to, agency liquor stores and certificate of approval holders.

**Sec. V-6. 28-A MRSA §2, sub-§15-A**, as amended by PL 1997, c. 373, §15 is repealed.

**Sec. V-7. 28-A MRSA §2, sub-§25-A**, as amended by PL 1997, c. 373, §17 is further amended to read:

**25-A. Retail employee.** "Retail employee" means any person employed by a retailer ~~or by the alcohol bureau~~ to sell liquor in a licensed establishment ~~or state~~ or agency liquor store. For the purposes of violations of this Title and rules of the bureau, a retail employee is deemed an agent of the retailer ~~or state~~ or agency liquor store that employs that employee.

**Sec. V-8. 28-A MRSA §2, sub-§32**, as amended by PL 1997, c. 373, §19 is repealed.

**Sec. V-9. 28-A MRSA §3**, as amended by 1997, c. 373, §§21 and 22 is repealed.

**Sec. V-10. 28-A MRSA §3-A**, is enacted to read:

**§3-A. Payments**

This section governs the methods of payments permitted for payment of license fees, application fees, permits, excise tax, premiums, and any other fees authorized by this Title.

- 1. Forms of payments permitted.** The bureau may accept payments by cash, check, debit card, credit card or electronic funds transfer.
- 2. Electronic funds transfer.** For the purposes of this Title, "electronic funds transfer" means using an electronic device for the purpose of ordering, instructing or authorizing a financial institution to debit or credit an account.
- 3. Payments not honored on presentation; consequences.** If any payment is not honored on presentation by the State, the bureau shall withhold the license if not issued, or immediately take back the license if issued, voiding it until payment has been made to cover all costs associated with the payment failure. For future payments under this Title, the bureau may require all payments be remitted only in the form of cash, certified check or money order for a period not to exceed one year.

**Sec. V-11. 28 MRSA §11, sub-§4**, as amended by PL 1997, c. 373, §25 is further amended to read:

- 4.** Inspection of Business Premises under Common Roof of Licensee. All persons carrying on any business, except any bank or savings and loan institution, under the common roof and having common entranceways with a licensee shall agree in writing to allow reasonable inspection of their premises by authorized enforcement agents of the Department of ~~Public Safety~~ Administrative and Financial Services and authorized representatives of the bureau.

**Sec. V-12. 28-A MRSA §82**, as amended by PL 2009, c. 213, Pt. X, §§1 and 2 is repealed.

**Sec. V-13. 28-A MRSA §82-A**, as enacted by PL 2005, c. 139, §4 is amended to read:

**1. Authority.** In addition to any authority a law enforcement officer has to enforce the laws, a law enforcement officer may, subject to subsections 2 and 4, enforce this Title or the rules adopted pursuant to this Title against violations that may result in an administrative sanction against a licensee or the licensee's agents or employees.

**2. Commissioner.** The commissioner in consultation with the Commissioner of Public Safety or the Commissioner of Public Safety's designee may by agreement, with the consent and approval of the affected law enforcement agency, designate the law enforcement

agency's officers to exercise the enforcement authority identified in subsection 1.

**3. Contract officers.** The commissioner in consultation with the Commissioner of Public Safety or the Commissioner of Public Safety's designee may appoint contract officers for the purpose of enforcing this Title and the rules adopted pursuant to this Title against specific violations that may result in an administrative sanction against a licensee, or the licensee's agents or employees.

**4. Limitation.** The commissioner in consultation with the Commissioner of Public Safety or the Commissioner of Public Safety's designee may limit the authority granted by this section to specific sections of this Title and rules adopted pursuant to those sections.

**Sec. V-14. 28-A MRSA §83,** as amended by PL 2011, c. 693, §§1 and 2 is repealed.

**Sec. V-15. 28-A MRSA §83-A,** is enacted to read:

**§83-A. Bureau of Alcoholic Beverages and Lottery Operations.**

The bureau shall establish policies and rules concerning the administration and the enforcement of the liquor laws under its jurisdiction as well as the sale of liquor in this State. The bureau shall:

**1. Enforcement supervision.** Enforce the laws relating to the manufacture, importation, storage, transportation and sale of all liquor and administer those laws relating to licensing and the collection of taxes on malt liquor and wine;

**2. Administration and Trade Marketing supervision.** Manage the administration and trade marketing of spirits and fortified wine through agency liquor stores unless one or more contracts is awarded under section 89;

**3. Licensing.** Issue and renew all licenses as provided by this Title and hold licensing hearings. As a part of licensure, the observance of the rules adopted by the bureau pursuant to this Title is a condition precedent to the issuing or renewing of any license to sell liquor;

**4. Price regulation.** The bureau shall regulate the wholesale and retail prices of spirits and fortified wine sold under this Title. The bureau shall adopt rules for price regulation of the wholesale and retail liquor business at agency liquor stores. Any entity awarded a contract under section 89 will have the right to distribute liquor pursuant under this chapter and is immune from antitrust action so long as the entity is in compliance with the bureau's rules and all other applicable laws and regulations;

**5. Prevent sale to minors and others.** Prevent the sale of liquor by licensees to minors and intoxicated persons;

**6. Appeals.** Review all appeals from the decisions of municipal officers. The



commissioner may conduct appeal hearings or appoint a hearings officer to conduct appeal hearings. Except as provided in section 805, the decision of the commissioner is final.

The commissioner or the hearings officer may conduct hearings in any licensing matter pending before the bureau. If a hearings officer conducts the hearing, the hearings officer, after holding the hearing, shall file with the bureau all papers connected with the case and report the findings to the commissioner. The commissioner shall render a final decision based upon the record of the hearing.

The commissioner or the hearings officer may administer oaths and issue subpoenas for witnesses and subpoenas duces tecum to compel the production of books and papers relating to any license question in dispute before the bureau or to any matter involved in a hearing. Witness fees in all proceedings are the same as for witnesses before the Superior Court and must be paid by the bureau, except that, notwithstanding Title 16, section 253, the bureau is not required to pay the fees before the travel and attendance occur;

**7. Recommend revocation of licenses.** Recommend to the District Court that it suspend or revoke, in accordance with sections 802, 803 and 1503, any license issued pursuant to this Title or the rules adopted under this Title;

**8. Investigate and recommend changes.** Carry out a continuous study and investigation of the sale of alcoholic beverages throughout the State and the operation and administration of state activities and recommend to the Commissioner of Administrative and Financial Services any changes in the laws or rules and methods of operation that are in the best interest of the State;

**9. Rules.** Adopt rules consistent with this Title or other laws of the State for the administration, clarification, execution and enforcement of all laws concerning liquor and to prevent violations of those laws. Rules adopted under this section are routine technical rules pursuant to Title 5, chapter 375, subchapter II-A. The rules adopted by the Department of Public Safety before July 1, 2012, are deemed adopted by the bureau;

**10. Rules for food service organizations.** Adopt rules permitting food service organizations that cater to passengers on international flights and cruises to purchase wine and malt liquor from wholesale outlets or distributors as long as the wine and malt liquor are resold for consumption during international travel. Food service organizations include ship chandlers as long as the wine and malt liquor are resold to vessels of foreign registry for consumption after those vessels have left port. Food service organizations are not subject to section 2, subsection 15;

**11. Publish laws and rules.** Ensure that licensees have access to the provisions of this Title, other laws governing liquor and all rules adopted pursuant to this Title in accordance with this section.

**A.** The bureau shall provide notification to licensees that the provisions of and rules adopted pursuant this Title are available on the bureau's publically accessible website and that the bureau will provide a paper copy of the Title or rules to any licensee at no charge, upon request from that licensee.

**B.** The bureau shall notify all licensees of changes in the law and rules within 90 days of adjournment of each regular session of the Legislature.

**(1)** The bureau shall supply a copy of the new laws and rules at no charge when requested by licensees.

**(2)** The bureau shall supply a copy of the new laws and rules to persons other than licensees for a reasonable fee.

**C.** The bureau may charge a reasonable fee for paper copies of this Title to cover the cost of producing the paper copy to persons other than licensees.

**D.** The bureau will keep its website relative to this section updated with any new or updated laws or rules;

**12. Revenues Deposited.** All net revenues derived from licensing and the sales of

spirits and fortified wine under this Title must be credited to the General Fund;

**13. Certification.** Certify monthly to the Treasurer of State and the Commissioner of Administrative and Financial Services a complete statement of revenues and expenses for licenses issued and for revenues collected by the bureau and submit an annual report that includes a complete statement of the revenues, expenses and liquor licensing fees collected by the bureau to the Governor and the Legislature, together with recommendations for changes in this Title;

**14. Enter into contracts.** May enter into contracts or agreements and establish contract performance standards for any contract awarded under this Title, subject to any applicable laws relating to public contracts;

**15. Public meetings.** May hold public meetings each year at various locations within the State for the purpose of outlining operations under the liquor laws, receiving suggestions and disseminating information to the public; and

**16. Supervision.** Have oversight for the day-to-day activities under the supervision of the Commissioner of Administrative and Financial Services and the director of the bureau.

**Sec. V-16. 28-A MRSA §84, sub-§1,** as corrected by RR 1999, c. 2, §29 is amended to read:

The director of the ~~alcohol~~ bureau or the director's designee shall:

**1. Manage sale of spirits and fortified wine.** Manage the sale of spirits and fortified wine through ~~state liquor stores,~~ agency liquor stores ~~and licensees~~ in accordance with applicable laws and rules that provide for the operation of wholesale distribution of spirits and fortified wine;

**Sec. V-17. 28-A MRSA §85, sub-§1,** as enacted by PL 1997, c. 373, §28 is repealed.

**Sec. V-18. 28-A MRSA §85, sub-§2,** as enacted by PL 1997, c. 373, §28 is amended to read:

**2. Inventory.** Unless one or more contracts are awarded under section 89, The the ~~alcohol~~-bureau may keep and have on hand a stock of spirits and fortified wine for sale, the value of which, when priced for resale must be computed on the delivered case cost F.O.B. liquor warehouse designated by the commission filed by liquor suppliers. The inventory value must be based upon actual cost for which payment may be due and may not at any time exceed the amount of working capital authorized. Spirits and fortified wine may not be considered in the inventory until payment has been made for them. Any entity awarded a contract under section 89 must comply with the provisions of this subsection.

**Sec. V-19. 28-A MRSA §85, sub-§3,** as enacted by PL 1997, c. 373, §28 is repealed.

**Sec. V-20. 28-A MRSA §88, sub-§5**, as enacted by PL 2003, c. 20, Pt. LLL, §2 and affected by §4 is repealed.

**Sec. V-21. 28-A MRSA §123, sub-§2**, as amended by PL 1997, c. 373, §30 is further amended to read:

**2. Sale of ~~liquor~~ spirits and fortified wine for consumption off the premises on days other than Sunday.** Shall this municipality authorize the State to permit the operation of ~~state liquor stores and~~ agency liquor stores on days other than Sunday?

**Sec. V-22. 28-A MRSA §123, sub-§4**, as amended by PL 1997, c. 373, §30 is further amended to read:

**4. Sale of ~~liquor~~ spirits and fortified wine for consumption off the premises on Sundays.** Shall this municipality authorize the State to permit the operation of ~~state liquor stores and~~ agency liquor stores on Sundays?

**Sec. V-23. 28-A MRSA §351**, as amended by PL 1997, c. 373, §38 is further amended to read:

**1. ~~State or agency~~ Agency liquor store may not be located within 300 feet of school or church.** The alcohol bureau may not establish a ~~state liquor store or the~~ bureau may not license an agency liquor store within 300 feet of any public or private school, church, chapel or parish house.

A. The bureau, after holding a public hearing near the proposed location, may locate an agency liquor store within 300 feet of a church, chapel, parish house or postsecondary school.

**2. Method of measurement.** The distance must be measured from the main entrance of the agency liquor store to the main entrance of the school, school dormitory, church, chapel or parish house by the ordinary course of travel.

**Sec. V-24. 28-A MRSA §352, sub-§1**, as amended by PL 1997, c. 373, §39 is further amended to read:

**1. Methods of payment.** This subsection governs the methods of payment permitted for purchases of ~~liquor spirits and fortified wine~~ from ~~state or~~ agency liquor stores and for purchases of liquor from the ~~alcohol~~ bureau or any entity awarded a contract under section 89 by agency liquor stores.

A. An agency liquor store may accept payment for liquor purchases by cash, check or ~~major debit or~~ credit card.

~~B. A person, other than a licensee, buying liquor at a state liquor store must pay in cash or by major credit card.~~

C. A ~~licensee~~ retail licensee licensed for on-premises consumption buying liquor ~~at from an agent licensed to resell spirits and fortified wine a state liquor store or from the alcohol bureau~~ must pay in cash ~~or by check~~ a manner permitted by the licensee. Permitted forms of payment include cash, check, debit or credit cards or electronic funds transfer.

D. In addition to the methods of payment permitted in paragraph C, an agency liquor store, when approved by the ~~alcohol~~ bureau, may pay for ~~liquor spirits and fortified wine~~ purchased from the ~~alcohol~~ bureau or any entity awarded a contract under section 89 by mailing a check for payment to the ~~alcohol~~ bureau or any entity awarded a contract under section 89 when notified of the amount due or upon receiving a ~~liquor~~ delivery of spirits or fortified wine. Payments remitted by check that are mailed must be received or postmarked within 3 days of receipt of a ~~liquor~~ delivery of spirits or fortified wine, or notification of the amount due. Payments remitted electronically using any electronic payment method permitted under paragraph C will be debited within 3 days of receipt of a delivery of spirits or fortified wine, or notification of the amount due.

**Sec. V-25. 28-A MRSA §353**, as amended by PL 1997, c. 373, §40 is further amended to read:

~~State liquor stores and agency~~ Agency liquor stores may be open for the sale and delivery of ~~liquor spirits and fortified wine~~ between the hours of 6 a.m. and 1 a.m. in municipalities and unincorporated places that have voted in favor of the operation of ~~state~~ agency liquor stores under local option provisions. Notwithstanding any local option decisions to the contrary, ~~state liquor stores and~~ agency liquor stores may be open from 9 a.m. Sunday to 1 a.m. the next day. ~~The alcohol bureau shall establish the hours of operation of each state liquor store.~~

**Sec. V-26. 28-A MRSA §354**, as enacted by PL 1987, c. 45, Pt. A, §4 is amended to read:

No ~~state liquor store or~~ agency liquor store may sell ~~liquor~~ spirits and fortified wine to a minor or to a visibly intoxicated person.

**Sec. V-27. 28-A MRSA §355**, as amended by PL 2005, c. 539, §4 is further amended to read:

The Governor or the bureau may, in cases of riots, hurricanes ~~and~~ or floods, order any or all ~~state liquor stores or~~ agency liquor stores to ~~close~~ cease selling spirits and fortified wine.

**Sec. V-28. 28-A MRSA §453, sub-§1, ¶A**, as amended by PL 1997, c. 373, §46 is further amended to read:

**1. Location requirements.** The bureau may license an agency liquor store only when the following requirements are met.

**A.** The proposed agency liquor store is located in a municipality or unincorporated place that ~~has~~ had previously voted in favor of the operation of state liquor stores under local option provisions.

**Sec. V-29. 28-A MRSA §453, sub-§2-B**, as enacted by PL 2003, c. 20, Pt. SS, §2 and affected by §8 and by PL 2003, c. 51, Pt. C, §2 is repealed:

**Sec. V-30. 28-A MRSA §453-C, sub-§1**, as amended by PL 2005, c. 539, §5 is further amended to read:

**1. Agent licensed to resell spirits purchased from the bureau.** An agent licensed to resell spirits and fortified wine purchased from the ~~State~~ bureau or any entity awarded a contract under section 89 to a retail licensee licensed for on-premises consumption must be licensed as a reselling agent. An agent is prohibited from reselling ~~liquor~~ spirits and fortified wine to a retail licensee licensed for on-premises consumption except for spirits and fortified wine purchased from the ~~alcohol~~ bureau or any entity awarded a contract under section 89~~a state liquor store~~. A reselling agent may not resell fortified wine purchased from wholesalers licensed to sell beer and wine in the State.

**Sec. V-31. 28-A MRSA §460, sub-§2, ¶N**, as amended by PL 2009, c. 510, §2 is further amended to read:

**N.** Prior to a taste-testing event, the agency liquor store shall post prominently at the entrance to the store a sign that announces the date and time of the event. ~~The Department of Public Safety shall report by January 15, 2011 to the joint standing committee of the Legislature having jurisdiction over alcohol regulation matters regarding the effectiveness of this paragraph in providing proper notice to adults who may wish to preclude minors from observing the taste testing of alcoholic beverages.~~

**Sec. V-32. 28-A MRSA §460, sub-§3**, as enacted by PL 2009, c. 459, §1 is amended to read:

3. Rules. The Department of ~~Public Safety~~ Administrative and Financial Services may adopt rules to implement this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

**Sec. V-33. 28-A MRSA §606, sub-§1**, as amended by PL 2005, c. 539, §6 is further amended to read:

**1. Purchase of ~~liquor~~ spirits and fortified wine.** Subject to the restrictions provided in subsection 1-A, a person licensed to sell spirits and fortified wine must purchase liquor spirits and fortified wine ~~from the alcohol bureau or a state or~~ an agency liquor store. This subsection does not apply to public service corporations operating interstate.

**Sec. V-34. 28-A MRSA §606, sub-§1-A, ¶A**, as amended by PL 2005, c. 539, §6 is further amended to read:

A. ~~The sale price of spirits sold to a licensee under this subsection must equal the price for which a licensee would purchase liquor at a state store.~~ Beginning November 30, 2003, the sale price of spirits sold to an establishment licensed for on-premises consumption must equal the price established by the commission.

**Sec. V-35. 28-A MRSA §606, sub-§1-C**, as amended by PL 2005, c. 373, §6 is amended to read:

**1-C. Price of state liquor sales to licensees.** ~~The alcohol bureau~~ may offer discounts below the list price to ~~licensees~~ agency liquor stores.

**Sec. V-36. 28-A MRSA §606, sub-§4**, as amended by PL 2005, c. 539, §6 is further amended to read:

**4. Discount for agency liquor stores.** ~~The alcohol bureau shall sell spirits and fortified wines to agency liquor stores for a price of at least 8% less than the list price established for the state liquor stores.~~ Beginning November 30, 2003, the bureau shall set the price of spirits and fortified wine at a minimum discount of 9% of the list price.

**Sec. V-37. 28-A MRSA §606, sub-§8**, as amended by PL 2005, c. 539, §6 is further amended to read:

**8. Limits on price.** An agency liquor store shall sell all spirits and fortified wine purchased from the ~~alcohol~~ bureau or any entity awarded a contract under section 89 at the retail price established by the commission.

**Sec. V-38. 28-A MRSA §1012, sub-§6, last ¶**, as enacted by PL 2009, c. 458, §2 is amended to read:

The Department of ~~Public Safety~~ Administrative and Financial Services may adopt rules to implement this subsection. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

**Sec. V-39. 28-A MRSA §1205, sub-§2, ¶ L**, as corrected by RR 2009, c. 2, §80 is amended to read:

L. Prior to a taste-testing event, the retail licensee shall post prominently at the entrance to the store a sign that announces the date and time of the event. ~~The Department of Public Safety shall report by January 15, 2011 to the joint standing committee of the Legislature having jurisdiction over alcohol regulation matters regarding the effectiveness of this paragraph in providing proper notice to adults who may wish to preclude minors from observing the taste testing of alcoholic beverages;~~ and

**Sec. V-40. 28-A MRSA §1205, sub-§3**, as enacted by PL 2009, c. 459, §2 is amended to read:

**3. Rules.** The Department of ~~Public Safety~~ Administrative and Financial Services may adopt rules to implement this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

**Sec. V-41. 28-A MRSA §1207, sub-§2, ¶L**, as amended by PL 2009, c. 510, §10 is further amended to read:

L. Prior to a taste-testing event, the retail licensee shall post prominently at the entrance to the store a sign that announces the date and time of the event. ~~The Department of Public Safety shall report by January 15, 2011 to the joint standing committee of the Legislature having jurisdiction over alcohol regulation matters regarding the effectiveness of this paragraph in providing proper notice to adults who may wish to preclude minors from observing the taste testing of alcoholic beverages.~~

**Sec. V-42. 28-A MRSA §1207, sub-§3**, as enacted by PL 2009, c. 459, §4, is amended to read:

**3. Rules.** The Department of ~~Public Safety~~ Administrative and Financial Services may adopt rules to implement this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

**Sec. V-43. 28-A MRSA §1403-A, sub-§2**, as amended by PL 2011, c. 629, §29 is further amended to read:

**2. Direct shipment of wine.** A farm winery or other winery holding a federal basic wine manufacturing permit located within or outside the State may obtain a wine direct shipper license by filing ~~with the Liquor Licensing and Tax Division~~ with the bureau an application in a form determined by the bureau accompanied by an application fee of not more than \$200, ~~and~~ a copy of the applicant's current federal basic wine manufacturing permit and a list of wine labels



to be shipped in accordance with this section.

**Sec. V-44. 28-A MRSA §1505, last ¶**, as enacted by PL 2009, c. 459, §5 is amended to read:

The Department of ~~Public Safety~~ Administrative and Financial Services may adopt rules to implement this section. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

**Sec. V-45. 28-A MRSA §2073, sub-§3**, as amended by PL 1997, c. 373, §154 is further amended to read:

**3. Legal importation into and transportation of liquor spirits and fortified wine within the State.** ~~Liquor~~ Spirits and fortified wine may be legally imported into and transported within the State in the following situations.

A. Upon application, the bureau may grant to an individual a permit to transport ~~liquor~~ spirits and fortified wine purchased for that person's own personal use.

B. For-hire carriers and contract carriers, authorized by the Department of Public Safety, may transport ~~liquor~~ spirits and fortified wine ~~to state liquor stores,~~ to liquor warehouses, to licensees, ~~to purchasers of liquor at state liquor stores~~ and from manufacturers to liquor warehouses, ~~state liquor stores~~ and to the state line for transportation outside the State.

~~C. Licensees may transport liquor from state liquor stores to their places of business.~~

D. Manufacturers may transport ~~liquor~~ spirits and fortified wine within the State to liquor warehouses ~~and state liquor stores~~, to persons authorized under paragraph E and to the state line for transportation outside the State.

E. The bureau may permit in writing the importation of ~~liquor~~ spirits and fortified wine into the State and the transportation of ~~liquor~~ spirits and fortified wine from place to place within the State to the following destinations for the specified purposes:

- (1) To hospitals and state institutions, for medicinal purposes only, ~~liquor~~ spirits and fortified wine made available to them from stocks of ~~liquor~~ spirits and fortified wine seized by the Federal Government;
- (2) To industrial establishments in the State for industrial uses;
- (3) To schools, colleges and state institutions for laboratory use only;
- (4) To any licensed pharmacist in the State for use in the compounding of prescriptions and other medicinal use, but not for sale by pharmacists unless compounded with or mixed with other substances; or

(5) To any physician, surgeon, osteopath, chiropractor, optometrist, dentist or veterinarian for medicinal use only.

F. The bureau may authorize hospitals and state institutions to purchase ~~liquor~~ spirits and fortified wine, for medicinal purposes only, from ~~wholesale licensees and state agency~~ liquor stores. This authorization must be in writing.

**Sec. V-46. 28-A MRSA §2076, sub-§1**, as amended by PL 1997, c. 373, §156 is further amended to read:

**1. Delivery of liquor.** Except with the bureau's written permission and as provided in section 453-C for reselling agents, no person may knowingly transport to or cause to be delivered to any person other than the ~~alcohol~~ bureau any spirits or fortified wine not purchased from a ~~state~~ agency liquor store ~~or the alcohol bureau~~.

**Sec. V-47. 28-A MRSA §2077, sub-§3**, as amended by PL 2003, c. 452, Pt. P, §7 and affected by Pt. X, §2 is further amended to read:

**3. For-hire carriers and contract carriers may import and transport within state.** For-hire carriers and contract carriers, authorized by the Department of Public Safety, may transport malt liquor or wine into and within the State to licensees, to purchasers of malt liquor or wine from licensees and to the state line for transportation outside the State.

**Sec. V-48. 28-A MRSA §2221-A, sub-§5, ¶ D**, as amended by PL 1997, c. 373, §161 is further amended to read:

D. The ~~Department of Public Safety~~ bureau is responsible for maintaining a centralized record of property seized, held by an order to the ~~department~~ bureau. ~~At least quarterly,~~ As requested, the ~~department~~ bureau shall provide a report of the disposition of property previously held by the ~~department~~ bureau ~~and ordered by the court as required by this section~~ to any governmental entity, to the Commissioner of Administrative and Financial Services ~~and~~ or to the Office of Fiscal and Program Review for review. These records must include an estimate of the fair market value of items seized.

**Sec. V-49. 28-A MRSA §2229, sub-§2**, as amended by PL 1997, c. 373, §162 is further amended to read:

**2. Sale of forfeited ~~liquor~~ spirits and fortified wine by ~~alcohol~~ bureau.** Except as provided in paragraph A, the ~~alcohol~~ bureau or any entity awarded a contract under section 89 shall re-stock and re-sell forfeited ~~liquor~~ spirits and fortified wine in the state liquor stores to agency liquor stores throughout the State.

A. If any ~~liquor~~ spirits or fortified wine is determined by the court to be unfit or unsatisfactory for consumption or retail sale, the court may order the ~~liquor~~ spirits or fortified wine to be destroyed by any officer competent to serve the process on which it was forfeited. The officer shall make the return accordingly to the court.

- (1) The ~~liquor~~ spirits and fortified wine must be destroyed by pouring it upon the ground or into a public sewer.

**Sec. V-50. Continuity of the authority of existing regulations during and after the transfer of powers and duties contemplated in this law; authority and duty to administer and enforce such regulations.** All liquor licensing and liquor enforcement-related Department of Public Safety regulations in effect at the time this law becomes effective shall remain in full effect thereafter until otherwise amended or repealed by the Department of Administrative and Financial Services. The Department of Administrative and Financial Services shall have the full authority and duty to administer and enforce all such regulations in the Department of Public Safety's stead.

## **SUMMARY PART V**

This Part transfers the powers of duties of the division within the Department of Public Safety designated by the commissioner to enforce the law relating to the manufacture, importation, storage, transportation and sale of all liquor, and to administer those laws relating to licensing and collection of taxes on malt liquor and wine, to the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations.

## **PART W**

**Sec. W-1. Attrition savings.** The attrition rate for the 2014-2015 biennium is increased from 5.0% to 6.0%.

### **SUMMARY PART W**

This Part recognizes an increase in the attrition rate from 5.0% to 6.0 % for the 2014-2015 biennium. The 6.0% rate is currently built into the baseline budget for personnel services.

**PART X**

**Sec. X-1. 5 MRSA §933, sub-§1**, as amended by PL 2011, c. 1, Pt. F, §1 and revised by PL 2011, c. 657, Pt. W, §5, is further amended to read:

Q. Assistant to the Commissioner for Public Information.

**SUMMARY**

**PART X**

This Part creates a communications position within the Department of Agriculture, Conservation and Forestry and it will be unclassified service and subject to the appointment of the commissioner.

## PART Y

**Sec. Y-1. 7 MRSA §3153-D**, as amended by PL 2011, c. 690, §1, is further amended to read:

**§3153-D. Transfer of revenues.** On or before the 18th day of each month, the administrator of the Maine Milk Pool shall certify the amounts to be distributed for the previous month pursuant to section 3153-B to the State Controller, who shall transfer the certified monthly amount when certified from General Fund undedicated revenue to the ~~Maine Milk Pool Other Special Revenue Funds~~ Maine Dairy Farm Stabilization Fund Other Special Revenue Funds account.

## SUMMARY PART Y

This Part changes the account of the transfer of undedicated revenue from the State Controller to the Maine Dairy Farm Stabilization Fund to separate the Milk Pool program and the Milk Tier program.

## PART Z

**Sec. Z-1. 7-A MRSA § 202** as enacted by PL 2011, c. 657, is amended to read:

1. **Mission.** The mission of the Department of Agriculture, Conservation and Forestry is to serve as ~~the~~ a steward of Maine's agricultural, forestry, water and land natural resources economy. The department implements public policy that supports the work of citizens who derive their livelihood and those who enjoy the agricultural, conservation and forest-based interests. The department, through education, technical assistance and research, promotes and protects public health, the well-being of domestic animals, wise land usage and the preservation of Maine's key conservation assets. The department assists in creating added value for land and forest derived products as well as outdoor-based recreational experiences for local, national and international markets.
  
2. **Guiding principles.** The following principles are adopted to guide the department in the performance of its duties:
  - ~~A. Forestry, farming, conservation, public lands and other natural resource based economic activity are important to the State's economy and quality of life; and~~
  - B. Maine's rural jobs and our multi-faceted natural resources are at the same time a rich heritage to be carefully passed to successive generations and an evolving economic engine driving the recreation, food and fiber components of the Maine workplace.
  
  - ~~B. C. Strengthening farming, forestry, conservation, recreation, state parks, public lands and public access to the State's natural resources is vital to enhancing the State's natural resources economy.~~
  
  - D. Maine's land and water are the common denominators for the popularity of fresh, locally grown food, the demand for sustainable forest production, and Maine's internationally recognized outdoor recreation and conservation venues.

**Sec. Z-2. 7-A MRSA § 203** as enacted by PL 2011, c. 657, is amended to read:

2. **Deputies; staff.** The commissioner shall appoint 2 deputy commissioners, one of whom assists the ~~to~~ to serve as the Deputy Commissioner with of ~~Operations and Administration of the department~~ and one of whom assists the commissioner with agriculture, forestry and natural resources-based economic development and the other to serve as the Deputy Commissioner of Marketing and Development.

Sec. Z-3.7-A MRSA § 205 as enacted by PL 2011, c. 657, is amended to read:

6. **Division of Geology, ~~and Natural Areas~~ and Coastal Resources.** The Division of Geology ~~and Natural Areas, and Coastal Resources~~, whose director must be qualified by training, experience and skill in geology, natural areas, ~~or~~ applied natural sciences or coastal resource management; and

7. **Division of Land Use Planning, Permitting and Compliance.** The Division of Land Use Planning, Permitting and Compliance, whose director must be qualified by experience in planning and administration. The director provides the principal administrative, operational and executive support to the Maine Land Use ~~Regulation~~ Planning Commission. The director is subject to appointment and removal by the commissioner, with the consent of a majority of members of the Maine Land Use ~~Regulation~~ Planning Commission.

## SUMMARY

### PART Z

This Part expands the mission statement and guiding principles to more accurately reflect the merged Department of Agriculture, Conservation and Forestry and specifies the titles of the two deputy commissioners.



## PART AA

**Sec. AA-1. PL 2011, c. 657, Pt. V, § 2** is amended to read:

**Sec. V-2. Legislative intent; ~~contingent repeal~~.** It is the intent of the Legislature to create a unified statute for the Department of Agriculture, Conservation and Forestry, while at the same time preserving the legislative history of the affected titles to the greatest extent possible. To that end, it is the intent of the Legislature that a bill submitted pursuant to Part W, section 4 that consolidates the Maine Revised Statutes, moves Title 7-A and relevant portions of Title 12 into Title 7-A be enacted into law by the second regular session of the 126<sup>th</sup> Legislature. If a bill submitted pursuant to Part W, section 4 has not been enacted into law by December 3, 2014, Title 7-A is repealed on that date. It is not the intent of the Legislature that the bill to be submitted correct all potentially outdated language. The Department shall propose additional changes to statutory language and terms at such times in the future as it deems necessary to carry out its responsibilities.

**Sec. AA-2. PL 2011, c. 657, Pt. V, § 3** is repealed.

**Sec. AA-3. PL 2011, c. 657, Pt. V, § 4** is amended to read:

**Sec. W-4. Legislation; review.** ~~Following the development of a department budget pursuant to section 9, the Department of Agriculture, Conservation and Forestry shall review those provisions of the Maine Revised Statutes governing the Department of Agriculture, Conservation and Forestry, including but not limited to the Maine Revised Statutes, Titles 7, 7-A and 12. Based upon the review, The department, working with the joint standing committee of the Legislature having jurisdiction over agriculture, conservation and forestry matters, shall develop and submit a bill for introduction to the second regular session of the 126th Legislature to consolidate move existing law into Title 7-A, and in relevant portions of Title 12 into update Title 7-A. The department, working with the joint standing committee of the Legislature having jurisdiction over agriculture, conservation and forestry matters, shall review submitted legislation, and to correct any errors and inconsistencies in law that result from this Part.~~

## SUMMARY

### PART AA

This Part makes some technical changes to the enabling legislation for the merger of the Department of Conservation and the Department of Agriculture, Food and Rural Resources, and clarifies the intent of the Legislature regarding statutory language and requirements. This bill removes the contingent repeal requirement.

## PART BB

**Sec. BB-1. 12 MRSA §1826**, as amended by PL 2011, c. 657, Pt. W, §7 is further amended to read:

The bureau shall manage forested areas within state parks and historic sites to preserve to the maximum practicable extent their natural, recreational and scenic qualities. The director may authorize wood harvesting on state park and historic site lands when the wood is to be used at state parks and historic sites, when cutting is required by deed conditions on specific lots or when necessary to improve wildlife habitat; control insect infestation and other disease; reduce the risk of fire or other hazards; improve the recreational and aesthetic quality of the park lands; demonstrate exemplary multiple use forest management techniques within a demonstration forest area established on state park land for educational purposes or where forest management may be carried out in non-developed areas of parks using sustainable forest management practices and policies consistent with those used on the State's public lands. All cutting is subject to the following restrictions;

**1. Protect recreational and natural values.** The cutting may not impair the recreational use, aesthetic qualities or natural values of the land.

**2. Consistency with forest management plan.** The cutting must be carried out in accordance with a written management plan certified by a state-registered professional forester that is available in the principal offices of the bureau for public review and comment at least 60 days before cutting.

**3. Consistency with management objectives for parks and historic sites.** The cutting must be consistent with the management objectives of the bureau for state parks and historic sites.

**4. Cost paid.** The cost of these timber management activities must be paid from revenues received from cutting. The balance of revenue received from cutting must be deposited to the ~~General Fund~~ Maine State Parks and Recreational Facilities Development Fund.

### SUMMARY PART BB

This Part allows the Bureau of Parks and Public Lands to harvest timber on state park lands using the same guidelines that are allowable on state public lands.

## **PART CC**

**Sec. CC. 22 MRSA §3024**, as amended by PL 2001, c. 222, §3, is further amended to read:

The salary of the Chief Medical Examiner of the State must be set by the Governor. Other nonsalaried medical examiners, upon the submission of their completed report to the Chief Medical Examiner, must be paid a fee of ~~\$70~~ \$100 for an inspection and view and are entitled to receive travel expenses to be calculated at the mileage rate currently paid to state employees pursuant to Title 5, section 8. An additional fee of \$50 may be authorized by the Chief Medical Examiner for payment to other nonsalaried medical examiners for visits to death scenes other than hospitals.

### **SUMMARY**

#### **PART CC**

This Part increases the fee paid to nonsalaried medical examiners for an inspection and view from \$70 to \$100.

## PART DD

**Sec. DD-1. - 5 MRSA §1582, sub-§4**, as amended by PL 2011, c.1 Pt. S, §1, is further amended to read:

At the close of each fiscal year, except for the Division of Forest Protection account within the Department of Conservation, the Disproportionate Share - Riverview Psychiatric Center and the Disproportionate Share - Dorothea Dix Psychiatric Center accounts within the Department of Health and Human Services, ~~and~~ the Education in the Unorganized Territory account within the Department of Education, and the Chief Medical Examiner account within the Department of the Attorney General, any unexpended General Fund Personal Services appropriations to executive branch agencies including accounts that are authorized to carry unexpended balances forward must lapse to the Salary Plan program, General Fund account in the Department of Administrative and Financial Services.

**Sec. DD-2. 22 MRSA §3024**, as amended by PL 2011, c. 445, §1 and affected by §3 is further amended by adding at the end the following:

Available balances at the end of each fiscal year in the Personal Services line category of the account may be transferred to the All Other line category by financial order upon the recommendation of the State Budget Officer and approval of the Governor to provide for contracted medical examiner services.

## SUMMARY

### PART DD

This Part does the following:

It adds the Chief Medical Examiner account within the Department of the Attorney General to the list of accounts exempt from lapsing unexpended General Fund Personal Services to the Salary Plan program.

It allows available Personal Services balances at the end of a fiscal year to be transferred to the All Other line category by financial order to provide for contracted medical examiner services.

**PART EE**

**Sec. EE-1. 5 §3360-I, 1<sup>st</sup> ¶**, as amended by PL 2011, c. 628, §1, is further amended to read:

As part of the sentence or fine imposed, the court shall impose an assessment of ~~\$25~~ \$35 on any person convicted of murder, a Class A crime, a Class B crime or a Class C crime and ~~\$10~~ \$20 on any person convicted of a Class D crime or a Class E crime. For purposes of collection and collection procedures, these assessments are considered part of the fine. At the time of commitment, the court shall inform the Department of Corrections or the county sheriff of any unpaid balances on assessments owed by the offender to the Victims' Compensation Fund. All funds collected as a result of these assessments accrue to the Victims' Compensation Fund.

**SUMMARY**

**PART EE**

This Part increases the assessments imposed on persons convicted of crimes that accrue to the Victims' Compensation Fund.

## **PART FF**

**Sec. FF-1. Transfer of funds for overtime expenses.** Notwithstanding the Maine Revised Statutes, Title 5, section 1585 or any other provision of law, the Department of Corrections, upon the recommendation of the State Budget Officer and approval of the Governor, is authorized to transfer, by financial order, Personal Services, All Other or Capital Expenditures funding between accounts within the same fund for the purposes of paying overtime expenses in fiscal years 2013-14 and 2014-15.

### **SUMMARY**

#### **PART FF**

This Part authorizes the Department of Corrections to transfer by financial order Personal Services, All Other and Capital Expenditures funding between accounts within the same fund for the purposes of paying departmental overtime expenses.

## **PART GG**

**Sec. GG-1. Personal services balances authorized to carry.** Notwithstanding any other provision of law, the Department of Corrections is authorized to carry all fiscal year 2012-13 and 2013-14 year-end balances in the Personal Services line category of General Fund accounts after all financial commitments and budgetary adjustments have been made to fiscal year 2013-14 and 2014-15 to the Capital Expenditures line category in the Capital Construction/Repairs/Improvements – Corrections Program, General Fund account in the Department of Corrections to be used for the purpose of making capital improvements to correctional facilities in fiscal years 2013-14 and 2014-15.

## **SUMMARY**

### **PART GG**

This Part allows the Department of Corrections to use unexpended Personal Services balances for Capital Expenditures in the following year.

## **PART HH**

**Sec. HH-1. 4 MRSA §1610-F** is enacted to read:

### **§1610-E. Additional Securities**

Notwithstanding any limitation on the amount of securities that may be issued pursuant to section 1606, subsection 2, the authority may issue additional securities in an amount not to exceed \$100,000,000 outstanding at any one time to for the cost associated with correctional facilities construction projects located in Windham.

## **SUMMARY**

### **PART HH**

This Part authorizes Maine Governmental Facilities Authority to issue securities up to \$100,000,000 for costs associated with correctional facilities construction projects located in Windham.



## PART II

**Sec. II-1. 20-A M RSA §203, sub-§1, ¶¶L and M**, as enacted by PL 2011, c. 655, Pt. D, §9 are amended to read:

- L. Director, Special Services Team; ~~and~~
- M. Director, Communications-; and

**Sec. II-2. 20-A M RSA §203, sub-§1, ¶N**, is enacted to read:

- N. Deputy Chief of Staff.

## SUMMARY PART II

This Part makes the Deputy Chief of Staff within the Department of Education subject to appointment by the commissioner.

## **PART JJ**

### **Sec. JJ-1. Lease-purchase authorization; Maine Learning Technology Initiative.**

Pursuant to the Maine Revised Statutes, Title 5, section 1587, the Department of Education may enter into financing arrangements in fiscal years 2013-14, 2014-15, and 2015-16 for the acquisition of portable computer systems for students and educators to support the operations of the Maine Learning Technology Initiative program. The financing agreements may not exceed 4 years in duration and \$69,696,000 in principal costs for the Maine Learning Technology Initiative program. The interest rate may not exceed 8% and the total interest costs may not exceed \$5,575,680. The annual principal and interest costs must be paid from the appropriate line category allocations in the Department of Education. The State is authorized to extend the provisions of the lease-purchase agreement on behalf of school administrative units as long as all costs of the extension are borne by the school administrative units.

## **SUMMARY**

### **PART JJ**

This Part authorizes the Department of Education to purchase portable computer systems for students and educators.

## PART KK

**Sec. KK-1. 20-A MRSA §5151**, as amended by PL 2007, c.667, §9 is further amended to read:

The commissioner shall provide technical assistance regarding truancy, dropouts and reintegration and alternative education programs. To do this, the commissioner shall employ at least one consultant whose ~~sole responsibility~~, in part, is to cover the area of truancy, dropouts and alternative education.

**Sec. KK-2. 20-A MRSA §5151, sub-§1**, as amended by PL 2001, c. 452, §12 is further amended to read:

**1. Qualifications.** Any consultant must be knowledgeable in the problems of truancy, dropouts and reintegration and policies and programs ~~pertaining to the problems and have this as the consultant's sole responsibility.~~

**Sec. KK-3. 20-A MRSA §5151, sub-§2**, as amended by PL 2007, c. 667, §9 is further amended to read:

**2. Duties.** The consultant may~~shall~~:

## SUMMARY

### PART KK

This Part changes the role of the truancy, dropouts and alternative education consultant from full-time to part-time. Funding for the consultant has decreased over time and can only cover a part-time position.

## **PART LL**

**Sec. LL-1. Transfer to Maine Clean Election Fund.** Notwithstanding the Maine Revised Statutes, Title 21-A, section 1124, subsection 2, paragraph B, the State Controller shall transfer \$2,000,000, currently authorized to be transferred on or before January 1, 2015, from the General Fund to the Maine Clean Election Fund on July 1, 2014 in order to ensure that adequate funds will be available to the Commission on Governmental Ethics and Election Practices.

## **SUMMARY PART LL**

This Part changes the date by which the State Controller must transfer revenues to the Maine Clean Election Fund in fiscal year 2014-15 from on or before January 1, 2015 to July 1, 2014.

## **PART MM**

**Sec. MM-1. Clean Election Fund; transfer to General Fund.** Notwithstanding any other provision of law, the State Controller shall transfer \$2,000,000 no later than June 30, 2014 and \$2,000,000 no later than June 30, 2015 from the Maine Clean Election Fund to the General Fund unappropriated surplus.

### **SUMMARY PART MM**

This Part requires the State Controller to transfer \$2,000,000 in each year of the 2014-2015 biennium from the Maine Clean Election Fund to the General Fund unappropriated surplus.

## PART NN

**Sec. NN-1. 22 MRSA §254-D**, as amended by PL 2011, c. 657, Pt. HH, §1, is repealed.

**Sec. NN-2. 22 MRSA §258, sub-§1, ¶A**, as amended by PL 2005, c. 401, Pt. C, §2, is repealed.

**Sec. NN-3. 22 MRSA §258, sub-§§3 to 5**, as enacted by PL 2001, c. 293, §5, are amended to read:

**3. Administration; components.** The department shall administer the prescription program. ~~The elderly low-cost drug program is a component of the prescription program.~~

**4. Benefit eligibility.** Benefits are subject to the following provisions.

A. ~~An individual enrolled in both the elderly low-cost drug program and the prescription program is eligible for the more generous discount authorized under either program in the event overlapping benefits exist.~~

B. ~~If a drug rebate is paid for any prescription under the prescription program, a rebate is not due under the elderly low-cost drug program.~~

C. The department shall issue a ~~single~~ certificate for eligibility to an individual who is eligible for ~~both~~ the benefit under the ~~elderly low-cost drug program and the benefit under the~~ prescription program.

**5. Copayments.** Notwithstanding section 3173-C, a beneficiary of the prescription program shall make the copayments authorized under the prescription program ~~and the elderly low-cost drug program.~~

**Sec. NN-4. 22 MRSA §2681, sub-§3**, as amended by PL 2005, c. 401, Pt. C, §3, is further amended to read:

**3. Rebate agreement.** A drug manufacturer or labeler that sells prescription drugs in this State through ~~the elderly low-cost drug program under section 254-D or any other~~ publicly supported pharmaceutical assistance program shall enter into a rebate agreement with the department for this program. The rebate agreement must require the manufacturer or labeler to make rebate payments to the State each calendar quarter or according to a schedule established by the department.

**Sec. HH-5. 22 MRSA §2681, sub-§9**, as amended by PL 2005, c. 401, Pt. C, §4, is further amended to read:

**9. Dedicated fund.** The Maine Rx Plus Dedicated Fund, referred to in this section as the "fund," is established to receive revenue from manufacturers and labelers who pay rebates as provided in subsection 4 and any appropriations or allocations designated for the fund. The purposes of the fund are to reimburse retail pharmacies for discounted prices provided to qualified residents pursuant to subsection 5 ; and to reimburse the department for contracted services including pharmacy claims processing fees, administrative and associated computer costs and other reasonable program costs ; ~~and to benefit the elderly low cost drug program under section 254-D.~~ The fund is a nonlapsing dedicated fund. Interest on fund balances accrues to the fund. Surplus funds in the fund must be used for the benefit of the program. ~~Notwithstanding Title 5, section 1585, surplus funds may also be transferred to the elderly low-cost drug program established under section 254-D.~~

**Sec. NN-6. 22 MRSA §2685, sub-§2, ¶E,** as enacted by PL 2007, c. 327, §1, is repealed.

**Sec. NN-7. 22 MRSA §2685, sub-§4,** as enacted by PL 2007, c. 327, §1, is amended to read:

**4. Program coverage.** The program must provide outreach and education to prescribers and dispensers who participate in, contract with or are reimbursed by state-funded health care programs, including but not limited to the MaineCare program, the Maine Rx Plus Program, Dirigo Health insurance , ~~the elderly low cost drug program~~ and the state employee health insurance program. The program may provide outreach and education to carriers, health plans, hospitals, employers and other persons interested in the program on a subscription or fee-paying basis under rules adopted by the department.

**Sec. NN-8. 22 MRSA §2685, sub-§5,** as amended by PL 2011, c. 461, §2, is further amended to read:

**5. Funding.** The program may be funded from the General Fund, from federal funds and from other special revenue funds. Beginning April 1, 2012 each manufacturer of prescription drugs that are provided to Maine residents through the MaineCare program ~~or the elderly low-cost drug program~~ shall pay a fee of \$500 per calendar year to the department to provide funding for the program. The program may accept funds from nongovernmental health access foundations, the Tobacco Manufacturers Act under chapter 263, subchapter 3, undesignated funds associated with pharmaceutical marketing and pricing practices acquired through litigation or action of the Office of the Attorney General and fees from subscriptions, contracts and agreements with private payors as established by rule. Savings achieved as a result of the program may be retained for operation of the program or paid into the General Fund, at the option of the department.

**Sec. NN-9. 22 MRSA §3174-KK, sub-§3,** as amended by PL 2005, c. 683, Pt. A, §35, is further amended to read:

**3. Fund purposes.** Allocations from the fund must prevent any loss of services or increased cost of services to a MaineCare member ~~or a person receiving benefits under the elderly low cost drug program under section 254-D~~ that would otherwise result from insufficient General Fund appropriations, insufficient federal matching funds or any other shortage of funds, changes in federal or state law, rule or policy or the implementation of the federal Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

**Sec. NN-10. 24-A MRSA §4317, sub-§3,** as amended by PL 2011, c. 443, §5, is further amended to read:

**3. Exception.** Subsections 1 and 2 do not apply to any medical assistance or public health programs administered by the Department of Health and Human Services, including, but not limited to, the Medicaid program ~~and the elderly low cost drug program under Title 22, section 254-D.~~

**Sec. NN -11. 24-A MRSA §5002-B, sub-§2-A,** as amended by PL 2005, c. 401, Pt. C, §7, is repealed.

## SUMMARY

### PART NN

This Part does the following.

1. It repeals the elderly low-cost drug program.
2. It repeals the requirement that the Department of Health and Human Services apply for a federal waiver to use federal matching dollars to enhance the elderly low-cost drug program.



## PART OO

**Sec. OO-1. 22 MRSA §4301, sub-§1-A** is amended to read:

**1-A. Direct costs.** "Direct costs" means the total value of general assistance benefits paid out by a municipality that is in compliance with this chapter and the municipality's general assistance ordinance but does not include any amount in excess of \$10 per night for temporary housing at a homeless shelter.

**Sec. OO-2. 22 MRSA §4301, sub-§3,** as enacted by PL 1983, c. 577, §1 is amended to read:

**3. Eligible person.** "Eligible person" means a person who is qualified to receive general assistance from a municipality according to standards of eligibility determined by the municipal officers whether or not that person has applied for general assistance. The following are not eligible persons under this section:

- A. A person who is ineligible to receive benefits under the Temporary Assistance for Needy Families program pursuant to § 3762, subsection 18.
- B. A person who has been sanctioned under § 3763, subsection 1.

**Sec. OO-3. 22 MRSA §4309, sub-§3** as enacted by PL 1983, c. 577, §1 is amended to read:

**3. Eligibility of members of person's household.** Failure of an otherwise eligible person to comply with this chapter shall not affect the general assistance eligibility of any member of the person's household who is not capable of working, except as provided in subsection 3-A. For purposes of this section, household members who are not capable of working include including at least:

- A. A dependent minor child;
- B. An elderly, ill or disabled person; and
- C. A person whose presence is required in order to provide care for any child under the age of 6 years or for any ill or disabled member of the household.

**Sec. OO-4. 22 MRSA §4309, sub-§3-A** is enacted to read:

**5. Ineligibility of members of person's household.** Notwithstanding any provision of law to the contrary, a member of a household of a person that is ineligible to receive benefits under the Temporary Assistance for Needy Families program pursuant to § 3762, subsection 18 is ineligible to receive general assistance. Likewise, a member of a household of a person who has been sanctioned under § 3763, subsection 1 is ineligible to receive general assistance benefits.

**Sec. OO-5. 22 MRSA §4309, sub-§4**, as enacted by PL 1991, c. 591, Pt. SS, §3 is amended to read:

**4. Eligibility of minors who are parents.** ~~A~~ An otherwise eligible person under the age of 18 who has never married and who has a dependent child or is pregnant is eligible only if that person and child reside in a dwelling maintained by a parent or other adult relative as that parent's or relative's own home or in a foster home, maternity home or other adult-supervised supportive living arrangement unless:

- A. The person has no living parent or the whereabouts of both parents are unknown;
- B. No parent will permit the person to live in the parent's home;
- C. The department determines that the physical or emotional health or safety of the person or dependent child would be jeopardized if that person and dependent child lived with a parent;
- D. The individual has lived apart from both parents for a period of at least one year before the birth of any dependent child; or
- E. The department determines, in accordance with rules adopted pursuant to this section, which must be in accordance with federal regulations, that there is good cause to waive this requirement.

For the purposes of this subsection, "parent" includes legal guardian.

**Sec. OO-6. 22 MRSA §4310, first ¶** as amended PL 1991, c. 9, Pt. U, §7 is further amended to read:

Whenever an eligible person becomes an applicant for general assistance and states to the administrator that the applicant is in an emergency situation and requires immediate assistance to meet basic necessities, the overseer shall, pending verification, issue to the applicant either personally or by mail, as soon as possible but in no event later than 24 hours after application, sufficient benefits to provide the basic necessities needed immediately by the applicant, provided that the following conditions are met.

**Sec. OO-6. 22 MRSA §4311, sub-§1**, as revised by PL 2003, c. 689, Pt. B, §6 is repealed and replaced with the following:

**1. Departmental reimbursement.** The department shall reimburse each municipality or Indian tribe for the costs of a portion of the direct costs of paying benefits through its general assistance program if the department finds that the municipality or Indian tribe was in compliance with all requirements of this chapter during the fiscal year for which reimbursement is sought. The amount of reimbursement must be an amount equal to:

A. For each municipality, 50% of all general assistance granted by that municipality;

B. For an Indian tribe, 90% of net general assistance costs in any fiscal year in excess of .0003 of that Tribe's most recent state valuation relative to the state fiscal year for which reimbursement is being issued, as determined by the State Tax Assessor in the statement filed as provided in Title 36, section 381. In addition, the department shall reimburse 10% of all general assistance granted.

As used in this subsection, "Indian tribe" has the same meaning as in section 411, subsection 8-A

**Sec. OO-7. 22 MRSA §4311, sub-§1-B**, as amended by PL 1991, c. 9, Pt. U, §8 is repealed.

**Sec. OO-8. 22 MRSA §4311, sub-§2**, as amended by PL 1991, c. 9, Pt. U, §9 is further amended to read:

**2. Submission of reports.** Municipalities and Tribes shall submit monthly reports on forms provided by the department. ~~reports as follows.~~

~~A. For purposes of this section, those municipalities that received reimbursement at 90% during the previous fiscal year of the State and those municipalities that expect to receive reimbursement at 90% during the current fiscal year of the State must submit monthly reports on forms provided by the department.~~

~~B. Those municipalities that did not receive reimbursement at 90% during the previous fiscal year and do not expect to receive reimbursement at 90% for the current fiscal year must submit quarterly or semiannual reports on forms provided by the department.~~

## SUMMARY PART OO

This Part does the following:

It limits allowable costs for temporary housing at a homeless shelter to \$10 per night.

It makes individuals who have reached the 60-month lifetime benefit under the TANF Program ineligible for General Assistance.

It makes individuals who have been sanctioned under the TANF Program ineligible for General Assistance.

It clarifies certain restrictions to eligibility in the General Assistance program.

It reduces the reimbursement rate for allowable expenditures to 50% for all municipalities with the exception of Indian Tribes.

## **PART PP**

**Sec. PP-1. 22 MRSA §3273, sub-§9**, as enacted by PL 1997, c. 643, Pt. WW, §1 is repealed.

## **SUMMARY**

### **PART PP**

This Part repeals the provision that requires the Department of Health and Human Services to provide supplemental security income for legal noncitizens.

## **PART QQ**

**Sec. QQ-1. 36 MRSA §2892**, as amended by PL 2009, c. 571, Part AAA, is further amended by adding at the end a new paragraph to read:

For state fiscal years beginning on or after July 1, 2013, the hospital's taxable year is the hospital's fiscal year that ended during calendar year 2011.

### **SUMMARY**

#### **PART QQ**

This Part updates the base year for the hospital tax.

## **PART RR**

**Sec RR-1. 22 MRSA §1714-D**, as enacted by PL 2011, c. 657, Pt. H, §1 and affected by §5, is amended by adding at the end the following:

Beginning April 1, 2013, the department shall reimburse licensed critical access hospitals at 101% of MaineCare allowable costs for both inpatient and outpatient services provided to patients covered by the MaineCare program. Of the total allocated from hospital tax revenues under Title 36, chapter 375, \$1,000,000 in state and federal funds must be distributed annually among critical access hospitals for staff enhancement payments.

## **SUMMARY**

### **PART RR**

This Part reduces the reimbursement for critical access hospitals from 109% of MaineCare allowable costs to 101% of MaineCare allowable costs effective April 1, 2013.

## **PART SS**

**Sec. SS-1. Medicaid state plan amendment for the Medicare savings program.** The Department of Health and Human shall prepare and submit a Medicaid state plan amendment to the federal Centers for Medicare and Medicaid Services, and, upon approval of the state plan amendment, adopt rules that, effective July 1, 2013, effectively reduce income eligibility levels for the Medicare saving program as follows: for the Qualified Medicare Beneficiary program, to income not more than 100% of the federal poverty level; for the Specified Low-Income Medicare Beneficiary program, to income more than 100% but not more than 120% of the federal poverty level; and for the Qualified Individuals program, to income more than 120% but not more than 135% of the federal poverty level.

## **SUMMARY**

### **PART SS**

This Part directs the Department of Health and Human Services to submit a Medicaid state plan amendment to remove the income disregard and effectively reduce the income limits to the federal minimums required in the Medicare savings program.

## **PART TT**

**Sec. TT-1. Spousal living allowance.** The Department of Health and Human Services shall promulgate routine technical rules that repeal 10-144 CMR chapter 332, part 12, section 5.

## **SUMMARY**

### **PART TT**

This Part directs the Department of Health and Human Services to eliminate the state-funded cash payment to a spouse of a resident who is in a cost reimbursed boarding home or residential care facility



## **PART UU**

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

### **SUMMARY PART UU**

This Part gives the Department of Health and Human Services the authority to adopt emergency rules to implement any provisions of the bill over which it has specific authority that has not been addressed by some other Part of the bill.

## **PART VV**

**Sec. VV-1. 22-A MRSA § 203, sub-§1, ¶B , sub-¶(1)** is enacted to read:

(1) Head Start programs are designed to provide directly or facilitate the services that promote the competence and development of young children. Priority focus, where possible, is on children who are drug impacted, engaged in child welfare and/or children with special needs. Head Start programs will monitor the performance toward improving the development of children through administering the Ages and Stages Questionnaire and Ages and Stages Questionnaire: Social Emotional as well as tracking well child checks.

### **SUMMARY PART VV**

This Part establishes performance-based contract measures for Head Start programs.

## PART WW

**Sec. WW-1. 22 MRSA §3174-A**, as amended by PL 2001, c. 559, Pt. X, §5, is further amended to read:

### **§3174-A. Medical coverage program for certain boarding home residents**

The department shall administer a program of medical coverage for persons residing in cost reimbursement boarding homes who, but for their income, would be eligible for supplemental security income benefits on account of blindness, disability or age, and who do not have sufficient income to meet the per resident payment rate for boarding home care, including an amount for personal needs of at least \$30 a month. Notwithstanding supplemental security income eligibility regulations, the department may impose a penalty for certain transfers of assets. Notwithstanding any other provision of law, the Department will only provide medical coverage under this section to a person who was eligible for such coverage or who had an application for such coverage pending on March 31, 2012 and will continue to provide such coverage to a person only so long as the person otherwise remains eligible for the coverage. Rules adopted pursuant to this section are routine technical rules as defined by Title 5, chapter 375, subchapter II-A.

## SUMMMARY PART WW

This Part eliminates medical coverage for certain persons who become eligible for boarding home coverage on a prospective basis.

## **PART XX**

**Sec. XX-1. Transfer of funds; Department of Inland Fisheries and Wildlife carrying account.** On or before August 1, 2013, the State Controller shall transfer \$32,395 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, 2014, the State Controller shall transfer \$32,395 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.

## **SUMMARY**

### **PART XX**

This Part transfers funds from the Inland Fisheries and Wildlife Carrying Balances – General Fund account to Enforcement Operations program, General Fund account to purchase one replacement aircraft engine in fiscal year 2013-14 and one replacement aircraft engine in fiscal year 2014-15.

## **PART YY**

**Sec. YY-1. Transfer of funds from Department of Inland Fisheries and Wildlife Carrying Balances-General Fund account.** Notwithstanding any other provision of law, the State Controller shall transfer \$150,000 on or before August 1, 2013 from the Department of Inland Fisheries and Wildlife, Carrying Balances-General Fund account, to the Administrative Services-Inland Fisheries and Wildlife program, General Fund account to fund security and improvement renovations at the Gray Headquarters facility.

### **SUMMARY PART YY**

This part authorizes the State Controller to transfer \$150,000 from the Department of Inland Fisheries and Wildlife, Carrying Balances-General Fund account, to the Administrative Services-Inland Fisheries and Wildlife program, General Fund account to fund security and improvement renovations at the Gray Headquarters facility.

## **PART ZZ**

**Sec. ZZ-1. 12 MRSA §10202, sub-§9**, as amended by PL 2011, c. 380, Pt. HH §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 ~~2014-2015~~ 2016-2017 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

### **SUMMARY**

#### **PART ZZ**

This part delays the provision to increase the Department of Inland Fisheries appropriations by 18% over the requested amount until the 2016-2017 biennium.

## PART AAA

**Sec. AAA-1. 12 MRSA §10206, sub-§3, C**, as amended by PL 2009, c. 652, Pt. A, §15 is further amended to read:

C. All revenues collected under the provisions of this Part relating to watercraft, including chapter 935, including fines, fees and other available money deposited with the Treasurer of State, must be distributed as undedicated revenue to the General Fund and the Department of Marine Resources according to an ~~allocation~~ administrative rate that directly relates to the administrative costs of the Division of Licensing, and Registration and Engineering, which shall be jointly agreed upon by the Commissioners of the Department of Inland Fisheries and Wildlife and the Department of Marine Resources bi-annually. Eight dollars of each motorized watercraft registration is dedicated to the Department of Inland Fisheries and Wildlife and is not subject to the split with another agency as required under this paragraph. The Legislature shall appropriate to the department in each fiscal year an amount equal to the administrative costs incurred by the department in collecting revenue under this subsection. Those costs must be verified by the Department of Marine Resources and the Department of Administrative and Financial Services. The allocation rate must also allow for any necessary year-end reconciliation and accounting distribution. The allocation rate shall be 75% to the Department of Inland Fisheries and Wildlife and 25% to the Department of Marine Resources ~~must be jointly agreed to by the department and the Department of Marine Resources~~ and approved by the Department of Administrative and Financial Services, Bureau of the Budget.

## SUMMARY

### PART AAA

This Part amends language pertaining to watercraft revenue distribution such that all revenue received, less an agreed upon administrative rate, shall be split with 75% being distributed to the Department of Inland Fisheries & Wildlife and 25% being distributed to the Department of Marine Resources.

**PART BBB**

**Sec. BBB-1. 26 MRSA §1418-K**, as repealed and replaced by PL 1997, c. 393, Pt. A, §31 is repealed.

**SUMMARY  
PART BBB**

This Part repeals the provision that prohibits the State from charging a rental fee for vending facilities in state-owned facilities that are operated by blind persons.



## PART CCC

**Sec. CCC-1. 5 MRSA §945, sub-§1**, as amended by PL 2007, c. 1, Pt. E, §1, is further amended to read:

F. Special Assistant to the Commissioner; ~~and~~

G. Director, External Affairs; and

H. Assistant to the Commissioner for Communications.

### SUMMARY PART CCC

This Part creates a communications position within the Department of Marine Resources and it will be unclassified service and subject to the appointment of the commissioner.

## **PART DDD**

**Sec. DDD-1. Rename Office of the Commissioner program.** Notwithstanding any other provision of law, the Office of the Commissioner program within the Department of Marine Resources is renamed the Bureau of Policy and Management program.

**Sec. DDD-2. Rename Bureau of Resource Management program.** Notwithstanding any other provision of law, the Bureau of Resource Management program within the Department of Marine Resources is renamed the Bureau of Marine Science program.

**Sec. DDD-3. Establish Bureau of Public Health program.** Notwithstanding any other provision of law, the Bureau of Public Health program is established within the Department of Marine Resources to manage and regulate the shellfish resources of the State of Maine in terms of public health, municipal management and resource utilization.

**Sec. DDD-4. Establish Division of Aquaculture program.** Notwithstanding any other provision of law, the Division of Aquaculture program is established within the Department of Marine Resources.

## **SUMMARY**

### **PART DDD**

This Part renames two programs and establishes two programs in the Department of Marine Resources.

## **PART EEE**

**Sec. EEE-1. 25 MRSA §1509-A**, as enacted by PL 2007, c. 682, §1 and affected by §8 is repealed.

**Sec. EEE-2. 25 MRSA §1509-B** is enacted to read:

### **§1509-A. Funding**

Beginning in fiscal year 2013-14, state funding for the Department of Public Safety, Bureau of State Police must be provided as follows:

1. Highway Fund. Thirty-three percent must be allocated from the Highway Fund pursuant to Title 23, section 1653; and

2. General Fund. Sixty-seven percent must be appropriated from the General Fund.

## **SUMMARY**

### **PART EEE**

This Part requires that the funding for the Bureau of State Police within the Department of Public Safety is 33% Highway Fund and 67% General Fund.

## **PART FFF**

**Sec. FFF-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, on behalf of the Department of Public Safety, may enter into financing arrangements in fiscal years 2013-14 and 2014-15 for the acquisition of motor vehicles for the State Police. The financing arrangements entered into each fiscal year may not exceed \$2,400,000 in principal costs, and a financing arrangement may not exceed 3 years in duration. The interest rate may not exceed 6%, and total interest costs with respect to the financing arrangements entered into in each fiscal year may not exceed \$300,000. The annual principal and interest costs must be paid from the appropriate line category appropriations and allocations in the Department of Public Safety General Fund and Highway Fund accounts.

### **SUMMARY**

#### **PART FFF**

This Part authorizes the Department of Administration and Financial Services to enter into financing arrangements in fiscal years 2013-14 and 2014-15 for the acquisition of motor vehicles for the Department of Public Safety, Bureau of State Police.

## **PART GGG**

### **Sec. GGG-1. Transition provision; emergency services communications matters.**

The following provisions apply to the reassignment of duties, responsibilities and activities of four authorized positions in the Department of Administrative and Financial Services, Office of Information Technology's Systems Integration and Governance Division responsible for 911 emergency services communications addressing and mapping.

1. Four authorized positions and incumbent personnel as of June 8, 2013 in the Department of Administrative and Financial Services, Office of Information Technology that are assigned to that office's Systems Integration and Governance Division are transferred to the Public Utilities Commission's Emergency Services Communication Bureau effective June 9, 2013. These employees will retain all their employee rights, privileges and benefits, including sick leave, vacation and seniority, provided under the Civil Service Law or collective bargaining agreements.

2. All records, property and equipment pertaining to the duties, responsibilities and activities performed by the four authorized positions in the Department of Administrative and Financial Services, Office of Information Technology's Systems Integration and Governance Division must be transferred to, and become the property of, the Public Utilities Commission's Emergency Services Communication Bureau.

## **SUMMARY PART GGG**

This Part provides the transition provisions applicable to the transfer of four positions and the responsibility of those positions from the Department of Administrative and Financial Services to the Public Utilities Commission.

**PART HHH**

**Sec. -1. 5 MRSA §12004-C, sub-§1**, as enacted by PL 1987, c. 786, §5 is amended to read:

1. State Board of Education Legislative Per Diem and Expenses 20-A MRSA §401

**SUMMARY**

**PART HHH**

This Part authorizes members of the Board of Education to be reimbursed for expenses.

## **PART III**

**Sec. III-1. Transfer from General Fund undedicated revenue; Callahan Mine Site Restoration, Department of Transportation.** Notwithstanding any other provision of law, the State Controller shall transfer \$900,000 by August 15, 2013 and \$750,000 by August 15, 2014 from the General Fund unappropriated surplus revenue to the Callahan Mine Site Restoration program, Other Special Revenue Funds within the Department of Transportation to be used to design and implement clean up initiatives of the Callahan Mine site.

### **SUMMARY**

#### **PART III**

This Part requires the State Controller to transfer \$900,000 in fiscal years 2013-14 and \$750,000 in fiscal year 2014-15 from the unappropriated surplus of the General Fund to the Callahan Mine Site Restoration program, Other Special Revenue Funds in the Department of Transportation.

## **PART JJJ**

**Sec. JJJ-1. 36 MRSA §4312**, as amended by PL 1997, c. 511, § 19, is further amended to read:

The University of Maine System Wild Blueberry Advisory Committee, as authorized by Title 5, chapter 379, is appointed by the Wild Blueberry Commission of Maine. The committee consists of 7 members who are active in and representative of the wild blueberry industry. The duty of the committee is to advise and work with the University of Maine System to develop and approve a plan of work and budgets for research and extension programs related to the production and use of wild blueberries. The committee shall determine the priorities of projects and which projects shall be funded. The University of Maine System shall abide by the determinations of the committee.

Current members of the advisory committee shall continue to serve for the duration of their current appointments. New appointments to the advisory committee shall be for terms of 4 years and no appointee may be eligible for reappointment until the lapse of one year from the expiration of a previous appointment.

### **SUMMARY**

#### **PART JJJ**

This Part requires the University of Maine System to abide by decisions made by the Wild Blueberry Advisory Committee related to prioritization and funding of projects.



## **PART KKK**

**Sec. KKK-1. Transfer from Other Special Revenue Funds to unappropriated surplus of the General Fund.** Notwithstanding any other provision of law, the State Controller shall transfer \$70,450,000 on June 30, 2014 from Other Special Revenue Funds to the unappropriated surplus of the General Fund. On July 1, 2014, the State Controller shall transfer \$70,450,000 from the General Fund unappropriated surplus to Other Special Revenue Funds as repayment. This transfer is considered an interfund advance.

## **SUMMARY**

### **PART KKK**

This Part provides for an interfund advance of \$70,450,000 from Other Special Revenue Funds to the General Fund unappropriated surplus required for one day at the end of fiscal year 2014-15.

## **PART LLL**

**Sec. LLL-1. Transfer from General Fund unappropriated surplus; Leased Space Reserve Fund Other Special Revenue Funds account.** Notwithstanding any other provision of law, the State Controller shall transfer \$5,000,000 from the General Fund unappropriated surplus to the Leased Space Reserve Fund Other Special Revenue Funds account within the Department of Administrative and Financial Services no later than June 30, 2014.

### **SUMMARY**

#### **PART LLL**

This Part requires the State Controller to transfer \$5,000,000 from the General Fund unappropriated surplus to the Leased Space Reserve Fund Other Special Revenue Funds account within the Department of Administrative and Financial Services no later than June 30, 2014.

## PART MMM

**Sec. MMM-1. 8 MRSA §1036, sub-§2, ¶E**, as amended by PL 2011, c. 657, Pt. E, § is further amended to read:

E. Ten percent of the net slot machine income must be forwarded by the board to the State Controller and except as otherwise provided in this paragraph 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, 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, ~~and~~ for the fiscal year ending June 30, 2013, the amount credited by the State Controller to the Fund for a Healthy Maine under this paragraph is \$0 and for the fiscal years ending June 30, 2014 and June 30, 2015 the amount credited 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;

## SUMMARY

### PART MMM

This Part caps the transfer of slot machine income to the Fund for a Healthy Maine for the fiscal year ending June 30, 2014 and June 30, 2015 at \$4,500,000 annually and requires that any funds received in excess of \$4,500,000 annually be credited as General Fund undedicated revenue.

## **PART NNN**

**Sec. NNN-1. Office of Policy and Management; review of the provision of legal services to indigent persons.** The Office of Policy and Management shall conduct a review of various methods to provide legal services to indigent persons for such proceedings where the Constitution of the United States or the Constitution of the State of Maine requires access to legal counsel. The Commission on Indigent Legal Services shall provide assistance as requested by the office. The review shall include various methods of delivering legal services, including contracted attorneys, contracted firms, and public defenders, and shall focus on the most efficient delivery of services and reimbursement rates.

**Sec. NNN-2. Report.** The Office of Policy and Management shall submit a report based on the findings of section 1 of this Part to the Governor and Joint Standing Committees of the Judiciary and Appropriations and Financial Affairs no later than November 1, 2013. The report shall include a recommendation and draft legislation to ensure the most efficient delivery of legal services.

## **SUMMARY PART NNN**

This Part directs the Office of Policy and Management to conduct a review of the various methods to provide legal services to indigent persons and to submit a report of its findings to the Governor and the Joint Standing Committees of the Judiciary and Appropriations and Financial Affairs by November 1, 2013.

## PART 000

**Sec. 000-1. 36 MRSA §1484, sub-§3, ¶E**, as amended by PL 2007, c. 627, §33 is further amended to read:

E. When an excise tax is paid to the Secretary of State under this subsection, it must be deposited in the ~~General~~ Highway Fund.

**Sec. 000-1. 36 MRSA §1489**, as amended by PL 1985, c. 459, §12 is further amended to read:

### **36 §1489. Crediting and apportionment of tax received**

**1. Municipal excise tax account.** In municipalities the treasurer shall credit money received from excise taxes to an excise tax account; Except as provided in subsection 3 below, such funds from which it may be appropriated by the municipality for any purpose for which a municipality may appropriate money.

#### **2. County treasurer.**

**3. Portion for Highway Fund.** The Secretary of State and agents appointed by the Secretary of State shall deposit the excise tax collected on truck tractors as defined in 29-A MRSA 101(90) to the state Highway Fund. If such deposit is not made as required, the Department of Transportation may withhold Local Road Assistance Program payments due a municipality pursuant to for 23 MRSA §1803-B.

## SUMMARY PART 000

This Part does the following:

It requires that an excise tax paid to the Secretary of State by a nonresident of this State be deposited in the Highway Fund revenue rather than General Fund.

It requires that certain excise tax collected on certain truck tractors be deposited to the Highway Fund.

**Emergency clause.** In view of the emergency cited in the preamble, this legislation takes effect when approved.