

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, 2016 and June 30, 2017

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, 2016 and June 30, 2017, 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

Sec. C-1. 20-A MRSA §4251, as amended by PL 1989, c. 548, §2, is further amended to read:

The intent of this subchapter is to encourage school administrative units to place an increased emphasis on instruction and curriculum for all children ages 4 to 9 in public preschool programs to grade 2. This subchapter is not intended as a method of financing existing efforts but as a way of encouraging the development of new or expanded programs.

Sec. C-2. 20-A MRSA §4252, sub-§1, as enacted by PL 1983, c. 576, §1, is amended to read:

1. Class size. Reduce the student-teacher ratio in all classrooms ~~within one or more grades, kindergarten through grade 3, to a recommended ratio of 15 to 1 and maximum ratio of 18 to 1;~~

Sec. C-3. 20-A MRSA §4722-A, sub-§4, as enacted by PL 2011, c. 669, §7, is amended to read:

4. Grants; contingent extension of full implementation. During the period of transition to proficiency-based graduation in accordance with this section, the department, if funds are available, shall make annual transition grants to each school administrative unit equal to 1/10 of 1% of the school administrative unit's total cost of education calculated under section 15688, subsection 1 to be used in the manner determined by the school administrative unit to fund the costs of the transition not otherwise subsidized by the State through the 2014-15 school year. The date for implementation of the awarding of diplomas based on student demonstration of proficiency as described in this section is extended one year for each year for which transition grants are not made available to a school administrative unit or for which levels of general purpose aid for local schools fall below school year 2012-2013 levels. Beginning in the 2015-16 school year, the department, if funds are available, shall make annual transition grants to each school administrative unit that operates schools equal to 1/9 of 1% of the school administrative unit's total cost of education calculated under section 15688, subsection 1 to be used in the manner determined by the school administrative unit to fund the costs of the transition not otherwise subsidized by the State.

Sec. C-4. 20-A MRSA §15671, sub-§1-A, as enacted by PL 2013, c. 368, Pt. C, §4, is amended to read:

1-A. State funding for kindergarten to grade 12 public education. Beginning in fiscal year ~~2015-16~~2016-17 and in each fiscal year thereafter until the state share percentage of the total cost of funding public education from kindergarten to grade 12 reaches 55% pursuant to subsection 7, paragraph B, the State shall increase the state share percentage of the funding for the cost of essential programs and services by at least one percentage point per year over the percentage of the previous year and the department, in allocating funds,

shall make this increase in funding a priority. For those fiscal years that the funding appropriated or allocated for the cost of essential programs and services is not sufficient to increase the state share percentage of the total cost of funding public education from kindergarten to grade 12 by at least one percentage point, no new programs or initiatives may be established for kindergarten to grade 12 public education within the department that would divert funds that would otherwise be distributed as general purpose aid for local schools pursuant to subsection 5.

Sec. C-5. 20-A MRSA §15671, sub-§5-A, as amended by PL 2013, c. 581, §6, is further amended to read:

5-A. Funds from casino slot machines or table games. Revenues received by the department from casino slot machines or casino table games pursuant to Title 8, section 1036, subsection 2-A, paragraph A or Title 8, section 1036, subsection 2-B, paragraph A must be distributed until the end of fiscal year 2014-15 as general purpose aid for local schools, and each school administrative unit shall make its own determination as to how to allocate these resources. ~~Beginning in fiscal year 2015-16, \$4,000,000 in revenues must be distributed by the department to provide start up funds for approved public preschool programs for children 4 years of age in accordance with chapter 203, subchapter 3.~~ Neither the Governor nor the Legislature may divert the revenues payable to the department to any other fund or for any other use. Any proposal to enact or amend a law to allow distribution of the revenues paid to the department from casino slot machines or casino table games for another purpose must be submitted to the Legislative Council and to the joint standing committee of the Legislature having jurisdiction over education matters at least 30 days prior to any vote or public hearing on the proposal.

Sec. C-6. 20-A MRSA §15671, sub-§7, ¶B, as amended by PL 2013, c. 595, Pt. C, §1, is further amended to read:

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

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

(7) For fiscal year 2011-12, the target is 46.02%.

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

(9) For fiscal year 2013-14, the target is 47.29%.

(10) For fiscal year 2014-15, the target is 46.80%.

(11) For fiscal year 2015-16, the target is 46.25%.

Sec. C-7. 20-A MRSA §15671, sub-§7, ¶C, as amended by PL 2013, c. 595, Pt. C, §2, 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 49.35%.

(3) For fiscal year 2013-14, the target is 50.44%.

(4) For fiscal year 2014-15, the target is 50.13%.

(5) For fiscal year 2015-16 ~~and succeeding years~~, the target is ~~55%~~48.86%.

(6) For fiscal year 2016-17 and succeeding years, the target is 55%.

Sec. C-8. 20-A MRSA §15671-A, sub-§2, ¶B, as amended by PL 2013, c. 595, Pt. C, §3, 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 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 52.71% statewide total local share in fiscal year 2013-14.

(7) For the 2014 property tax year, the full-value education mill rate is the amount necessary to result in a 53.20% statewide total local share in fiscal year 2014-15.

(8) For the 2015 property tax year ~~and subsequent tax years~~, the full-value education mill rate is the amount necessary to result in a ~~45%~~53.75% statewide total local share in fiscal year 2015-16 ~~and after~~.

(9) For the 2016 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 2016-17 and after.

Sec. C-9. 20-A MRSA §15681-A, sub-§4, as amended by PL 2013, c. 595, Pt. C, §4, 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 does not apply to the ~~2015-16~~2017-18 funding year and thereafter; and

Sec. C-10. 20-A MRSA 15688-A, sub-§1, as amended by PL 2013, c. 595, Pt. C, §5, is further amended to read:

1. Career and technical education costs. Beginning in fiscal year ~~2015-16~~2017-18, the allocation for career and technical education must 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 must be made directly to school administrative units with career and technical education centers and directly to career and technical education regions. If a school administrative unit with a career and technical education center or a career and technical education region has any unexpended funds at the end of the fiscal year, these funds must be carried forward for the purposes of career and technical education.

Sec. C-11. 20-A MRSA 15688-A, sub-§5, is enacted to read:

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

Sec. C-12. 20-A MRSA 15688-A, sub-§6, is enacted to read:

6. 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.

Sec. C-13. 20-A MRSA 15688-A, sub-§7, is enacted to read:

7. 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.

Sec. C-14. 20-A MRSA 15689, sub-§2, ¶C is enacted to read:

C. Beginning in fiscal year 2016-17, the debt service adjustment in this section shall be applied to each member municipality of a school administrative district, community school district and regional school unit instead of the total a school administrative district, community school district and regional school unit.

Sec. C-15. 20-A MRSA §15689-A, sub-§18, as amended by PL 2009, c. 213, Pt. C, §13, is further amended to read:

18. Coordination of services for juvenile offenders. The commissioner may pay certain costs attributed to staff support ~~consisting of 2 Education Specialist II positions and 2 Office Associate II positions~~ and associated operating costs for providing coordination of education, treatment and other services for juvenile offenders at youth development centers in Charleston and South Portland. A transfer of All Other funds from the General Purpose Aid for Local Schools account to ~~the All Other line category in the Special Services Team program General Fund account within the Department of Education sufficient to support the All Other costs in this subsection~~ the Personal Services and All Other line categories in the Long Creek Youth Development Center General Fund account within the Department of Corrections, sufficient to support one Education Specialist II position and one Office Associate II position, and to the Mountain View Youth Development Center General Fund account within the Department of Corrections, sufficient to support one Education Specialist II position and one Office Associate II position, may occur annually by financial order upon recommendation of the State Budget Officer and approval of the Governor.

Sec. C-16. 20-A MRSA §15905, sub-§1, as amended by PL 2013, c. 44, §1, is further amended to read:

1. Approval authority. The state board must approve each school construction project, unless it is a small scale school construction project as defined in section 15901, subsection 4-A, a nonstate funded project as defined in section 15905-A or a permanent space lease-purchase project.

A. The state board may approve projects as long as no project approval will cause debt service costs, as defined in section 15672, subsection 2-A, paragraph A and pursuant to Resolve 2007, chapter 223, section 4, to exceed the maximum limits specified in Table 1 in subsequent fiscal years.

Table 1

Fiscal year	Major Capital	Integrated, Consolidated Secondary and Postsecondary Project
	Maximum Debt Service Limit	Maximum Debt Service Limit
1990	\$ 48,000,000	
1991	\$ 57,000,000	
1992	\$ 65,000,000	
1993	\$ 67,000,000	
1994	\$ 67,000,000	

1995	\$ 67,000,000	
1996	\$ 67,000,000	
1997	\$ 67,000,000	
1998	\$ 67,000,000	
1999	\$ 69,000,000	
2000	\$ 72,000,000	
2001	\$ 74,000,000	
2002	\$ 74,000,000	
2003	\$ 80,000,000	
2004	\$ 80,000,000	
2005	\$ 84,000,000	
2006	\$ 90,000,000	
2007	\$ 96,000,000	
2008	\$100,000,000	
2009	\$104,000,000	
2010	\$108,000,000	
2011	\$126,000,000	
2012	\$116,000,000	
2013	\$116,000,000	
2014	\$126,000,000	\$10,000,000
2015	\$126,000,000	\$10,000,000
<u>2016</u>	<u>\$126,000,000</u>	<u>\$10,000,000</u>
<u>2017</u>	<u>\$126,000,000</u>	<u>\$10,000,000</u>

A-1. Beginning with the second regular session of the Legislature in fiscal year 1990 and every other year thereafter, on or before March 1st, the commissioner shall recommend to the Legislature and the Legislature shall establish maximum debt service limits for the next 2 biennia for which debt service limits have not been set for major capital and integrated, consolidated secondary and postsecondary projects.

B. Nonstate funded projects, such as school construction projects or portions of projects financed by proceeds from insured losses, money from federal sources, other noneducational funds or local funds that are not eligible for inclusion in an administrative unit's state-local allocation, are outside the total cost limitations set by the Legislature.

Sec. C-17. Mill expectation. The mill expectation pursuant to the Maine Revised Statutes, Title 20-A, section 15671-A for fiscal year 2015-16 is 8.44.

Sec. C-18. 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 2015-16 is as follows:

2015-16

	TOTAL
Total Operating Allocation	
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	\$1,882,597,342
Total Debt Service Allocation	
Total debt service allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683-A	\$88,567,124
Enhancing Student Performance and Opportunity	\$8,022,105
Total Adjustments and Miscellaneous Costs	
Total adjustments and miscellaneous costs pursuant to the Maine Revised Statutes, Title 20-A, sections 15689 and 15689-A	\$68,313,541
Total Normal Cost of Teacher Retirement	\$37,291,090
	<hr/>
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 2015-16 pursuant to the Maine Revised Statutes, Title 20-A, chapter 606-B	\$2,084,791,202
Total cost of the state contribution to teacher retirement, teacher retirement health insurance and teacher retirement life insurance for fiscal year 2015-16 pursuant to the Maine Revised Statutes, Title 5, chapters 421 and 423 excluding the normal cost of teacher retirement	\$147,838,154
Adjustment pursuant to the Maine Revised Statutes, Title 20-A, section 15683, subsection 2	\$43,152,006
Total cost of funding public education from	\$2,275,781,362

kindergarten to grade 12

Sec. C-19. 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, 2015 and ending June 30, 2016 is calculated as follows:

	2015-16 LOCAL	2015-16 STATE
Local and State Contributions to the Total Cost of Funding Public Education from Kindergarten to Grade 12		
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	\$1,120,644,007	\$964,147,195
State contribution to the total cost of teacher retirement, teacher retirement health insurance and teacher retirement life insurance for fiscal year 2015-16 pursuant to the Maine Revised Statutes, Title 5, chapters 421 and 423		\$147,838,154
State contribution to the total cost of funding public education from kindergarten to grade 12		\$1,111,985,349

Sec. C-20. 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-21. 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, 2015 and ending June 30, 2016.

Sec. C-22. Annual components review restructuring. Beginning in 2015-16, the annual review of essential programs and services components shall be in accordance with 20-A MRSA Section 15686-A subsection 2, in 2016-17 the components reviewed shall be the components in subsection 3 and in 2017-18 the components reviewed shall be the components in subsection 1.

SUMMARY

PART C

This Part establishes the Total Cost of Education from Kindergarten to Grade 12 for fiscal year 2015-16, the state contribution and the annual target state share percentage.

PART D

Sec. D-1. 36 MRSA § 187-B, sub-§ 6, as amended by PL 2013, c. 331, Pt. C, § 7, is further amended to read:

6. Penalties not exclusive. Each penalty provided under this section is in addition to any interest and other penalties provided under this section and other law, except as otherwise provided in this section. Interest may not accrue on the penalty. This section does not apply to any filing or payment responsibility pursuant to Part 2 ~~except that this section does apply to a filing or payment responsibility pursuant to the state telecommunications excise tax imposed under section 457.~~ The penalties imposed under subsections 1 and 2 accrue automatically, without being assessed by the State Tax Assessor. Each penalty imposed under this section is recoverable by the assessor in the same manner as if it were a tax assessed under this Title.

Sec. D-2. 36 MRSA §§ 457 and 458, as amended by PL 2011, c. 430, are repealed.

Sec. D-3. 36 MRSA § 501, sub-§ 11, is enacted to read:

11. Telecommunications services. “Telecommunications services” means an activity designed to provide interactive 2-way communication service for compensation.

Sec. D-4. 36 MRSA §691, sub-§ 1, ¶A, as amended by PL 2009, c. 571, Pt. II, § 1, 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. "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 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. "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 business providing telecommunications services ~~business subject to the tax imposed by section 457.~~

Sec. D-5. 36 MRSA §691, sub-§ 1, ¶B, as enacted by PL 2005, c. 623, § 1, is amended to read:

B. "Excluded person" means:

- (1) A public utility as defined in Title 35-A, section 102, subsection 13;
- (2) A person that provides radio paging service as defined in Title 35-A, section 102, subsection 15;
- (3) A person that provides mobile telecommunications services as defined in Title 35-A, section 102, subsection 9-A;
- (4) A cable television company as defined in Title 30-A, section 2001, subsection 2;
- (5) A person that provides satellite-based direct television broadcast services; ~~or~~
- (6) A person that provides multichannel, multipoint television distribution services; or
- (7) A person that provides telecommunication services as defined in chapter 105.

Sec. D-6. 36 MRSA §6652, sub-§1-A, as enacted by PL 1997, c. 24, Pt. C, § 14, is amended

to read:

1-A. Certain persons excluded. Notwithstanding any other provision of law, the following persons are not eligible for reimbursement pursuant to this chapter:

- A. A public utility as defined by Title 35-A, section 102;
- B. A person that provides radio paging services as defined by Title 35-A, section 102;
- C. A person that provides mobile telecommunications services as defined by Title 35-A, section 102;
- D. A cable television company as defined by Title 30-A, section 2001;
- E. A person that provides satellite-based direct television broadcast services; ~~and~~
- F. A person that provides multichannel, multipoint television distribution services; and
- G. A person that provides telecommunication services as defined in chapter 105.

This subsection, exclusive of paragraph G, applies retroactively to property tax years beginning after April 1, 1995.

Sec. D-7. 36 MRSA §6652, sub-§ 1-B, ¶D, as enacted by PL 2009, c. 571, Pt. II, § 4, is amended to read:

D. Personal property that would otherwise be entitled to reimbursement under this chapter used primarily to support a telecommunications antenna used by a telecommunications business providing telecommunications services ~~subject to the tax imposed by section 457.~~

Sec. D-8. Application. This Part applies beginning on or after October 1, 2015.

SUMMARY

PART D

This part repeals the excise tax on telecommunications equipment and repeals the telecommunications equipment exemption from local property taxation.

PART E

Sec. E-1. 36 MRSA § 652, sub-§2 is enacted to read:

2. Limitation. Excluding property qualified for exemption under paragraph G, property held by an owner possessing property with an aggregate just value exceeding \$500,000 in the same taxing jurisdiction is only entitled to a 50% exemption for that part of the property's just value in excess of the aggregate just value of \$500,000.

Sec. E-2. 36 MRSA § 691, sub-§1, ¶ A, sub-¶ 9, is enacted to read:

(9) Property that is only partially exempt pursuant to §652(2).

Sec. E-3. 36 MRSA § 6652, sub-§ 1-B, ¶ E is enacted to read:

E. Property that is only partially exempt pursuant to §652(2).

Sec. E-4. **Application.** This Part applies to property tax years beginning on or after April 1, 2016.

SUMMARY PART E

This Part removes the full exemption from property taxation on properties owned by certain nonprofit organizations with an assessed value in excess of \$500,000 and reduces the exemption to 50% on the portion of the value in excess of \$500,000.

PART F

Sec. F-1. 36 MRSA § 681, sub-§ 5 as enacted by PL 2005, c. 647, § 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. Age 65 or older as of April 1st of the year of exemption.

Sec. F-2. 36 MRSA § 682, as enacted by PL 1997, c. 643, Pt. HHH, § 3, is amended to read:

The assessor shall determine whether an applicant has a permanent residence in this State and is 65 years of age or older. In making a determination as to the intent of an individual to establish a permanent residence in this State and the applicant's age, the assessor may consider the following:

- 1. Formal declarations.** Formal declarations of the applicant or any other individual;
- 2. Informal statements.** Informal statements of the applicant or any other individual;
- 3. Place of employment.** The place of employment of the applicant;
- 4. Previous permanent residence.** The previous permanent residence of the applicant and the date the previous permanent residency was terminated;
- 5. Voter registration.** The place where the applicant is registered to vote;
- 6. Driver's license or Maine State Identification Card.** The place of issuance to the applicant of a driver's license or State identification card, the address listed on the license or card and the date of birth of the applicant;
- 7. Certificate of motor vehicle registration.** The place of issuance of a certificate of registration of a motor vehicle owned by the applicant and the address listed on the certificate;
- 8. Income tax returns.** The place of residence and additional standard deduction for age claimed on any income tax return filed by the applicant;
- 9. Motor vehicle excise tax.** The place of payment of a motor vehicle excise tax by the applicant;
- 10. Military residence.** A declaration by the applicant of permanent residence registered with any branch of the Armed Forces of the United States; ~~or~~
- 11. Birth Certificate.** The birth date of the applicant.
- 12. United States Passport or Passport Card.** The date of birth of the applicant.
- 13. Concealed Fire Arms Permit.** The address listed and the date of birth of the applicant.
- 14. Hunting and Fishing Licenses issued by the State of Maine Department of Inland Fisheries and Wildlife.** The date of birth of the applicant.

Sec. F-3. 36 MRSA § 683, sub-§ 1, as amended by PL 2009, c. 213, Pt. YYY, § 1, is further

amended to read:

1. Exemption amount for property tax years beginning before April 1, 2015. For property tax years beginning before April 1, 2015, ~~except~~ ~~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. 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. F-4. 36 MRSA § 683, sub-§ 1-B is enacted to read:

1-B. Exemption amount for property tax years beginning on or after April 1, 2015. For property tax years beginning on or after April 1, 2015, ~~except~~ for assessments for special benefits, the just value of \$20,000 of the homestead of a permanent resident of this State who is 65 years of age or older by April 1st of the year of exemption. 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, provided the other owners qualify for the exemption under this subsection. 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. F-5. 36 MRSA § 683, sub-§ 5, as enacted by PL 2005, c. 647, § 4, 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, age and residency of qualifying shareholders. The exemption is equal to the amount specified in either subsection 1 or subsection 1-B, as applicable, 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. F-6. 36 MRSA § 684, sub-§ 2, as amended by PL 2009, c. 418, § 2, is further amended to read:

2. False filing. An individual who knowingly gives false information for the purpose of claiming a homestead exemption under this subchapter commits a Class E crime. Except for a person on active duty serving in the Armed Forces of the United States who is permanently stationed at a military or naval post, station or base in the State, an individual who falsifies their age or claims to be a permanent resident of this State under this subchapter who also claims to be a permanent resident of another state for the tax year for which an application for a homestead exemption is made commits a Class E crime.

Sec. F-7. 36 MRSA § 688, as enacted by PL 1997, c. 643, Pt. HHH, § 3, is amended to read:

§688. Effect of determination of residence or age

A determination of permanent residence or age made for purposes of this subchapter is not binding on the bureau with respect to the administration of Part 8 and has no effect on determination of domicile for purposes of the Maine individual income tax.

Sec. F-8. Application. This Part applies to property tax years beginning on or after April 1, 2015.

**SUMMARY
PART F**

This Part amends the Maine Resident Homestead Property Tax Exemption to restrict the exemption to residents who are 65 or older and to increase the exemption from \$10,000 to \$20,000 for property tax years beginning on or after April 1, 2015.

PART G

Sec. G-1. 36 MRSA §691, sub-§1, ¶A, as amended in PL 2009, c. 571, Pt. II, § 1, 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. "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 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. "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, photocopiers, and mail machines;
- (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;

Sec. G-2. 36 MRSA § 691, sub-§ 1, ¶ A-1 is enacted to read:

A-1. "Eligible business equipment" also means beginning April 1, 2016 all eligible property under Chapter 915 which was placed in service after April 1, 1995 and on or before April 1, 2015.

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

§700-C. Conversion of chapter 915 eligible property to subchapter 4-C exemption.

1. Limitations. Notwithstanding other provisions of this subchapter.

A. All property considered eligible business property under this subchapter pursuant to §691 sub-§1 ¶ A-1 is entitled to exemption as follows:

- (1) 25% of its assessed value as of April 1, 2016
- (2) 50% of its assessed value as of April 1, 2017
- (3) 75% of its assessed value as of April 1, 2018

(4) 100% of its assessed value as of April 1, 2019 and for subsequent property tax years.

B. Property located at a retail sales facility and used primarily in retail sales activity will no longer be considered eligible property after April 1, 2025. For purposes of this paragraph, the terms as defined in section 691, subsection 1, paragraph A, subparagraph 6, divisions a to c apply.

Sec. G-4. 36 MRSA § 6651, sub-§ 1, as repealed and replaced by PL 2007, c.627, §95, is further amended to read:

1. Eligible property. “Eligible property” means qualified business property first placed in service in the State, or constituting construction in progress commenced in the State after April 1, 1995 and before April 1, 2015, but does not include property that is eligible business equipment as defined in section 691, subsection 1. "Eligible property" includes, without limitation, repair parts, replacement parts, additions, accessions and accessories to other qualified business property placed in service on or before April 1, 1995 if the part, addition, accession or accessory is first placed in service, or constitutes construction in progress, in the State after April 1, 1995, unless that property is eligible business equipment as defined in section 691, subsection 1. "Eligible property" includes used qualified business property if the qualified business property was first placed in service in the State, or constituted construction in progress commenced in the State, after April 1, 1995 but does not include property that is eligible business equipment as defined in section 691, subsection 1. "Eligible property" also includes inventory parts.

Sec. G-5. 36 MRSA § 6652, sub-§4, as amended by PL 2013, c.368, Pt. K, §1, is further amended to read:

4. Reimbursement percentage. The reimbursement under this chapter is an amount equal to the percentage specified in paragraphs A and B of taxes assessed and paid with respect to each item of eligible property, except that for claims filed for application periods that begin on August 1, 2006, August 1, 2009, August 1, 2010 or August 1, 2013 the reimbursement is 90% of that amount and for claims filed for the application period that begins on August 1, 2014, the reimbursement is 80% of that amount, and for claims filed for the application period that begins on August 1, 2015 and for subsequent years, the reimbursement is 90% of that amount.

Sec. G-6. 36 MRSA § 6654-A is enacted to read:

§ 6654-A. Termination of reimbursements.

Reimbursements under this chapter terminate for property tax years beginning on or after April 1, 2019.

SUMMARY

PART G

This Part phases out and eliminates the Business Equipment Tax Reimbursement (BETR) program and transitions property eligible for the BETR program as of April 1, 2015 into the Business Equipment Tax Exemption (BETE) program. Property located at a retail sales facility and used in a retail sales activity first put into service on or after April 1, 2015 will no longer be eligible for either the BETR or BETE program. Such retail property placed into service on or before April 1, 2015 which qualifies for BETE will no longer be eligible for exemption after 2025.

PART H

Sec. H-1. 5 MRSA § 13090-K, sub-§ 2, as amended in PL 2013, c. 368, Pt. M, §1, is further amended to read:

2. Source of fund. Beginning July 1, 2003 and every July 1st thereafter, the State Controller shall transfer to the Tourism Marketing Promotion Fund an amount, as certified by the State Tax Assessor, that is equivalent to 5% of the 7% tax imposed on tangible personal property and taxable services pursuant to Title 36, section 1811, for the first 6 months of the prior fiscal year after the reduction for the transfer to the Local Government Fund as described by Title 30-A, section 5681, subsection 5, except that, from October 1, 2013 to ~~June 30~~ December 31, 2015, the amount is equivalent to 5% of the 8% tax imposed on tangible personal property and taxable services pursuant to Title 36, section 1811. Effective July 1, 2017, the amount is equivalent to 17% of the 8% tax imposed pursuant to Title 36, section 1811 on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp. Beginning on October 1, 2003 and every October 1st thereafter, the State Controller shall transfer to the Tourism Marketing Promotion Fund an amount, as certified by the State Tax Assessor, that is equivalent to 5% of the 7% tax imposed on tangible personal property and taxable services pursuant to Title 36, section 1811, for the last 6 months of the prior fiscal year after the reduction for the transfer to the Local Government Fund, except that, from October 1, 2013 to ~~June 30~~ December 31, 2015, the amount is equivalent to 5% of the 8% tax imposed on tangible personal property and taxable services pursuant to Title 36, section 1811. Effective October 1, 2016, the amount is equivalent to 17% of the 8% tax imposed pursuant to Title 36, section 1811 on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp. The tax amount must be based on actual sales for that fiscal year and may not consider any accruals that may be required by law. The amount transferred from General Fund sales and use tax revenues does not affect the calculation for the transfer to the Local Government Fund.

Sec. H-2. 36 MRSA § 1752, sub-§ 1-C, as amended in PL 2011, c. 240, §16, is further amended to read:

1-C. Business. “Business” means a commercial activity engaged in as a means of livelihood or profit, or an entity which engages in such activities.

Sec. H-3. 36 MRSA § 1752, sub-§ 1-D, as amended by PL 2005, c 218, §12, is further amended to read:

1-D. Casual sale. “Casual sale” means an isolated transaction in which tangible personal property or a taxable service is sold other than in the ordinary course of repeated and successive transactions of like character by the person making the sale. "Casual sale" includes transactions at a bazaar, fair, rummage sale, picnic or similar event by a civic, religious or fraternal organization that is not a registered retailer. The sale by a registered retailer of tangible personal property that that retailer has used in the course of the retailer's business is not a casual sale if that property is of like character to that sold, leased or rented by the retailer in the ordinary course of repeated and successive transactions. “Casual sale” does not include any transaction in which a retailer sells tangible personal property or a taxable service on behalf of the owner of that property or the provider of that service.

Sec. H-4. 36 MRSA § 1752, sub-§ 1-I is enacted to read:

1-I. Candy. “Candy” means a preparation of sugar, honey or other natural or artificial sweeteners in combination with chocolate, fruits, nuts or other ingredients or flavorings in the form of bars, drops or pieces.

Sec. H-5. 36 MRSA § 1752, sub-§ 2-F is enacted to read:

2-F. Domestic and household services. “Domestic and household services” means the following services when provided to a homeowner or performed with regard to residential real property:

A. Interior home decorating, design, cleaning and organizing services;

B. Exterior home cleaning and maintenance services including but not limited to power washing and cleaning of drains, gutters, chimneys, swimming pools, and hot tubs.

C. Landscaping and horticultural services, including but not limited to gardening, garden design, tree trimming and tree removal;

D. Property maintenance services, including but not limited to lawn care, snow removal and monitoring services;

E. Insect and pest control services;

F. Home automation services, including but not limited to home electronic and audio-visual design and installation;

G. Locksmithing and alarm and home security systems, including design, installation, servicing and repair;

H. Private waste management and remediation services; and

I. Domestic staffing services such as cooks, maids, butlers, nannies, gardeners and caretakers, except in-home and community support services as defined in 22 MRSA Section 7302, subsection 5.

Sec. H-6. 36 MRSA § 1752, sub-§ 4-A is enacted to read:

4-A. Installation, repair and maintenance services. “Installation, repair and maintenance services” means all services involved in the installation, repair and maintenance of tangible personal property other than motor vehicles and aircraft, including service and maintenance contracts pertaining to such tangible personal property.

Sec. H-7. 36 MRSA § 1752, sub-§ 5-A, is repealed.

Sec. H-8. 36 MRSA § 1752, sub-§ 5-D is enacted to read:

5-D. Lease or rental. “Lease” or “rental” includes sublease or subrental and means any transfer of possession or control of tangible personal property for a fixed or indeterminate term for consideration. A lease or rental may include future options to purchase or extend. “Lease” or “rental” does not include:

A. Any transfer of possession or control of property under a security agreement or deferred payment plan that requires the transfer of title upon completion of the required payments;

B. Any transfer of possession or control of property under an agreement that requires the transfer of title upon completion of required payments and payment of an option price that does not exceed the greater of \$100 or 1% of the total required payments;

C. Providing tangible personal property along with an operator for a fixed or indeterminate period of time. A condition of this exclusion is that the operator is necessary for the equipment to perform as designed. For the purpose of this paragraph, an operator must do more than maintain, inspect or set up the tangible personal property; or

D. Agreements covering motor vehicles and trailers where the amount of consideration may be increased or decreased by reference to the amount realized upon sale or disposition of the property as defined in 26 USC 7701(h)(1).

Sec. H-9. 36 MRSA § 1752, sub-§ 7-F is enacted to read:

7-F. Personal services. “Personal services” means:

A. Hair, nail and skin care services including, but not limited to, services provided by hair, nail, and tanning salons, massage parlors, spas, and body piercing and tattoo

parlors.

B. Elective cosmetic medical procedures and electrolysis except medically necessary services ordered by a person authorized to prescribe medical treatment under Title 32.

C. Event planning services, including but not limited to all services related to weddings and commitment ceremonies;

D. Dating, escort and social introduction services;

E. Diet and nonmedical weight-reducing services;

F. Flower, balloon and other personal delivery services;

G. Travel arrangement and reservation services; and

H. Psychic reading, tarot card reading, astrology, and palm reading services.

Sec. H-10. 36 MRSA § 1752, sub-§ 7-G is enacted to read:

7-G. Personal property services. “Personal property services” means services

performed on tangible personal property, including but not limited to:

A. Dry cleaning, laundry and diaper services, not including self-service laundry services;

B. Embroidery, monogramming, silk screening and clothing alterations;

C. Vehicle cleaning and detailing services;

D. Pressure cleaning and washing;

E. Pet services including, but not limited to, exercising, sitting, training, grooming and boarding for nonmedical purposes;

F. Mounting and framing services;

G. Furniture and rug cleaning;

H. Meal and drink preparation;

I. Butchering;

J. Restoration services, including art restoration and conservation services and

photographic restoration services;

K. Warehousing and storage, including, but not limited to, rental of storage units and warehouse space, watercraft slip and mooring fees and vehicle parking fees;

L. Moving services; and

M. Vehicle towing.

“Personal property services” does not include fabrication services or installation, repair and maintenance services.

Sec. H-11. 36 MRSA § 1752, sub-§ 8-A as repealed and replaced by PL 2001, c. 439, Pt. TTTT, §1, is further amended to read:

8-A. Prepared food. “Prepared food” means:

A. Meals served on or off the premises of the retailer; and

B. Food and drinks that are prepared by the retailer and ready for consumption without further preparation.

C. All food and drinks sold from an establishment whose sales of food and drinks that are prepared by the retailer account for more than 75% of the establishment's gross receipts.

D. The following food and drinks ordinarily sold for consumption without further preparation:

(1) Candy and confections, including, but not limited to, confectionery spreads;

(2) Soft drinks and powdered and liquid drink mixes except powdered milk, infant formula, coffee and tea;

(3) Sandwiches and salads;

(4) Supplemental meal items such as corn chips, potato chips and crisped vegetable or fruit chips, potato sticks, pork rinds, pretzels, crackers, popped popcorn, cheese sticks and cheese puffs and dips;

(5) Fruit bars, granola bars, trail mix, breakfast bars, rice cakes, popcorn cakes, bread sticks and dried sugared fruit;

(6) Nuts and seeds that have been processed or treated by salting, spicing,

smoking, roasting or other means;

(7) Desserts and bakery items, including but not limited to doughnuts, cookies, muffins, dessert breads, pastries, croissants, cakes, pies, ice cream cones, ice cream, ice milk, frozen confections, frozen yogurt, sherbet, ready-to-eat pudding and gelatins and dessert sauces; and

(8) Meat sticks, meat jerky and meat bars.

As used in this subsection, “without further preparation” does not include combining an item with a liquid or toasting, microwaving or otherwise heating or thawing a product for palatability rather than for the purpose of cooking the product.

“Prepared food” does not include bread and bread products, jam, jelly, pickles, honey, condiments, maple syrup, spaghetti sauce, or salad dressing when packaged as a separate item for retail sale.

Sec. H-12. 36 MRSA § 1752, sub-§ 9-F is enacted to read:

9-F. Professional services. “Professional services” means the following services:

A. Legal services;

B. Accounting, tax preparation and bookkeeping services;

C. Advertising, public relations and related services;

D. Architectural, engineering and related services;

E. Graphic design services;

F. Photographic services, including studio photography services;

G. Financial planning services;

H. Surveying and mapping services;

I. Private Investigation Services; and

J. Talent agency, artist agency and modeling agency services.

Sec. H-13. 36 MRSA § 1752, sub-§ 9-G is enacted to read:

9-G. Recreation and amusement services. “Recreation and amusement services” is

defined pursuant to this subsection.

A. “Recreation and amusement services” means the following, unless excluded under paragraph B:

(1) Amusements, attractions, entertainment venues and performances, including but not limited to theaters, movies, lectures, concerts, festivals, amusement parks, water parks, fairs, race tracks, festivals, carnivals, circuses, sports activities, stadiums, amphitheaters, museums, planetariums, animal parks, petting zoos, aquariums, historical sites, and convention centers;

(2) Participation in or entry to sporting or recreational activities, including but not limited to golf, skiing, tennis, miniature golf courses, arcades, billiard parlors, disc golf, laser tag, bowling, go-cart courses, paintball and fitness and exercise centers;

(3) Exhibition shows including but not limited to auto, boat, camping, home, garden, trade, arts and crafts, animal, and antique shows;

(4) Scenic and sight-seeing excursions, including but not limited to aircraft, helicopter, balloon, blimp, watercraft, railroad, bus, trolley and wagon rides, whitewater rafting and guided recreation;

(5) Entertainment services, including but not limited to those provided by bands, orchestras, disc jockeys, comedians, clowns, jugglers, children's entertainers and ventriloquists; and

(6) Lessons or training in dance, music, theater, arts and gymnastics, martial arts and other athletic pursuits.

B. “Recreation and amusement services” does not include:

(1) Admission to a licensed agricultural fair or participation in any events or activities organized by a school or incorporated nonprofit organization occurring at such a fair if all the proceeds from the event or activity are used for the charitable purposes of the school or incorporated nonprofit organization;

(2) Scenic and sightseeing excursions on federal navigable waters; and

(3) Participation in or entry to casinos, lotteries and pari-mutual betting.

Sec. H-14. 36 MRS.A § 1752, sub-§ 11, is repealed and replaced with the following:

11. Retail sale. “Retail sale” means any sale of tangible personal property or a taxable service in the ordinary course of business.

A. “Retail sale” includes:

(1) Conditional sales, installment lease sales and any other transfer of tangible personal property when the title is retained as security for the payment of the purchase price and is intended to be transferred later;

(2) A sale in the ordinary course of business by a retailer to a purchaser who is not engaged in selling that kind of tangible personal property or taxable service in the ordinary course of repeated and successive transactions of like character; and

(3) The sale or liquidation of a business or the sale of substantially all of the assets of a business, to the extent that the seller purchased the assets of the business for resale, lease or rental in the ordinary course of business, except when:

(a) The sale is to an affiliated entity and the transferee, or ultimate transferee in a series of transactions among affiliated entities, purchases the assets for resale, lease or rental in the ordinary course of business; or

(b) The sale is to a person that purchases the assets for resale, lease or rental in the ordinary course of business or that purchases the assets for transfer to an affiliate, directly or through a series of transactions among affiliated entities, for resale, lease or rental by the affiliate in the ordinary course of business.

For purposes of this subparagraph, “affiliate” or “affiliated” includes both direct and indirect affiliates.

B. “Retail sale” does not include:

(1) Any casual sale;

(2) Any sale by a personal representative in the settlement of an estate, unless the sale is made through a retailer or unless the sale is made in the continuation or operation of a business;

(3) The sale of loaner vehicles to a new vehicle dealer licensed as such pursuant to Title 29-A, section 953;

(4) The sale of labor and parts used in the performance of repair services under a service or maintenance contract sold on or after January 1, 2016;

(5) The sale, to a retailer that has been issued a resale certificate pursuant to section 1754-B, subsection 2-B or 2-C, of tangible personal property for resale in the form of tangible personal property, except resale as a casual sale;

(6) The sale, to a retailer that has been issued a resale certificate pursuant to section 1754-B, subsection 2-B or 2-C, of a taxable service for resale, except resale as a

casual sale;

(7) The sale, to a retailer that is not required to register under section 1754-B, of tangible personal property for resale outside the State in the form of tangible personal property, except resale as a casual sale;

(8) The sale, to a retailer that is not required to register under section 1754-B, of a taxable service for resale outside the State, except resale as a casual sale; or

(9) The sale, to a person engaged in the business of renting or leasing tangible personal property, of tangible personal property for lease or rental.

Sec. H-15. 36 MRSA § 1752, sub-§ 13 as amended by PL 1981, c. 706, §20, is further amended to read:

13. Sale. “Sale” means any transfer, exchange or barter, in any manner or by any means whatsoever, for a consideration and includes leases and contracts payable by rental or license fees for the right of possession and use, ~~but only when such leases and contracts are deemed by the State Tax Assessor to be in lieu of purchase.~~

Sec. H-16. 36 MRSA § 1752, sub-§ 14, ¶ A, as amended by PL 2007, c. 627, §43, is further amended to read:

A. “Sale price” includes:

(1) Any consideration for services that are a part of a retail sale; ~~and~~

(2) All receipts, cash, credits and property of any kind or nature and any amount for which credit is allowed by the seller to the purchaser, without any deduction on account of the cost of the property sold, the cost of the materials used, labor or service cost, interest paid, losses or any other expenses; and

(3) In the case of 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, all components of the total rental charged to the lessee, including but not limited to maintenance and service contracts, drop-off or pick-up fees, airport surcharges, mileage fees and any separately itemized charges included in the rental agreement in order 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.

Sec. H-17. 36 MRSA § 1752, sub-§ 14, ¶ B, as amended by PL 2011, c. 211, §22, is further amended to read:

B. "Sale price" does not include:

- (1) Discounts allowed and taken on sales;
- (2) Allowances in cash or by credit made upon the return of merchandise pursuant to warranty;
- (3) The price of property returned by customers, when the full price is refunded either in cash or by credit;
- ~~(4) The price received for labor or services used in installing or applying or repairing the property sold, if separately charged or stated;~~
- (5) Any amount charged or collected, in lieu of a gratuity or tip, as a specifically stated service charge, when that amount is to be disbursed by a hotel, restaurant or other eating establishment to its employees as wages;
- (6) The amount of any tax imposed by the United States on or with respect to retail sales, whether imposed upon the retailer or the consumer, except any manufacturers', importers', alcohol or tobacco excise tax;
- (7) The cost of transportation from the retailer's place of business or other point from which shipment is made directly to the purchaser, provided that those charges are separately stated and the transportation occurs by means of common carrier, contract carrier or the United States mail;
- (8) The fee imposed by Title 10, section 1169, subsection 11;
- (9) The fee imposed by section 4832, subsection 1;
- (10) The lead-acid battery deposit imposed by Title 38, section 1604, subsection 2-B;
- (11) Any amount charged or collected by a person engaged in the rental of living quarters as a forfeited room deposit or cancellation fee if the prospective occupant of the living quarters cancels the reservation on or before the scheduled date of arrival;
- (12) The premium imposed on motor vehicle oil by Title 10, section 1020, subsection 6-A; or
- (13) Any amount charged for the disposal of used tires.

Sec. H-18. 36 MRSA § 1752, sub-§ 14-F is enacted to read:

14-F. Soft drinks. "Soft drinks" means non-alcoholic beverages that contain natural or artificial sweeteners. "Soft drinks" do not include beverages that contain milk or milk products, soy, rice or similar milk substitutes, or greater than 50% of vegetable or fruit

juice by volume.

Sec. H-19. 36 MRSA § 1752, sub-§ 17-B, as amended by PL 2013, c. 156, §2, is further amended to read:

17-B. Taxable service. “Taxable service” means:

A. The rental of living quarters in a hotel, rooming house or tourist or trailer camp;

B. The transmission and distribution of electricity;

C. The lease or rental of tangible personal property;

D. The sale of an extended service contract on an automobile or truck that entitles the purchaser to specific benefits in the service of the automobile or truck for a specific duration.

E. Prepaid calling service;

F. Recreation and amusement services;

G. Installation, repair and maintenance services;

H. Personal services;

I. Domestic and household services;

J. Personal property services; and

K. Professional services.

Sec. H-20. 36 MRSA § 1752, sub-§ 21 as amended by PL 2005, c.215, §17, is further amended to read:

21. Use. “Use” includes the exercise in this State of any right or power over tangible personal property by the person who owns the property or leases or rents it from another incident to its ownership, including the derivation of income, whether received in money or in the form of other benefits, by a lessor from the rental of tangible personal property located in this State.

Sec. H-21. 36 MRSA § 1754-B, sub-§ 1, ¶¶ A through C and G, as amended by PL 2013, c. 200, §§1-3, is further amended to read:

A. Every person that makes sales ~~seller~~ of tangible personal property or taxable services, whether or not at retail, that maintains in this State any office, manufacturing facility, distribution facility, warehouse or storage facility, sales or sample room or other place of business;

B. Every person that makes sales ~~seller~~ of tangible personal property or taxable services that does not maintain a place of business in this State but makes retail sales in this State or solicits orders, by means of one or more salespeople within this State, for retail sales within this State;

C. Every ~~lessor~~ person engaged in the ~~leasing~~ lease or rental to another of tangible personal property located in this State ~~that does not maintain a place of business in this State but makes retail sales to purchasers from this State;~~

G. Every person that makes sales ~~seller~~ of tangible personal property or taxable services that has a substantial physical presence in this State sufficient to satisfy the requirements of the due process and commerce clauses of the United States Constitution.

Sec. H-22. 36 MRSA § 1754-B, sub-§ 1-B is enacted to read:

1-B. Persons not required to register. Except for persons engaged in casual rentals of living quarters taxable pursuant to section 1764, every person whose combined calendar year gross sales of tangible personal property and taxable services are less than \$3,000 is not subject to the registration requirements of section 1.

Sec. H-23. 36 MRSA § 1758 is repealed.

Sec. H-24. 36 MRSA § 1760, sub-§ 34 is repealed.

Sec. H-25. 36 MRSA § 1760, sub-§ 96 is enacted to read:

96. Business purchases of certain taxable services. Sales of installation, repair and maintenance services, personal property services, and professional services to a business for use directly by that business.

Sec. H-26. 36 MRSA § 1760, sub-§ 97 is enacted to read:

97. Repairs to telecommunications equipment. Installation, repair and maintenance of telecommunications equipment subject to the service provider tax pursuant to chapter 358.

Sec. H-27. 36 MRSA § 1760, sub-§ 98 is enacted to read:

98. Certain veterans' support organizations. Sales to incorporated nonprofit organizations organized for the purpose of providing direct supportive services in the State to veterans and their families living with service-related post-traumatic stress disorder or traumatic brain injury.

Sec. H-28. 36 MRSA § 1761 as amended by PL 1979, c. 541, Pt. A, §221, is further amended to read:

It ~~shall be~~ is unlawful for any retailer to advertise or hold out or state to the public or to any consumer, directly or indirectly, that the tax or any part thereof imposed by chapters 211 to 225 will be assumed or absorbed by the retailer, or that it will not be added to or included in the ~~selling~~ sale price of the property or service sold, or if added or included that it or any part thereof will be refunded. Any person violating any part of this section ~~shall be~~ is guilty of a Class E crime.

Sec. H-29. 36 MRSA § 1811, first ¶, as repealed and replaced by PL 2013, c. 588, Pt. E, §11, is further amended to read:

A tax is imposed on the value of all tangible personal property, products transferred electronically 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 tangible personal property and taxable services and products transferred electronically. Notwithstanding the other provisions of this section, from October 1, 2013 to ~~June 30~~ December 31, 2015, the rate of tax is 8% on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp; 8% on the value of prepared food; 8% 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; and 5.5% on the value of all other tangible personal property and taxable services and products transferred electronically. Effective January 1, 2016, the rate of tax is 8% on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp; 6.5% on the value of prepared food; 6.5% 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; 8% 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; and 6.5% on the value of all other tangible personal property, products transferred electronically, and other taxable services. ~~Value~~ The value of tangible personal property and taxable services sold at retail 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.~~

Sec. H-30. 36 MRSA § 1811, third ¶ is repealed.

Sec. H-31. 36 MRSA § 1812, sub-§ 1 is repealed and replaced with the following:

1. Computation. Every retailer must add the sales tax imposed by section 1811 to the sale price on all sales of tangible personal property and taxable services that are subject to tax under this Part. The tax when so added is a debt of the purchaser to the retailer until it is paid and is recoverable at law by the retailer from the purchaser in the same manner as the sale price. When the sale price involves a fraction of a dollar, the tax computation must be carried to the 3rd decimal place, then rounded down to the next whole cent whenever the 3rd decimal place is one, 2, 3 or 4 and rounded up to the next whole cent whenever the 3rd decimal place is 5, 6, 7, 8 or 9.

Sec. H-32. 36 MRSA § 1812, sub-§ 2 as amended by PL 1991, c. 846, §24, is further amended to read:

2. Several items. When several purchases are made together and at the same time, the tax ~~must~~may be computed on each item individually or on the total amount of the several items, as the retailer may elect, except that purchases taxed at different rates must be separately totaled.

Sec. H-33. 36 MRSA § 1812, sub-§ 3 is repealed.

Sec. H-34. 36 MRSA § 1813 as amended by PL 1991, c. 546, §24, is further amended to read:

Any retailer who knowingly charges or collects as the sales tax due on the sale price of any tangible personal property or taxable service an amount in excess of that provided by section 1812 commits a Class E crime.

Sec. H-35. 36 MRSA § 1816 as repealed by PL 2003, c. 673, Pt. V, §24, is replaced by:

§1816. Sourcing rules for leases and rentals.

The lease or rental of tangible personal property is sourced as follows:

A. For a lease or rental that requires recurring periodic payments, the first periodic payment is sourced to this state provided the product is received in this state. Periodic payments made subsequent to the first payment are sourced in this state provided the primary property location for the period covered by each payment is in this state. The primary property location is an address for the property provided by the lessee that is available to the lessor from its records maintained in the ordinary course of business, when use of this address does not constitute bad faith. The primary property location is not altered by intermittent use at different locations, such as use of business property that accompanies employees on business trips and service calls.

B. For a lease or rental that does not require recurring periodic payments, the payment is sourced in this state provided the product is received in this state.

For purposes of this section, “received” means taking possession of the leased property.

Sec. H-36. 36 MRSA § 1861, as amended by PL 1995, c. 640, §6, is further amended to read:

A tax is imposed, at the respective rate provided in section 1811, on the storage, use or other consumption in this State of tangible personal property or a taxable service, the sale of which would be subject to tax under section 1764 or 1811. Every person so storing, using or otherwise consuming is liable for the tax until the person has paid the tax or has taken a receipt from the seller, as duly authorized by the assessor, showing that the seller has collected the sales or use tax, in which case the seller is liable for it. Retailers registered under section 1754-B or 1756 shall collect the tax and make remittance to the assessor. The amount of the tax payable by the purchaser is that provided in the case of sales taxes by section 1812. When tangible personal property purchased for resale or lease is withdrawn from inventory by the retailer for the retailer's own use, use tax liability accrues at the date of withdrawal.

Sec. H-37. 36 MRSA § 1861-A as amended by PL 2007, c. 240, Pt. W, §1, is further amended to read:

The assessor shall provide that individuals report use tax on items with a sale price of \$5,000 or less on their Maine individual income tax returns. Taxpayers are required to attest to the amount of their use tax liability for the period of the tax return. Alternatively, they may elect to report an amount that is ~~.08%~~ .1% of their Maine adjusted gross income. A taxpayer electing to satisfy a use tax liability by estimating it shall calculate the liability in accordance with the use tax table. The estimated liability is applicable only to purchases of any individual items each having a sale price no greater than \$1,000. For each taxable item with a sale price greater than \$1,000 but no more than \$5,000, the actual use tax liability for each purchase must be added to the amount of the estimated liability derived from the use tax table. Upon subsequent review, if use tax liability for the period of the return exceeds the amount of use tax paid with the return, a credit of that amount paid relative to the item or items being supplementarily assessed is allowed. Use tax on any item with a sale price of more than \$5,000 must be reported in accordance with section 1951-A.

Sec. H-38. 36 MRSA § 1951-A, sub-§ 4 is enacted to read:

4. Collection allowance. Every retailer may retain a portion of the tax properly reported and paid in a timely manner as required in this section as an administration expense for collecting, reporting and remitting the tax. The allowance is the greater of 0.5 percent of the amount of tax shown as due on, and paid with, the return, or \$10 but shall not exceed \$1,000. The allowance shall not be greater than the amount of the taxes payable for that return. For purposes of calculating the retailer’s allowance under this

paragraph, the retailer shall exclude from the administrative expense computation the use tax imposed pursuant to section 1861, the recycling assistance fee imposed pursuant to chapter 719, the prepaid wireless telecommunications service fee imposed pursuant to Title 35-A section 7104, and the motor vehicle oil premium imposed pursuant to Title 10 section 1020.

Sec. H-39. 36 MRSA § 1952, is repealed and replaced:

The tax imposed by section 1811 on a sale of tangible personal property or the sale of a taxable service is due and payable at the time of the sale. The tax imposed by section 1811 on the lease or rental of tangible personal property is due and payable at the time each periodic payment under the lease or rental agreement is made, or the time each periodic payment is required to be made, whichever occurs first. The tax imposed by section 1861 on the use of tangible personal property is due and payable at the time the property is first used in this State. Upon such terms and conditions as the State Tax Assessor may prescribe, the assessor may permit a postponement of payment to a date not later than the date on which the sales so taxed are required to be reported.

Sec. H-40. 36 MRSA § 2015 as enacted by PL 1993, c. 701, §8, is amended to read:

1. Report. ~~Annually, on or before September 1st,~~ On or before March 1, 2016, a vehicle owner or rental company engaged in the business of renting automobiles for a period of less than one year, in order to claim an excise tax reimbursement, shall file a report with the State Tax Assessor. The report must include the information required by the State Tax Assessor to determine the taxpayer's excise tax reimbursement entitlement. ~~The State Tax Assessor may extend the September 1st filing deadline for a period not to exceed one year for good cause.~~

2. Reimbursement. The State Tax Assessor shall determine the reimbursement to be paid to a taxpayer filing a return pursuant to subsection 1. The reimbursement is the amount that is the smaller of:

A. The amount determined by computing the total excise tax credit entitlement during ~~the most recently completed period from July 1st July 1, 2015 to June 30th December 31, 2015~~ for which a taxpayer has filed a return pursuant to subsection 1. An excise tax credit accrues for each vehicle excise tax paid ~~in the prior completed~~ during this period for which the associated Maine registration was surrendered prior to the expiration of the associated 12-month excise tax period, unless the excise tax was credited to another registration, in which case the 12-month period continues to run in association with the replacement registration. The amount of the credit is equal to the amount of the excise tax paid in order to register the original vehicle multiplied by a fraction, the numerator of which is the number of complete months short of 12 months during which the registration was surrendered and the denominator is 12; or

B. Three-tenths of the amount of tax paid to the State by the taxpayer resulting from the tax on the rental of automobiles for a period of less than one year during the ~~most recently completed~~ period from July 1st to June 30th July 1, 2015 to December 31,

2015.

3. Treasurer of State; notification. Upon the determination of the reimbursement amount to be paid to a vehicle owner or rental company, the State Tax Assessor shall inform the Treasurer of State of the determination and the Treasurer of State shall make the reimbursement. These reimbursements must be accounted for and paid as sales and use tax refunds. Unless the reimbursement is paid before ~~November 1st of the year in which the report required in subsection 1 is filed~~ May 1, 2016 ~~or within 60 days of the filing of that report, whichever is later,~~ interest at the rate provided in section 186 must be paid for the period of time that transpires after the deadline before payment is made.

Sec. H-41. Effective date. This Part takes effect January 1, 2016 except that the section of this Part that amends the Maine Revised Statutes, Title 36, section 1811, first paragraph, and the section of this Part that amends the Maine Revised Statutes, Title 36, section 1752, subsection 14, paragraph A, take effect on July 1, 2015.

SUMMARY PART H

This Part does the following:

1. It extends the current tax rates past the current sunset date of June 30, 2015 to December 31, 2015, and sets new rates effective January 1, 2016.
2. It extends the sales and use tax to consumer purchases of various new services effective January 1, 2016.
3. It changes the sales and use tax law as it applies to leases so that the tax must be collected on the “lease stream” effective January 1, 2016.
4. It enacts a collection allowance in order to compensate retailers for the administrative costs involved in charging, collecting and remitting the sales tax.
5. It makes various other related changes.

PART I

Sec. I-1. 36 MRSA §2551, sub-§1 is repealed.

Sec. I-2. 36 MRSA §2551, sub-§2, as amended by PL 2005, c.12, Pt. TTT, §2 is further amended to read :

2. ~~Extended e~~Cable and satellite television or radio services. ~~“Extended cable~~ Cable and satellite television or radio services” means all cable and satellite television or radio services ~~service that is in addition to the minimum service that can be purchased from a cable or satellite television supplier,~~ including the installation or use of associated equipment for which a charge is made. ~~It does not include installation of the associated equipment for which a separate charge is levied.~~

Sec. I-3. 36 MRSA §2551, sub-§4 is repealed.

Sec. I-4. 36 MRSA §2551, sub-§21 is repealed.

Sec. I-5. 36 MRSA §2552 as amended by PL 2013, c.368, Pt. OOOO, §§2-4 is further amended to read:

1. Rate. Effective January 1, 2016, Aa tax at the rate of ~~5%~~ 6% is imposed on the value of the following services sold in this State:

A. ~~Extended cable~~ Cable and satellite television or radio services;

B. Fabrication services;

~~C. Rental of video media and video equipment;~~

~~D. Rental of furniture, audio media and audio equipment pursuant to a rental-purchase agreement as defined in Title 9-A, section 11-105;~~

E. Telecommunications services;

F. The installation, maintenance or repair of telecommunications equipment;

G. Private nonmedical institution services or personal home care services;

H. Community support services for persons with mental health diagnoses;

I. Community support services for persons with intellectual disabilities or autism;

J. Home support services;

L. Ancillary services; and

M. Group residential services for persons with brain injuries.

Sec. I-6. 36 MRSA §2557, sub-§33, as amended by PL 2009, c.434, §33 is further amended by:

33. International telecommunications service. Sales of international telecommunications service to a business for use directly in that business;

Sec. I-7. 36 MRSA §2557, sub-§34, as amended by PL 2009, c.434, §34 is further amended to read:

34. Interstate telecommunications service. Sales of interstate telecommunications service to a business for use directly in that business;

Sec. I-8. Effective date. This Part takes effect January 1, 2016.

**SUMMARY
PART I**

This Part amends the service provider tax in order to increase the rate effective January 1, 2016; to expand the tax to basic cable and satellite television services, including radio services; to provide for the taxation of interstate and international telephone services sold to non-business customers; and to make other changes consistent with the changes to the sales and use tax law made by Part E.

PART J

Sec. J-1. 36 MRSA, § 4101, as enacted by PL 2011, c. 380, Pt. M, § 9, is amended to read:

This chapter applies to the estates of persons who die after December 31, 2012 and before January 1, 2017.

Sec. J-2. 36 MRSA, § 4102, sub-§ 5, as enacted by PL 2011, c. 380, Pt. M, § 9, is amended to read:

5. Maine exclusion amount. “Maine exclusion amount” means \$2,000,000 for estates of decedents dying prior to January 1, 2016. For estates of decedents dying on or after January 1, 2016, Maine exclusion amount means \$5,500,000.

Sec. J-3. 36 MRSA § 4103, sub-§ 1, as enacted by PL 2011, c. 380, Pt. M, § 9, is amended to read:

1. Imposition of tax before 2016. A tax is imposed on the transfer of the Maine taxable estate of every person who, at the time of death, was a resident of this State. The amount of tax for decedents dying on or after January 1, 2013 but prior to January 1, 2016 is determined as provided in this section.

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

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

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

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

The amount of this tax is multiplied by a fraction, the numerator of which is the value of

that portion of the decedent's adjusted federal gross estate that consists of real and tangible personal property located in this State plus the value of all intangible personal property and the denominator of which is the value of the decedent's adjusted federal gross estate.

Sec. J-4. 36 MRSA, § 4103, sub-§ 1-A is enacted to read:

1-A. Imposition of tax after 2015. A tax is imposed on the transfer of the Maine taxable estate of every person who, at the time of death, was a resident of this State. The amount of tax for decedents dying during calendar year 2016 is determined as provided in this section.

A. If the Maine taxable estate is \$5,500,000 or less, the tax is \$0.

B. If the Maine taxable estate is more than \$5,500,000 but no more than \$8,000,000, the tax is 10% of the excess over \$5,500,000.

C. If the Maine taxable estate is more than \$8,000,000, the tax is \$250,000 plus 12% of the excess over \$8,000,000.

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

SUMMARY PART J

This Part eliminates the Maine estate tax for decedents dying on or after January 1, 2017. The exclusion amount for estates of decedents dying in calendar year 2016 is increased from \$2 million to \$5.5 million, the amount estimated to be the federal exclusion amount for the estates of 2016 decedents. The tax rate schedule for 2016 decedents is updated to reflect the increase in the exclusion amount.

PART K

Sec. K-1. 20-A MRSA § 11475, sub-§ 2, as enacted by PL 1997, c. 732, § 4 is amended to read:

2. Lump-sum payments. A participation agreement may permit a participant to make one or more lump-sum deposits to an account for the benefit of a specific beneficiary. ~~Lump-sum deposits may be made through the assignment of state tax refunds.~~

Sec. K-2. 36 MRSA § 5111, sub-§ 1-D, as enacted by PL 2013, c. 368, Pt. Q, § 4 is amended

to read:

1-D. Single individuals and married persons filing separate returns; tax years beginning 2014 and 2015. For tax years beginning ~~in~~ ~~on~~ ~~or~~ after January 1, 2014 or 2015, for single individuals and married persons filing separate returns:

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

Sec. K-3. 36 MRSA § 5111, sub-§ 1-E is enacted to read:

1-E. Single individuals and married persons filing separate returns; tax years beginning 2016. For tax years beginning in 2016, for single individuals and married persons filing separate returns:

If Maine taxable income is:	The tax is:
At least \$9,700 but less than \$50,000	5.75% of the excess over \$9,700
\$50,000 or more	\$2,317 plus 6.95% of the excess over \$50,000

Sec. K-4. 36 MRSA § 5111, sub-§ 1-F is enacted to read:

1-F. Single individuals and married persons filing separate returns; tax years beginning 2017. For tax years beginning in 2017, for single individuals and married persons filing separate returns:

If Maine taxable income is:	The tax is:
At least \$9,700 but less than \$50,000	5.75% of the excess over \$9,700
At least \$50,000 but less than \$128,100	\$2,317 plus 6.95% of the excess over \$50,000
\$128,100 or more	\$7,745 plus 6.5% of the excess over \$128,100

Sec. K-5. 36 MRSA § 5111, sub-§ 1-G is enacted to read:

1-G. Single individuals and married persons filing separate returns; tax years beginning 2018. For tax years beginning in 2018, for single individuals and married persons filing separate returns:

If Maine taxable income is:	The tax is:
At least \$9,700 but less than \$50,000	5.75% of the excess over \$9,700
At least \$50,000 but less than 143,725	\$2,317 plus 6.75% of the excess over

<u>\$50,000</u>	
<u>\$143,725 or more</u>	<u>\$8,643 plus 6% of the excess over \$143,725</u>

Sec. K-6. 36 MRSA § 5111, sub-§ 1-H is enacted to read:

1-H. Single individuals and married persons filing separate returns; tax years beginning 2019. For tax years beginning on or after January 1, 2019, for single individuals and married persons filing separate returns:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
<u>At least \$9,700 but less than \$50,000</u>	<u>5.75% of the excess over \$9,700</u>
<u>At least \$50,000 but less than \$175,000</u>	<u>\$2,317 plus 6.5% of the excess over \$50,000</u>
<u>\$175,000 or more</u>	<u>\$10,442 plus 5.75% of the excess over \$175,000</u>

Sec. K-7. 36 MRSA § 5111, sub-§ 2-D, as enacted by PL 2013, c. 368, Pt. Q, § 6, is amended to read:

2-D. Heads of Households; tax years beginning 2014 and 2015. For tax years beginning ~~in on or after January 1, 2014 or 2015~~, 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>
<u>\$31,350 or more</u>	<u>\$1,528 plus 7.95% of the excess over \$31,350</u>

Sec. K-8. 36 MRSA § 5111, sub-§ 2-E is enacted to read:

2-E. Heads of Households; tax years beginning 2016. For tax years beginning in 2016, 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 \$14,550 but less than \$75,000</u>	<u>5.75% of the excess over \$14,550</u>
<u>\$75,000 or more</u>	<u>\$3,476 plus 6.95% of the excess over \$75,000</u>

Sec. K-9. 36 MRSA § 5111, sub-§ 2-F is enacted to read:

2-F. Heads of Households; tax years beginning 2017. For tax years beginning in 2017, 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 \$14,550 but less than \$75,000</u>	<u>5.75% of the excess over \$14,550</u>
<u>At least \$75,000 but less than \$190,950</u>	<u>\$3,476 plus 6.95% of the excess over \$75,000</u>
<u>\$190,950 or more</u>	<u>\$11,535 plus 6.5% of the excess over \$190,950</u>

Sec. K-10. 36 MRSA § 5111, sub-§ 2-G is enacted to read:

2-G. Heads of Households; tax years beginning 2018. For tax years beginning in 2018, 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 \$14,550 but less than \$75,000</u>	<u>5.75% of the excess over \$14,550</u>
<u>At least \$75,000 but less than \$214,150</u>	<u>\$3,476 plus 6.75% of the excess over \$75,000</u>
<u>\$214,150 or more</u>	<u>\$12,869 plus 6% of the excess over \$214,150</u>

Sec. K-11. 36 MRSA § 5111, sub-§ 2-H is enacted to read:

2-H. Heads of Households; tax years beginning 2019. For tax years beginning on or after January 1, 2019, 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 \$14,550 but less than \$75,000</u>	<u>5.75% of the excess over \$14,550</u>
<u>At least \$75,000 but less than \$260,500</u>	<u>\$3,476 plus 6.5% of the excess over \$75,000</u>
<u>\$260,500 or more</u>	<u>\$15,534 plus 5.75% of the excess over \$260,500</u>

Sec. K-12. 36 MRSA § 5111, sub-§ 3-D, as enacted by PL 2013, c. 368, Pt. Q, § 8, is amended to read:

3-D. Individuals filing married joint return or surviving spouses; tax years beginning 2014 and 2015. For tax years beginning ~~in~~ ~~on~~ ~~or~~ ~~after~~ ~~January 1, 2014~~ ~~or~~ 2015, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
<u>At least \$10,450 but less than \$41,850</u>	<u>6.5% of the excess over \$10,450</u>
<u>\$41,850 or more</u>	<u>\$2,041 plus 7.95% of the excess over \$41,850</u>

Sec. H-13. 36 MRSA § 5111, sub-§ 3-E is enacted to read:

3-E. Individuals filing married joint returns or surviving spouses; tax years beginning 2016. For tax years beginning in 2016, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
<u>At least \$19,400 but less than \$100,000</u>	<u>5.75% of the excess over \$19,400</u>
<u>\$100,000 or more</u>	<u>\$4,635 plus 6.95% of the excess over \$100,000</u>

Sec. K-14. 36 MRSA § 5111, sub-§ 3-F is enacted to read:

3-F. Individuals filing married joint returns or surviving spouses; tax years beginning 2017. For tax years beginning in 2017, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
<u>At least \$19,400 but less than \$100,000</u>	<u>5.75% of the excess over \$19,400</u>
<u>At least \$100,000 but less than \$256,200</u>	<u>\$4,635 plus 6.95% of the excess over \$100,000</u>
<u>\$256,200 or more</u>	<u>\$15,491 plus 6.5% of the excess over \$256,200</u>

Sec. K-15. 36 MRSA § 5111, sub-§ 3-G is enacted to read:

3-G. Individuals filing married joint returns or surviving spouses; tax years beginning 2018. For tax years beginning in 2018, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
<u>At least \$19,400 but less than \$100,000</u>	<u>5.75% of the excess over \$19,400</u>
<u>At least \$100,000 but less than \$287,450</u>	<u>\$4,635 plus 6.75% of the excess over \$100,000</u>
<u>\$287,450 or more</u>	<u>\$17,288 plus 6% of the excess over \$287,450</u>

Sec. K-16. 36 MRSA § 5111, sub-§ 3-H is enacted to read:

3-H. Individuals filing married joint returns or surviving spouses; tax years beginning 2019. For tax years beginning on or after January 1, 2019, for individuals filing married joint returns or surviving spouses permitted to file a joint return:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
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<u>At least \$19,400 but less than \$100,000</u>	<u>5.75% of the excess over \$19,400</u>
<u>At least \$100,000 but less than \$350,000</u>	<u>\$4,635 plus 6.5% of the excess over \$100,000</u>
<u>\$350,000 or more</u>	<u>\$20,885 plus 5.75% of the excess over \$350,000</u>

Sec. K-17. 36 MRSA § 5122, sub-§ 1, ¶G, as amended by PL 2011, c. 240, §30, is repealed.

Sec. K-18. 36 MRSA § 5122, sub-§ 2, ¶ M-1, as amended by PL 2013, c. 546, §13, is further amended to read:

M-1. For tax years beginning on or after January 1, 2014, but before January 1, 2016, for each individual who is a primary recipient of retirement plan benefits under an employee retirement plan or an individual retirement account, an amount that is the lesser of the aggregate of retirement plan benefits under employee retirement plans or individual retirement accounts included in the individual’s federal adjusted gross income and the pension deduction amount reduced by the total amount of the individual’s social security benefits and railroad retirement benefits paid by the United States, but not less than \$0. The social security benefits and railroad retirement benefits reduction does not apply to benefits paid under a military retirement plan.

For purposes of this paragraph, the following terms have the following meanings.

- (1) “Employee retirement plan” means a state, federal or military retirement plan or any other retirement benefit plan established and maintained by an employer for the benefit of its employees under the Code, Section 401(a), Section 403 or Section 457(b), except that distributions made pursuant to Section 457(b) plan are not eligible for the deduction provided by this paragraph if they are made prior to age 55 and are not part of a series of substantially equal periodic payments made for the life of the primary recipient or the joint lives of the primary recipient and that recipient’s designated beneficiary.
- (2) “Individual retirement account” means an individual retirement account under Section 408 of the Code, a Roth IRA under Section 408A of the Code, a simplified employee pension under Section 408(k) of the Code or a simple retirement account for employees under Section 408(p) of the Code.
- (3) “Military retirement plan” means retirement plan benefits received as a result of service in the active or reserve components of the Army, Navy, Air Force, Marines or Coast Guard.
- (4) “Pension deduction amount” means \$10,000 for tax years beginning on or after January 1, 2014.
- (5) “Primary recipient” means the individual upon whose earnings or contributions

the retirement plan benefits are based on the surviving spouse of that individual.

(6) “Retirement plan benefits” means employee retirement plan benefits, except pick-up contributions for which a subtraction is allowed under paragraph E, reported as pension or annuity income for federal income tax purposes and individual retirement account benefits reported as individual retirement account distributions for federal income tax purposes. “Retirement plan benefits” does not include distributions that are subject to the tax imposed by the Code, Section 72(t);

Sec. K-19. 36 MRSA § 5122, sub-§ 2, ¶ M-2, is enacted to read:

M-2. For tax years beginning on or after January 1, 2016, for each individual who is a primary recipient of retirement plan benefits, the sum of subparagraphs 1 and 2.

(1) Excluding military retirement plan benefits, an amount that is the lesser of the aggregate of retirement plan benefits under employee retirement plans or individual retirement accounts included in the individual’s federal adjusted gross income and the pension deduction amount. The amount claimed under this subparagraph must be reduced by the total amount of the individual’s social security benefits and railroad retirement benefits paid by the United States, but not less than \$0.

(2) An amount equal to military retirement plan benefits included in federal adjusted gross income.

For purposes of this paragraph, the following terms have the following meanings.

(1) “Employee retirement plan” means a state, federal or military retirement plan or any other retirement benefit plan established and maintained by an employer for the benefit of its employees under the Code, Section 401(a), Section 403 or Section 457(b), except that distributions made pursuant to Section 457(b) plan are not eligible for the deduction provided by this paragraph if they are made prior to age 55 and are not part of a series of substantially equal periodic payments made for the life of the primary recipient or the joint lives of the primary recipient and that recipient’s designated beneficiary.

(2) “Individual retirement account” means an individual retirement account under Section 408 of the Code, a Roth IRA under Section 408A of the Code, a simplified employee pension under Section 408(k) of the Code or a simple retirement account for employees under Section 408(p) of the Code.

(3) “Military retirement plan” means retirement plan benefits received as a result of service in the active or reserve components of the Army, Navy, Air Force, Marines or Coast Guard.

(4) “Pension deduction amount” means \$15,000 for tax years beginning in 2016. For tax years beginning on or after January 1, 2017, but before January 1, 2020, pension

deduction amount means the pension deduction amount applicable to the preceding tax year increased by \$5,000. For tax years beginning on or after January 1, 2020, pension deduction amount means \$35,000.

(5) “Primary recipient” means the individual upon whose earnings or contributions the retirement plan benefits are based or the surviving spouse of that individual.

(6) “Retirement plan benefits” means employee retirement plan benefits, except pick-up contributions for which a subtraction is allowed under paragraph E, reported as pension or annuity income for federal income tax purposes and individual retirement account benefits reported as individual retirement account distributions for federal income tax purposes. “Retirement plan benefits” does not include distributions that are subject to the tax imposed by the Code, Section 72(t);

Sec. K-20. 36 MRSA § 5122, sub-§ 2, ¶ T, as amended by PL 2005, c. 622, § 26, is repealed.

Sec. K-21. 36 MRSA § 5122, sub-§ 2, ¶ Y, as amended by PL 2007, c. 689, § 1, and affected by PL 2007, c. 689, § 4, is repealed.

Sec. K-22. 36 MRSA § 5125, sub-§ 5, as enacted by PL 2013, c. 590, § 1, is repealed.

Sec. K-23. 36 MRSA § 5125, sub-§ 6 is enacted to read:

6. Application. This section does not apply to tax years beginning after December 31, 2015.

Sec. K-24. MRSA 36, § 5200, sub-§ 1, as amended by PL 2005, c. 618, § 6, and affected by PL 2005, c. 618, § 22, is further amended to read:

1. Imposition and rate of tax prior to 2017. For tax years beginning prior to January 1, 2017, a ~~A~~-tax is imposed for each taxable year at the following rates on each taxable corporation and on each group of corporations that derives income from a unitary business carried on by 2 or more members of an affiliated group:

If the income is:	The tax is:
Not over \$25,000	3.5% of the income
\$25,000 but not over \$75,000	\$875 plus 7.93% of the excess over \$25,000
\$75,000 but not over \$250,000	\$4,840 plus 8.33% of the excess over \$75,000
\$250,000 or more	\$19,418 plus 8.93% of the excess over \$250,000

In the case of an affiliated group of corporations engaged in a unitary business with activity taxable only by Maine, the rates provided in this subsection are applied only to

the first \$250,000 of the Maine net income of the entire group and must be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment. The balance of the Maine net income of the entire group is taxed at 8.93%.

In the case of an affiliated group of corporations engaged in a unitary business with activity taxable both within and without this State, the rates provided in this subsection are applied only to the first \$250,000 of the net income of the entire group and must be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment. The balance of the net income of the entire group is taxed at 8.93%.

Sec. K-25. MRSA 36, § 5200, sub-§ 1-A is enacted to read:

1-A. Imposition and rate of tax beginning 2017. For tax years beginning in 2017, a tax is imposed for each taxable year at the following rates on each taxable corporation and on each group of corporations that derives income from a unitary business carried on by 2 or more members of an affiliated group:

<u>If the income is:</u>	<u>The tax is:</u>
<u>Not over \$25,000</u>	<u>3.5% of the income</u>
<u>\$25,000 but not over \$75,000</u>	<u>\$875 plus 7.93% of the excess over \$25,000</u>
<u>\$75,000 or more</u>	<u>\$4,840 plus 8.33% of the excess over \$75,000</u>

In the case of an affiliated group of corporations engaged in a unitary business with activity taxable only by Maine, the rates provided in this subsection are applied only to the first \$75,000 of the Maine net income of the entire group and must be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment. The balance of the Maine net income of the entire group is taxed at 8.33%.

In the case of an affiliated group of corporations engaged in a unitary business with activity taxable both within and without this State, the rates provided in this subsection are applied only to the first \$75,000 of the net income of the entire group and must be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment. The balance of the net income of the entire group is taxed at 8.33%.

Sec. K-26. MRSA 36, § 5200, sub-§ 1-B is enacted to read:

1-B. Imposition and rate of tax beginning 2018. For tax years beginning in 2018, a tax is imposed for each taxable year at the following rates on each taxable corporation and on each group of corporations that derives income from a unitary business carried

on by 2 or more members of an affiliated group:

<u>If the income is:</u>	<u>The tax is:</u>
<u>Not over \$25,000</u>	<u>3.5% of the income</u>
<u>\$25,000 or more</u>	<u>\$875 plus 7.93% of the excess over \$25,000</u>

In the case of an affiliated group of corporations engaged in a unitary business with activity taxable only by Maine, the rates provided in this subsection are applied only to the first \$25,000 of the Maine net income of the entire group and must be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment. The balance of the Maine net income of the entire group is taxed at 7.93%.

In the case of an affiliated group of corporations engaged in a unitary business with activity taxable both within and without this State, the rates provided in this subsection are applied only to the first \$25,000 of the net income of the entire group and must be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment. The balance of the net income of the entire group is taxed at 7.93%.

Sec. K-27. MRSA 36, § 5200, sub-§ 1-C is enacted to read:

1-C. Imposition and rate of tax beginning 2019. For tax years beginning on or after 2019, a tax is imposed for each taxable year at the following rates on each taxable corporation and on each group of corporations that derives income from a unitary business carried on by 2 or more members of an affiliated group:

<u>If the income is:</u>	<u>The tax is:</u>
<u>Not over \$25,000</u>	<u>3.5% of the income</u>
<u>\$25,000 or more</u>	<u>\$875 plus 7.5% of the excess over \$25,000</u>

In the case of an affiliated group of corporations engaged in a unitary business with activity taxable only by Maine, the rates provided in this subsection are applied only to the first \$25,000 of the Maine net income of the entire group and must be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment. The balance of the Maine net income of the entire group is taxed at 7.5%.

In the case of an affiliated group of corporations engaged in a unitary business with activity taxable both within and without this State, the rates provided in this subsection are applied only to the first \$25,000 of the net income of the entire group and must be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment. The balance of the net income of the entire group is taxed at 7.5%.

Sec. K-28. MRSA 36, § 5200, sub-§ 1-D is enacted to read:

1-D. Imposition and rate of tax beginning 2020. For tax years beginning in 2020, a tax is imposed for each taxable year at the following rates on each taxable corporation and on each group of corporations that derives income from a unitary business carried on by 2 or more members of an affiliated group:

<u>If the income is:</u>	<u>The tax is:</u>
<u>Not over \$25,000</u>	<u>3.5% of the income</u>
<u>\$25,000 or more</u>	<u>\$875 plus 7% of the excess over \$25,000</u>

In the case of an affiliated group of corporations engaged in a unitary business with activity taxable only by Maine, the rates provided in this subsection are applied only to the first \$25,000 of the Maine net income of the entire group and must be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment. The balance of the Maine net income of the entire group is taxed at 7%.

In the case of an affiliated group of corporations engaged in a unitary business with activity taxable both within and without this State, the rates provided in this subsection are applied only to the first \$25,000 of the net income of the entire group and must be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment. The balance of the net income of the entire group is taxed at 7%.

Sec. K-29. MRSA 36, § 5200, sub-§ 1-E is enacted to read:

1-E. Imposition and rate of tax beginning 2021. For tax years beginning in 2021, a tax is imposed for each taxable year at the following rates on each taxable corporation and on each group of corporations that derives income from a unitary business carried on by 2 or more members of an affiliated group:

<u>If the income is:</u>	<u>The tax is:</u>
<u>Not over \$25,000</u>	<u>3.5% of the income</u>
<u>\$25,000 or more</u>	<u>\$875 plus 6.75% of the excess over \$25,000</u>

In the case of an affiliated group of corporations engaged in a unitary business with activity taxable only by Maine, the rates provided in this subsection are applied only to the first \$25,000 of the Maine net income of the entire group and must be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment. The balance of the Maine net income of the entire group is taxed at 6.75%.

In the case of an affiliated group of corporations engaged in a unitary business with activity taxable both within and without this State, the rates provided in this subsection are applied only to the first \$25,000 of the net income of the entire group and must be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment. The balance of the net income of the entire group is taxed at 6.75%.

Sec. K-30. MRSA 36, § 5203-C, sub-§ 2, ¶ C, as amended by PL 2011, c. 380, Pt. N, §§ 12 and 13 and affected by PL 2011, c. 380, Pt. N, § 19, is further amended to read:

C. Taxable corporations required to file an income tax return under this Part, excluding financial institutions subject to the tax imposed by chapter 819 and persons not subject to the federal alternative minimum tax under the Code, Section 55(e). The tax imposed by this subsection does not apply to taxable corporations for tax years beginning on or after January 1, 2016.

Sec. K-31. 36 MRSA § 5213-A is enacted to read:

§5213-A. Sales tax fairness credit

For tax years beginning on or after January 1, 2016, taxpayers are allowed a credit as computed under this section against the taxes imposed under this Part.

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

A. "Base credit" means:

- (1) \$250 for an individual income tax return claiming 1 personal exemption;
- (2) \$350 for an individual income tax return claiming 2 personal exemptions;
- (3) \$400 for an individual income tax return claiming 3 personal exemptions;
- (4) \$450 for an individual income tax return claiming 4 personal exemptions;
- (5) \$475 for an individual income tax return claiming 5 personal exemptions; and
- (6) \$500 for an individual income tax return claiming 6 or more personal exemptions.

For the purposes of this section, personal exemption does not include a personal exemption for an individual who is incarcerated.

B. "Income" means federal adjusted gross income increased by the following amounts:

- (1) Trade or business losses; capital losses; any net loss resulting from combining the income or loss from rental real estate and royalties, the income or loss from partnerships and S corporations, the income or loss from estates and trusts, the income or loss from real estate mortgage investment conduits and the net farm rental income or loss; any loss associated with the sale of business property; and farm losses included in federal adjusted gross income;
- (2) Interest received to the extent not included in federal adjusted gross income;
- (3) Payments received under the federal Social Security Act and railroad retirement benefits to the extent not included in federal adjusted gross income; and
- (4) The following amounts deducted in arriving at federal adjusted gross income:
 - (a) Educator expenses pursuant to the Code, Section 62(a)(2)(D);
 - (b) Certain business expenses of performing artists pursuant to the Code, Section 62(a)(2)(B);
 - (c) Certain business expenses of government officials pursuant to the Code, Section 62(a)(2)(C);
 - (d) Certain business expenses of reservists pursuant to the Code, Section 62(a)(2)(E);
 - (e) Health savings account deductions pursuant to the Code, Section 62(a)(16) and Section 62(a)(19);
 - (f) Moving expenses pursuant to the Code, Section 62(a)(15);
 - (g) The deductible part of self-employment tax pursuant to the Code, Section 164(f);
 - (h) The deduction for self-employed SEP, SIMPLE and qualified plans pursuant to the Code, Section 62(a)(6);
 - (i) The self-employed health insurance deduction pursuant to the Code, Section 162(1);
 - (j) The penalty for early withdrawal of savings pursuant to the Code, Section 62(a)(9);
 - (k) Alimony paid pursuant to the Code, Section 62(a)(10);
 - (l) The IRA deduction pursuant to the Code, Section 62(a)(7);

(m) The student loan interest deduction pursuant to the Code, Section 62(a)(17);

(n) The tuition and fees deduction pursuant to the Code, Section 62(a)(18); and

(o) The domestic production activities deduction pursuant to the Code, Section 199.

2. Credit for resident taxpayer. A resident individual is allowed a credit equal to the applicable base credit amount, subject to the phase-out provisions under subsection 4.

3. Credit for part-year resident taxpayer. A taxpayer who files a return as a part-year resident in accordance with section 5224-A is allowed a credit equal to the applicable base credit amount, subject to the phase-out provisions under subsection 4, multiplied by a ratio, the numerator of which is the individual's income as modified by section 5122 for that portion of the taxable year during which the individual was a resident plus the individual's income from sources within this State, as determined under section 5142, for that portion of the taxable year during which the individual was a nonresident and the denominator of which is the individual's entire income, as modified by section 5122.

4. Phase-out of credit. The credit allowed under this section is phased out as follows:

(1) Single individuals, the credit is reduced \$10 for every \$500 or portion thereof that exceeds \$15,000 of the taxpayer's income.

(2) For unmarried individuals or legally separated individuals who qualify as heads of households, the credit is reduced \$15 for every \$750 or portion thereof that exceeds \$22,500 of the taxpayer's income.

(3) For individuals filing married joint returns or surviving spouses permitted to file joint returns, the credit is reduced by \$20 for every \$1,000 or portion thereof that exceeds \$30,000 of the taxpayer's income.

5. Refundability of credit. The tax credit allowed under this section is fully refundable.

6. Limitations. The following individuals do not qualify for the credit under this section:

(1) Married taxpayers filing separate returns.

(2) Individuals who meet the qualifications set forth in subparagraphs 1 and 2 of section 5102, subsection 5, paragraph A.

Sec. K-32. 36 MRSA § 5215, sub-§ 6-C is enacted to read:

6-C. Application. Except for the credit allowed with respect to the carryover of unused credit amounts pursuant to subsection 4, the tax credit allowed under this section does not apply to tax years beginning on or after January 1, 2016.

Sec. K-33. 36 MRSA § 5216-C, as enacted by PL 1999, c. 475, § 6, and affected by PL 1999, c. 475, § 7, is repealed.

Sec. K-34. 36 MRSA § 5218, as amended by PL 2005, c. 519, §§ DD1-3, is further amended to read:

1. Resident taxpayer. ~~A~~For tax years beginning prior to January 1, 2016, a resident individual is allowed a credit against the tax otherwise due under this Part in the amount of 25% of the federal tax credit allowable for child and dependent care expenses in the same tax year, except that for tax years beginning in 2003, 2004 and 2005, the applicable percentage is 21.5% instead of 25%.

For tax years beginning on or after January 1, 2016, a resident individual is allowed a credit against the tax otherwise due under this Part in the amount of 50% of the federal tax credit allowable for child and dependent care expenses in the same tax year.

2. Nonresident taxpayer. ~~A~~For tax years beginning prior to January 1, 2016, a nonresident individual is allowed a credit against the tax otherwise due under this Part in the amount of 25% of the federal tax credit allowable for child and dependent care expenses multiplied by the ratio of the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, to the individual's entire federal adjusted gross income, as modified by section 5122, except that for tax years beginning in 2003, 2004 and 2005, the applicable percentage is 21.5% instead of 25%.

For tax years beginning on or after January 1, 2016, a nonresident individual is allowed a credit against the tax otherwise due under this Part in the amount of 50% of the federal tax credit allowable for child and dependent care expenses multiplied by the ratio of the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, to the individual's entire federal adjusted gross income, as modified by section 5122.

2-A. Part-year resident taxpayer. ~~An~~For tax years beginning prior to January 1, 2016, an individual who files a return as a part-year resident in accordance with section 5224-A is allowed a credit against the tax otherwise due under this Part in the amount of 25%, except that for tax years beginning in 2003, 2004 and 2005 the applicable percentage is 21.5%, instead of 25%, of the federal tax credit allowable for child and dependent care expenses multiplied by a ratio, the numerator of which is the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph A for that portion of the taxable year during which the individual was a resident plus the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph B for that portion of the taxable year during which the individual was a nonresident and the denominator of which is the individual's entire federal adjusted

gross income, as modified by section 5122.

For tax years beginning on or after January 1, 2016, an individual who files a return as a part-year resident in accordance with section 5224-A is allowed a credit against the tax otherwise due under this Part in the amount of 50% of the federal tax credit allowable for child and dependent care expenses multiplied by a ratio, the numerator of which is the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph A for that portion of the taxable year during which the individual was a resident plus the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph B for that portion of the taxable year during which the individual was a nonresident and the denominator of which is the individual's entire federal adjusted gross income, as modified by section 5122.

3. Quality child care services. For tax years beginning prior to January 1, 2016, the credit provided by subsections 1, 2 and 2-A doubles in amount if the child care expenses were incurred through the use of quality child care services as defined in section 5219-Q, subsection 1.

4. Refund. The credit allowed by this section may result in a refund of up to \$500. In the case of a nonresident individual, the refundable portion of the credit may not exceed \$500 multiplied by the ratio of the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, to the individual's entire federal adjusted gross income, as modified by section 5122. In the case of an individual who files a return as a part-year resident in accordance with section 5224-A, the refundable portion of the credit may not exceed \$500 multiplied by a ratio, the numerator of which is the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph A for that portion of the taxable year during which the individual was a resident plus the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph B for that portion of the taxable year during which the individual was a nonresident and the denominator of which is the individual's entire federal adjusted gross income, as modified by section 5122.

Sec. K-35. 36 MRS § 5217, sub-§ 5 is enacted to read:

5. Application. Except for the credit allowed with respect to the carryover of unused credit amounts pursuant to subsection 3, the credit allowed under this section does not apply to tax years beginning on or after January 1, 2016.

Sec. K-36. 36 MRS § 5217-C, sub-§ 4 is enacted to read:

4. Application. Except for the credit allowed with respect to the carryover of unused credit amounts pursuant to subsection 3, the tax credit allowed under this section does not apply to tax years beginning on or after January 1, 2016.

Sec. K-37. 36 MRSA § 5219-A, as amended by PL 2003, c. 390, §§ 46 and 47, is repealed.

Sec. K-38. 36 MRSA § 5219-C, as amended by PL 2007, c. 627, § 90, is repealed.

Sec. K-39. 36 MRSA § 5219-M, sub-§ 7 is enacted to read:

7. Application. Except for the credit allowed with respect to the carryover of unused credit amounts pursuant to subsection 5, the tax credit allowed under this section does not apply to tax years beginning on or after January 1, 2016.

Sec. K-40. 36 MRSA § 5219-O, sub-§ 5 is enacted to read:

5. Application. Except for the credit allowed with respect to the carryover of unused credit amounts pursuant to subsection 4, the tax credit allowed under this section does not apply to tax years beginning on or after January 1, 2016.

Sec. K-41. 36 MRSA, § 5219-Q, sub-§ 5 is enacted to read:

5. Application. Except for the credit allowed with respect to the carryover of unused credit amounts pursuant to subsection 4, the tax credit allowed under this section does not apply to tax years beginning on or after January 1, 2016.

Sec. K-42. 36 MRSA § 5219-S, as amended by PL 2009, c. 213, Pt. BBBB, § 16, is repealed.

Sec. K-43. 36 MRSA § 5219-X, sub-§ 5, as enacted by PL 2003, c. 698, § 1, is amended to read:

5. Application. This section applies to tax years beginning on or after January 1, 2004. Except for the credit allowed with respect to the carryover of unused credit amounts pursuant to subsection 3, the tax credit allowed under this section does not apply to tax years beginning on or after January 1, 2016.

Sec. K-44. 36 MRSA § 5219-KK, sub-§ 1, ¶ A, as enacted by PL 2013, c. 551, § 3, is amended to read:

A. "Benefit base" means property taxes paid by a resident individual during the tax year on the resident individual's homestead in this State or rent constituting property taxes paid by the resident individual during the tax year on a homestead in the State not exceeding the following amounts:

(1) For persons filing as single individuals, \$2,000 for tax years beginning in 2014 and 2015, \$3,000 for tax years beginning on or after January 1, 2016;

(2) For persons filing joint returns, qualifying widow(er) or as heads of households that claim no more than 2 personal exemptions, \$2,600 for tax years beginning in 2014 and 2015, \$4,000 for tax years beginning on or after January 1, 2016; and

(3) For persons filing joint returns, qualifying widow(er) or as heads of households that claim 3 or more personal exemptions, \$3,200 for tax years beginning in 2014 and 2015, \$5,000 for tax years beginning on or after January 1, 2016; and

~~(4) For married individuals filing separate returns, 1/2 of the amount under subparagraph (2) or (3), whichever would apply if the individual had filed a joint return for the taxable year with the individual's spouse.~~

Sec. K-45. 36 MRSA § 5219-KK, sub-§ 2, as enacted by PL 2013, c. 551, § 3, is amended to read:

2. Credit. A resident individual is allowed a credit against the taxes imposed under this Part in an amount equal to ~~50%~~100% of the amount by which the benefit base for the resident individual exceeds 6% of the resident individual's income. The credit may not exceed ~~\$600~~\$1,000 for resident individuals under 65 years of age as of the last day of the taxable year or ~~\$900~~\$1,500 for resident individuals 65 years of age and older as of the last day of the taxable year. In the case of married individuals filing a joint return, only one spouse is required to be 65 years of age or older to qualify for the ~~\$900~~\$1,500 credit limitation. ~~In the case of resident married individuals filing separate returns, each of whom claims the credit on the same homestead, the credit for each spouse may not exceed \$300 if, for the taxable year, neither spouse was a resident individual 65 years of age or older or \$450 if, for the taxable year, at least one spouse was 65 years of age or older.~~

Sec. K-46. 36 MRSA § 5219-KK, sub-§ 4 is enacted to read:

4. Limitation. The credit under this section does not apply to married taxpayers filing separate returns.

Sec. K-47. 36 MRSA § 5219-MM is enacted to read:

§5219-MM. Medical expense credit

1. Resident taxpayer. For tax years beginning on or after January 1, 2016, a resident individual that claims a medical expense deduction for federal income tax purposes is allowed a credit equal to 5% of the federal deduction claimed in accordance with the Code, section 213.

2. Nonresident taxpayer. A nonresident individual is allowed a credit against the tax otherwise due under this Part equal to the credit allowed under subsection 1 multiplied by the ratio of the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, to the individual's entire federal adjusted gross income, as modified by section 5122.

3. Part-year resident taxpayer. An individual who files a return as a part-year

resident in accordance with section 5224-A is allowed a credit against the tax otherwise due under this Part equal to the credit allowed under subsection 1 multiplied by a ratio, the numerator of which is the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph A for that portion of the taxable year during which the individual was a resident plus the individual's Maine adjusted gross income as defined in section 5102, subsection 1-C, paragraph B for that portion of the taxable year during which the individual was a nonresident and the denominator of which is the individual's entire federal adjusted gross income, as modified by section 5122.

4. Limitations. The credit may not reduce the tax otherwise due under this Part to less than zero.

Sec. K-48. 36 MRSA § 5283-A, sub-§ 1 as enacted by PL 2011, c. 685, § 3, is amended to read:

1. Minimum threshold for total contributions. The State Tax Assessor may not include on an individual income tax return form a designation for a taxpayer to make a contribution through a checkoff under section 5284, 5284-A, 5285, 5285-A, 5288-A, 5289, 5290 or 5291 unless on returns filed in the prior calendar year the total contributions to the organization or fund to which the contributions are credited under the applicable section are at least:

- A. For calendar year 2012, \$10,000;
- B. For calendar year 2013, \$13,000; and
- C. For calendar year 2014, \$16,000;~~;~~
- ~~D. For calendar year 2015, \$19,000;~~
- ~~E. For calendar year 2016, \$22,000; and~~
- ~~F. For calendar years beginning on or after January 1, 2017, \$25,000.~~

~~This subsection does not apply to a contribution checkoff that has been on the individual income tax form for less than one year. The State Tax Assessor may not include on an individual income tax return form for tax years beginning on or after January 1, 2016 a designation for a taxpayer to make a contribution through a checkoff under sections 5284, 5284-A, 5285, 5285-A, 5288-A, 5289, 5290 or 5291.~~

Sec. K-49. 36 MRSA § 5403, as repealed and replaced by PL 2013, c. 551, § 4, is repealed and replaced with the following:

§5403. Annual adjustments for inflation.

On or about September 15th of each year as specified in subsections 1, 2, 3 and 4, the assessor shall multiply the cost-of-living adjustment for taxable years beginning in the succeeding calendar year by the following:

1. Individual income tax rate tables. Beginning in 2019 and each year thereafter, by the dollar amounts of the tax rate tables specified in section 5111, subsections 1-H, 2-H and 3-H.

2. Itemized deductions. In 2013 and 2014, by the dollar amount of the itemized deduction limitation amount in section 5125, subsection 4.

3. Sales tax fairness credit.

A. Beginning in 2016 and each year thereafter, by the base credit amount in section 5213-A, subsection 1, paragraph A, subparagraph 1. If the base credit amount, adjusted by application of the cost-of-living adjustment, is not a multiple of \$10, any increase must be rounded to the next lowest multiple of \$10.

B. Beginning in 2016 and each year thereafter, the base credit amount in section 5213-A, subsection 1, paragraph A, subparagraphs 2 through 6 is equal to the base credit amount determined in accordance with paragraph A above, multiplied by the following applicable factor:

- (1) 1.4 for section 5213-A, subsection 1, paragraph A, subparagraph 2;
- (2) 1.6 for section 5213-A, subsection 1, paragraph A, subparagraph 3;
- (3) 1.8 for section 5213-A, subsection 1, paragraph A, subparagraph 4;
- (4) 1.9 for section 5213-A, subsection 1, paragraph A, subparagraph 5; and
- (5) 2 for section 5213-A, subsection 1, paragraph A, subparagraph 6.

If the base credit amount, adjusted by application of the appropriate factor, is not a multiple of \$5, any increase must be rounded to the next lowest multiple of \$5.

C. Beginning in 2016 and each year thereafter, by the dollar amount of the income threshold set forth in section 5213-A, subsection 4.

4. Property tax fairness credit. Beginning in 2016 and each year thereafter, the benefit base amounts in section 5219-KK, subsection 1, paragraph A applicable to tax years beginning on or after January 1, 2016.

5. Pension deduction. Beginning in 2020 and each year thereafter, by the pension deduction amount defined in section 5122, subsection 2, paragraph M-2, subparagraph 4 with respect to tax years beginning on or after January 1, 2020.

Except for subsection 3, paragraphs A and B, if the dollar amount of each item, adjusted by the application of the cost-of-living adjustment, is not a multiple 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. K-50. Application. Those sections of this Part that amend the Maine Revised Statutes, Title 20-A, section 11475, subsection 2 and that repeal Title 36, section 5122, subsection 1, paragraph G; section 5122, subsection 2, paragraphs T and Y; sections 5216-C, 5219-A, 5219-C and 5219-S apply to tax years beginning on or after January 1, 2016. Those sections of this Part that repeal the Maine Revised Statutes, Title 36, section 5219-KK, subsection 1, paragraph A, subparagraph 4; that amend the Maine Revised Statutes, Title 36, section 5219-KK, subsection 1, paragraph A, subparagraphs (2) and (3) with respect to adding the reference to qualifying widow(er); that amend section 5219-KK, subsection 2, excluding those amendments that increase the percentage and dollar amounts; and that enact section 5219-KK, subsection 4, apply to tax years beginning on or after January 1, 2015. That Section of this Part that amends the Maine Revised Statutes, Title 36, section 5219-KK, subsection 2 with respect to the amendments that increase the percentage and dollar amounts, apply to tax years beginning on or after January 1, 2016.

SUMMARY PART K

This Part does the following:

1. Section K-1 repeals the provision of law requiring Maine Revenue Services to provide for the assignment of income tax refunds on income tax returns to the NextGen college tuition program administered by the Finance Authority of Maine.
2. Sections K-2 through K-16 reduce the individual income tax rates over four years. The current rate structure consists of 0%, 6.5%, and 7.95% taxable income brackets; the proposed rate structure for tax years beginning after December 31, 2015 consists of the following income tax rate brackets:
 - 2016: 0%, 5.75% and 6.95%
 - 2017: 0%, 5.75%, 6.95% and 6.5%
 - 2018: 0%, 5.75%, 6.75% and 6%
 - 2019 and after: 0%, 5.75%, 6.5% and 5.75%
3. Section K-17 repeals the income addition modification for State contributions to the Maine Public Employees Retirement System on behalf of the taxpayer for tax years beginning on or after January 1, 2016.
4. Sections K-18 and K-19 repeal and replace the current Maine pension deduction for tax years beginning on or after January 1, 2016. Section H-19 increases the current Maine pension deduction for non-military retirement plan benefits from \$10,000 to \$35,000 over a 5-year period beginning in 2016. The \$35,000 amount is indexed for inflation for tax years beginning after 2020. Section H-19 also exempts

from Maine income tax 100% of military retirement plan benefits for tax years beginning on or after January 1, 2016.

5. Section K-20 repeals the income subtraction modification for long-term care premiums paid for tax years beginning on or after January 1, 2016.

6. Section K-21 repeals the income subtraction modification for contributions of up to \$250 per beneficiary to 529 college tuition plans for tax years beginning on or after January 1, 2016.

7. Sections K-22 and K-23 repeal Maine itemized deductions for tax years beginning after December 31, 2015.

8. Sections K-24 through K-29 reduce the corporate income tax rates over five years. The current rate structure for taxable corporations consists of 3.5%, 7.93%, 8.33% and 8.93% taxable income brackets; the proposed rate structure for tax years beginning after December 31, 2016 consists of the following tax rate brackets:

2017: 3.5%, 7.93% and 8.33%

2018: 3.5% and 7.93%

2019: 3.5% and 7.5%

2020: 3.5% and 7%

2021 and after: 3.5% and 6.75%

9. Section K-30 eliminates the corporate alternative minimum tax for tax years beginning after December 31, 2015.

10. Section K-31 creates a refundable individual income tax sales tax fairness credit for tax years beginning on or after January 1, 2016. The amount of the credit is \$250 to \$500, depending on the number of exemptions claimed on the taxpayer's return. The credit is phased out for taxpayers whose income exceeds \$15,000 for taxpayers filing single, \$22,500 for taxpayers filing heads of households and \$30,000 for taxpayer's filing married joint returns. The credit does not apply to married individuals filing separate returns, individuals who are "safe-harbor" residents treated as nonresident individuals because they reside outside Maine for significant periods of time and individuals who are incarcerated and have no family members living in Maine.

11. Section K-32 repeals the jobs and investment tax credit, but retains the carryforward of unused credit amounts for tax years beginning after December 31, 2015.

12. Section K-33 repeals the credit for contributions to family development account reserve funds for tax years beginning on or after January 1, 2016.

13. Section K-34 increases the income tax credit for child care expenses that do not qualify as quality child care expenses to 50% of the federal child care credit for the taxable year. Under current law, the Maine credit is 25% of the federal child care

credit unless the related child care expenses are considered quality child care expenses, in which case the Maine credit is 50% of the federal child care credit. This change applies to tax years beginning after December 31, 2015.

14. Section K-35 repeals the credit for employer-assisted day care, but retains the carryforward of unused credit amounts for tax years beginning after December 31, 2015.

15. Section K-36 repeals the employer-provided long-term care benefits credit, but retains the carryforward of unused credit amounts for tax years beginning after December 31, 2015.

16. Section K-37 repeals the retirement and disability credit for tax years beginning on or after January 1, 2016.

17. Section K-38 repeals the forest management planning income tax credit for tax years beginning on or after January 1, 2016.

18. Section K-39 repeals the high-technology investment tax credit, but retains the carryforward of unused credit amounts for tax years beginning after December 31, 2015.

19. Section K-40 repeals the credit for dependent health benefits paid by an employer, but retains the carryforward of unused credit amounts for tax years beginning after December 31, 2015.

20. Section K-41 repeals the quality child care investment credit, but retains the carryforward of unused credit amounts for tax years beginning after December 31, 2015.

21. Section K-42 repeals the Maine earned income tax credit for tax years beginning on or after January 1, 2016.

22. Section K-43 repeals the credit for biofuel commercial production and commercial use, but retains the carryforward of unused credit amounts for tax years beginning after December 31, 2015.

23. Sections K-44 and K-45 make the following changes to the property tax fairness credit for tax years beginning on or after January 1, 2016:

- Section K-44 increases the maximum property tax paid (or rent constituting property tax paid) that may be claimed for the credit from \$2,000 to \$3,000 for taxpayers filing single, from \$2,600 to \$4,000 for taxpayers filing married joint or heads of households claiming no more than 2 personal exemptions, and from \$3,200 to \$5,000 for taxpayers filing married joint or heads of households claiming 3 or more personal exemptions.

- Section K-45 increases the credit amount from 50% of the benefit base (property taxes paid or rent constituting property taxes paid) that exceeds 6% of income to

100% of the benefit base that exceeds 6% of income. This section also increases the maximum credit to \$1,000 for individuals younger than 65 and \$1,500 for individuals 65 or older. The maximum credit is currently \$600 and \$900, respectively.

24. Sections K-44 through K-46 also makes the following changes to the property tax fairness credit for tax years beginning on or after January 1, 2015:

- Section K-44 clarifies that the benefit base cap that applies to married taxpayers filing joint or head-of-household returns also applies to taxpayers whose filing status is qualifying widow(er).
- Section K-45 amends the property tax fairness credit to remove the reference to married individuals filing separate returns.
- Section K-46 restricts married individuals filing separate returns from taking the property tax fairness credit.

25. Section K-47 creates a medical expense tax credit for tax years beginning on or after January 1, 2016. The credit is equal to 5% of the medical expense deduction claimed on a taxpayer's federal income tax return. The credit is nonrefundable and is prorated for part-year residents and nonresidents.

26. Section K-48 removes charitable contribution checkoffs from Maine individual income tax forms for tax years beginning on or after January 1, 2016. This change does not affect the checkoff on Maine tax forms for the Maine clean election fund.

27. Section K-49 amends the law governing the inflation adjustment of individual income tax rate brackets, the maximum itemized deduction amount, the benefit base amounts in the sales and property tax fairness credits, and the pension deduction in order to reflect amendments to the individual income tax rate schedules, the property tax fairness credit benefit base amounts and pension deduction amount, the repeal of the allowance of itemized deductions and enactment of the sales tax fairness credit for tax years beginning after December 31, 2015.

PART L

Sec. L-1. 30-A MRS §5681, sub-§5-C, as amended by PL 2013, c. 368, Pt. J, §1 is further amended to read:

5-C. Transfers to General Fund. For the months beginning on or after July 1, 2009, \$25,383,491 in fiscal year 2009-10, \$38,145,323 in fiscal year 2010-11, \$40,350,638 in fiscal year 2011-12, \$44,267,343 in fiscal year 2012-13, \$73,306,246 in fiscal year 2013-14 ~~and~~, \$85,949,391 in fiscal year 2014-15, and the variance between the actual monthly calculation by the State Controller and the targeted total revenue sharing of \$62,500,000 in fiscal year 2015-16 pursuant to section 5-D from the total transfers pursuant to subsection 5 must be transferred to General Fund undedicated revenue. The amounts transferred to General Fund undedicated revenue each fiscal year pursuant to this subsection must be deducted from the distributions required by subsections 4-A and 4-B based on the percentage share of the transfers to the Local Government Fund pursuant to subsection 5. The reductions in this

subsection must be allocated to each month proportionately based on the budgeted monthly transfers to the Local Government Fund as determined at the beginning of the fiscal year, except in fiscal year 2015-16 may be adjusted for the actual monthly variance calculation by the State Controller.

Sec. L-2. 30-A MRSA §5681, sub-§5-D, is enacted to read:

5-D. Final Year 2015-16; calculation. The amounts transferred for municipal revenue sharing in fiscal year 2015-16, by the distributions required by subsections 4-A and 4-B based on the percentage share of the transfers to the Local Government Fund pursuant to subsection 5 will be fixed to target total revenue sharing transfers at a level of \$62,500,000. The reductions in this subsection must be allocated to each month proportionately based on the budgeted monthly transfers to the Local Government Fund as determined at the beginning of the fiscal year.

Sec. L-3. 30-A MRSA §5681 is repealed July 30, 2016.

SUMMARY PART L

This Part does the following:

1. Adjusts revenue sharing for fiscal year 2015-16 to set a fixed amount of total revenue sharing transfers flat to approximately the current projected level of fiscal year 2014-15 at \$62,500,000.
2. Provides the State Controller the ability to make adjustments for the actual monthly calculation of municipal revenue sharing in fiscal year 2015-16 back to the General Fund, keeping the revenue sharing transfers to municipalities fixed.
3. Repeals revenue sharing July 30, 2016.

PART M

Sec. M-1. 5 MRSA §1519, sub-§6, is enacted to read:

- 6. Additional Transfers to the Fund.** The State Controller may, at the close of each fiscal year, as the next priority after the transfers authorized pursuant to section 1507, section 1511, and section 1536, subsection 1, transfer from the Unappropriated Surplus of the General Fund to the Retiree Health Internal Service Fund amounts as may be available from time to time, up to an amount of \$4,000,000 in fiscal year 2015-16, \$4,000,000 in fiscal year 2016-17 and beginning in fiscal year 2017-18, \$2,000,000. Transfers to the fund may also include appropriations and allocations of the Legislature and direct billing rates charged to state departments and agencies and other participating jurisdictions.

Section M-2. 5 MRSA, §1531, as amended by PL 2013, c. 368, Pt. Q, §2 is further amended to read:

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

~~**1. Average population growth.** "Average population growth" means the average for the prior 10 calendar years, ending with the most recent calendar year for which data is available, of the percent change in population from July 1st of each year and estimated by the United States Department of Commerce, Bureau of Census as adjusted by the Governor's Office of Policy and Management.~~

~~**2. Average real personal income growth.** "Average real personal income growth" means the average for the prior 10 calendar years, ending with the most recent calendar year for which data is available, of the percent change in personal income in this State, as estimated by the United States Department of Commerce, Bureau of Economic Analysis, less the percent change in the Consumer Price Index for the calendar year. The average real personal income growth is determined by October 1st, annually, by the Governor's Office of Policy and Management.~~

3. Baseline General Fund revenue. "Baseline General Fund revenue" means the recommended General Fund revenue forecast reported by the Revenue Forecasting Committee in its December 1st report of even-numbered years, increased by the net reduction of General Fund revenue, if any, for all enacted changes affecting state and local tax burden since the previous December 1st report of even-numbered years of the Revenue Forecasting Committee.

4. Biennial base year appropriation. "Biennial base year appropriation" means:

A. For the ~~2006-2007~~ 2018-2019 biennium, the General Fund appropriation enacted for fiscal year ~~2004-05-2016-17~~ as of December 1, ~~2004~~ 2016; and

B. For subsequent fiscal years, the amount of the General Fund appropriation limitation for the current year as of December 1st of even-numbered years.

5. Commissioner. "Commissioner" means the Commissioner of Administrative and Financial Services.

~~**6. Forecasted inflation.** "Forecasted inflation" means the average amount of change of the Consumer Price Index for the calendar years that are part of the ensuing biennium forecasted by the Consensus Economic Forecasting Commission in its November 1st report of even-numbered years.~~

7. General Fund revenue shortfall. "General Fund revenue shortfall" means the amount by which the General Fund appropriation limitation established by section 1534 exceeds baseline General Fund revenue and other available resources in each state fiscal year.

8. Stabilization fund. "Stabilization fund" means the Maine Budget Stabilization Fund established in this chapter.

~~**9. State and local tax burden.** "State and local tax burden" means the total amount of state and local taxes paid by Maine residents, per \$1,000 of income, as determined annually by the State Tax Assessor based on data from the United States Department of Commerce, Bureau of Census and Bureau of Economic Analysis.~~

Section M-3. 5 MRSA, §1532, sub-§§1 and 5, as enacted by PL 2005, c. 2, Pt. A, §5 is amended to read:

1. Generally; stabilization fund established. The Maine Budget Stabilization Fund is hereby established. Amounts in the stabilization fund may not exceed ~~12%~~ 18% of total General Fund revenues in the immediately preceding state fiscal year and, except as provided by section 1533, may not be reduced below 1% of total General Fund revenue in the immediately preceding state fiscal year. For the purposes of this subsection, at the close of a fiscal year, "immediately preceding state fiscal year" means the fiscal year that is being closed.

5. Investment proceeds; exception. At the close of every month during which the stabilization fund is at the ~~12%~~ 18% limitation described in subsection 1, the State Controller shall transfer from the General Fund to the Retirement Allowance Fund established in section 17251 an amount equal to the investment earnings that otherwise would have been credited to the stabilization fund.

Section M-4. 5 MRSA, §1534, sub-§1, as amended by PL 2005, c. 683, Pt. M, §1 is further amended to read:

1. Establishment of General Fund appropriation limitation. As of December 1st of each even-numbered year, there must be established a General Fund appropriation limitation for the ensuing biennium. The General Fund appropriation limitation applies to all General Fund appropriations, ~~except that the additional cost for essential programs and services for kindergarten to grade 12 education under Title 20-A, chapter 606-B over the fiscal year-2004-05 appropriation for general purpose aid for local schools is excluded from the General Fund appropriation limitation until the state share of that cost reaches 55% of the total state and local cost.~~

A. For the first fiscal year of the biennium, the General Fund appropriation limitation is equal to the biennial base year appropriation multiplied by one plus the growth limitation factor in subsection 2.

B. For the 2nd year of the biennium, the General Fund appropriation limitation is the General Fund appropriation limitation of the first year of the biennium biennial base year appropriation multiplied by one plus the growth limitation factor in subsection 2

Section M-5. 5 MRSA, §1534, sub-§2, as enacted by PL 2005, c. 2, Pt. A, §5 is amended to read:

2. Growth limitation factor. The growth limitation factor is calculated as follows.

~~A. For fiscal years when the State Tax Assessor has determined that the state and local tax burden ranks in the highest 1/3 of all states, the growth limitation factor is average real personal income growth, but no more than 2.75%, plus average population growth.~~

~~B. For fiscal years when the state and local tax burden ranks in the middle 1/3 of all states, as determined by the State Tax Assessor, the growth limitation factor is average real personal income growth plus forecasted inflation plus average population growth.~~

Section M-6. 5 MRSA, §1535, as amended by PL 2005, c. 621, §4 is further amended to read:

Baseline General Fund revenue, as recommended by the Revenue Forecasting Committee and authorized in accordance with chapter 151-B, and other available budgeted General Fund resources that exceed the General Fund appropriation limitation established by section 1534 ~~plus the additional cost for essential programs and services for kindergarten to grade 12 education under Title 20-A, chapter 606-B over the fiscal year 2004-05~~ appropriation for general purpose aid for local schools until the state share of that cost reaches 55% of the total state and local cost must be transferred to the stabilization fund.

Section M-7. 5 MRSA, §1536, as amended by PL 2013, c. 1, Pt. §2 is further amended to read:

1. Final priority reserves. After the transfers to the State Contingent Account pursuant to section 1507, the transfers to the Loan Insurance Reserve pursuant to section 1511 ~~and~~ the transfers pursuant to section 1522, \$2,500,000 for the Reserve for General Fund Operating Capital, and the transfers to the Retiree Health Internal Service Fund pursuant to section 1519, the State Controller shall transfer at the close of each fiscal year from the unappropriated surplus of the General Fund an amount equal to the amount available from the unappropriated surplus after all required deductions of appropriations, budgeted financial commitments and adjustments considered necessary by the State Controller have been made as follows:

~~A. Forty eight~~ Eighty percent to the stabilization fund;

~~B.~~

~~C. Thirteen percent to the Reserve for General Fund Operating Capital;~~

~~D. Nine percent to the Retiree Health Insurance Internal Service Fund established in section 1519 to be used solely for the purpose of amortizing the unfunded actuarial liability associated with future health benefits;~~

~~E. Ten percent to the Capital Construction and Improvements Reserve Fund established in section 1516-A; and~~

F. Twenty percent to the Tax Relief Fund for Maine Residents established in section 1518-A.

2. Additional transfer. At the close of each fiscal year, the State Controller shall transfer from the unappropriated surplus of the General Fund to the stabilization fund an amount equal to the balance remaining of the excess of total General Fund revenue received

over accepted estimates in that fiscal year that would have been transferred to the Reserve for General Fund Operating Capital pursuant to subsection 1, paragraph C had the Reserve for General Fund Operating Capital not been at its statutory limit of \$50,000,000.

3. Exceptions; stabilization fund at limit. If the stabilization fund is at its limit of ~~12%~~ 18% of General Fund revenue of the immediately preceding year, then amounts that would otherwise have been transferred to the stabilization fund pursuant to subsections 1 and 2 must be transferred to the Tax Relief Fund for Maine Residents established in section 1518-A.

Section M-8. 5 MRSA, §1665, sub-§1, as amended by PL 2009, c. 636, Pt. C, section 2 is further amended to read:

1. Expenditure and appropriation requirements. On or before September 1st of the even-numbered years, all departments and other agencies of the State Government and corporations and associations receiving or desiring to receive state funds under the provisions of law shall prepare, in the manner prescribed by the State Budget Officer, and submit to the officer estimates of their expenditure and appropriation requirements for each fiscal year of the ensuing biennium. The expenditure estimates must be classified to set forth the data by funds, organization units, character and objects of expenditure. The organization units may be subclassified by functions and activities, or in any other manner, at the discretion of the State Budget Officer.

All departments and other agencies receiving or desiring to receive state funds from the Highway Fund shall submit to the officer estimates of their expenditure and appropriation requirements for each fiscal year of the ensuing biennium that do not exceed the Highway Fund appropriation of the previous fiscal year multiplied by one plus the average ~~real~~ personal income growth rate ~~or 2.75%, whichever is less~~. The Highway Fund highway and bridge improvement accounts are exempt from this spending limitation.

The State Budget Officer shall request that the Governor provide the budget proposal for the Maine Indian Tribal-State Commission developed pursuant to Title 30, section 6212, subsection 6.

Sec. M-9. 20-A MRSA, §15671, sub-§1, as amended by PL 2005, c. 2, Pt. D, section 32 is further amended to read:

- 1. State and local partnership.** The State and each local school administrative unit are jointly responsible for contributing to the cost of the components of essential programs and services described in this chapter. Except as otherwise provided in this subsection, for each fiscal year, the total cost of the components of essential programs and services may not exceed the prior fiscal year's costs multiplied by one plus the average ~~real~~ personal income growth rate as defined in Title 5, section 1665, subsection 1, ~~except that in no case may that rate exceed 2.75%. For fiscal years commencing after the state tax burden ranks in the middle 1/3 of all states, as calculated and certified by the State Tax Assessor, the total cost of the components of essential programs and services may not exceed the prior fiscal year's costs multiplied~~

~~by one plus the average real personal income growth rate as defined in Title 5, section 1665, subsection 1.~~ The Legislature, by an affirmative vote of each House, may exceed the limitations on increases in the total cost of the components of essential programs and services provided in this subsection, as long as that vote is taken upon legislation stating that it is the Legislature's intent to override the limitation for that fiscal year. The state contribution to 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, must be made in accordance with this subsection:

A. The level of the state share of funding attributable to the cost of the components of essential programs and services must be at least 50% of eligible state and local General Fund education costs statewide, no later than fiscal year 2006-07; and

B. By fiscal year 2008-09 the state share of the total cost of funding public education from kindergarten to grade 12, as described by essential programs and services, must be 55%. Beginning in fiscal year 2005-06 and in each fiscal year until fiscal year 2008-09, the state share of essential programs and services described costs must increase toward the 55% level required in fiscal year 2008-09.

Beginning in fiscal year 2005-06 and in each fiscal year thereafter, the commissioner shall use the funding level determined in accordance with this section as the basis for a recommended funding level for the state share of the cost of the components of essential programs and services.

Section M-10. 30-A MRSA, §706-A, sub-§1, as amended by PL 2007, c. 653, Pt. A, §10, is further amended to read:

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

A. "Average ~~real~~ personal income growth" has the same meaning as under Title 5, section 1531, subsection 2.

B. "County assessment" means:

(1) For the tax year of any county that began prior to January 1, 2009, total annual county appropriations reduced by all resources available to fund those appropriations other than the county tax; or

(2) For the tax year of any county that begins on or after January 1, 2009, total annual county appropriations for noncorrectional-related services as established in section 701, reduced by all resources available to fund those appropriations other than the county tax.

~~C. "Forecasted inflation" has the same meaning as under Title 5, section 1531, subsection 6.~~

D. "Property growth factor" means the percentage equivalent to a fraction, whose denominator is the total valuation of all municipalities, plantations and unorganized territory in the county, and whose numerator is the amount of increase in the assessed valuation of any

real or personal property in those jurisdictions that became subject to taxation for the first time, or taxed as a separate parcel for the first time for the most recent property tax year for which information is available, or that has had an increase in its assessed valuation over the prior year's valuation as a result of improvements to or expansion of the property. The State Tax Assessor shall provide to the counties forms and a methodology for the calculation of the property growth factor, and the counties shall use those forms and the methodology to establish the property growth factor.

~~E. "State and local tax burden" has the same meaning as under Title 5, section 1531, subsection 9.~~

Section M-11. 30-A MRSA, §706-A, sub-§3, as enacted by PL 2005, c. 2, Pt. B, §1, and affected by PL 2005, c. 2, Pt. B, §§2, 4 and PL 2005, c. 12, Pt. WW, §14, is further amended to read:

3. Growth limitation factor. The growth limitation factor is calculated as follows.

~~A. For fiscal years when the State Tax Assessor has determined that the state and local tax burden ranks in the highest 1/3 of all states, the growth limitation factor is average real personal income growth but no more than 2.75%, plus the property growth factor.~~

~~B. For fiscal years when the state and local tax burden ranks in the middle 1/3 of all states, as determined by the State Tax Assessor, the growth limitation factor is the average real personal income growth plus forecasted inflation plus the property growth factor.~~

Section M-12. 30-A MRSA, §5721-A, as amended by PL 2009, c.545, §1, is further amended to read:

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

A. "Average real personal income growth" has the same meaning as in Title 5, section 1531, subsection 2.

~~B. "Forecasted inflation" has the same meaning as in Title 5, section 1531, subsection 6.~~

C. "Property growth factor" means the percentage equivalent to a fraction established by a municipality, whose denominator is the total valuation of the municipality, and whose numerator is the amount of increase in the assessed valuation of any real or personal property in the municipality that became subject to taxation for the first time, or taxed as a separate parcel for the first time for the most recent property tax year for which information is available, or that has had an increase in its assessed valuation over the prior year's valuation as a result of improvements to or expansion of the property. A municipality identified as having a personal property factor that exceeds 5%, as determined pursuant to Title 36, section 694, subsection 2, paragraph B, may calculate its property growth factor by including in the numerator and the denominator the value of personal and otherwise qualifying property introduced into the municipality notwithstanding the exempt status of that property

pursuant to Title 36, chapter 105, subchapter 4-C.

D. "Property tax levy" means the total annual municipal appropriations, excluding assessments properly issued by a county of which the municipality is a member and amounts governed by and appropriated in accordance with Title 20-A, chapter 606-B, and amounts appropriated to pay assessments properly issued by a school administrative unit or tuition for students or amounts attributable to a tax increment financing district agreement or similar special tax district, reduced by all resources available to fund those appropriations other than the property tax.

~~E. "State and local tax burden" has the same meaning as in Title 5, section 1531, subsection 9.~~

2. Property tax levy limit. Except as otherwise provided in this section, a municipality may not in any year adopt a property tax levy that exceeds the property tax levy limit established in this subsection.

A. The property tax levy limit for the first fiscal year for which this section is effective is the property tax levy for the municipality for the immediately preceding fiscal year multiplied by one plus the growth limitation factor pursuant to subsection 3.

B. The property tax levy limit for subsequent fiscal years is the property tax levy limit for the preceding year multiplied by one plus the growth limitation factor pursuant to subsection 3.

C. If a previous year's property tax levy reflects the effect of extraordinary, nonrecurring events, the municipality may submit a written notice to the State Tax Assessor requesting an adjustment in its property tax levy limit.

Section M-13. 30-A MRSA, §5721-A, sub-§3, as enacted by PL 2005, c. 2, Pt. C, §1, and affected by PL 2005, c. 2, Pt. C, §§3, 5 and PL 2005, c. 12, Pt. WW, §16, is further amended to read:

3. Growth limitation factor. The growth limitation factor is calculated as follows.

~~A. For fiscal years when the State Tax Assessor has determined that the state and local tax burden ranks in the highest 1/3 of all states, the growth limitation factor is average real personal income growth but no more than 2.75%, plus the property growth factor.~~

~~B. For fiscal years when the state and local tax burden ranks in the middle 1/3 of all states, as determined by the State Tax Assessor, the growth limitation factor is the average real personal income growth plus forecasted inflation plus the property growth factor.~~

Sec. M-14. 36 MRSA, §7301, as enacted by PL 2005, c. 2, Pt. H, section 2 is further amended to read:

~~It is the goal and policy of the State that by 2015 the State's total state and local tax burden be ranked in the middle 1/3 of all states, as determined by the United States Census Bureau's~~

~~most recent tax burden analysis, adjusted by the assessor to reflect the State's unique expenditure tax relief programs.~~

It is the goal and policy of the State that additional state funds provided to municipalities through increases in the state share of education funding under the essential programs and services funding model must, to the greatest possible extent, be available for statewide property tax reduction

SUMMARY PART M

This Part does the following:

1. Revises the distribution of available balances in the unappropriated surplus of the General Fund. In addition to the fixed transfer replenishing the Contingent Account up to \$350,000 and the fixed transfer for the Loan Insurance Reserve up to an amount of \$1,000,000, this part establishes a fixed transfer for the General Fund Operating Reserve to an amount up to \$2,500,000 and the Retiree Health Internal Service Fund up to an amount of \$4,000,000 over the 2016-2017 biennium and up to an amount of \$2,000,000 thereafter.
2. Revises the growth limitation factor to the 10 year average of nominal personal income growth plus 1. This eliminates the need for calculating the 10 year average of population growth and inflation.
3. Sets the “biennial base year appropriation” to the appropriation enacted for Fiscal Year 2016-17 as of Dec. 1, 2016.
4. Eliminates all language dealing with the calculation of the state tax burden and how the growth limitation factor changes depending on our ranking.
5. Revises the appropriation limitation to be based on all General Funding spending and removes language for the additional GPA outside the cap until the State share reaches 55%.

PART N

Sec. N-1. 4 MRSA §1610-H is enacted to read:

§1610-H. 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 \$112,000,000 outstanding at any one time for preliminary planning costs and capital repairs and improvements at various state facilities.

Sec. N-2. Maine Governmental Facilities Authority; issuance of securities. Pursuant to the Maine Revised Statutes, Title 4, section 1606, subsection 2 and section 1610-H, and notwithstanding the limitation contained in Title 4, section 1606, subsection 2 regarding the

amount of securities that may be issued, the Maine Governmental Facilities Authority is authorized to issue securities in its own name in an amount up to \$112,000,000. Proceeds must be used for the purpose of paying the costs, including preliminary planning costs, including but not limited to needs assessments and space planning, master planning, capital asset assessments, concept design, design development and final design including construction drawings, associated with capital repairs and improvements to and construction of state-owned facilities and hazardous waste clean-up on state-owned properties as designated by the Commissioner of Administrative and Financial Services.

SUMMARY PART N

This Part authorizes new Maine Governmental Facilities Authority borrowing of \$112,000,000 to provide funding for capital repairs and improvements to state facilities.

PART O

Sec. O-1. 36 MRSA §4641-B, sub-§4-B, ¶E, as amended by PL 2011, c. 453, §6, is further amended to read:

E. In fiscal year 2015-16 ~~and each fiscal year thereafter~~, the Treasurer of State shall credit the revenues derived from the tax imposed pursuant to section 4641-A, subsection 1 in accordance with this paragraph.

(1) At the beginning of the fiscal year, the Maine State Housing Authority shall certify to the Treasurer of State the amount that is necessary and sufficient to meet the authority's obligations relating to bonds issued or planned to be issued by the authority under Title 30-A, section 4864.

(2) 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 pay revenues available under this subparagraph to the Maine State Housing Authority, which shall deposit the funds in the Maine Energy, Housing and Economic Recovery Fund established in Title 30-A, section 4863, until the amount paid equals the amount certified by the Maine State Housing Authority under subparagraph (1), after which the Treasurer of State shall credit any remaining revenues available under this subparagraph to the General Fund.

(3) On a monthly basis, the Treasurer of State shall ~~credit~~ apply 50% of the revenues in accordance with this subparagraph. The Treasurer of State shall first credit \$6,291,740 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. O-2. 36 MRSA §4641-B, sub-§4-B, ¶E-1, is enacted to read:

E-1. In fiscal year 2016-17, the Treasurer of State shall credit the revenues derived from the tax imposed pursuant to section 4641-A, subsection 1 in accordance with this paragraph.

(1) At the beginning of the fiscal year, the Maine State Housing Authority shall certify to the Treasurer of State the amount that is necessary and sufficient to meet the authority's obligations relating to bonds issued or planned to be issued by the authority under Title 30-A, section 4864.

(2) 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 pay revenues available under this subparagraph to the Maine State Housing Authority, which shall deposit the funds in the Maine Energy, Housing and Economic Recovery Fund established in Title 30-A, section 4863, until the amount paid equals the amount certified by the Maine State Housing Authority under subparagraph (1), after which the Treasurer of State shall credit any remaining revenues available under this subparagraph to the General Fund.

(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 \$6,090,367 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.

F. Neither the Governor nor the Legislature may divert the revenues payable to the Housing Opportunities for Maine Fund to any other fund or for any other use. Any proposal to enact or amend a law to allow distribution of less than 1/2 of the revenues derived from the tax imposed by section 4641-A, subsection 1 to the Housing Opportunities for Maine Fund established in Title 30-A, section 4853, as adjusted under this subsection, must be submitted to the Legislative Council and to the joint standing committee of the Legislature having jurisdiction over affordable housing matters at least 30 days prior to any vote or public hearing on the proposal.

G. The Treasurer of State shall credit to the General Fund all of the revenues derived from the tax imposed by section 4641-A, subsection 2.

SUMMARY PART O

This Part reduces the amount of funding transferred from the real estate transfer tax to the Maine State Housing Authority by increasing the amount transferred to the General Fund of \$6,291,740 in fiscal year 2015-16 and \$6,090,367 in fiscal year 2016-17.

PART P

Sec. P-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 to the Legislature by the Governor on January 09, 2015.

**SUMMARY
PART P**

This part continues authorization for each individual tax expenditure provided by statute.

PART Q

Sec. Q-1. Attrition savings. Notwithstanding any other provision of law, the attrition rate for the 2016-2017 biennium is increased from 1.6% to 3 % for judicial branch and executive branch departments and agencies only. The attrition rate for subsequent biennia is 1.6%.

Sec. Q-2. Calculation and transfer. Notwithstanding any other provision of law, the State Budget Officer shall calculate the amount of savings in this Part that applies against each General Fund account for all departments and agencies from savings associated with attrition in fiscal year 2015-16 and fiscal year 2016-17 and shall transfer the amounts by financial order upon the approval of the Governor. These transfers are considered adjustments to appropriations in fiscal year 2015-16 and fiscal year 2016-17. 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, 2015.

**SUMMARY
PART Q**

This Part recognizes an increase in the attrition rate to 3% for the 2016-2017 Biennium for judicial branch and executive branch departments and agencies.

PART R

Sec. R-1. Department of Administrative and Financial Services; lease- purchase authorization. Pursuant to the Maine Revised Statutes, Title 5, section 1587, the Department of Administrative and Financial Services, in cooperation with the Treasurer of State, may enter into financing arrangements in fiscal years 2015-16 and 2016-17 for the acquisition of motor vehicles for the Central Fleet Management Division. The financing agreements entered into in each fiscal year may not exceed \$5,500,000 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 R**

This Part authorizes the Department of Administrative and Financial Services to enter into

financing arrangements in fiscal years 2015-16 and 2016-17 for the acquisition of motor vehicles for the Central Fleet Management Division.

PART S

Sec. S-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 2015-16 and 2016-17 for the acquisition of motor vehicles for the State Police. The financing arrangements entered into in each fiscal year may not exceed \$2,600,000 in principal costs, and a financing arrangement may not exceed 3 years in duration. The interest rate may not exceed 5%. The annual principal and interest costs must be paid from the appropriate line category appropriations and allocations in the State Police accounts.

SUMMARY PART S

This Part authorizes the Department of Administrative and Financial Services to enter into financing arrangements in fiscal years 2015-16 and 2016-17 for the acquisition of motor vehicles for the Department of Public Safety.

PART T

Sec. T-1. Voluntary employee incentive programs. Notwithstanding the Maine Revised Statutes, Title 5, section 903, subsections 1 and 2, the Commissioner of Administrative and Financial Services shall offer for use prior to July 1, 2017 special voluntary employee incentive programs for state employees, including a 50% workweek, flexible position staffing and time off without pay. Employee participation in a voluntary employee incentive program is subject to the approval of the employee's appointing authority.

Sec. T -2. Continuation of group health insurance. Notwithstanding the Maine Revised Statutes, Title 5, section 285, subsection 7 and Title 5, section 903, the State shall continue to pay health and dental insurance benefits for a state employee who applies prior to July 1, 2017 and is approved to participate in a voluntary employee incentive program under section 1 based upon the scheduled workweek in effect prior to the employee's participation in the voluntary employee incentive program.

Sec. T-3. Continuation of group life insurance. Notwithstanding the Maine Revised Statutes, Title 5, sections 903 and 18056 and the rules of the Maine Public Employees Retirement System, the life, accidental death and dismemberment, supplemental and dependent insurance amounts for a state employee who applies prior to July 1, 2017 and is approved to participate in a voluntary employee incentive program under section 1 are based upon the scheduled hours of the employee prior to the employee's participation in the voluntary employee incentive program.

Sec. T-4. General Fund savings. Notwithstanding the Maine Revised Statutes, Title 5,

section 1585, the State Budget Officer shall transfer the General Fund savings resulting from the voluntary employee incentive programs under section 1 to the General Fund Compensation and Benefit Plan account in the Department of Administrative and Financial Services. The State Budget Officer shall submit to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs a report of the transferred amounts no later than January 15, 2017 for fiscal year 2015-16 and no later than January 15, 2018 for fiscal year 2016-17.

Sec. T-5. Lapsed balances. Notwithstanding any other provision of law, \$350,000 in fiscal year 2015-16 and \$350,000 in fiscal year 2016-17 of savings identified from the voluntary employee incentive programs in this Part lapse to the General Fund.

SUMMARY PART T

This Part continues the voluntary employee incentive program through the 2016-2017 biennium.

PART U

Sec. U-1. Transfer from General Fund unappropriated surplus; Fund for Efficient Delivery of Local and Regional Services, 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 Fund for Efficient Delivery of Local and Regional Services, Other Special Revenue Funds account within the Department of Administrative and Financial Services no later than June 30, 2016.

Sec. U-2. Transfer from General Fund unappropriated surplus; Fund for Efficient Delivery of Local and Regional Services, 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 Fund for Efficient Delivery of Local and Regional Services, Other Special Revenue Funds account within the Department of Administrative and Financial Services no later than June 30, 2017

SUMMARY PART U

This Part requires the State Controller to transfer \$5,000,000 in each fiscal year of the 2016-2017 biennium, as a one-time transfer, from the General Fund unappropriated surplus to the Fund for Efficient Delivery of Local and Regional Services, Other Special Revenue account within the Department.

PART V

Sec. V-1. 5 MRSA §933, sub-§1, ¶N as amended by PL 2009, c. 552, §4, is repealed.

Sec. V-2. 5 MRSA §933, sub-§1, ¶P as repealed and replaced by PL 2013, c. 588, Pt. A, §3, is repealed.

**SUMMARY
PART V**

This part makes the Director of the Division of Quality Assurance and Regulation, and the Director of the Division of Animal and Plant Health, within the Department of Agriculture, Conservation, and Forestry, no longer subject to appointment by the commissioner .

PART W

Sec. W-1. 5 MRSA §933, sub-§1, ¶S as amended by RR 2013, c. 1, §9, is repealed.

**SUMMARY
PART W**

This Part removes the Director, Bureau of Resource Information and Land Use Planning within the Department of Agriculture, Conservation, and Forestry.

PART X

Sec. X-1. 7 MRSA §714, sub-§4, as amended by PL 2009, c. 148, §1, is further amended to read:

4. Surcharge on registration of pet food. For each product name of pet food registered in accordance with subsection 1, the applicant shall pay a \$20 surcharge in addition to the registration fee, except that a home-based manufacturer of pet food shall pay a total annual surcharge of \$20 until June 30, 2015. For fiscal year 2015-16, the applicant shall pay a \$10 surcharge in addition to the registration fee, except that a home-based manufacturer of pet food shall pay a total annual surcharge of \$10, for fiscal year 2016-17, the applicant shall pay a \$5 surcharge in addition to the registration fee, except that a home-based manufacturer of pet food shall pay a total annual surcharge of \$5 and starting in fiscal year 2017-18 this fee will no longer be assessed. The commissioner shall deposit the surcharge directly into the Companion Animal Sterilization Fund established under section 3910-B as it is received until the total of the surcharges received for that registration year equals \$100,000.

The commissioner shall deposit all surcharges received for a registration year in excess of \$100,000 into the Animal Welfare Fund established under section 3906-B, subsection 2.

**SUMMARY
PART X**

This part gradually reduces the added surcharge assessed on product name commercial feed pet food and home-based manufacturer of pet food over the 2016-2017 biennium. This reduction will be done in phases until the assessed surcharge no longer exists.

PART Y

Sec. Y-1. 7-A MRSA §206, as amended by PL 2013, c. 424, Pt. K, section 1 is further amended to read:

The department is composed of the following bureaus, each of which is under the direction and supervision of a director:

1. Bureau of Agriculture, Food and Rural Resources. The Bureau of Agriculture, Food and Rural Resources, which is composed of the former Department of Agriculture, Food and Rural Resources and all associated units and programs;

2. Bureau of Forestry. The Bureau of Forestry, which is composed of the former Division of Forestry and ~~all~~ additional associated units and programs;

~~**3. Bureau of Parks and Lands.** The Bureau of Parks and Lands, which is composed of the former Division of Parks and Public Lands and all associated units and programs;~~

~~**4. Bureau of Resource Information and Land Use Planning.** The Bureau of Resource Information and Land Use Planning, which is composed of the Division of Land Use Planning, Permitting and Compliance, the Division of Geology, Natural Areas and Coastal Resources, the Land for Maine's Future Program, the units of municipal planning assistance and flood plain management and all other associated units and programs.~~

5. Bureau of Conservation. The Bureau of Conservation, which is composed of the former Bureau of Resource Information and Land Use Planning and various programs from the former Bureau of Parks and Lands.

The commissioner shall appoint a director for each bureau, giving preference to existing directors or other staff from within the bureau.

SUMMARY PART Y

This Part creates a new Bureau of Conservation and reduces the overall number of bureaus from 4 to 3.

PART Z

Sec. Z-1. 12 MRSA §8902, as amended by PL 2013, c. 405, Part A, §23, is further amended to read:

The director shall appoint a forest fire warden in each organized municipality. The municipal fire chief shall be appointed as forest fire warden if practicable and no other person may be appointed without the approval of the municipal officers. All appointed forest fire wardens shall serve at the pleasure of the director and shall be sworn to the faithful discharge of these duties and a certificate thereof shall be returned to the bureau. Whoever has been notified of this appointment shall file with the director his acceptance or rejection within 10 days. The appointed forest fire warden may appoint one or more deputy forest fire wardens subject to

approval of the municipal officers. A deputy forest fire warden may act for the forest fire warden in the absence of the appointed forest fire warden, but no compensation in addition to that provided in this section may be made.

The State shall pay the appointed forest fire warden an annual fee of ~~\$100~~ \$400. This payment shall be made contingent upon attendance at forest fire training schools, preparation of an annual forest fire plan for his town and such reports as the director may require. This fee in no way limits payment to the warden from his town. His services for work on actual forest fires, as well as that of deputy forest fire wardens, shall be paid by the town and at a rate determined by the town.

SUMMARY PART Z

This Part increases the annual fee paid by the State to appointed forest fire wardens from \$100 to \$400.

PART AA

Sec. AA-1. 12 MRSA §8901, as amended by PL 2013, c. 130, §§1-3, is further amended to read:

1. Appointment. The Director of the Bureau of Forestry shall appoint forest rangers, subject to the Civil Service Law and the State Supervisor of the forest protection unit of the Bureau of Forestry. Rangers assigned to posts at Clayton Lake, St. Pamphile, Estcourt Station, Daaquam, Musquacook Lake, Snare Brook and Baker Lake must be bilingual in French and English.

2. Powers and duties. Forest rangers and the state supervisor shall:

A. Subject to supervision of the director, supervise the state wildfire control program, including personnel and facilities of all types;

B. Have the final on-site authority and responsibility for the control of wildfires;

C. Develop and carry out a comprehensive program of wildfire prevention education and training of persons at all levels of command in order to meet supervisory needs during wildfire emergencies;

~~D. Enforce Title 36, chapter 701 relating to blueberries, all laws relating to forests and forest preservation, laws relating to the Maine Land Use Planning Commission and laws and rules relating to lands under the jurisdiction of the Bureau of Parks and Lands;~~

E. Investigate and gather evidence regarding the cause of wildfires;

F. Have the authority to set backfires to control wildfires;

G. Have rights of access to all lands within the State to carry out the duties they are authorized by law to administer and enforce. Entry into private property under this paragraph is not a trespass. This paragraph does not authorize entry into any building or structure; and

H. Carry out such other duties as the director prescribes.

Forest rangers and the state supervisor may also exercise the powers in this subsection when appropriate for agricultural and park fires.

I. Maintain a statewide surveillance system to detect and monitor insects, diseases and abiotic agents, including air pollution and acid deposition potentially injurious to the forest resources of the State;

J. Provide information and technical advice and assistance to individuals and other state and federal agencies on the identification and control of forest insects and diseases;

K. Conduct and supervise control programs for forest diseases and insects where authorized;

L. Assist in the enforcement of federal and state quarantine laws relating to forest insects and diseases;

M. Conduct applied research related to the management of insects, diseases and abiotic agents potentially injurious to the forest resources of the State, including forest management strategies, insecticide and spray application technologies, integrated pest management techniques and other issues pertinent to the purposes of this chapter. The director shall maintain up-to-date information on the injurious impacts of insects, diseases and abiotic agents, including air pollution and acid deposition on the forests of the State;

N. Consult and cooperate with other agencies of the United States, other state governments, the federal and provincial governments of Canada and public and private landowners in the State on applied research, survey and management of forest pest problems.

3. Law enforcement powers. ~~In addition to any law enforcement powers expressly provided to forest rangers by another law:~~

~~A. Forest rangers and the state supervisor, for the purpose of enforcing Title 36, chapter 701 relating to blueberries, forest and forest preservation laws, laws of the Maine Land-Use Planning Commission and laws and rules relating to the lands under the jurisdiction of the Bureau of Parks and Lands, have statewide law enforcement powers equivalent to those of a sheriff, or a sheriff's deputy, in the sheriff's county, including the right to execute or serve criminal and civil violation processes against offenders, make warrantless arrests for crimes, investigate and prosecute offenders, require aid in executing forest ranger duties and deputize temporary aides;~~

~~B. The Director of the Bureau of Forestry, at the director's discretion, may authorize forest rangers and the state supervisor while on duty to arrest without a warrant a person who has committed or is committing in the ranger's or supervisor's presence any crime involving the use or threatened use of physical force against a person.~~

~~For the purposes of this paragraph, criminal conduct has been committed or is being committed in the presence of a law enforcement officer when one or more of the officer's senses afford that officer personal knowledge of facts that are sufficient to warrant a prudent and cautious law enforcement officer's belief that a crime involving the use or~~

~~threatened use of physical force against a person is being or has just been committed and that the person arrested has committed or is committing that crime. An arrest made pursuant to this paragraph must be made at the time of the commission of the criminal conduct, or some part thereof, or within a reasonable time thereafter or upon fresh pursuit; and~~

~~C. Forest rangers and the state supervisor while on or off duty are authorized to provide assistance in a life-threatening emergency consistent with agency policies and within the scope of individual training.~~

~~**3-A. Liability.** When a forest ranger or the state supervisor provides assistance under subsection 3, paragraph C, the forest ranger or the state supervisor has the same immunity from tort liability and all the pension, relief, disability, workers' compensation and insurance benefits and any other benefits the forest ranger or the state supervisor enjoys while performing duties under subsection 3, paragraphs A and B.~~

4. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Escaped prescribed fire" means an uncontrolled fire on wildland caused by a prescribed fire that escaped control efforts and burned unintended land area.

B. "Escaped wildland fire use" means an out of control fire caused by a wildland fire use that escaped control efforts and burned unintended land area.

C. "Prescribed fire" means a forest or land management practice using fire, applied in a knowledgeable manner to naturally occurring fuels on a specific land area under selected weather conditions to accomplish predetermined, well-defined management objectives.

D. "Wildfire" means an unplanned, unwanted wildland fire including an unauthorized human-caused fire, an escaped wildland fire use, an escaped prescribed fire and any other wildland fire with respect to which the Director of the Bureau of Forestry has determined that the objective is to put the fire out.

E. "Wildland" means an area in which development is essentially nonexistent, except for roads, railroads, powerlines and similar transportation facilities, and structures, if any, are widely scattered.

F. "Wildland fire use" means a management practice using a naturally occurring fire burning forest fuels on wildland that is not immediately controlled. The fire is allowed to burn within a predetermined area and is used to promote certain wilderness or management objectives.

Sec. AA-2. 12 MRSA §9622, is enacted to read:

Chapter 808: Natural Resources Law Enforcement

§9622 NATURAL RESOURCES LAW ENFORCEMENT OFFICERS

1. Appointment. The Director of the Bureau of Forestry shall appoint natural resources law enforcement officers, subject to the Civil Service Law and the State Supervisor of the natural resources law enforcement unit of the Bureau of Forestry.

2. Law enforcement powers. In addition to any law enforcement powers expressly provided to natural resources law enforcement officers by another law:

A. Natural resources law enforcement officers and the state supervisor, for the purpose of enforcing Title 36, chapter 701 relating to blueberries, forest and forest preservation laws, laws of the Maine Land Use Planning Commission and laws and rules relating to the lands under the jurisdiction of the Bureau of Parks and Lands, have statewide law enforcement powers equivalent to those of a sheriff, or a sheriff's deputy, in the sheriff's county, including the right to execute or serve criminal and civil violation processes against offenders, make warrantless arrests for crimes, investigate and prosecute offenders, require aid in executing forest ranger duties and deputize temporary aides;

B. The Director of the Bureau of Forestry, at the director's discretion, may authorize natural resources law enforcement officers and the state supervisor while on duty to arrest without a warrant a person who has committed or is committing in the natural resources law enforcement officer's or supervisor's presence any crime involving the use or threatened use of physical force against a person.

For the purposes of this paragraph, criminal conduct has been committed or is being committed in the presence of a law enforcement officer when one or more of the officer's senses afford that officer personal knowledge of facts that are sufficient to warrant a prudent and cautious law enforcement officer's belief that a crime involving the use or threatened use of physical force against a person is being or has just been committed and that the person arrested has committed or is committing that crime. An arrest made pursuant to this paragraph must be made at the time of the commission of the criminal conduct, or some part thereof, or within a reasonable time thereafter or upon fresh pursuit; and

C. Natural resources law enforcement officers and the state supervisor while on or off duty are authorized to provide assistance in a life-threatening emergency consistent with agency policies and within the scope of individual training.

2-A. Liability. When a natural resources law enforcement officer or the state supervisor provides assistance under subsection 3, paragraph C, the natural resources law enforcement officer or the state supervisor has the same immunity from tort liability and all the pension, relief, disability, workers' compensation and insurance benefits and any other benefits the natural resources law enforcement officer or the state supervisor enjoys while performing duties under subsection 3, paragraphs A and B.

3. Additional Powers and duties. Whenever the Director of the Bureau of Forestry, at the director's discretion, deems it necessary, natural resources law enforcement officers and the state supervisor shall provide assistance to the forest rangers and the State Supervisor of the forest protection unit, in any of the following:

A. Subject to supervision of the director, supervise the state wildfire control program, including personnel and facilities of all types;

B. Have the final on-site authority and responsibility for the control of wildfires;

C. Develop and carry out a comprehensive program of wildfire prevention education and training of persons at all levels of command in order to meet supervisory needs during

wildfire emergencies;

D. Investigate and gather evidence regarding the cause of wildfires;

E. Have the authority to set backfires to control wildfires;

F. Carry out such other duties as the director prescribes; and

G. Have rights of access to all lands within the State to carry out the duties they are authorized by law to administer and enforce. Entry into private property under this paragraph is not a trespass. This paragraph does not authorize entry into any building or structure.

Natural resources law enforcement officers and the state supervisor may also exercise the powers in this subsection when appropriate for agricultural and park fires.

4. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Escaped prescribed fire" means an uncontrolled fire on wildland caused by a prescribed fire that escaped control efforts and burned unintended land area.

B. "Escaped wildland fire use" means an out of control fire caused by a wildland fire use that escaped control efforts and burned unintended land area.

C. "Prescribed fire" means a forest or land management practice using fire, applied in a knowledgeable manner to naturally occurring fuels on a specific land area under selected weather conditions to accomplish predetermined, well-defined management objectives.

D. "Wildfire" means an unplanned, unwanted wildland fire including an unauthorized human-caused fire, an escaped wildland fire use, an escaped prescribed fire and any other wildland fire with respect to which the Director of the Bureau of Forestry has determined that the objective is to put the fire out.

E. "Wildland" means an area in which development is essentially nonexistent, except for roads, railroads, powerlines and similar transportation facilities, and structures, if any, are widely scattered.

F. "Wildland fire use" means a management practice using a naturally occurring fire burning forest fuels on wildland that is not immediately controlled. The fire is allowed to burn within a predetermined area and is used to promote certain wilderness or management objectives.

SUMMARY PART AA

This Part expands the Forest Ranger duties with respect to detecting and monitoring conditions potentially injurious to the health of the forest resources of the state. All law enforcement duties are reassigned to Natural Resources Law Enforcement Officers within the Department of Agriculture, Conservation and Forestry.

PART BB

Sec. BB-1. 36 MRSA, §573, sub-§3-A, as amended PL 1995, c.236, §2 is further amended to read:

3-A. Forest management and harvest plan. "Forest management and harvest plan" means a written document that ~~outlines~~ recommends activities to regenerate, improve and harvest a standing crop of timber over a ten-year period. The plan must state clearly the type, nature, and timing of any recommended activities and the reasoning justifying the recommendation. The plan must include the location of water bodies and wildlife habitat identified by the Department of Inland Fisheries and Wildlife. If such features are not found on a parcel, the plan must state this. A plan may include, but is not limited to, schedules and recommendations for timber stand improvement, harvesting plans and recommendations for regeneration activities. The plan must be prepared by a licensed ~~professional~~ forester or a landowner and be reviewed and certified by a licensed ~~professional~~ forester as consistent with this subsection and with sound silvicultural practices.

Sec. BB-2. 36 MRSA, §574-B, sub-§1, as amended PL 2009, c.434, §15 is further amended to read:

1. Forest management and harvest plan. A forest management and harvest plan must be prepared for each parcel and updated every 10 years. The landowner shall file a sworn statement with the municipal assessor for a parcel in a municipality or with the State Tax Assessor for a parcel in the unorganized territory that a forest management and harvest plan has been prepared for the parcel. The landowner must have access to a copy of the plan to facilitate review by the municipal assessor, the State Tax Assessor, or the Bureau of Forestry;

- A.
- B.
- C.

Sec. BB-3. 36 MRSA, §574-B, sub-§2, as amended PL 2011, c.618, §2 is further amended to read:

2. Evidence of compliance with plan. The landowner must comply with the plan developed under subsection 1, and must submit, every 10 years to the municipal assessor in a municipality or the State Tax Assessor for parcels in the unorganized territory, a sworn statement from a licensed ~~professional~~ forester that the landowner is managing the parcel according to schedules in the plan required under subsection 1;

Sec. BB-4. 36 MRSA, §574-B, sub-§2-A, is enacted to read:

2-A. Retention of expired plan. The landowner must have access to a copy of an expired plan for a minimum of two years following the expiration of the plan to facilitate review by the municipal assessor, the State Tax Assessor, or the Bureau of Forestry.

Sec. BB-5. 36 MRSA, §574-B, sub-§3, as amended PL 2011, c.618, §2 is further amended by:

3. Transfer of ownership. When land taxed under this subchapter is transferred to a new owner, within one year of the date of transfer, the new landowner must file with the municipal assessor or the State Tax Assessor for land in the unorganized territory one of the following:

- A. A sworn statement indicating that a new forest management and harvest plan has been prepared; or
- B. A sworn statement from a licensed ~~professional~~ forester that the land is being managed in accordance with the plan prepared for the previous landowner.

The new landowner may not harvest or authorize the harvest of forest products for commercial use until a statement described in paragraph A or B is filed with the assessor. A person owning timber rights on land taxed under this subchapter may not harvest or authorize the harvest of forest products for commercial use until a statement described in paragraph A or B is filed with the assessor.

Parcels of land subject to section 573, subsection 3, paragraph B or C are exempt from the requirements under this subsection.

For the purposes of this subsection, "transferred to a new owner" means the transfer of the controlling interest in the fee ownership of the land or the controlling interest in the timber rights on the land; and

Sec. BB-6. 36 MRSA, §575-A, sub-§2, as enacted by PL 2011, c.619, §1 is repealed and replaced by:

2. Random sampling and report. The Director of the Bureau of Forestry within the Department of Agriculture, Conservation and Forestry is authorized to conduct random sampling of land enrolled under this subchapter to identify any differences in compliance with forest management and harvest plans based on location or type of parcel and to assess individual landowner and overall compliance with the requirements of this subchapter. For the purposes of this subsection, the Director of the Bureau of Forestry or the director's designee may:

- A. With appropriate notification to the landowner, enter and examine forest land for the purpose of determining compliance with the forest management and harvest plan pursuant to section 574-B;
- B. Request and review a forest management and harvest plan required under section 574-B, which must be provided by a landowner or the landowner's agent upon request; and
- C. Request and review an expired forest management and harvest plan, which must be provided by a landowner or the landowner's agent upon request, if the expired plan is in the possession of the landowner or the landowner's agent.

A forest management and harvest plan provided to the Director of the Bureau of Forestry or the director's designee under this subsection is confidential. Information collected pursuant to this subsection is confidential and is not a public record as defined in Title 1, section 402,

subsection 3, except that the director may publish summary reports, which may not reveal the activities of any person and that is available as a public record.

Sec. BB-7. 36 MRSA, §578, sub-§1, ¶¶ D and E, are enacted to read:

1. Organized areas. The municipal assessors or chief assessor of a primary assessing area shall adjust the State Tax Assessor's 100% valuation per acre for each forest type of their county by whatever ratio, or percentage of current just value, is applied to other property within the municipality to obtain the assessed values. Forest land in the organized areas, subject to taxation under this subchapter, must be taxed at the property tax rate applicable to other property in the municipality.

The State Tax Assessor shall determine annually the amount of acreage in each municipality that is classified and taxed in accordance with this subchapter. Each municipality is entitled to annual payments distributed in accordance with this section from money appropriated by the Legislature if it submits an annual return in accordance with section 383 and if it achieves the minimum assessment ratio established in section 327. The State Tax Assessor shall pay any municipal claim found to be in satisfactory form by August 1st of the year following the submission of the annual return. The municipal reimbursement appropriation is calculated on the basis of 90% of the per acre tax revenue lost as a result of this subchapter. For property tax years based on the status of property on April 1, 2008 and April 1, 2009, municipal reimbursement under this section is further limited to the amount appropriated by the Legislature and distributed on a pro rata basis by the State Tax Assessor for all timely filed claims. For purposes of this section, "classified forest lands" means forest lands classified pursuant to this subchapter as well as all areas identified as forested land within farmland parcels that are transferred from tree growth classification pursuant to section 1112 on or after October 1, 2011. For the purposes of this section, the tax lost is the tax that would have been assessed, but for this subchapter, on the classified forest lands if they were assessed according to the undeveloped acreage valuations used in the state valuation then in effect, or according to the current local valuation on undeveloped acreage, whichever is less, minus the tax that was actually assessed on the same lands in accordance with this subchapter, and adjusted for the aggregate municipal savings in required educational costs attributable to reduced state valuation. A municipality that fails to achieve the minimum assessment ratio established in section 327 loses 10% of the reimbursement provided by this section for each one percentage point the minimum assessment ratio falls below the ratio established in section 327.

The State Tax Assessor shall adopt rules necessary to implement the provisions of this section. Rules adopted pursuant to this subsection are routine technical rules for the purposes of Title 5, chapter 375, subchapter 2-A.

A.

B.

C. The State Tax Assessor shall distribute reimbursement under this section to each municipality in proportion to the product of the reduced tree growth valuation of the municipality multiplied by the property tax burden of the municipality. For purposes of this paragraph, unless the context otherwise indicates, the following terms have the following meanings.

(1) "Property tax burden" means the total real and personal property taxes assessed in the most recently completed municipal fiscal year, except the taxes assessed on captured value within a tax increment financing district, divided by the latest state valuation certified to the Secretary of State.

(2) "Undeveloped land" means rear acreage and unimproved nonwaterfront acreage that is not:

(a) Classified under the laws governing current use valuation set forth in chapter 105, subchapter 2-A, 10 or 10-A;

(b) A base lot; or

(c) Waste land.

(3) "Average value of undeveloped land" means the per acre undeveloped land valuations used in the state valuation then in effect, or according to the current local valuation on undeveloped land as determined for state valuation purposes, whichever is less.

(4) "Reduced tree growth valuation" means the difference between the average value of undeveloped land and the average value of tree growth land times the total number of acres classified as forest land under this subchapter plus the total number of acres of forest land that is transferred from tree growth classification to farmland classification pursuant to section 1112 on or after October 1, 2011.

D. The State Tax Assessor shall reduce reimbursement for one year to a municipality that fails to file a timely report to the Bureau of Forestry as required pursuant to section 581-G. The amount of reduction shall be equal to \$5,000 or 10% of the reimbursement, whichever is greater.

E. The State Tax Assessor shall reduce reimbursement for one year to a municipality that fails to act in a timely manner upon a determination provided by the Bureau of Forestry pursuant to section 581. The amount of reduction shall be equal to \$5,000 or 10% of the reimbursement, whichever is greater.

Sec. BB-8. 36 MRSA, §579, as amended by PL 2011, c. 240, §6 is further amended to read:

The owner or owners of forest land subject to valuation under this subchapter shall submit a signed schedule, on or before April 1st of the year in which that land first becomes subject to valuation under this subchapter, to the assessor upon a form prescribed by the State Tax Assessor, identifying the land to be valued under this subchapter, listing the number of acres of each forest type, showing the location of each forest type and representing that the land is used primarily for the growth of trees to be harvested for commercial use. Those schedules may be required at such other times as the assessor may designate upon 120 days' written notice.

The assessor shall determine whether the land is subject to valuation and taxation under this subchapter and shall classify the land as to forest type.

The assessor, ~~or~~ the assessor's duly authorized representative, or licensed foresters in the employ of the Bureau of Forestry may enter and examine the forest lands under this subchapter and may examine any information submitted by the owner or owners. A copy of

the forest management and harvest plan required under section 574-B must be available to the assessor to review upon request ~~and to the Director of the Bureau of Forestry within the Department of Agriculture, Conservation and Forestry or the director's designee to review upon request~~ when the assessor seeks assistance in accordance with section 575-A and to the Director of the Bureau of Forestry within the Department of Agriculture, Conservation and Forestry or the director's designee upon request. For the purposes of this paragraph, "to review" means to see or possess a copy of a plan for a reasonable amount of time to verify that the plan exists or to facilitate an evaluation as to whether the plan is appropriate and is being followed. Upon completion of the review, the plan must be returned to the owner or an agent of the owner. A forest management and harvest plan provided in accordance with this section is confidential and is not a public record as defined in Title 1, section 402, subsection 3.

Upon notice in writing by certified mail, return receipt requested, or by another method that provides actual notice, any owner or owners shall appear before the assessor, at such reasonable time and place as the assessor may designate and answer questions or interrogatories the assessor considers necessary to obtain material information about those lands.

If the owner or owners of any parcel of forest land subject to valuation under this subchapter fails to submit the schedules as provided under this section or fails to provide information after notice duly received as provided under this section, such owner or owners are deemed to have waived all rights of appeal pursuant to section 583 for that property tax year, except for the determination that the land is subject to valuation under this subchapter.

It is the obligation of the owner or owners to report to the assessor any change of use or change of forest type of land subject to valuation under this subchapter.

If the owner or owners fail to report to the assessor a change of use as required by the foregoing paragraph, the assessor shall assess the taxes that should have been paid, shall assess the penalty provided in section 581 and shall assess an additional penalty equal to 25% of the penalty provided in section 581. The assessor may waive the additional penalty for cause.

For the purposes of this section, the acts of owners specified in this section may be taken by an authorized agent of an owner.

Sec. BB-9. 36 MRSA, §581, sub-§1, as amended by PL 2009, c. 577, §1, is further amended to read:

1. Assessor determination; owner request. If the assessor or the Bureau of Forestry determines that land subject to this subchapter no longer meets the requirements of this subchapter, the assessor must withdraw the land from taxation under this subchapter. The Bureau of Forestry must notify the assessor, the State Tax Assessor, and the landowner in writing of its determination. An owner of land subject to taxation under this subchapter may at any time request withdrawal of that land from taxation under this subchapter by certifying in writing to the assessor that the land is no longer to be classified under this subchapter.

Sec. BB-10. 36 MRSA, §581, sub-§7, as repealed and replaced by PL 2007, c. 627, §16, is

further amended to read:

7. Reclassification as farmland or open space land. A penalty may not be assessed upon the withdrawal of land from taxation under this subchapter if the owner applies for classification of that land as farmland or open space land under subchapter 10 and that application is accepted. If the withdrawal occurs as a result of a finding of noncompliance with the requirements of this subchapter, a penalty may be assessed. The penalty is an amount equal to the taxes that would have been assessed on the first day of April for the 10 tax years, or any lesser number of tax years starting with the year in which the land was first classified, preceding the withdrawal had that land been assessed in each of those years at its value as farmland or open space land on the date of withdrawal. That amount must be reduced by all taxes paid on that land over the preceding 10 years, or any lesser number of tax years starting with the year in which the land was first classified, and increased by interest at the prevailing municipal rate from the date or dates on which those amounts would have been payable. If a penalty is later assessed under section 1112, the period of time that the land was taxed as forest land under this subchapter is included for purposes of establishing the amount of the penalty.

Sec. BB-11. 36 MRSA, §1102, sub-§4-A, as enacted by PL 2011, c.618, §5 is further amended to read:

4-A. Forest management and harvest plan. "Forest management and harvest plan" means a written document that ~~outlines~~ recommends activities to regenerate, improve and harvest a standing crop of timber over a ten-year period. The plan must state clearly the type, nature, and timing of any recommended activities and the reasoning justifying the recommendation. ~~A~~ The plan must include the location of water bodies and wildlife habitat identified by the Department of Inland Fisheries and Wildlife. If such features are not found on a parcel, the plan must state this. A plan may include, but is not limited to, schedules and recommendations for timber stand improvement, harvesting plans and recommendations for regeneration activities. ~~A~~ The plan must be prepared by a licensed ~~professional~~ forester or a landowner and be reviewed and certified by a licensed ~~professional~~ forester as consistent with this subsection and with sound silvicultural practices.

SUMMARY

PART BB

This Part does the following:

1. Amends the definition of forest management and harvest plan as proposed in the Maine Forest Service 2014 report to the Taxation Committee (both Tree Growth and Open Space Laws).
2. Requires landowners to have access to their forest management and harvest plans as proposed in the Maine Forest Service 2014 report to the Taxation Committee.
3. Requires a sworn statement from a licensed forester that the landowner is following their plan. Currently, landowner is required to swear; the forester is not. This will improve forester compliance.
4. Gives the Maine Forest Service the authority to require landowners to submit plans directly to the Maine Forest Service for review, and to allow the Maine Forest Service to inspect properties for compliance.
5. Repeals the Maine Forest Service audit sunset date.
6. Authorizes the State Tax Assessor to reduce a municipality's Tree Growth reimbursement for one year if: (1) the town fails to timely file its Tree Growth information with the Maine Forest Service as required by law; and, (2) the town fails to timely act upon recommendations by the Maine Forest Service regarding a landowner's compliance with the law's requirements.
7. Provides for a penalty if a landowner found in non-compliance transfers their land from Tree Growth to Open Space or Farmland. Current law allows a penalty-free transfer.

PART CC

Sec. CC-1. 12 MRSA §8612, 1st ¶, as revised by PL 2013, c. 405, Part A, §23, is further amended to read:

The bureau shall employ by 1991, at least ~~46~~ 10 field foresters to be located in field offices.

SUMMARY

PART CC

This part reduces the minimum number of field foresters in the Bureau of Forestry within the Department of Agriculture, Conservation and Forestry from 16 to 10.

PART DD

Sec. DD-1. 25 MRSA §2801-B, sub-§1, ¶C, as revised by PL 2013, c. 405, Part A, §23, is repealed.

**SUMMARY
PART DD**

This Part eliminates the training and policy exemption for an agent or representative of the Bureau of Forestry within the Department of Agriculture, Conservation and Forestry.

PART EE

Sec. EE-1. PL 1999, c.352 §§3 and 4, are repealed.

**SUMMARY
PART EE**

This Part repeals the requirement that the former Department of Conservation sell all bullet proof vests, firearms and related equipment. It also repeals the prohibition that the Commissioner of Conservation (now Agriculture, Conservation and Forestry) may not purchase bullet proof vests, firearms or related material without specific authorization from the Legislature.

PART FF

Sec. FF-1. Department of Agriculture, Conservation and Forestry, Division of Forest Protection carrying account; transfer from unencumbered balance forward; General Fund. Notwithstanding any other provision of law, the State Controller shall leave only \$500,000 of unencumbered balance forward in the Personal Services line category in the Division of Forest Protection, General Fund account and shall transfer all remaining monies from unencumbered balance forward in the Personal Services line category above that amount on or before August 1, 2015 to the Capital Expenditures line category in the Division of Forest Protection, General Fund account to fund the overhaul of existing helicopters.

**SUMMARY
PART FF**

This Part authorizes a one-time transfer of all funds in excess of \$500,000 from unencumbered balance forward in the Personal Services line category in the Division of Forest Protection, General Fund account to the Capital Expenditures line category in the Division of Forest Protection, General Fund account to fund the overhaul of existing helicopters.

PART GG

Sec. GG-1. Rename Division of Animal Health and Industry program. Notwithstanding any other provision of law, the Division of Animal Health and Industry program within the Department of Agriculture, Conservation and Forestry is renamed Animal Health and Industry program.

Sec. GG-2. Rename Division of Forest Protection program. Notwithstanding any other provision of law, the Division of Forest Protection program within the Department of

Agriculture, Conservation and Forestry is renamed the Forest Fire Control program.

Sec. GG-3. Rename Division of Quality Assurance and Regulation program.

Notwithstanding any other provision of law, the Division of Quality Assurance and Regulation program within the Department of Agriculture, Conservation and Forestry is renamed Quality Assurance and Regulation program.

Sec. GG-4. Division of Agricultural Resource Development program. Notwithstanding any other provision of law, the Division of Agricultural Resource Development program within the Department of Agriculture, Conservation and Forestry is renamed Agricultural Resource Development program.

Sec. GG-5. Rename Division of Plant Industry program. Notwithstanding any other provision of law, the Division of Plant Industry program within the Department of Agriculture, Conservation and Forestry is renamed Plant Industry program.

Sec. GG-6. Rename Administration-Forestry program. Notwithstanding any other provision of law, the Forestry Administration program within the Department of Agriculture, Conservation and Forestry is renamed the Forest Resource Management program.

Sec. GG-7. Rename Forest Policy and Management – Division of program.

Notwithstanding any other provision of law, the Forest Policy and Management – Division of program within the Department of Agriculture, Conservation and Forestry is renamed the Forest Resource Management program.

Sec. GG-8. Animal Welfare Fund program. Notwithstanding any other provision of law, the Animal Welfare Fund program within the Department of Agriculture, Conservation and Forestry is renamed Animal Welfare Program.

Sec. GG-9. Rename Forest Health and Monitoring program. Notwithstanding any other provision of law, the Forest Health and Monitoring program within the Department of Agriculture, Conservation and Forestry is renamed the Forest Resource Management program.

Sec. GG-10. Rename Potato Quality Control – Reducing Inspection Costs program.

Notwithstanding any other provision of law, Potato Quality Control – Reducing Inspection Costs program within the Department of Agriculture, Conservation and Forestry is renamed Potato Quality Control program.

Sec. GG-11. Rename Coastal Island Registry program. Notwithstanding any other provision of law, the Coastal Island Registry program within the Department of Agriculture, Conservation and Forestry is renamed the Island Registry & Submerged Lands program.

**SUMMARY
PART GG**

This Part renames various programs within the Department of Agriculture, Conservation and Forestry to Agricultural Resource Development.

PART HH

Sec. HH-1. 5 MRSA §200-H, §1, ¶H-1, as enacted by PL 2009, c. 149, §1 is amended to read:

H-1. A sexual assault nurse examiner within the ~~Office of the Attorney General, ex officio~~ Department of Health and Human Services;

Sec. HH-2. 5 MRSA §3360-N, as enacted by PL 2001, c. 439, Pt. Z §1, is amended to read:

1. Establishment and membership. The Sexual Assault Forensic Examiner Advisory Board, referred to in this chapter as the "board," established under section 12004-J, subsection 13, is established within the Department of ~~the Attorney General~~ Health and Human Services. The board consists of 13 members appointed by the ~~Attorney General~~ Commissioner of the Department of Health and Human Services. Members must include the following:

- A. One physician licensed to practice medicine in the State;
- B. One member of the State Board of Nursing;
- C. One sexual assault nurse examiner;
- D. One representative from a sexual assault center;
- E. One member from a statewide coalition against sexual assault;
- F. One survivor of sexual assault;
- G. One attorney from the Department of the Attorney General, designated by the Attorney General;
- H. One employee of the Maine State Police Crime Laboratory;
- I. One member from a statewide association of prosecutors;
- J. One member from a statewide association of hospitals;
- K. One member who is a forensic pediatric health care provider; and
- L. Two public members.

2. Terms of appointment. The term of each member of the board is 3 years. When a vacancy occurs prior to the expiration of a term, the appointment to fill that vacancy is for the balance of the unexpired term. ~~Notwithstanding this subsection, the Attorney General may appoint initial members of the board for terms of fewer than 3 years to ensure staggered terms.~~

3. Chair. The Commissioner shall appoint a member to be appointed by the Attorney General pursuant to subsection 1, paragraph G shall act as the chair of the board.

4. Meetings. The board may not meet more than once a month.

5. Quorum. Five members of the board constitute a quorum.

Sec. HH-3. 5 MRSA §3360-P, as enacted by PL 2001, c. 439, Pt. Z §1, is amended to read:

The Department of ~~the Attorney General~~ Health and Human Services shall provide general administrative oversight for the board's policies and responsibilities. When appropriate, the Department of ~~the Attorney General~~ Health and Human Services may employ personnel necessary to carry out the purposes of the board; lease, rent or acquire adequate equipment and facilities; accept federal funds or grants that are available to carry out or implement the board's objectives; and provide technical assistance and training to sexual assault forensic examiners.

**SUMMARY
PART HH**

This Part strikes and replaces references to the Department of the Attorney General with the Department of Health and Human Services to reflect the transfer of the Sexual Assault Forensic Examiner training program from the Department of the Attorney General to the Department of Health and Human Services.

PART II

Sec. II-1. Department of Corrections; 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 2015-16 and 2016-17. These transfers are not considered adjustments to appropriations.

**SUMMARY
PART II**

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 for the 2016-2017 biennium.

PART JJ

Sec. JJ-1. Department of Corrections; Personal Services balances authorized to carry. Notwithstanding any other provision of law, the Department of Corrections is authorized to carry all fiscal years 2014-15 and 2015-16 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 years 2015-16 and 2016-17 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 2015-16 and 2016-17.

SUMMARY PART JJ

This Part allows the Department of Corrections to carry unexpended Personal Services balances to the Capital Expenditures line category in the following year for the 2016-2017 biennium.

PART KK

Sec. K K -1. Transfers and adjustments to position count. The Commissioner of Corrections shall review the current organizational structure to improve organizational efficiency and cost-effectiveness. Notwithstanding any other provision of law, the State Budget Officer shall transfer the position counts and available balances by financial order in order to achieve the purposes of this section from July 1st to December 1st of each fiscal year of the 2016-2017 biennium. Position adjustments made after December 1st and before July 1st of each fiscal year must be noncount or nonappropriation adjustments. In accordance with the requirements of the Maine Revised Statutes, Title 5, section 1585, a financial order describing such a transfer must be submitted by the Department of Administrative and Financial Services, Bureau of the Budget to the Office of Fiscal and Program Review 30 days before a transfer is to be implemented. In case of extraordinary emergency transfers, the 30-day prior submission requirement may be waived by vote of the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs. Any transfer or adjustment pursuant to this section that would result in a program or mission change or facility closure must be reported to the joint standing committee of the Legislature having jurisdiction over criminal justice and public safety matters for review before the associated financial order is submitted to the Governor for approval. These transfers are considered adjustments to authorized position count, appropriations and allocations.

SUMMARY PART KK

This Part requires the Commissioner of Corrections to review the current organizational structure to improve organizational efficiency and authorizes the State Budget Officer to transfer positions and available balances by financial order. The ability to make these transfers is limited to the period of July 1st to December 1st of each fiscal year in the 2016-2017 biennium. Any transfers resulting in a mission change or facility closure must have legislative review.

PART LL

Sec. LL-1. Transfer of funds; food, heating and utility expenses. Notwithstanding the Maine Revised Statutes, Title 5, section 1585 or any other provision of law, the Department of Corrections, upon recommendation of the State Budget Officer and approval of the Governor, is authorized to transfer by financial order, from the All Other line category, funding between accounts within the same fund for the purposes of paying food, heating and utility expenses in fiscal years 2015-16 and 2016-17. These transfers are not considered adjustments to appropriations.

SUMMARY

PART LL

This Part authorizes the Department of Corrections to transfer from the All Other line category, funds by financial order between accounts within the same fund for the purposes of paying food, heating and utility expenses for the 2016-2017 biennium.

PART MM

Sec. MM-1. Working capital advance to Department of Defense, Veterans and Emergency Management. The State Controller is authorized to advance up to \$350,000 from the General Fund unappropriated surplus to the Administration - Maine Emergency Management Agency program within the Federal Expenditures Fund during fiscal year 2015-16 to be used to provide cash necessary to meet current expenditures of the program until federal funds become available in the same fiscal year. The State Controller shall report to the Joint Standing Committee on Appropriations and Financial Affairs within 30 days of making any working capital advance for this purpose. Funds advanced from the General Fund to the Administration - Maine Emergency Management Agency program must be returned to the General Fund unappropriated surplus not later than December 31, 2015.

SUMMARY

PART MM

This Part provides temporary funding for the Administration - Maine Emergency Management Agency program within the Department of Defense, Veterans and Emergency Management until federal funding becomes available.

PART NN

Sec. NN-1. Department of Economic and Community Development, Office of Innovation program, Maine Technology Institute. Notwithstanding any other provision of law, \$1,537,761 of funds from the Department of Economic and Community Development, Office of Innovation program, Maine Technology Institute, General Fund account, All Other line category shall lapse to the unappropriated surplus of the General Fund no later than June 30, 2016.

Sec. NN-2. Department of Economic and Community Development, Office of Innovation program, Maine Technology Institute. Notwithstanding any other provision of law, \$1,537,761 of funds from the Department of Economic and Community Development, Office of Innovation program, Maine Technology Institute, General Fund account, All Other line category shall lapse to the unappropriated surplus of the General Fund no later than June 30, 2017.

**SUMMARY
PART NN**

This Part lapses \$1,537,761 in each fiscal year of the biennium to the General Fund unappropriated surplus for General fund that is not anticipated to be needed by the Maine Technology Institute in fiscal years 2015-16 and 2016-17.

PART OO

Sec. OO-1. 5 MRSA §937, sub-§1, as amended by PL 2013, c. 1, Pt. S, §1, is further amended to read:

1. Major policy-influencing positions. The following positions are major policy-influencing positions within the Department of Education. Notwithstanding any other provision of law, these positions and their successor positions are subject to this chapter:

A. Deputy Commissioner;

F. Director, Policy and Programs; and

~~K. Chief Academic Officer;~~

~~L. Director, Special Services Team; and~~

M. Director, Communications.

Sec. OO-2. 20-A MRSA §203, sub-§1, as amended by PL 2013, c. 368, Pt. II is further amended to read:

1. Commissioner's appointments. The following officials are appointed by and serve at the pleasure of the commissioner:

A. Deputy Commissioner;

F. Director, Policy and Programs; and

~~K. Chief Academic Officer;~~

~~L. Director, Special Services Team;~~

M. Director, Communications; ~~and~~

~~N. Deputy Chief of Staff.~~

**SUMMARY
PART OO**

This Part does the following:

1. It amends the Maine Revised Statutes, Title 5 to remove the Chief Academic Officer and Director, Special Services Team positions from the list of major policy-influencing positions

within the Department of Education. These unclassified positions will be reclassified in Part A, each to a Public Service Executive II position, classified positions within the department. These reclassifications will reflect the level of responsibility and function of similar classifications within the department.

2. It amends Title 20-A to remove the Chief Academic Officer , Director, Special Services Team and Deputy Chief of Staff positions from the list of the Commissioner of Education's appointments within the department.

PART PP

Sec. PP-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 2015-16 and 2016-17 for the acquisition of portable computer devices for students and educators to support the operations of the Maine learning technology initiative. The financing agreements may not exceed 4 years in duration and \$95,000,000 in principal costs for the Maine learning technology initiative. The interest rate may not exceed 8% and the total interest costs may not exceed \$7,600,000. 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 PP

This Part authorizes the Department of Education to purchase portable computer devices for students and educators in fiscal years 2016 and 2017.

PART QQ

Sec. QQ-1. Transfer from General Fund unappropriated surplus; Fund for Efficient Delivery of Educational Services, 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 Fund for Efficient Delivery of Educational Services, Other Special Revenue Funds account within the Department of Education no later than June 30, 2016.

Sec. QQ-2. Transfer from General Fund unappropriated surplus; Fund for Efficient Delivery of Educational Services, 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 Fund for Efficient Delivery of Educational Services, Other Special Revenue Funds account within the Department of Education no later than June 30, 2017.

SUMMARY

PART QQ

This Part requires the State Controller to transfer \$5,000,000 in each fiscal year of the 2016-2017 biennium, as a one-time transfer, from the General Fund unappropriated surplus

to the Fund for Efficient Delivery of Educational Services, Other Special Revenue account within the Department.

PART RR

Sec. PP-1. Rename PK-20, Adult Education and Federal Programs Team program.

Notwithstanding any other provision of law, the PK-20, Adult Education and Federal Programs Team program within the Department of Education is renamed the Learning Systems Team program.

SUMMARY

PART RR

This Part renames the PK-20, Adult Education and Federal Programs Team program within the Department of Education to the Learning Systems Team.

PART SS

Sec. SS-1. 22 MRSA §7802, sub-§2, ¶B, as amended by PL 2013, c. 179, §6, is further amended to read:

B. The terms of full licenses or approvals are as follows.

- (1) Except as provided in subparagraphs (2) to (7), the term of all full licenses and approvals issued pursuant to this chapter is for one year or the remaining period of a conditional or provisional license that has been issued for less than one year.
- (2) The term of a children's residential care facility license is for 2 years.
- (3) The term of a drug treatment center license ~~may be~~ is for ~~either one or~~ 2 years.
- (4) The term of a family foster home or specialized foster home license is for 2 years.
- (5) The term of a child care facility license issued under section 8301-A, subsection 2 is for 2 years.
- (6) The term of a home day care certificate issued under section 8301-A, subsection 3 is for 2 years.
- (7) The term of an adult day care program license pursuant to chapter 1679 is for either one or 2 years at the discretion of the department.

Sec. SS-2. 22 MRSA §8003, as enacted by PL 1975, c. 719, §6, is amended to read:

1. The department shall adopt rules to establish the following licensing fees ~~charge an annual fee of \$50 for regular licenses and a fee of \$50 for temporary or conditional licenses for drug treatment centers:~~

A. Fee for a provisional license. The department shall adopt rules to establish a provisional license application fee that is not less than \$100 and not more than \$280.

B. Term of a provisional license. The provisional license is issued for a term of 1 year.

C. Fee for a full license. The department shall adopt rules to establish a full license application fee that is not less than \$100 and not more than \$280.

D. Term of a full license. The full license is issued for a term of 2 years.

E. Fee for the biennial renewal of a full license. The department shall adopt rules to establish a fee for the biennial renewal of a full license that is not less than \$70 and not more than \$170.

F. Fee to add a service site to the license. The department shall adopt rules to establish a processing fee to add a service site to an issued license that is not less than \$35 and not more than \$70.

G. Fee to add a service to a license. The department shall adopt rules to establish a processing fee to add a service to an issued license that is not less than \$70 and not more than \$140.

2. Fee to replace a license. The licensee must maintain a valid license. A license is not valid when the information on the issued license is no longer accurate. The department shall adopt rules to establish a processing fee not to exceed \$10 to be paid to the department to secure a reissued license with accurate information. The fee shall apply to each license replaced. The reissued license shall have the same expiration date as the replaced license.

3. Transaction fee for electronic renewal of license. The department shall adopt rules to establish an electronic transaction fee that is no less than \$25 and no more than \$50 for the electronic renewal of a license. The transaction fee may not exceed the cost of providing the electronic renewal service.

The department may adopt rules necessary to implement this section. Rules adopted pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. SS- 3. 22 MRSA §8108 is enacted to read:

§8108-Fee for Licenses

1. The department shall adopt rules to establish the following licensing fees for children's residential care facilities:

A. Fee for a provisional license. The department shall adopt rules to establish a provisional license application fee that is not less than \$100 and not more than \$280.

B. Term of a provisional license. The provisional license is issued for a term of 1 year.

C. Fee for a full license. The department shall adopt rules to establish a full license application fee that is not less than \$100 and not more than \$280.

D. Term of a full license. The full license is issued for a term of 2 years.

E. Fee for the biennial renewal of a full license. The department shall adopt rules to

establish a fee for the biennial renewal of a full license that is not less than \$70 and not more than \$170.

F. Fee to add a service site to the license. The department shall adopt rules to establish a processing fee to add a service site to an issued license that is not less than \$35 and not more than \$70.

G. Fee to add a service to a license. The department shall adopt rules to establish a processing fee to add a service to an issued license that is no less than \$70 and no more than \$140.

2. Fee to replace a license. The licensee must maintain a valid license. A license is not valid when the information on the issued license is no longer accurate. The department shall adopt rules to establish a processing fee not to exceed \$10 to be paid to the department to secure a reissued license with accurate information. The fee shall apply to each license replaced. The reissued license shall have the same expiration date as the replaced license.

3. Transaction fee for electronic renewal of license. The department shall adopt rules to establish an electronic transaction fee that is no less than \$25 and no more than \$50 for the electronic renewal of a license. The transaction fee may not exceed the cost of providing the electronic renewal service.

The department may adopt rules necessary to implement this section. Rules adopted pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. SS-4. 34-B MRSA §1203-A, sub-§1, amended by PL 2003, c. 369, §1, is further amended to read:

1. Full license. Full licenses are governed as follows.

A. The commissioner shall issue a full license to an applicant agency or facility that has complied with:

(1) All applicable laws and rules; and

(2) All conditions imposed by the commissioner at the time of issuance of a conditional license, refusal to issue or renew a full license or revocation of a full license.

B. A full license is issued for a term of 2 years. ~~must be issued for a specified period of time appropriate to the type of agency or facility, but not to exceed 3 years.~~

C. When a full licensee fails to comply with applicable laws and rules, the commissioner may:

(1) File a complaint with the District Court to have the license revoked, in accordance with the Maine Administrative Procedure Act, Title 5, chapter 375; or

(2) Modify the full license to a conditional license in accordance with subsection 2.

Sec. SS- 5. 34-B MRSA §1203-A, sub-§4, enacted by PL 1989, c. 227, §1, is amended to read:

4. Licensing Fees. The fee for all types of licenses is \$25, except ~~Except for those children's residential care facilities defined in Title 22, section 8101, subsection 4 and licensed in accordance with Title 22, section 8104-,~~ the department shall adopt rules to establish the following licensing fees for mental health services:

A. Fee for a provisional license. The department shall adopt rules to establish a provisional license application fee that is not less than \$100 and not more than \$280.

B. Term of a provisional license. The term of a provisional license is established pursuant to section 1203-A, subsection 3 (C).

C. Fee for a full license. The department shall adopt rules to establish a full license application fee that is not less than \$100 and not more than \$280.

D. Term of a full license. The full license is issued for a term of 2 years.

E. Fee for the biennial renewal of a full license. The department shall adopt rules to establish a fee for the biennial renewal of a full license that is not less than \$70 and not more than \$170.

F. Fee to add a service site to the license. The department shall adopt rules to establish a processing fee to add a service site to an issued license that is not less than \$35 and not more than \$70.

G. Fee to add a service to a license. The department shall adopt rules to establish a processing fee to add a service to an issued license that is not less than \$70 and not more than \$140.

2. Fee to replace a license. The licensee must maintain a valid license. A license is not valid when the information on the issued license is no longer accurate. The department shall adopt rules to establish a processing fee not to exceed \$10 to be paid to the department to secure a reissued license with accurate information. The fee shall apply to each license replaced. The reissued license shall have the same expiration date as the replaced license.

3. Transaction fee for the electronic renewal of a license. The department shall adopt rules to establish an electronic transaction fee that is no less than \$25 and no more than \$50 for the electronic renewal of a license. The transaction fee may not exceed the cost of providing the electronic renewal service.

The department may adopt rules necessary to implement this section. Rules adopted pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

SUMMARY PART SS

This Part aligns and standardizes the statutory range (not less than and not more than fixed amounts) of licensing fees for adult and children's residential drug treatment centers, children's residential care facilities, and licensed mental health services. The exact fees shall be established by department rules in accordance with the Maine Administrative Procedures Act.

Section 4 standardizes the issuance of a full license for a term of 2 years.

PART TT

Sec. TT-1. 22 MRSA §254-D, sub-§4, ¶D, as amended by PL 2011, c. 657, Pt. HH, §1 is further amended to read:

D. Income eligibility of individuals must be determined by this paragraph and by reference to the federal poverty guidelines for the 48 contiguous states and the District of Columbia, as defined by the federal Office of Management and Budget and revised annually in accordance with the United States Omnibus Budget Reconciliation Act of 1981, Section 673, Subsection 2, Public Law 97-35, reauthorized by Public Law 105-285, Section 201 (1998). If the household income is not more than ~~475%~~ 135% of the federal poverty guideline applicable to the household, the individual is eligible for the basic program and the supplemental program. Individuals are also eligible for the basic and the supplemental program if the household spends at least 40% of its income on unreimbursed direct medical expenses for prescription drugs and medications and the household income is not more than 25% higher than the levels specified in this paragraph. For the purposes of this paragraph, the cost of drugs provided to a household under this section is considered a cost incurred by the household for eligibility determination purposes

Sec. TT-2. Medicaid state plan amendment for the Medicare Savings Program. The Department of Health and Human Services shall prepare and submit a Medicaid state plan amendment to the federal centers for Medicare and Medicaid Services that, effective October 1, 2015, effectively reduces income eligibility levels for the Medicare savings 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 TT

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. This part also reduces the income limit in the elderly low-cost drug program.

PART UU

Sec. UU-1. 22 MRSA §254-D sub-§ 4, ¶B as enacted by PL 2005, c.401, Pt. A is amended to read:

B. An individual is eligible for the program if that individual:

- (1) Is a legal resident of the State;

(2) Meets the income eligibility criteria set forth in this section or is eligible for both MaineCare and Medicare Part D;

(3) Does not receive full MaineCare pharmaceutical benefits; and

(4) Is at least 62 years of age, or is 19 years of age or older and determined to be disabled by the standards of the federal social security program. A person who was eligible for the program at any time from August 1, 1998 to July 31, 1999 and who does not meet the requirements of this subparagraph at the time of application or renewal retains eligibility for the program if that person is a member of a household of an eligible person.

(5) Does not have more than \$50,000 per person or \$75,000 per couple in liquid assets; and

SUMMARY PART UU

This part includes a liquid asset test of no more than \$50,000 per person or \$75,000 per couple in eligibility determinations for the Low Cost Drugs for the Elderly and Disabled program. This is the same asset test used for the Medicare Savings Program (MSP).

PART VV

Sec. VV-1. Emergency rule-making authority; health and human services matters. The Department of Health and Human Services is authorized to adopt emergency rules under the Maine Revised Statutes, Title 5, sections 8054 and 8073 as necessary 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 VV

This Part gives the Department of Health and Human Services the authority to adopt emergency rules to implement any provisions of this Act over which it has specific authority that has not been addressed by some other Part of the Act without the necessity of demonstrating that immediate adoption is necessary to avoid a threat to public health, safety or welfare.

PART WW

Sec. WW-1. 5 MRSA §1591, sub-§2 ¶¶ F and G, as enacted by PL 2013, c. 368, Pt. MMM, §§1-4, is amended to read:

F. Any balance remaining in the Medicaid Waiver for Brain Injury Residential/Community Services program, General Fund account at the end of any fiscal year to be carried forward for use in the next fiscal year; ~~and;~~

G. Any balance remaining in the Medicaid Waiver for Other Related Conditions program, General Fund account at the end of any fiscal year to be carried forward for use in the next fiscal year;

Sec. WW-2. 5 MRSA §1591, sub-§2, ¶H is enacted to read:

H. Any balance remaining in the Bridging Rental Assistance Program, General Fund account at the end of any fiscal year to be carried forward for use in the next fiscal year for the same purpose; and;

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

I. Any balance remaining in the Consumer Directed Services program, General Fund account at the end of any fiscal year to be carried forward for use by this program in the next fiscal year.

**SUMMARY
PART WW**

This Part allows remaining balances at the end of each fiscal year in the Consumer Directed Services program and the Bridging Rental Assistance Program General Fund accounts in the Department of Health and Human Services to be carried forward for use by the program in the next fiscal year.

PART XX

Sec. XX-1. 34-B MRSA §3011 is enacted to read:

§3011. Bridging Rental Assistance Program

The Bridging Rental Assistance Program (BRAP) is established within the department as a transitional housing voucher program designed to assist persons with mental illness for up to 24 months or until they are awarded a Section 8 Housing Choice Voucher, or alternative housing placement.

**SUMMARY
PART XX**

This Part establishes the Bridging Rental Assistance Program in the Department of Health and Human Services.

PART YY

Sec. YY-1. 22 MRSA §3273 sub- §7-A, as enacted by PL 2009, c.462, Pt. I, §2 is amended to read:

Funds appropriated to support benefits authorized under sections 3271 and 3274 may not be transferred by financial order unless the funds are transferred to the Department of Health and Human Services Department-wide account. These amounts may be transferred by financial order upon the recommendation of the State Budget Officer and approval of the Governor. These transfers are not considered adjustments to appropriations.

**SUMMARY
PART YY**

This Part authorizes the Department of Health and Human Services to transfer funds appropriated for state supplemental income for blind, disabled and elderly people authorized under sections 3271 and 3274 by financial order to the Department of Health and Human Services Department-wide account.

PART ZZ

Sec. ZZ-1. 22 MRSA §3104-A, as amended by PL 2013, c.368, Pt. OO, §§1 and 2 is repealed.

Sec. ZZ-2. 22 MRSA §3273, sub-§9, as enacted by PL 1997, c. 643, Pt. WW, §1 is repealed.

Sec. ZZ-3. 22 MRSA §3762, sub-§3, ¶B, sub¶-2, as amended by PL 2013, c. 368, Pt. UUU, §2 is repealed.

**SUMMARY
PART ZZ**

This Part does the following:

1. It repeals the provision that requires the Department of Health and Human Services to provide a food supplement program for non-citizens who would be eligible for federal SNAP benefits but for their status as aliens under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
2. It repeals the provision that requires the Department of Health and Human Services to provide supplemental security income for non-citizens who would be eligible for federal Supplemental Security Income but for their status as aliens under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
3. It repeals the provision that requires the Department of Health and Human Services to provide financial assistance to individuals who would be eligible for Temporary Assistance to Needy Families but their status as aliens under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

PART AAA

Sec. AAA-1. Transfer of funds. Notwithstanding any other provision of law, for fiscal year 2015-16 and 2016-17 only, the Department of Health and Human Services is authorized to transfer available balances of All Other or Personal Services appropriations, after all salary, benefit and other obligations are met, in the Developmental Services - Community program account to the Personal Services line category of the Crisis Outreach Program account by financial order upon the recommendation of the State Budget Officer and approval of the Governor. These transfers are not considered adjustments to appropriations.

**SUMMARY
PART AAA**

This Part authorizes the transfer of available Personal Services or All Other balances from the Department of Health and Human Services, Developmental Services - Community program account to the Crisis Outreach Program account for the 2016-2017 biennium.

PART BBB

Sec. BBB-1. 22 MRSA §3173, 4th ¶, as repealed and replaced by PL 1979, c. 127, § 144 is repealed and the following enacted in its place:

All applications for aid under this chapter that are based on a disability shall be acted upon and a decision made within 90 days after receipt of application. All other applications for aid under this chapter shall be acted upon and a decision made within 45 days after receipt of application. The 90-day timeframe for disability decisions will become effective upon the date the court grants relief to the Department from the 45-day decision process required by the Polk v. Longley consent decision.

**SUMMARY
PART BBB**

This Part changes the disability determination cut-off from 45 days to 90 days for applications for aid based on a disability and eliminates the requirement to provide state-funded temporary medical coverage. This part also directs the Department of Health and Human Services to seek relief from the decision process required by the Polk v. Longley consent decision.

PART CCC

Sec. CCC-1. PL 2007, c. 240, Pt. X, §2, as amended by PL 2013, c. 368, Pt. VVV, §1, is further amended to read:

Sec. X-2. Transfer of funds. Notwithstanding the Maine Revised Statutes, Title 5, section 1585 or any other provision of law, until June 30, ~~2015~~ 2017, available balances of appropriations in MaineCare General Fund accounts may be transferred between accounts by financial order upon the recommendation of the State Budget Officer and approval of the Governor.

**SUMMARY
PART CCC**

This Part authorizes the Department of Health and Human Services to transfer funds between the General Fund accounts of the MaineCare related appropriations for the 2016-2017 biennium.

PART DDD

Sec. DDD-1. 22 MRSA § 4301 sub - §3, as amended by PL 2013, c. 368, Pt. OO is further 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. "Eligible person" does not include a person who is a fugitive from justice as defined in Title 15, section 201, subsection 4. "Eligible person" also does not include an alien who is not: a qualified alien as defined in 8 U.S.C. § 1641; a nonimmigrant under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.); or an alien who is paroled into the United States under section 212(d)(5) of such Act (8 U.S.C. 1182 (d)(5)) for less than one year.

**SUMMARY
PART DDD**

This Part authorizes the Department of Health and Human Services to eliminate General Assistance to non-citizens who are not qualified to receive such assistance pursuant to federal law.

PART EEE

Sec. EEE-1. Transfer of Funds. Notwithstanding any other provision of law, dedicated Family Support funds within the Department of Health and Human Services, Developmental Services - Community program may be transferred to support individuals receiving services to the Office of Aging and Disability Services Central Office program and the Long Term Care – Office of Aging and Disability Services program by financial order upon the recommendation of the State Budget Officer and approval of the Governor. These transfers are not considered adjustments to appropriations.

**SUMMARY
PART EEE**

This Part authorizes the Department of Health and Human Services to transfer Family Support funds in the Developmental Services - Community program to the Office of Aging and Disability Services Central Office program and the Long Term Care – Office of Aging and Disability Services program by financial order.

PART FFF

Sec. FFF-1. Transfer of Funds. Notwithstanding any other provision of law, available balances of appropriations in the Nursing Facilities program in the Department of Health and Human Services may be transferred to support individuals who are transitioning to the Money Follows the Person program through the Home Based Care program by financial order upon the recommendation of the State Budget Officer and approval of the Governor. These transfers are not considered adjustments to appropriations.

**SUMMARY
PART FFF**

This Part authorizes the Department of Health and Human Services to transfer appropriations from the Nursing Facilities program to the Home Based Care program when individuals meet the transition criteria.

PART GGG

Sec. GGG-1. Transfer of Funds. Notwithstanding any other provision of law, for fiscal years 2015-16 and 2016-17, the Department of Health and Human Services may transfer available balances of appropriations from the State-funded Foster Care/Adoption Assistance program in the All Other line category to the Office of Child and Family Services – Central and the Office of Child and Family Services - District programs to fund expenditures in the Personal Services or All Other line category that are incurred due to the cost of administering the child welfare program. These amounts may be transferred by financial order upon the recommendation of the State Budget Officer and approval of the Governor. These transfers are not considered adjustments to appropriations.

**SUMMARY
PART GGG**

This Part authorizes the Department of Health and Human Services to transfer appropriations within the Office of Child and Family Services related to the child welfare program.

PART HHH

Sec. HHH-1. 22 MRSA §1714-D, as enacted by PL 2011, c. 657, Pt. H, §1 is amended to read:

Beginning ~~April 1, 2012~~ July 1, 2015, the department shall reimburse licensed critical access hospitals at ~~109~~ 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 HHH**

This Part authorizes the Department of Health and Human Services to change the rate of reimbursement for critical access hospitals.

PART III

Sec III-1. 2 MRSA, §6, sub-§2, as amended by PL 2013, c.491, §1, is further amended by:

2. Range 90. The salaries of the following state officials and employees are within salary range 90:

Superintendent of Financial Institutions;
Superintendent of Consumer Credit Protection;
State Tax Assessor;
Associate Commissioner for Tax Policy, Department of Administrative and Financial Services;
Superintendent of Insurance;
Executive Director of the Maine Consumer Choice Health Plan;
Deputy Commissioner, Department of Administrative and Financial Services;
Deputy Commissioner, Department of Corrections;
Public Advocate;

Deputy Commissioner, Department of Health and Human Services;
Deputy Commissioner, Department of Health and Human Services;
Chief Information Officer;
Associate Commissioner, Department of Corrections; and
Chief of the State Police.

Sec III-2. 2 MRSA, §6, sub-§11, as amended by PL 2007, c.539, Pt. N, §2, is further amended by:

11. Range 38. The ~~salaries~~ salary of ~~2~~ 1 deputy commissioners of the Department of Health and Human Services ~~are~~ is within salary range 38.

SUMMARY PART III

This Part changes the salary of one Deputy Commissioner in the Department of Health and Human Services from range 38 to range 90.

PART JJJ

Sec. JJJ-1. Department of Health and Human Services; Transfer of funds for MaineCare payments authorized. Notwithstanding any provision of law, for fiscal years 2015-16 and 2016-17 only, available balances of appropriations excluding balances in the IV-E Foster Care/Adoption Assistance and State-funded Foster Care/Adoption Assistance programs, including available balances of Personal Services appropriations from any account within the Department of Health and Human Services, may be transferred between MaineCare, MaineCare-related and non-MaineCare-related accounts by financial order upon the recommendation of the State Budget Officer and approval of the Governor. These transfers are not considered adjustments to appropriations.

Sec. JJJ-2. Transfer of Personal Services balances to All Other; state psychiatric centers. Notwithstanding any other provision of law, for fiscal years 2015-16 and 2016-17 only, the Department of Health and Human Services is authorized to transfer available balances of Personal Services appropriations in the Disproportionate Share - Dorothea Dix Psychiatric Center program, the Disproportionate Share - Riverview Psychiatric Center program and the Riverview Psychiatric Center program after all salary, benefit and other obligations are met to the All Other line category of those programs in order to provide funding for an electronic medical records system. These amounts may be transferred by financial order upon the recommendation of the State Budget Officer and approval of the Governor. These transfers are not considered adjustments to appropriations.

SUMMARY PART JJJ

This Part does the following:

1. It authorizes the transfer by financial order of any available appropriations, including those in Personal Services, to MaineCare in order to fully fund weekly cycle payments.

2. It authorizes the transfer by financial order of available Personal Services balances in the Disproportionate Share - Dorothea Dix Psychiatric Center program, the Disproportionate Share - Riverview Psychiatric Center program and the Riverview Psychiatric Center program in order to provide funds for an electronic medical records system.

PART KKK

Sec. KKK-1. 22 MRSA. §4311, sub-§1-B ¶A, as amended by PL 1991, c. 9, Pt U, §8 is further amended to read:

A. Fifty percent of all general assistance granted by that municipality below the .0003% of all state valuation amount; or

Sec. KKK-2. 22 MRSA §4311, sub-§1-D, is enacted to read:

1-D. Departmental reimbursement for fiscal years beginning on or after July 1,

2015. Notwithstanding any other provision of this section, for fiscal years beginning on or after July 1, 2015, the Department shall reimburse each municipality and each Indian tribe ninety percent (90%) of the direct costs of its general assistance program to the extent that reimbursement for the fiscal year does not exceed an amount equal to 40% of the municipality's or tribe's average adjusted direct costs for the prior six (6) fiscal years. If and when reimbursement to a municipality or Indian tribe in a fiscal year equals an amount equal to 40% of its average adjusted direct costs for the prior six (6) fiscal years, subsequent reimbursement by the Department to the municipality or tribe for the remainder of the fiscal year shall be 10% of the municipality's or tribe's subsequent direct costs. For purposes of this subsection, "adjusted direct costs" means a municipality's or tribe's direct costs plus an amount that is equal to the municipality's or tribe's annual unemployment rate (expressed as a percentage) multiplied by its annual direct costs.

Sec. KKK-3. 22 MRSA §4311, sub-§2, as amended by PL 2013, c. 368, Part OO, §11, is further amended to read:

2. Submission of reports. Municipalities shall submit reports as follows.

A. For purposes of this section, those municipalities that received reimbursement ~~at 90% of \$10,000 or more~~ during the previous fiscal year of the State and those municipalities that expect to receive reimbursement ~~at 90% of \$10,000 or more~~ 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% of \$10,000 or more~~ during the previous fiscal year and do not expect to receive reimbursement ~~at 90% of \$10,000 or more~~ for the current fiscal year must submit quarterly or semiannual reports on forms provided by the department. Indian tribes must submit monthly reports on forms provided by the department.

SUMMARY PART KKK

This Part makes a technical correction to the state valuation amount recorded in state

reimbursement to municipalities for municipal general assistance, changes the method of reimbursement methodology and requires monthly reporting for any municipality expected to receive more than \$10,000 in the current fiscal year.

PART LLL

Sec. LLL-1. Transfer of funds; Department of Inland Fisheries and Wildlife carrying account. On or before August 1, 2015, the State Controller shall transfer \$386,000 from the Inland Fisheries and Wildlife Carrying Balances – General Fund account to the Enforcement Operations program, General Fund account for the purchase of one replacement aircraft.

SUMMARY PART LLL

This Part transfers funds from the Inland Fisheries and Wildlife Carrying Balances – General Fund account to the Enforcement Operations program, General Fund account to purchase one replacement aircraft in fiscal year 2015-16.

PART MMM

Sec. MMM-1. Transfer of funds; Department of Inland Fisheries and Wildlife carrying account. On or before August 1, 2015, the State Controller shall transfer \$37,000 from the Inland Fisheries and Wildlife Carrying Balances - General Fund account to the Enforcement Operations - Inland Fisheries and Wildlife program, General Fund account for the purchase of one replacement aircraft engine. On or before August 1, 2016, the State Controller shall transfer \$37,000 from the Inland Fisheries and Wildlife Carrying Balances - General Fund account to the Enforcement Operations - Inland Fisheries and Wildlife program, General Fund account for the purchase of one replacement aircraft engine.

SUMMARY PART MMM

This Part transfers funds from the Inland Fisheries and Wildlife Carrying Balances - General Fund account to the Enforcement Operations - Inland Fisheries and Wildlife program, General Fund account to purchase one replacement aircraft engine in fiscal year 2015-16 and one replacement aircraft engine in fiscal year 2016-17.

PART NNN

Sec. NNN-1. 12 MRSA §10251, sub-§4, as enacted by Public Law 2003, c. 414, Pt. A, §2 is amended to read:

4. Uses of Fund. Prior to July 1, 2010, the Treasurer of State continuously shall reinvest all earnings of the fund and may not authorize any payments from the fund or use any earnings of the fund, except those necessary to pay the costs of

administering the fund. On July 1, 2010, and on July 1st of each year thereafter, the Treasurer of State shall transfer to the department an amount ~~equal to~~ determined by the department, not to exceed 5% of the fund principal. Additional interest earned by the fund, if any, must be reinvested. All funds received from the department under section 10851 and this section are subject to allocation by the Legislature.

SUMMARY PART NNN

This Part amends language pertaining to the lifetime License Fund such that the Department of Inland Fisheries & Wildlife can request the Treasurer of State transfer less than 5% of the lifetime License Fund's principal balance on an annual basis.

PART OOO

Sec. OOO-1. 12 MRSA §10202, sub-§9, as amended by PL 2013, c. 368, Pt. ZZ, §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 ~~2016-2017-2017-~~ 2018 biennial budget and for each biennial budget thereafter, the biennial budget submitted by the executive branch must include an additional General Fund appropriation of 18% in excess of the department's requested biennial budget.

SUMMARY PART OOO

This Part amends the fiscal stability program to begin in the 2017-2018 biennium.

PART PPP

Sec. PPP-1. 4 MRSA, §6-B, amended by PL 2003, c. 290, §1, is further amended to read:

Any Active Retired Justice of the Supreme Judicial Court, who performs judicial service at the direction and assignment of the Chief Justice of the Supreme Judicial Court, must be compensated for those services at the rate of ~~\$300~~ \$500 per day or ~~\$175~~ \$250 per 1/2 day, provided that the total per diem compensation ~~and retirement pension received by an Active Retired Justice of the Supreme Judicial Court in any calendar year does not exceed the annual salary of a Justice of the Supreme Judicial Court.~~ does not exceed 75% of the salary set in section 4 of this Title. An active retired justice under this section does not accrue additional creditable service for benefit calculation purposes, and is not entitled to any other employee benefit, including health, dental, and life insurance.

Sec. PPP-2. 4 MRSA, §104-A, amended by PL 2001, c. 439, Pt. DDD, §1, is further amended to read:

Any Active Retired Justice of the Superior Court, who performs judicial service at the direction and assignment of the Chief Justice of the Supreme Judicial Court, is compensated for those services at the rate of ~~\$300~~ 500 per day or ~~\$175~~ 250 per 1/2 day, provided that the

~~total per diem compensation and retirement pension received by an Active Retired Justice of the Superior Court in any calendar year does not exceed the annual salary of a Justice of the Superior Court. does not exceed 75% of the salary set in section 102 of this Title. An active retired justice under this section does not accrue additional creditable service for benefit calculation purposes, and is not entitled to any other employee benefit, including health, dental, and life insurance.~~

Sec. PPP-3. 4 MRSA, §157-D, amended by PL 2001, c. 439, Pt. DDD, §2, is further amended to read:

Any Active Retired Judge of the District Court, who performs judicial service at the direction and assignment of the Chief Judge of the District Court, is compensated for those services at the rate of \$300-500 per day or \$175-250 per 1/2 day, provided that the total per diem compensation ~~and retirement pension received by an Active Retired Judge of the District Court in any calendar year does not exceed the annual salary of a Judge of the District Court. does not exceed 75% of the salary set in section 157 of this Title. An active retired judge under this section does not accrue additional creditable service for benefit calculation purposes, and is not entitled to any other employee benefit, including health, dental, and life insurance.~~

Sec. PPP-4. 4 MRSA, §183, sub-§1, ¶H, as enacted by PL 2013, c. 159, §6, is amended to read:

H. The Chief Judge of the District Court may employ a retired family law magistrate to serve on a per diem basis as an active retired family law magistrate. An active retired family law magistrate employed pursuant to this paragraph has the same jurisdiction and is subject to the same restrictions as before retirement. An active retired family law magistrate serves at the direction of the Chief Judge of the District Court and is compensated at 75% of the per diem rate of active retired district court judges, as provided in Section 157-D of this title. And provided that the total per diem compensation does not exceed 75% of the compensation paid to full time magistrates. of \$250 per day or \$150 per half day, as long as the total of the per diem compensation and the active retired family law magistrate's state retirement pension received in any calendar year does not exceed the annual salary of a family law magistrate. An active retired family law magistrate under this section does not accrue additional creditable service for benefit calculation purposes, and is not entitled to any other employee benefit, including health, dental, and life insurance. Active retired family law magistrates are entitled to receive reimbursement for any expenses actually and reasonably incurred in the performance of their duties.

SUMMARY PART PPP

This Part raises the per diem compensation for active retired judges from \$300/day to \$500/day. It fixes the per diem compensation for active retired family law magistrates at 75% of the per diem compensation paid to active retired judges. It also provides for the same limitations on compensation and benefits as exists for other retired state employees who retire and return to work under 5 MRSA, section 17859.

PART QQQ

Sec. QQQ-1. 14 MRSA, §1215, amended by PL 1991, c. 591, §E13 is further amended by:

A juror is entitled to paid mileage at the rate of 15¢ per mile for travel expenses from the juror's residence to the place of holding court and return, except beginning in fiscal year 2016-17, a juror is entitled to be paid mileage at the rate established by Maine Revised Statutes, Title 5 section 8, and to compensation at the rate of ~~\$10~~15 for each day of required attendance at sessions of the court.

**SUMMARY
PART QQQ**

This Part makes the mileage rate paid to jurors pursuant to Title 5 section 8 begin in fiscal year 2016-17 and increases the daily rate paid to jurors from \$10 per day to \$15 per day.

PART RRR

Sec. RRR-1. 4 MRSA, §153, sub-§3 as amended by PL 1995, c. 330, §1 is further amended to read:

3. Western Aroostook. Western Aroostook consists of the municipalities and unorganized territory known as Hamlin Plt., Cyr Plt., T17 R3, T17 R4, T16 R5, T15 R6, Winterville Plt., T15 R8, T15 R9, T14 R10, T14 R11, T14 R12, T14 R13, T14 R14, T14 R15, T14 R16, and all municipalities and unorganized territory in Aroostook County lying to the west and north of these. The District Court for Western Aroostook must be held at ~~Madawaska~~ and Fort Kent. The Chief Judge shall determine the level of service at each location.

**SUMMARY
PART RRR**

This Part eliminates the municipality of Madawaska as a place to hold district court.

PART SSS

Sec. SSS-1. 2 MRSA § 6, sub-§ 2, as amended by PL 2013, c. 491, §1, is further amended to read:

2. Range 90. The salaries of the following state officials and employees are within salary range 90:

Superintendent of Financial Institutions;

Superintendent of Consumer Credit Protection;

State Tax Assessor;

Associate Commissioner for Tax Policy, Department of Administrative and Financial Services;

Superintendent of Insurance;

Executive Director of the Maine Consumer Choice Health Plan;

Deputy Commissioner, Department of Administrative and Financial Services;

Deputy Commissioner, Department of Corrections;

Public Advocate;

Deputy Commissioner, Department of Health and Human Services;

Chief Information Officer;

Associate Commissioner, Department of Corrections; ~~and~~

Chief of the State Police; and

Administrator, Office of Securities.

Sec. SSS-2. 2 MRSA § 6, sub-§ 4, as affected by PL 2007, c. 695, Pt. A, § 47 and repealed and replaced by § 5 and revised by PL 2011, c. 286, Pt. B, § 5, is amended to read:

4. Range 88. The salaries of the following state officials and employees are within salary range 88:

Director, Bureau of Air Quality;
Director, Bureau of Land and Water Quality;
Director, Bureau of Remediation and Waste Management;
Deputy Commissioner, Environmental Protection;
Director, Office of Professional and Occupational Regulation; and
~~Administrator, Office of Securities; and~~
Deputy Chief of the State Police.

SUMMARY PART SSS

This Part authorizes a range change for the Administrator, Office of Securities from range 88 to range 90 in the Department of Professional and Financial Regulation.

PART TTT

Sec. TTT-1. 20-A MRSA §6103, sub-§3-A, as amended by PL 2005, c. 519, Pt. I, §1 is further amended to read:

3-A. Fees. The commissioner of the Department of Public Safety shall assess a fee of \$55 for each initial criminal history record check and \$24 for each renewal criminal history record check required by this section.

Sec. TTT-2. 20-A MRSA §6103, sub-§6, as amended by PL 2005, c. 457, Pt. CC, §3 is further amended to read:

6. Fingerprinting. The applicant shall submit to having fingerprints taken. The Maine State Police, upon payment by the applicant or any other entity required by law of the expenses specified in subsection 3-A, shall take or cause to be taken the applicant's fingerprints and shall forward the fingerprints to the State Bureau of Identification so that the bureau can conduct state and national criminal history record checks. Except for the portion of the payment, if any, that constitutes the processing fee charged by the Federal Bureau of Investigation, all money received by the Maine State Police for purposes of this section must be paid over to the Treasurer of State for deposit in State Police program, Other Special Revenue Funds account in the Department of Public Safety for the purpose of funding the costs of the Department of Public Safety to administer the criminal history record check program ~~accordance with Title 20-A, section 6103, subsection 10.~~

Sec. TTT-3. 20-A MRSA §6103, sub-§10, as enacted by PL 2005, c. 457, Pt. CC, §4 is amended to read:

10. Criminal History Record Check Fund. The Criminal History Record Check Fund is created as a dedicated fund within the Department of Education for the transfer of funds from the Department of Public Safety to cover a portion of the cost of a position that issues certificates ~~for the deposit of any fees collected pursuant to subsection 3-A. The purpose of~~

~~the fund is to reimburse the Department of Public Safety, State Bureau of Identification for the cost of conducting the fingerprinting and needed state and national criminal history record checks pursuant to this section.~~ The fund may not lapse, but must be carried forward to carry out the purposes of this chapter.

Sec. TTT-4. 25 MRSA §1541, sub-§6, as amended by PL 2013, c. 267, Pt. B, §22, is further amended to read:

6. Establishment of fees. The State Bureau of Identification may charge a fee to individuals, nongovernmental organizations, governmental organizations that are engaged in licensing and governmental organizations that are not a governmental entity of the State, a county of the State or a municipality of the State for each criminal history record check requested for noncriminal justice purposes pursuant to Title 16, chapter 7. The requestor shall provide a name and date of birth for each record being requested. A request made pursuant to 5 United States Code, Section 9101 must be accompanied by fingerprints. A governmental organization that is engaged in licensing may charge an applicant for the cost of the criminal history record check. The commissioner shall establish a schedule of fees that covers the cost of providing these services. One dollar of each fee generated under this subsection must be deposited to the Other Special Revenue Funds account within the Bureau of State Police to

offset the cost of maintenance and replacement of both hardware and software associated with the criminal history record check system. The remaining revenues generated from these fees must be credited to the General Fund.

Notwithstanding any other provision of law, for fingerprint-supported criminal history record checks fees as collected pursuant to Title 20-A, section 6103, subsection 3-A, the full fee charged must be deposited in State Police program, Other Special Revenue Funds account for the purpose of funding the costs of the Department of Public Safety to administer the criminal history record check program.

Sec. TTT-5. Transfer of funds. Notwithstanding any other provision of law, the Department of Education shall transfer \$500,000 from the Criminal History Record Check Fund program, Other Special Revenue Funds account to the Department of Public Safety, State Police program, Other Special Revenue Funds account by July 31, 2015.

SUMMARY PART TTT

This Part does the following:

1. Section 1, 2 and 3 of this Part amends Title 20-A, Section 6103 to reflect the deposit of fees for criminal history record checks to the Department of Public Safety rather than to Department of Education.
2. Section 4 of this Part provides that, with respect to fingerprint-supported criminal history record checks, the full fee charged must be deposited in an Other Special Revenue Funds account for the purpose of paying the costs of the Department of Public Safety to administer the criminal history record check program.
3. Section 5 of this Part transfers the cash balance of the Criminal History Record Check Fund, projected at approximately \$500,000 from the Department of Education to the Department of Public Safety.

PART UUU

Sec. UUU-1. Carrying provision; Department of Secretary of State, Administration - Archives. Notwithstanding any other provision of law, the State Controller shall carry forward any unexpended balance in the Personal Services line category at the end of fiscal years 2014-15 and 2015-16 to the next fiscal year in the Department of Secretary of State, Administration - Archives program. The amounts carried forward may be transferred to the All Other line category upon the recommendation of the State Budget Officer and approval of the Governor for the purpose of providing funding for archive activities.

SUMMARY PART UUU

This Part authorizes the Department of Secretary of State to carry Personal Services funding in the Administration – Archives program and authorizes the carried funds to be transferred by financial order to the All Other line category in the same program.

PART VVV

Sec. VVV-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, 2015 and \$750,000 by August 15, 2016 from the General Fund unappropriated surplus to the Callahan Mine Site Restoration program, Other Special Revenue Funds account within the Department of Transportation to be used to design and implement clean-up initiatives at the Callahan Mine site.

SUMMARY PART VVV

This Part requires the State Controller to transfer \$900,000 in fiscal year 2015-16 and \$750,000 in fiscal year 2016-17 from the unappropriated surplus of the General Fund to the Callahan Mine Site Restoration program, Other Special Revenue Funds account within the Department of Transportation.

PART WWW

Sec. WWW- 1. 34-A. MRSA §1403, sub-§2, ¶D, as enacted by PL 2013, c. 491, §3, is further amended to read:

D. The commissioner may appoint and set the salary for a director of operations and a policy development coordinator ~~and a media and public information officer~~ to assist in carrying out the responsibilities of the department. An appointment is for an indeterminate term and until a successor is appointed and qualified or during the pleasure of the commissioner.

SUMMARY PART WWW

This Part removes the media and public information officer from this section. This position is

proposed to be eliminated effective in fiscal year 2015-16.

PART XXX

Sec. XXX-1. Continuation of limited-period positions. Notwithstanding any provision of law to the contrary, all limited-period positions throughout State Government that are scheduled to expire during June of 2015 are continued until August 1, 2015.

SUMMARY

PART XXX

This Part continues limited period positions set to expire June 2015 through August 1, 2015.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved, except as otherwise indicated.