

**An Act Making Unified Supplemental 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, 2024 and June 30, 2025**

**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, 2024 and June 30, 2025, 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. Mill expectation.** The mill expectation pursuant to the Maine Revised Statutes, Title 20-A, section 15671-A for fiscal year 2024-25 is 6.62.

**Sec. C-2. 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 2024-25 is as follows:

	<b>2024-25</b>
	<b>TOTAL</b>
<b>Total Operating Allocation</b>	
Total operating allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683	\$1,595,190,789
Total operating allocation for public charter schools pursuant to the Maine Revised Statutes, Title 20-A, section 15683-B	32,873,939
Total adjustments to state subsidy pursuant to Title 20-A, section 15689 included in subsidizable costs and total other subsidizable costs pursuant to Title 20-A, section 15681-A	\$657,222,713
<b>Total Operating Allocation and Subsidizable Costs</b>	
Total operating allocation pursuant to Title 20-A, section 15683 and total other subsidizable costs pursuant to Title 20-A, section 15681-A	\$2,285,287,441
<b>Total Debt Service Allocation</b>	
Total debt service allocation pursuant to Title 20-A, section 15683-A	\$112,200,409

**Total Adjustments and Targeted Education Funds**

Adjustments pursuant to Title 20-A, section 15689

Audit adjustments pursuant to Title 20-A, section 15689, subsection 4	\$225,000
---	-----------

Educating students in long-term drug treatment center adjustments pursuant to Title 20-A, section 15689, subsection 5	\$249,607
---	-----------

Minimum teacher salary adjustment pursuant to Title 20-A, section 15689, subsection 7-A	\$0
---	-----

Regionalization, consolidation, and efficiency assistance adjustments pursuant to Title 20-A, section 15689, subsection 9	\$6,012,077
---	-------------

Maine Care seed payments adjustments pursuant to Title 20-A, section 15689, subsection 14	\$1,334,776
---	-------------

Special Education Hardship adjustment pursuant to Title 20-A, section 15689, subsection 15	\$500,000
--	-----------

English Learner budgetary hardship adjustment pursuant to Title 20-A, section 15689, subsection 16	\$500,000
--	-----------

Total adjustments to the state share of total allocation pursuant to Title 20-A, section 15689	\$8,821,460
--	-------------

Targeted Education Funds pursuant to Title 20-A, section 15689-A

Special education costs for state agency clients and state wards pursuant to Title 20-A, section 15689-A, subsection 1	\$28,398,550
Essential programs and services components contract pursuant to Title 20-A, section 15689-A, subsection 3	\$250,000
Data management and support services for essential programs and services pursuant to Title 20-A, section 15689-A, subsection 10	\$11,000,000
Postsecondary course payments pursuant to Title 20-A, section 15689-A, subsection 11	\$5,500,000
National board certification salary supplement pursuant to Title 20-A, section 15689-A, subsection 12	\$0
Learning through technology program pursuant to Title 20-A, section 15689-A, subsection 12-A	\$9,000,000
Jobs for Maine's Graduates including college pursuant to Title 20-A, section 15689-A, subsection 13	\$3,881,379
Maine School of Science and Mathematics pursuant to Title 20-A, section 15689-A, subsection 14	\$3,615,347
Maine Educational Center for the Deaf and Hard of Hearing pursuant to Title 20-A, section 15689-A, subsection 15	\$9,758,979
Transportation administration pursuant to Title 20-A, section 15689-A, subsection 16	\$521,035

Special education for juvenile offenders pursuant to Title 20-A, section 15689-A, subsection 17	\$407,999
Comprehensive early college programs funding (bridge year program) pursuant to Title 20-A, section 15689-A, subsection 23	\$1,000,000
Community schools pursuant to Title 20-A, section 15689-A, subsection 25	\$250,000
Instruments and Professional Development in rural schools pursuant to Title 20-A, section 15689-A, subsection 28	\$50,000
Total targeted education funds pursuant to Title 20-A, section 15689-A	\$73,633,289
Enhancing student performance and opportunity pursuant to Title 20-A, section 15688-A and section 15672, subsection 1-D	
Career and technical education costs pursuant to Title 20-A, section 15688-A, subsection 1	\$72,215,867
College transitions programs through adult education college readiness programs pursuant to Title 20-A, section 15688-A, subsection 2	\$450,000
National industry standards for career and technical education pursuant to Title 20-A, section 15688-A, subsection 6	\$2,000,000
Career and technical education middle school grant program pursuant to Title 20-A, section 15688-A, subsection 8	\$500,000

Career and technical education early childhood education program expansion support pursuant to Title 20-A, section 15688-A, subsection 10	\$100,000
Total enhancing student performance and opportunity pursuant to Title 20-A, section 15688-A and section 15672, subsection 1-D	\$75,265,867
<b>Total Cost of Funding Public Education from Kindergarten to Grade 12</b>	
Total cost of funding public education from kindergarten to grade 12 for fiscal year pursuant to Title 20-A, chapter 606-B, not including normal retirement costs	\$2,555,208,466
Total normal cost of teacher retirement	\$66,734,161
Total cost of funding public education from kindergarten to grade 12 for fiscal year pursuant to Title 20-A, chapter 606-B, including normal retirement costs	\$2,621,942,627
Total cost of state contribution to unfunded actuarial liabilities of the Maine Public Employees Retirement System that are attributable to teachers, retired teacher health insurance and retired teacher life insurance for fiscal year 2024-25 pursuant to Title 5, chapters 421 and 423, excluding the normal cost of teacher retirement	\$274,089,573
Total cost of funding public education from kindergarten to grade 12, plus state contributions to the unfunded actuarial liabilities of the Maine Public Employees Retirement System that are attributable to teachers, retired teacher health insurance and retired teacher life insurance for fiscal year 2024-25 pursuant to Title 5, chapters 421 and 423	\$2,896,032,200

**Sec. C-3. 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, 2024, and ending June 30, 2025, is calculated as follows:

	2024-25	2024-25
	LOCAL	STATE
<b>Local and State Contributions to the Total Cost of Funding Public Education from Kindergarten to Grade 12</b>		
Local and state contributions to the total cost of funding public education from kindergarten to grade 12 pursuant to the Maine Revised Statutes, Title 20-A, section 15683, subject to statewide distributions required by law	\$1,179,874,182	\$1,442,068,445
State contribution to the total cost of unfunded actuarial liabilities of the Maine Public Employees Retirement System that are attributable to teachers, teacher retirement health insurance and teacher retirement life insurance for fiscal year 2022-23 pursuant to Title 5, chapters 421 and 423 excluding the normal cost of teacher retirement		\$274,089,573
State contribution to the total cost of funding public education from kindergarten to grade 12 plus state contribution to the total cost of unfunded actuarial liabilities of the Maine Public Employees Retirement System that are attributable to teachers, teacher retirement health insurance and teacher retirement life insurance pursuant to Title 5, chapters 421 and 423		\$1,716,158,018

**Sec. C-4. Authorization of payments.** If the State's continued obligation for any individual component contained in those sections of this Act 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 Act may not lapse but must be carried forward for the same purpose.

**Sec. C-5. Limit of State's obligation.** Those sections of this Act 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, 2024, and ending June 30, 2025.

## **PART C SUMMARY**

This Part establishes the Total Cost of Education from Kindergarten to Grade 12, the state contribution, the annual target state share percentage, and the mill expectation for the local contribution for fiscal year 2024-2025.

## **PART D**

**Sec. D-1. Adjustments to allocations.** Notwithstanding the Maine Revised Statutes, Title 37-B, section 746 or any other provision of law to the contrary, Federal Expenditures Fund - ARP State Fiscal Recovery funds allocated to departments, agencies and programs may be adjusted in fiscal years 2023-24, 2024-25 or 2025-26 either within the same department or agency or between departments or agencies on recommendation of the State Budget Officer and approval of the Governor. The Commissioner of Administrative and Financial Services shall report any adjustments to allocations made pursuant to this section to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs at least quarterly.

**Sec. D-2. PL 2023, c. 3, Pt. C, §5** is amended to read:

**Sec. C-5.** Continuation of limited-period positions. Notwithstanding any provision of law to the contrary, limited-period positions funded with the Federal Expenditures Fund - ARP State Fiscal Recovery funds authorized in Public Law 2021, chapter 483, "An Act To Provide Allocations for the Distribution of State Fiscal Recovery Funds," may be extended beyond 2 years by financial order but not later than ~~June 30, 2025~~ December 31, 2026.

**Sec. D-3. Appropriations and allocations.** The following appropriations and allocations are made.

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

Revenue Services, Bureau of 0002



Initiative: Adjusts funding by decreasing General Fund appropriations and increasing Federal Expenditures Fund ARP State Fiscal Recovery Funds allocation in the Department of Administrative and Financial Services, Bureau of Revenue Services program to allow for the expenditure of federal funds in a manner consistent with US Treasury Guidance. Federal funding is available from the allocation provided to the Department of Administrative and Financial Services in Public Law 2021, chapter 483, Part Y.

<b>FEDERAL EXPENDITURES FUND – ARP STATE FISCAL RECOVERY</b>	<b>2023-24</b>	<b>2024-25</b>
All Other	<u>\$10,000,000</u>	<u>\$0</u>
FEDERAL EXPENDITURES FUND – ARP STATE FISCAL RECOVERY	\$10,000,000	\$0
 <b>GENERAL FUND</b>	 <b>2023-24</b>	 <b>2024-25</b>
All Other	<u>(\$10,000,000)</u>	<u>\$0</u>
GENERAL FUND	(\$10,000,000)	\$0

Executive Branch Departments and Independent Agencies - Statewide 0017

Initiative: Allocates one-time funding to support positions necessary to complete projects initially funded with funds received through the American Rescue Plan.

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2023-24</b>	<b>2024-25</b>
Personal Services	<u>\$0</u>	<u>\$10,000,000</u>
OTHER SPECIAL REVENUE FUNDS	\$0	\$10,000,000

**Sec. D-4. Transfer from General Fund unappropriated surplus; Executive Branch Departments and Independent Agencies - Statewide.** Notwithstanding any provision of law to the contrary, on or before June 30, 2024, the State Controller shall transfer \$10,000,000 from the unappropriated surplus of the General Fund to the Department of Administrative and Financial Services, Executive Branch Departments and Independent Agencies - Statewide, Other Special Revenue Funds account to provide one-time funding to support Personal Services costs necessary to complete projects initially funded with funds received through the American Rescue Plan.

**Sec. D-5. Calculation and transfer.** The State Budget Officer shall the calculate the cost of extending positions necessary to complete authorized projects initially funded with funds received through the American Rescue Plan. The State Budget Officer shall transfer the amounts by financial order upon the approval of the Governor. These transfers are considered adjustments to allocations in 2023-24, 2024-25 or 2025-26.

## **PART D SUMMARY**

This Part authorizes the transfer of allocation within or between departments in order to maximize the use of the State Local Fiscal Recovery Funds. This will allow the redistribution of funds as projects move through their life cycle.

Additionally, this allows limited period positions to be extended through December 31, 2026, based on updated guidance from the US Treasury. According to the US Treasury guidance, all funds must be obligated prior to December 31, 2024 and expended by December 31, 2026. US Treasury guidance identifies which types of position activities are allowable between December 31, 2024, the required obligation date, and December 31, 2026, the required expenditure date. Many projects will continue to require staffing during this two year period.

This Part also adjusts funding by decreasing General Fund appropriations and increasing Federal Expenditures Fund ARP State Fiscal Recovery Funds in the Department of Administrative and Financial Services, Bureau of Revenue Services program to allow for the expenditure of federal funds in a manner consistent with US Treasury Guidance. Federal funding is available from the allocation provided to the Department of Administrative and Financial Services in PL 2023, chapter 483, Part Y. The expenditure of funds in the Bureau of Revenues Services is considered a provision of government services and thus an allowable expenditure of State Fiscal Recovery Funds. The General Fund deappropriation allows for the transfer of General Fund unappropriated surplus to the Statewide account which will be used to support certain positions, initially funded with American Rescue Plan funds, beyond the December 31, 2024 obligation period.

## **PART E**

**Sec. E-1. Transfer from General Fund unappropriated surplus; Property Tax Stabilization.** Notwithstanding any provision of law to the contrary, on or before June 30, 2024, the State Controller shall transfer \$15,000,000 from the unappropriated surplus of the General Fund to the Department of Administrative and Financial Services, Property Tax Stabilization, Other Special Revenue Funds account for the purposes of funding the reimbursements to municipalities for the amount of property tax assessed in excess of the amount stabilized on a homestead of a permanent resident who is at least 65 years of age pursuant to Public Law 2021, chapter 751, An Act To Stabilize Property Taxes for Individuals 65 Years of Age or Older Who Own a Homestead for at Least 10 Years.

**Sec. E-2. Transfer from General Fund unappropriated surplus; Property Tax Stabilization - Mandate.** Notwithstanding any provision of law to the contrary, on or before June 30, 2024, the State Controller shall transfer \$50,000 from the unappropriated surplus of the General Fund to the Department of Administrative and Financial Services, Property Tax Stabilization - Mandate, Other Special Revenue Funds account for the purposes of funding the reimbursements to municipalities for the state mandated costs related to implementation and administration of the Property Tax Stabilization program enacted in Public Law 2021, chapter 751, An Act To Stabilize Property Taxes for Individuals 65 Years of Age or Older Who Own a Homestead for at Least 10 Years.

## **PART E SUMMARY**

This Part requires the transfer of \$15,050,000 on or before June 30, 2024 from the unappropriated surplus of the General Fund to the Department of Administrative and Financial Services, Property Tax Stabilization, Other Special Revenue Funds account and the Property Tax Stabilization - Mandate, Other Special Revenue Funds account for the purposes of fully funding required reimbursements pursuant to Public Law 2021, chapter 751, An Act To Stabilize Property Taxes for Individuals 65 Years of Age or Older Who Own a Homestead for at Least 10 Years.

## **PART F**

**Sec. F-1. 5 MRSA §1531, sub-§4, as repealed and replaced by PL 2023, c. 412, Part I, §2** is further amended to read:

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

A. For the 2024-2025 biennium, 98% of the baseline General Fund revenue for fiscal year 2023-24 as of December 1, 2023 ~~2022~~; and

B. For fiscal years subsequent to fiscal year 2024-25, the amount of the General Fund appropriation limitation calculated for the current year pursuant to section 1534, subsection 1.

**Sec. F-2. 5 MRSA §1532, sub-§5 as amended by PL 2023, c.412, Part I, §4** is further amended to read:

**5. Investment proceeds; exception.** At the close of every month during which the stabilization fund is at the 18% limitation described in subsection 1, the State Controller shall transfer from the General Fund to the Irrevocable Trust Funds for Other Post-employment Benefits for the State Employee Plan, as defined in section 286-B, subsection 1.D., and established in section 286-B, subsection 2, paragraph 3 an amount equal to the investment earnings that otherwise would have been credited to the stabilization fund.

**Sec. F-3. 5 MRSA §1535, sub-§3 as enacted by PL 2023, c.412, Part I, §7** is further amended to read:

**3. Irrevocable Trust Funds for Other Post-employment Benefits.** Ten percent to the Irrevocable Trust Funds for Other Post-employment Benefits established in section 286-B, subsection 2, paragraph 3, the ‘state employee plan’.

## **PART F SUMMARY**

This Part updates the definition of biennial base year appropriation and clarifies the State Employee Plan as the Irrevocable Trust Funds for Other Post-employment Benefits that receives funds.

## **PART G**

**Sec. G-1. Transfer from General Fund unappropriated surplus;** Notwithstanding any provision of law to the contrary, on or before June 30, 2025, the State Controller shall transfer \$107,000,000 from the unappropriated surplus of the General Fund to a General Fund reserve account established by the State Controller to reserve General Fund resources for future funding needs.

**Sec. G-2. Transfer to General Fund unappropriated surplus;** Notwithstanding any provision of law to the contrary, on July 1, 2025, the State Controller shall transfer \$107,000,000 from the reserve account established by the State Controller to reserve General Fund resources for future funding needs to the unappropriated surplus of the General Fund.

## **PART G SUMMARY**

This Part transfers \$107,000,000 at the close of fiscal year 2024-25 from the General Fund unappropriated surplus to a General Fund reserve account established by the State Controller to reserve General Fund resources for future funding needs. This Part also transfers the funds back to the unappropriated surplus in fiscal year 2025-26 to make them available as resources for the 2026-2027 State budget.

## **PART H**

**Sec. H-1. 23 MRSA §4210-B, sub-§7,** as amended by PL 2023, c. 360, Pt. C, §1 is further amended to read:

**7-A. Sales tax revenue.** On July 1st of each year, the State Controller shall transfer to the Multimodal Transportation Fund an amount, as certified by the State Tax Assessor, that is

equivalent to 100% of the revenue from the tax imposed on the value of rental of a truck or van with a gross weight of less than 26,000 pounds ~~rented from a person primarily engaged in the business of renting automobiles~~ and the value of rental for a period of less than one year of an automobile pursuant to Title 36, section 1811 for the first 6 months of the prior fiscal year after the reduction for the transfer to the Local Government Fund as described by Title 30-A, section 5681, subsection 5 and the transfer to the ATV Recreational Management Fund pursuant to Title 36, section 1820. On October 1st of each year, the State Controller shall transfer to the Multimodal Transportation Fund an amount, as certified by the State Tax Assessor, that is equivalent to 100% of the revenue from the tax imposed on the value of rental of a truck or van with a gross weight of less than 26,000 pounds ~~rented from a person primarily engaged in the business of renting automobiles~~ and the value of rental for a period of less than one year of an automobile pursuant to Title 36, section 1811 for the last 6 months of the prior fiscal year after the reduction for the transfer to the Local Government Fund as described by Title 30-A, section 5681, subsection 5 and the transfer to the ATV Recreational Management Fund pursuant to Title 36, section 1820. The tax amount must be based on actual sales for that fiscal year and may not consider any accruals that may be required by law.

**Sec. H-2. 36 MRSA §182, sub-§1**, as amended by PL 2007, c. 437, §2 is further amended to read:

**1. Generally.** The State Tax Assessor may, through the Attorney General, file an action in Superior Court applying for an order to enjoin from doing business any person who has:

- A. Failed to register with the assessor when the person is required to register by any provision of Part 3, ~~chapter 358~~ or Part 5 or by any rule adopted pursuant to this Title, as long as the assessor has provided written notice and the person continues to fail to register 15 days after receiving notice from the assessor of such failure;
- B. Failed to file with the assessor any overdue return required by Part 3, ~~chapter 358~~ or Part 5 within 15 days after receiving notice from the assessor of such failure;
- C. Failed to pay any tax required by Part 3, ~~chapter 358~~ or Part 5 when the tax is shown to be due on a return filed by that person, or that is otherwise conceded by that person to be due, or has been determined by the assessor to be due and that determination has become final;
- D. Knowingly filed a false return required by Part 3, ~~chapter 358~~ or Part 5; or
- E. Failed to deduct and withhold, or truthfully account for or pay over or make returns of, income taxes in violation of the provisions of chapter 827.

**Sec. H-3. 36 MRSA §1752, sub-§§1-K to 1-Q** are enacted to read:

**1-K. Ancillary service.** “Ancillary service” means a service that is associated with or incidental to the provision of telecommunications services, including, but not limited to, detailed telecommunications billing service, directory assistance, vertical service and voicemail service.

**1-L. Cable and satellite television or radio services.** “Cable and satellite television or radio services” means all cable and satellite television or radio services, including the installation or use of associated equipment, for which a charge is made.

**1-M. Conference bridging service.** “Conference bridging service” means an ancillary service that links two or more participants in an audio or video conference call and may include the provision of a telephone number. “Conference bridging service” does not include the telecommunications services used to reach the conference bridge.

**1-N. Detailed telecommunications billing service.** “Detailed telecommunications billing service” means an ancillary service of separately stating information pertaining to individual calls on a customer’s billing statement.

**1-O. Digital audio-visual and digital audio services.** “Digital audio-visual and digital audio services” means the electronic transfer of digital audio-visual works and digital audio works to an end user with the right of less than permanent use granted by the seller, including when conditioned upon continued payment from the purchaser or a subscription.

For purposes of this subsection:

A. “End user” means a person other than a person who receives by contract a product transferred electronically for further commercial broadcast, rebroadcast, transmission, retransmission, licensing, relicensing, distribution, redistribution or exhibition of the product, in whole or in part, to another person;

B. “Permanent” means perpetual or for an indefinite or unspecified length of time;

C. “Subscription” means an agreement with a seller that grants a purchaser the right to obtain products transferred electronically, in a fixed quantity or for a fixed period of time, or both; and

D. “Transfer electronically” or “electronic transfer” means obtainment by the purchaser by means other than tangible storage media.

**1-P. Digital audio-visual works.** “Digital audio-visual works” means a series of related images that, when shown in succession, impart an impression of motion, together with accompanying sounds, if any.

**1-Q. Digital audio works.** “Digital audio works” means works that result from the fixation of a series of musical, spoken or other sounds, including ringtones. For purposes of this subsection, “ringtones” means digitized sound files that are downloaded onto a device and that may be used to alert the purchaser with respect to a communication.

**Sec. H-4. 36 MRSA §1752, sub-§§2-F to 2-H are enacted to read:**

**2-F. Directory assistance.** “Directory assistance” means an ancillary service of providing telephone number information or address information or both.

**2-G. Durable medical equipment.** “Durable medical equipment” means equipment, including repair and replacement parts for such equipment, that:

- A. Can withstand repeated use;
- B. Is primarily and customarily used to serve a medical purpose;
- C. Generally is not useful to a person in the absence of illness or injury; and
- D. Is not worn in or on the body.

“Durable medical equipment” does not include mobility enhancing equipment.

**2-H. Fabrication services.** “Fabrication services” means the production of tangible personal property for a consideration for a person who furnishes, either directly or indirectly, the materials used in that production.

**Sec. H-5. 36 MRSA §1752, sub-§3-E,** as repealed by PL 2003, c. 673, Pt. V, §10 and affected by §29, is amended to read:

**3-E. Home service provider.** “Home service provider” means the facilities-based carrier or reseller with which a customer contracts for the provision of mobile telecommunications services.

**Sec. H-6. 36 MRSA §1752, sub-§4-A and 4-B** are enacted to read:

**4-A. International telecommunications service.** “International telecommunications service” means a telecommunications service that originates or terminates in the United States and terminates or originates outside the United States, respectively. For purposes of this subsection, “United States” includes a territory or possession of the United States.

**4-B. Interstate telecommunications service.** “Interstate telecommunications service” means a telecommunications service that originates in one state, territory or possession of the United States and terminates in a different state, territory or possession of the United States. For purposes of this subsection, “state” includes the District of Columbia.

**Sec. H-7. 36 MRSA §1752, sub-§5-D and 5-E** are enacted to read:

**5-D. Lease or rental.** “Lease or rental” means any transfer of possession or control of tangible personal property for a fixed or indeterminate term for consideration and may include future options to purchase or extend. “Lease or rental” includes a sublease and subrental.

“Lease or rental” does not include:

A. Leases and contracts payable by rental or license fees for the right of possession and use when such leases and contracts are deemed by the State Tax Assessor to be in lieu of purchase;

B. A 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; or

C. Providing tangible personal property along with an operator for a fixed or indeterminate period of time, when that operator is necessary for the equipment to perform as designed and the operator does more than maintain, inspect or set up the tangible personal property.

This definition shall apply regardless if a transaction is characterized as a lease or rental under generally accepted accounting principles, the Internal Revenue Code, the Uniform Commercial Code, or other provisions of federal, state or local law.

“Lease or rental” includes the terms “lease” and “rental” as used in this Part.

**5-E. Lessor.** “Lessor” means a person who leases or rents tangible personal property located in this State to another person.

**Sec. H-8. 36 MRSA §1752, sub-§§6-J and 6-K** are enacted to read:

**6-J. Mobile telecommunications services.** “Mobile telecommunications services” means commercial mobile radio service as defined in 47 Code of Federal Regulations, Section 20.3 as in effect October 1, 2015. For purposes of sourcing, “mobile telecommunications services” does not include air-ground radiotelephone service as defined in 47 Code of Federal Regulations, Section 22.99 as in effect October 1, 2015.

**6-K. Mobility enhancing equipment.** “Mobility enhancing equipment” means equipment, including repair and replacement parts for such equipment, that:

A. Is primarily and customarily used to provide or increase the ability to move from one place to another and which is appropriate for use either in a home or a motor vehicle;

B. Is not generally used by persons with normal mobility; and

C. Does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer.

“Mobility enhancing equipment” does not include durable medical equipment.

**Sec. H-9. 36 MRSA §1752, sub-§7-E**, as repealed by PL 2003, c. 673, Pt. V, §13 and affected by §29 is amended to read:

**7-E. Place of primary use.** “Place of primary use” means the street address representative of where a customer’s use of mobile telecommunications services primarily occurs, which



must be either the residential street address or the primary business street address of the customer and must also be located within the licensed service area of the home service provider. For purposes of determining the place of primary use, “customer” means the person or entity that contracts with the home service provider for mobile telecommunications services or, if the end user of such services is not the contracting party, the person that is the end user of such services. The term “customer” does not include a reseller of mobile telecommunications services or a serving carrier under an agreement to serve the customer outside the home service provider’s licensed service area.

**Sec. H-10. 36 MRSA §1752, sub-§7-F**, as enacted by PL 2019, c. 401, Pt. B, §2 is repealed.

**Sec. H-11. 36 MRSA §1752, sub-§8-C**, as enacted by PL 2011, c. 655, Pt. PP, §1 and affected by §4, is repealed.

**Sec. H-12. 36 MRSA §1752, sub-§9-D**, as repealed by PL 2003, c. 673, Pt. V, §15 and affected by §29 is amended to read:

**9-D. Reseller.** “Reseller,” when used in relation to mobile telecommunications services, means a provider that purchases telecommunications services from another telecommunications service provider and then resells, uses as a component part of or integrates the purchased services into mobile telecommunications services. “Reseller” does not include a serving carrier with which a home service provider arranges for services to its customers outside the home service provider’s licensed service area.

**Sec. H-13. 36 MRSA §1752, sub-§10**, as amended by PL 2019, c. 401, Pt. B, §3 is further amended to read:

**10. Retailer.** “Retailer” means a person who makes retail sales or who is required to register by section 1754-B or who is registered under section 1756. “Retailer” includes a lessor.

**Sec. H-14. 36 MRSA §1752, sub-§11, ¶B**, as amended by PL 2021, c. 578, §1 is further amended to read:

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 the sale is made in the continuation or operation of a business;
- ~~(3) The sale, to a person engaged in the business of renting automobiles, of automobiles, integral parts of automobiles or accessories to automobiles, for rental or for use in an automobile rented for a period of less than one year;~~

- ~~(3-A) The sale, to a person primarily engaged in the business of renting automobiles, of trucks or vans with a gross vehicle weight of less than 26,000 pounds, integral parts of such vehicles or accessories for such vehicles, for rental or for use in such a vehicle rented for a period of less than one year;~~
- ~~(4) The sale, to a person engaged in the business of renting video media and video equipment, of video media or video equipment for rental;~~
- ~~(5) The sale, to a person engaged in the business of renting or leasing automobiles, of automobiles for rental or lease for one year or more;~~
- (6) The sale, to a person engaged in the business of providing cable or satellite television services or satellite radio services, of associated equipment for rental or lease to subscribers in conjunction with a sale of cable or satellite television services or satellite radio services;
- ~~(7) The sale, to a person engaged in the business of renting furniture or audio media and audio equipment, of furniture, audio media or audio equipment for rental pursuant to a rental purchase agreement as defined in Title 9-A, section 11-105;~~
- (8) The sale of loaner vehicles to a new vehicle dealer licensed as such pursuant to Title 29-A, section 953;
- (9) The sale of automobile repair parts used in the performance of repair services on an automobile pursuant to an extended service contract ~~sold on or after September 20, 2007~~ that entitles the purchaser to specific benefits in the service of the automobile for a specific duration;
- (10) 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;
- (11) 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;
- (12) 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;
- (13) 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;
- (14) The sale of repair parts used in the performance of repair services on telecommunications equipment ~~as defined in section 2551, subsection 19~~ pursuant to an extended service contract that entitles the purchaser to specific benefits in the service of the telecommunications equipment for a specific duration;

~~(15) The sale of positive airway pressure equipment and supplies and oxygen delivery equipment for rental for personal use to a person engaged in the business of renting positive airway pressure equipment and oxygen delivery equipment;~~

(16) The sale, to a person engaged in the business of renting or leasing motor homes, as defined in Title 29-A, section 101, subsection 40, or camper trailers, of motor homes or camper trailers for rental as tangible personal property but not as the rental of living quarters; ~~or~~

(17) The sale of truck repair parts used in the performance of repair services on a truck pursuant to an extended service contract that entitles the purchaser to specific benefits in the service of the truck for a specific duration; or

(18) The sale, lease or rental to a lessor who has been issued a resale certificate pursuant to section 1754-B, subsection 2-B or 2-C 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 rentals, conditional sale contracts and any contract under which possession of the property is given to the purchaser but title is retained by the vendor as security for the payment of the purchase price, and contracts payable by rental or license fees for the right of possession and use, but only when such leases and contracts that are deemed by the State Tax Assessor to be in lieu of purchase. Each period for which a lease or rental payment is charged is considered a separate sale.

**Sec. H-16. 36 MRSA §1752, sub-§14**, as amended by PL 2021, c. 578, §2, is further amended to read:

**14. Sale price.** “Sale price” means the total amount of a retail sale valued in money, whether received in money or otherwise.

A. “Sale price” includes:

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

(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;

(3) All consideration received for the rental of living quarters in this State, including any service charge or other charge or amount required to be paid as a condition for

occupancy, valued in money, whether received in money or otherwise and whether received by the owner, occupant, manager or operator of the living quarters, by a room remarketer, by a person that operates a transient rental platform or by another person on behalf of any of those persons;

(4) In the case of the lease or rental for a period of less than one year of an automobile or of a 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~~, the value 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; and

(5) In the case of the lease or rental of an automobile for one year or more, the value is the total monthly lease payment multiplied by the number of payments in the lease or rental, the amount of equity involved in any trade-in and the value of any cash down payment. Collection and remittance of the tax is the responsibility of the person that negotiates the lease transaction with the lessee.

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 or services pursuant to warranty;

(3) The price of property returned or services rejected 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 or fabricated, 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) 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;
- (9) Any amount charged for the disposal of used tires;
- (10) Any amount charged for a paper or plastic single-use carry-out bag;
- (11) Any charge, deposit, fee or premium imposed by a law of this State;
- (12) Federal universal service support funds that are paid directly to the seller pursuant to 47 Code of Federal Regulations, Part 54;~~or~~
- (13) A paint stewardship assessment imposed pursuant to Title 38, section 2144~~;~~ or
- (14) For lease or rental payments, separately stated charges for sales of optional insurance coverage for the protection of the lessee or of the lessee's personal property, such as liability insurance, personal accident insurance, or personal effects protection.

**Sec. H-17. 36 MRSA §1752, sub-§14-D**, as repealed by PL 2003, c. 673, Pt. V, §17 and affected by §29, is amended to read:

**14-D. Serving carrier.** “Serving carrier,” when used in relation to mobile telecommunications services, means a facilities-based carrier providing mobile telecommunications services to a customer outside a home service provider’s licensed service area.

**Sec. H-18. 36 MRSA §1752, sub-§17-B**, as amended by PL 2021, c. 578, §3 is repealed and replaced with the following:

**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 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;
- D. The sale of prepaid calling service;
- E. Cable and satellite television or radio services;
- F. Fabrication services;
- G. Telecommunications services;

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

I. Ancillary services; and

J. Digital audio-visual and digital audio services.

**Sec. H-19. 36 MRSA §1752, sub-§§17-C and 17-D** are enacted to read:

**17-C. Telecommunications equipment.** “Telecommunications equipment” means any 2-way interactive communications device, system or process for transmitting or receiving signals and capable of exchanging audio, video, data or textual information. “Telecommunications equipment” includes all transmission media that are used or capable of being used in the provision of a 2-way interactive communications, including, without limitation, copper wire, coaxial cable and optical fiber, except those transmission media designed and primarily used to transmit electricity. “Telecommunications equipment” does not include computers, except those components of a computer used primarily and directly as a 2-way interactive communications device capable of exchanging audio, video, data or textual information.

**17-D. Telecommunications services.** “Telecommunications services” means the electronic transmission, conveyance or routing of voice, data, audio, video or any other information or signals to a point or between or among points. “Telecommunications services” includes transmission, conveyance or routing in which computer processing applications are used to act on the form, code or protocol of the content for purposes of transmission, conveyance or routing without regard to whether the service is referred to as “Voice over Internet Protocol” services or is classified by the Federal Communications Commission as enhanced or value added. “Telecommunications services” does not include:

A. Data processing and information services that allow data to be generated, acquired, stored, processed or retrieved and delivered by an electronic transmission to a purchaser when the purchaser’s primary purpose for the underlying transaction is to obtain the processed data or information;

B. Installation or maintenance of wiring or equipment on a customer’s premises;

C. Tangible personal property;

D. Advertising, including, but not limited to, directory advertising;

E. Billing and collection services provided to 3rd parties;

F. Internet access service;

G. Radio and television audio and video programming services, regardless of the medium, including the furnishing of transmission, conveyance and routing of those services by the programming service provider. Radio and television audio and video programming services include, but are not limited to, cable service as defined in 47 United States Code,

Section 522(6) and audio and video programming services delivered by commercial mobile radio service providers as defined in 47 Code of Federal Regulations, Section 20.3;

H. Ancillary services; or

I. Digital products delivered electronically, including, but not limited to, software, music, video, reading materials or ringtones.

**Sec. H-20. 36 MRSA §1752, sub-§22-A** is enacted to read:

**22-A. Vertical service.** “Vertical service” means an ancillary service that is offered in connection with one or more telecommunications services and offers advanced calling features that allow customers to identify callers and to manage multiple calls and call connections. “Vertical service” includes conference bridging service.

**Sec. H-21. 36 MRSA §1752, sub-§23-A** is enacted to read:

**23-A. Voice mail service.** “Voice mail service” means an ancillary service that enables the customer to store, send or receive recorded messages. “Voice mail service” does not include a vertical service that the customer may be required to have in order to use the voice mail service.

**Sec. H-22. 36 MRSA §1754-B, sub-§1-B, ¶A,** as repealed and replaced by PL 2021, c. 181, Pt. B, §5, is further amended to read:

A. Every person that has a substantial physical presence in this State and that makes sales of tangible personal property or taxable services in this State, including, but not limited to:

- (1) Every person that makes sales 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;
- (2) Every person that makes sales 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; and
- (3) Every lessor engaged in the leasing 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~~ in this State;

**Sec. H-23. 36 MRSA §1758**, as repealed and replaced by PL 1999, c. 708, §24, is repealed.

**Sec. H-24. 36 MRSA §1760, sub-§9-I** is enacted to read:

**9-I. Fuel used at a manufacturing facility.** Ninety-five percent of the sale price of fabrication services for the production of fuel for use at a manufacturing facility.

**Sec. H-25. 36 MRSA §1760, sub-§94**, as amended by PL 2019, c. 401, Pt. B, §15, is repealed.

**Sec. H-26. 36 MRSA §1760, sub-§§115 to 120** are enacted to read:

**115. Durable medical equipment.** Beginning January 1, 2025, sales of durable medical equipment that is sold or leased for home use.

**116. Mobility enhancing equipment.** Beginning January 1, 2025, sales of mobility enhancing equipment that is sold or leased for home use.

**117. Fabrication services for resale.** Beginning January 1, 2025, the production of tangible personal property through fabrication services if a sale to the consumer of that tangible personal property would be exempt or otherwise not subject to tax under this Part.

**118. International telecommunications service.** Beginning January 1, 2025, sales of international telecommunications service to a business for use directly in that business.

**119. Interstate telecommunications service.** Beginning January 1, 2025, sales of interstate telecommunications service to a business for use directly in that business.

**120. Section 501(c)(3) nonprofit organizations.** Beginning January 1, 2025, sales to a nonprofit organization that has been determined by the United States Internal Revenue Service to be exempt from federal income taxation under Section 501(c)(3) of the Code, if the tangible personal property or taxable services sold are to be used primarily for the purposes for which the nonprofit organization was organized.

**Sec. H-27. 36 MRSA §1811, sub-§1, ¶D**, as amended by PL 2021, c. 658, §286, is further amended to read:

D. For sales occurring on or after October 1, 2019 and before January 1, 2025, the rate of tax is 5.5% on the value of all tangible personal property and taxable services, except the rate of tax is:



- (1) Eight percent on the value of prepared food;
- (2) Eight percent 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 liquor sold for on-premises consumption by a licensed brewery, small brewery, winery, small winery, distillery or small distillery pursuant to Title 28-A, section 1355-A, subsection 2, paragraph B;
- (3) Nine percent on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp;
- (4) Ten percent on the value of rental for a period of less than one year of:
  - (a) An automobile;
  - (b) A 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
  - (c) 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
- (5) Ten percent on the value of adult use cannabis, adult use cannabis products and, if sold by a person to an individual who is not a qualifying patient, cannabis and cannabis products beginning on the first day of the calendar month in which adult use cannabis and adult use cannabis products may be sold in the State by a cannabis establishment licensed to conduct retail sales pursuant to Title 28-B, chapter 1.

**Sec. H-28. 36 MRSA §1811, sub-§1, ¶E** is enacted to read:

E. For sales occurring on or after January 1, 2025, the rate of tax is 5.5% on the value of all tangible personal property and taxable services, except the rate of tax is:

- (1) Eight percent on the value of prepared food;
- (2) Eight percent 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 liquor sold for on-premises consumption by a licensed brewery, small brewery, winery, small winery, distillery or small distillery pursuant to Title 28-A, section 1355-A, subsection 2, paragraph B;
- (3) Nine percent on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp;
- (4) Ten percent on the value of rental for a period of less than one year of:
  - (a) An automobile;
  - (b) A truck or van with a gross vehicle weight of less than 26,000 pounds; or

(c) 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

(5) Ten percent on the value of adult use cannabis, adult use cannabis products and, if sold by a person to an individual who is not a qualifying patient, cannabis and cannabis products.

**Sec. H-29. 36 MRSA §1819, sub-§2,** as amended by PL 2021, c. 181, Pt. B, §6, is further amended to read:

**2. Sourcing for sales of tangible personal property and taxable services; generally.**

The sale of tangible personal property or a taxable service is sourced in this State pursuant to this subsection. The provisions of this subsection do not apply to the lease or rental of tangible personal property or the sale of mobile telecommunications services.

**Sec. H-30. 36 MRSA §1819, sub-§§3 and 4** are enacted to read:

**3. Sourcing for leases or rentals of tangible personal property.** The lease or rental of tangible personal property is sourced pursuant to this subsection.

A. For a lease or rental that requires recurring periodic payments, the first periodic payment is sourced to this State in the same manner as a sale of tangible personal property in accordance with subsection 2. Periodic payments made subsequent to the first payment are sourced to the primary property location for each period covered by the payment. For the purposes of this paragraph, "the primary property location" is an address for the property provided by the lessee that is available to the lessor from its records and maintained in the ordinary course of business, when use of this address does not constitute bad faith. The primary property location shall not be 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 to this State in the same manner as a sale of tangible personal property in accordance with subsection 2.

C. This subsection does not affect the imposition or computation of sales or use tax on leases or rentals based on a lump sum or accelerated basis, or on the acquisition of property for lease.

**4. Sourcing for mobile telecommunications services.** The sale of mobile telecommunications services is sourced in this state pursuant to this subsection.

A. Mobile telecommunications services provided to a customer whose place of primary use is located in this State, the charges for which are billed by or for the customer's home service provider, are deemed to be provided at the customer's place of primary use. A home service provider is responsible for obtaining and maintaining a record of a customer's place of primary use. Subject to paragraph B and if the home service provider's reliance on the information provided by its customer is in good faith, the home service provider:

(1) May rely on the applicable residential or business street address supplied by the home service provider's customer; and

(2) May not be held liable for any additional taxes under this Part based on a different determination of the place of primary use.

B. If the assessor determines that the address used by a home service provider as a customer's place of primary use does not meet the definition provided by section 1752, subsection 7-E, the assessor shall notify the customer in writing of that determination and provide the customer an opportunity to demonstrate that that address is the customer's place of primary use. If the customer fails to demonstrate to the assessor's satisfaction within 30 days from the time it receives notice from the assessor, or within another time period as the assessor may allow, that the address in question is the customer's place of primary use, the assessor shall provide the home service provider with the proper address to be used as the customer's place of primary use. The home service provider shall begin using the address provided by the assessor as the customer's place of primary use within 30 days from the date it receives notice of the assessor's determination.

C. A home service provider is entitled to the hold harmless protections provided by the federal Mobile Telecommunications Sourcing Act, Public Law 106-252, Section 1, 114 Stat. 2, (2000).

D. Notwithstanding any other provision of this Part, otherwise nontaxable charges that are aggregated with and not separately stated from taxable mobile telecommunications charges are subject to taxation unless the home service provider can, to the satisfaction of the assessor, reasonably identify such charges from books and records kept in the regular course of its business. A customer may not rely upon the nontaxability of bundled services unless the customer's home service provider separately states the otherwise nontaxable services or the home service provider elects, after receiving written notice from the customer in the form required by the provider, to provide verifiable data based upon the home service provider's books and records that are kept in the regular course of business and that reasonably identify the nontaxable charges.

Sec. H-31. 36 MRSA §2022 is enacted to read:

**§2022. Refund of use tax on purchases of qualifying retail lease or rental property**

**1. Definitions.** For purposes of this section, unless the context otherwise indicates, the following terms have the following meanings.

A. “Qualified lessor” means a person who:

(1) Paid Maine sales or use tax on the purchase of qualifying lease or rental property on or after January 1, 2023 and before January 1, 2025; and

(2) Collected and remitted Maine sales tax on the lease or rental of qualifying lease or rental property on or after January 1, 2025.

B. “Qualifying lease or rental property” means tangible personal property:

(1) That was part of a taxable lease or rental transaction on or after January 1, 2025 for which the qualified lessor of the property collected and remitted Maine sales tax to the State; and

(2) Upon which the qualified lessor paid Maine sales or use tax on or after January 1, 2023 and before January 1, 2025.

**2. Refund authorized.** The State Tax Assessor shall refund the tax imposed pursuant to this Part and paid by a qualified lessor on the purchase of qualifying lease or rental property on or after January 1, 2023 and before January 1, 2025. The amount of the refund for qualifying lease or rental property is limited to the sales tax collected and remitted to the State by the qualified lessor on qualifying lease or rental property on or after January 1, 2025 and before January 1, 2027.

**3. Procedure and limitation.** A qualified lessor may request a refund on qualifying lease or rental property by submitting a claim for refund on a form prescribed by the assessor. A qualified lessor must file one claim for all qualifying lease or rental property and must file the claim on or after January 1, 2027 and before March 31, 2027.

**4. Audit.** The assessor may audit a claim for refund filed under this section. If the assessor determines that the amount of refund is incorrect, the assessor may issue an assessment within 3 years from the date the claim was filed or at any time if a fraudulent claim was filed. The claimant may seek reconsideration of the assessment pursuant to section 151.

**Sec. H-32. 36 MRSA, c. 358** is repealed.

**Sec. H-33. Application.** This Part applies to sales of tangible personal property and taxable services on or after January 1, 2025. For the purposes of lease or rental payments, each period for which a lease or rental payment is charged is considered a separate sale.

## **PART H SUMMARY**

This Part makes the following changes to the sales and use tax and service provider tax provisions:

- Amends Maine sales and use tax law to move from the current imposition of and use tax on the lessor upfront on the full value of its rental property when purchased and used in Maine through leasing to instead requiring the lessor to collect sales tax due from the lessee on each periodic rental payment.
- Provides a limited refund period and claim process for sales and use tax previously paid by qualified lessors on its rental property stock.
- Relocates the taxable services and related provisions under the service provider tax to the sales tax and its accompanying 5.5% rate; and repeals the service provider tax.
- Adds digital audio-visual and digital audio services to taxable services under the sales tax, broadening and merging with the related digital services and products previously taxed under the service provider tax, and harmonizing sales taxation of such services and products with lease stream taxation of rental payments.
- Provides a broader and simpler sales and use tax exemption for durable medical equipment (DME) and mobility enhancing equipment for home use.
- Provides a sales and use tax exemption for purchases by nonprofit entities that have been determined by the United States Internal Revenue Service to be exempt from federal income taxation under Section 501(c)(3) of the Code.

## **PART I**

**Sec. I-1. Carrying provision; Department of Agriculture, Conservation and Forestry, Bureau of Agriculture.** Notwithstanding any other provision of law to the contrary, at the end of fiscal year 2023-24, the State Controller shall carry forward any unexpended balance remaining of the \$750,000 appropriated in Public Law 2023, chapter 412, in the Department of Agriculture, Conservation and Forestry, Bureau of Agriculture program, General Fund account, Capital Expenditures line category to the next fiscal year to be used to upgrade the Cony Road facility in Augusta.

## **PART I SUMMARY**

This Part authorizes the State Controller to carry forward up to \$750,000 of unexpended balance in the Capital Expenditures line category in the Department of Agriculture, Conservation and Forestry, Bureau of Agriculture at the end of fiscal year 2023-24 to upgrade the Cony Road facility in Augusta.

## **PART J**

**Sec. J-1. Transfer from General Fund unappropriated surplus; Department of Agriculture, Conservation and Forestry, Bureau of Agriculture.** Notwithstanding any provision of law to the contrary, on or before June 30, 2024, the State Controller shall transfer \$750,000 from the unappropriated surplus of the General Fund to the Department of Agriculture, Conservation and Forestry, Bureau of Agriculture program, Other Special Revenue Funds account for the purposes of renovating the Cony Road facility office area to include asbestos tile remediation, making restroom facilities ADA compliant, improving energy efficiency, and improving functionality of the 60 year old office space.

## **PART J SUMMARY**

This Part transfers \$750,000 from the unappropriated surplus of the General Fund to the Bureau of Agriculture program, Other Special Revenue Funds account within the Department of Agriculture, Conservation and Forestry to be used to upgrade the Cony Road facility in Augusta.

## **PART K**

**Sec. K-1. Transfer of funds from unencumbered balance forward, Department of Agriculture, Conservation and Forestry, Division of Forest Protection.** Notwithstanding any other provision of law to the contrary, the State Controller shall leave \$200,000 of unencumbered balance forward remaining in the Personal Services line category and \$300,000 of unencumbered balance forward remaining in the All Other line category in the Department of Agriculture, Conservation and Forestry, Division of Forest Protection, General Fund account at the close of fiscal year 2023-24 and shall transfer all remaining money from the unencumbered balance forward in the Personal Services line category above \$200,000 and in the All Other line category above \$300,000 on or before August 1, 2024 to the Capital Expenditures line category in the Department of Agriculture, Conservation and Forestry, Division of Forest Protection, General Fund account to carry out the mission of the Division of Forest Protection.

## **PART K SUMMARY**

This part authorizes a one-time transfer in fiscal year 2024-25 of all funds in excess of \$500,000 from unencumbered balance forward in the Personal Services and All Other line categories in the Division of Forest Protection, General Fund account to the Capital Expenditures line category in the Division of Forest Protection, General Fund account.

## **PART L**

**Sec. L-1. 7 MRSA, §103, sub-§3**, as enacted by PL 2021, c. 681, p. J, §2, is amended to read:

**3. Fund created.** The Treasurer of State shall establish an account as a separate unit operating within the Harness Racing Commission to be known as "the Agricultural Fair Promotion Fund" and shall credit to it all money received under Title 8, section 1218, subsection 1, paragraph E. The fund is a dedicated, nonlapsing fund. All revenues deposited in the fund must be disbursed in accordance with this section.

**Sec. L-2. Transfer balances.** Notwithstanding any other provision of law, at the close of fiscal year 2023-24, the State Controller shall transfer, after the deduction of all allocations, financial commitments, other designated funds or any other transfer authorized by statute, any remaining balance in the Agricultural Fair Promotion Fund, Other Special Revenue Funds account, to the Operating Account, Other Special Revenue Funds account, within the Harness Racing Commission program in the Department of Agriculture, Conservation and Forestry.

## **PART L SUMMARY**

This part will establish the Agricultural Fair Promotion Fund as a unit in the Operating Account within the Harness Racing Commission program and authorizes any residual cash balance to be transferred to the Operating Account.

## **PART M**

**Sec. M-1. 5 MRSA §6203-A, sub-§1**, as amended by PL 2023, c. 284, §4, is further amended to read:

**1. Fund established.** ~~There is established~~ The Public Access to Maine Waters Fund is established as an accounting unit within the Land for Maine's Future Trust Fund and ~~that~~ is administered by the board. The Public Access to Maine Waters Fund consists of the proceeds from the sale of bonds authorized for the purposes set forth in subsection 3 and funds received as contributions from private and public sources for those purposes. The Public Access to Maine Waters Fund must be held separate and apart from all other money, funds and accounts, except that eligible investment earnings credited to the assets of the Public Access to Maine Waters Fund become part of the assets of the Land for Maine's Future Trust Fund. Any balance remaining in the Public Access to Maine Waters Fund at the end of a fiscal year must be carried forward for the next fiscal year.

**Sec. M-2. 5 MRSA §6203-B, sub-§1**, as amended by PL 2023, c. 284, §6, is further amended to read:

**1. Fund established.** The Maine Working Waterfront Access Protection Fund, ~~referred to in this section as "the fund,"~~ is established as an accounting unit within the Land for Maine's Future Trust Fund and is administered by the board in cooperation with the Commissioner of Marine Resources under the provisions of this chapter and Title 12, section 6031-A. The Maine Working Waterfront Access Protection Fund ~~fund~~ consists of the proceeds from the sale of bonds authorized for the purposes set forth in subsection 3 and funds received as contributions from private and public sources for those purposes. The Maine Working Waterfront Access Protection Fund ~~fund~~ must be held separate and apart from all other money, funds and accounts, except that eligible investment earnings credited to the assets of the Maine Working Waterfront Access Protection Fund ~~fund~~ become part of the assets of the Land for Maine's Future Trust Fund. Any balance remaining in the fund at the end of a fiscal year must be carried forward for the next fiscal year.

**Sec. M-3. 5 MRSA §6203-C, sub-§1,** as amended by PL 2023, c. 284, §7, is further amended to read:

**1. Fund established.** The Maine Working Farmland Access and Protection Fund, ~~referred to in this section as "the fund,"~~ is established as an accounting unit within the Land for Maine's Future Trust Fund and is administered by the board in cooperation with the Commissioner of Agriculture, Conservation and Forestry under the provisions of this chapter and Title 7, section 164. The Maine Working Farmland Access and Protection Fund ~~fund~~ consists of the proceeds from the sale of bonds authorized for the purposes set forth in subsection 3 and funds received as contributions from private and public sources for those purposes. The Maine Working Farmland Access and Protection Fund ~~fund~~ must be held separate and apart from all other money, funds and accounts, except that eligible investment earnings credited to the assets of the Maine Working Farmland Access and Protection Fund ~~fund~~ become part of the assets of the Land for Maine's Future Trust Fund. Any balance remaining in the fund at the end of a fiscal year must be carried forward for the next fiscal year.

**Sec. M-4. 5 MRSA §6203-E** as enacted by PL 2023, c. 284, §9, is amended to read:

**1. Fund established.** ~~There is established the Conservation and Recreation Fund that is administered by the board. The Conservation and Recreation Fund is established as an accounting unit within the Land for Maine's Future Trust Fund and is administered by the board.~~ The Conservation and Recreation Fund consists of the proceeds from the sale of bonds authorized for the purposes set forth in subsection 3 and funds received as contributions from private and public sources for those purposes. The Conservation and Recreation Fund must be held separate and apart from all other money, funds and accounts, except that eligible investment earnings credited to the assets of the Conservation and Recreation Fund become part of the assets of the Land for Maine's Future Trust Fund. Any balance remaining in the Conservation and Recreation Fund at the end of a fiscal year must be carried forward for the next fiscal year.



**2. Grants; matching funds.** The board may make grants to state agencies and designated cooperating entities for the purposes identified in subsection 3. For each grant made under this subsection, the board shall require the grant recipient to provide matching funds at least equal to the amount of the grant. Grants must be made according to rules adopted by the board. Rules adopted pursuant to this subsection are routine technical rules as defined in chapter 375, subchapter 2-A.

**3. Fund proceeds.** The proceeds of the Conservation and Recreation Fund may be applied and expended to:

A. Acquire property or an interest in property that is determined by the board to be of statewide significance or for a community conservation project under the guidelines of this chapter;

B. When interest in land is acquired with proceeds from the Conservation and Recreation Fund, fund minor capital improvements on such lands and on adjoining lands in the same ownership or under the same management to improve accessibility, as long as these improvements do not exceed 5% of the appraised value of the acquired property;

C. When land or interest in land is acquired with proceeds from the Conservation and Recreation Fund, fund minor capital investments in the stewardship and management of that land. Stewardship and management investments under this paragraph must be held in a dedicated stewardship endowment and identified for use on the funded property-; for State agencies, these funds will be held in a separate interest-bearing Other Special Revenue Funds account in trust for these purposes. Stewardship and management investments may not exceed 5% of the appraised value of the acquired property; and

**Sec. M-5. 5 MRSA §6203-F, sub-§1**, as enacted by PL 2023, c. 284, §10, is amended to read:

**1. Fund established.** ~~There is established the Conservation Land Management Fund that is administered by the board. The Conservation Land Management Fund is established as an accounting unit within the Land for Maine's Future Trust Fund account and is administered by the board. The Conservation Land Management Fund consists of the proceeds from the sale of bonds authorized for the purposes set forth in subsection 3 and funds received as contributions from private and public sources for those purposes. The Conservation Land Management Fund must be held separate and apart from all other money, funds and accounts, except that eligible investment earnings credited to the assets of the Conservation Land Management Fund become part of the assets of the Land for Maine's Future Trust Fund. Any balance remaining in the Conservation Land Management Fund at the end of a fiscal year must be carried forward for the next fiscal year.~~

## **PART M SUMMARY**

This Part streamlines the accounting for the Land for Maine's Future Trust Fund.

## **PART N**

**Sec. N-1. 5 MRSA chapter 316-D** is enacted to read:

### **§3360-V. Maine Mass Violence Care Fund**

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

A. "Board" means the Victims' Compensation Board established in section 3360-A.

B. "Eligible expenses" means expenses and losses resulting from a personal injury sustained by a victim as a direct result of a mass violence event and may include medical and medically related expenses, psychological or mental health counseling expenses, lost wages, funeral, burial and other homicide-related expenses and travel expenses and loss of income of an individual who is killed in a mass violence event or a victim for providing or obtaining care for the personal injury of a minor or incapacitated victim. "Eligible expenses and losses" may include costs of eyeglasses, hearing aids, dentures or other prosthetic devices taken, lost, destroyed or damaged as a result of the mass violence event. "Eligible expenses" means expenses or losses actually and reasonably incurred.

C. "Family or household member" means:

(1) The parent, stepparent, sibling, grandparent, spouse, child or stepchild of a victim or a person who bears an equally significant relationship to the victim; or

(2) A person who at the time or discovery of the mass violence event was living in the household of the victim or who previously had lived in the household of the victim for a period of not less than 2 years.

D. "Fund" means the Maine Mass Violence Care Fund established in this section.

E. "Mass violence event" means an intentional violent crime that results in physical, emotional or psychological injury to a large number of individuals and that significantly increases the burdens on victim support and compensation systems in the jurisdiction in which the violent crime occurred.

F. "Victim" means:

(1) A family or household member of an individual who is killed in a mass violence event;

(2) An individual who is physically injured in a mass violence event; and

(3) An individual who is physically present at a mass violence event and who witnesses that mass violence event.

"Victim" does not include an individual who was engaged in criminal activity at the time of the mass violence event or a family or household member of that individual.

**2. Fund established; purpose; source of funds.** The Maine Mass Violence Care Fund is established within the Office of the Attorney General as an Other Special Revenue Funds account. The purpose of the fund is to provide a sustainable source of funds to provide coverage for physical and behavioral health care expenses related to a mass violence event that are not paid for by insurance or any other source. The fund is funded through appropriations or allocations and may receive private donations and federal and state funds designated by law for the payment of claims and administrative costs of the fund. Eligible investment earnings credited to the assets of the fund become part of the assets of the fund.

**3. Administration and investment of fund.** The fund is administered by the Treasurer of State in accordance with this subsection.

A. After consultation with the board, the Treasurer of State may hold, invest, reinvest and manage funds in the fund in a manner that fulfills the purpose of the fund as long as the investment and reinvestment of funds is in compliance with section 138 and the Maine Uniform Trust Code, including the Maine Uniform Prudent Investor Act.

B. All costs of administering the fund, including the necessary and proper expenses incurred by the board in administering the fund, must be paid from the fund.

C. The Treasurer of State, the Attorney General and the board may not encumber, invest, divest or disburse funds for any purpose not specifically included in this section.

**4. Distributions from fund.** The board shall make distributions from the fund in accordance with this subsection and rules establishing eligibility criteria adopted by the board.

A. Only gains, interest, dividends and other revenue earned on funds in the fund and any amounts gifted to the fund may be expended.

B. Payments from the fund may be made only for an eligible victim's eligible expenses.

C. Payments from the fund to a victim for eligible expenses may not be made sooner than 3 years after the applicable mass violence event.

D. Payments may not be made to satisfy a financial commitment for services or expenses that would otherwise have been paid from another public or private source, including, but not limited to, MaineCare, Medicaid or private insurance.

**5. Rulemaking; restriction on distributions.** The board shall adopt routine technical rules pursuant to chapter 375, subchapter 2-A establishing eligibility criteria for victims, mass violence events and those healthcare and other expenses that are eligible expenses. The board may not make any distributions from the fund until the board adopts these rules.

**Sec. ?-2. Working group on Maine Mass Violence Care Fund.** The Working Group to Determine Eligibility Standards for Expenditures from the Maine Mass Violence Care Fund, referred to in this section as "the working group," is established.

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

A. "Board" means the Victims' Compensation Board established in section 3360-A.

B. "Eligible expenses" means expenses and losses resulting from a personal injury sustained by a victim as a direct result of a mass violence event and may include medical and medically related expenses, psychological or mental health counseling expenses, lost wages, funeral, burial and other homicide-related expenses and travel expenses and loss of income of an individual who is killed in a mass violence event or a victim for providing or obtaining care for the personal injury of a minor or incapacitated victim. "Eligible expenses and losses" may include costs of eyeglasses, hearing aids, dentures or other prosthetic devices taken, lost, destroyed or damaged as a result of the mass violence event. "Eligible expenses" means expenses or losses actually and reasonably incurred.

C. "Family or household member" means:

(1) The parent, stepparent, sibling, grandparent, spouse, child or stepchild of a victim or a person who bears an equally significant relationship to the victim; or

(2) A person who at the time or discovery of the mass violence event was living in the household of the victim or who previously had lived in the household of the victim for a period of not less than 2 years.

D. "Fund" means the Maine Mass Violence Care Fund established in the Maine Revised Statutes, Title 5, section 3360-V.

E. "Mass violence event" means an intentional violent crime that results in physical, emotional or psychological injury to a large number of individuals and that significantly increases the burdens on victim support and compensation systems in the jurisdiction in which the violent crime occurred.

F. "Victim" means:

(1) A family or household member of an individual who is killed in a mass violence event;

(2) An individual who is physically injured in a mass violence event; and

(3) An individual who is physically present at a mass violence event and who witnesses that mass violence event.

"Victim" does not include an individual who was engaged in criminal activity at the time of the mass violence event or a family or household member of that individual.

**2. Purpose of working group.** The purpose of the working group is to identify specific options and eligibility criteria to help ensure that those individuals adversely affected by a mass violence event are provided some financial relief from physical and behavioral health care costs not paid for by insurance or some other source. Specifically, the working group shall consider and determine:

- A. Gaps in payments for physical and behavioral health care services for victims of mass violence events;
- B. Methods of investing the funds in the fund to ensure sustainable annual financial returns;
- C. Options for determining eligibility for distributions from the fund, including parameters for:
  - (1) Who is considered a victim of a mass violence event;
  - (2) Which health care costs are considered eligible expenses; and
  - (3) What constitutes a mass violence event; and
- D. Any other items the working group determines are necessary to carry out the goals of the fund.

**3. Membership; chair; appointments.** The working group consists of the following members:

- A. A member of the Senate, appointed by the President of the Senate;
- B. A member of the House of Representatives, appointed by the Speaker of the House;
- C. The Attorney General or the Attorney General's designee;
- D. The Commissioner of Health and Human Services or the commissioner's designee;
- E. The Treasurer of State or the Treasurer of State's designee; and
- F. The chair of the board or the chair's designee.

The member of the Senate and the member of the House of Representatives shall serve as co-chairs.

All appointments must be made within 30 days following the effective date of this Part.

**4. Reports.** The working group shall provide its recommendations for eligibility requirements and rules to the board no later than December 3, 2024.

The working group shall report to the Joint Standing Committee on Judiciary with its findings and recommendations and any suggested legislation no later than December 2, 2024. The joint standing committee of the Legislature having jurisdiction over judiciary matters may report out a bill related to the report to the 132<sup>nd</sup> Legislature in 2025.

**Sec. N-3. Appropriation and allocation.** The following appropriations and allocations are made.

**ATTORNEY GENERAL, DEPARTMENT OF**

**Maine Mass Violence Care Fund**

Initiative: Provides funding to establish the Maine Mass Violence Care Fund to provide financial support to victims and their families and household members of a mass violence event.

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2023-24</b>	<b>2024-25</b>
All Other	<u>\$0</u>	<u>\$500</u>
<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$0</b>	<b>\$500</b>

**Sec. N-4. Transfer from General Fund unappropriated surplus; Maine Mass Violence Care Fund.** Notwithstanding any provision of law to the contrary, on or before June 30, 2025, the State Controller shall transfer \$5,000,000 from the unappropriated surplus of the General Fund to the Department of the Attorney General, Maine Mass Violence Care Fund, Other Special Revenue Funds account to provide financial support to victims and their families and household members of a mass violence event.

**PART N  
SUMMARY**

This Part creates the Maine Mass Violence Care Fund to provide financial support to victims of mass violence events and their families and household members. The financial support is for out-of-pocket costs for physical and behavioral health care not otherwise paid for by insurance or some other source. The Treasurer of State is directed to administer the fund in a manner consistent with investment standards established in the Maine Uniform Trust Code.

The fund is funded by an initial transfer of \$5,000,000 from the General Fund unappropriated surplus. Disbursements from the fund are made by the Victims' Compensation Board in the Department of the Attorney General but may only be from the earnings on the fund or from donations to the fund.

This Part creates a working group to develop eligibility standards with regard to distributions from the fund to be implemented by the Victim's Compensation Board.

## **PART O**

**Sec. O-1. Transfer from General Fund unappropriated surplus; Administration - Corrections.** Notwithstanding any provision of law to the contrary, on or before June 30, 2025, the State Controller shall transfer \$4,800,000 from the unappropriated surplus of the General Fund to the Department of Corrections, Administration-Corrections, Other Special Revenue Funds account for one-time implementation costs of the Offender Management System.

## **PART O SUMMARY**

This Part requires the transfer of \$4,800,000 in fiscal year 2024-25 from the unappropriated surplus of the General Fund to the Department of Corrections, Administration-Corrections, Other Special Revenue Funds account for the purpose of supporting the one-time implementation costs of the Offender Management System.

## **PART P**

**Sec. P-1. Carrying provision; Department of Corrections, Department of Corrections.** Notwithstanding any provision of law to the contrary, at the end of fiscal year 2023-24, the State Controller shall carry forward up to \$900,000 appropriated for the subscription costs for the Offender Management System to fiscal year 2024-25 in the Department of Corrections program, General Fund account, All Other line category.

## **PART P SUMMARY**

This part authorizes the Department of Corrections, Department of Corrections program to carry up to \$900,000 for the subscription costs for the Offender Management System.

## **PART Q**

**Sec. Q-1. 37-B MRSA §745, sub-§4,** as amended by PL 2009, c. 252, §4, is further amended to read:

**4. Fund balance.** The fund's balance may not exceed \$15,000,000 ~~\$3,000,000~~, except by order of the Governor. In the absence of such an order, any amount, including interest, that accrues in excess of \$15,000,000 ~~\$3,000,000~~ must be transferred by the State Controller to the Maine Budget Stabilization Fund, established in Title 5, section 1532. ~~Beginning July 1, 2010, the fund's maximum allowable balance must be adjusted annually on July 1st by any percentage change in the Consumer Price Index from January 1st to December 31st of the previous year, but only to a maximum increase of 2%.~~

**Sec. Q-2. Transfer from the General Fund unappropriated surplus; Disaster Recovery Fund.** Notwithstanding any provision of law to the contrary, on or before June 30, 2025 the State controller shall transfer \$15,000,000 from the unappropriated surplus of the General Fund to the Disaster Recovery Fund, Other Special Revenue Funds account within the Department of Defense, Veterans and Emergency Management to fund the State's share of estimated disaster recovery costs.

## **PART Q**

### **SUMMARY**

This Part amends the maximum amount of funding that may be held in the Disaster Recovery Fund, Other Special Revenue Fund account in the Department of Defense, Veterans and Emergency Management to address the existing obligations of the fund and plan for the increasing frequency of disaster declarations. This Part also removes the CPI factor from the statute. This Part also transfers \$15,000,000 from the unappropriated surplus of the General Fund to the Disaster Recovery Fund, Other Special Revenue Funds account within the Department of Defense, Veterans and Emergency Management to fund the State's share of estimated disaster recovery costs.

## **PART R**

**Sec. R-1. Carrying provision; Department of Defense, Veterans and Emergency Management.** Notwithstanding any provision of law to the contrary, the State Controller shall carry forward any unexpended balance of the \$400,000 provided under Public Law 2021, chapter 398, in the Department of Defense, Veterans and Emergency Management, Administration - Defense, Veterans and Emergency Management program, General Fund account, All Other line category at the end of fiscal year 2023-24 to fiscal year 2024-25 to continue the environmental closure activities at the former Maine Military Authority site in Limestone.

## **PART R**

### **SUMMARY**

This Part continues one-time funding for environmental closure activity costs at the former Maine Military Authority site in Limestone. Two sequential contracts are required to first, conduct a full background investigation and sampling plan and second, use the results of the first contract to develop remedial actions plans. Given the environmental and weather conditions of Northern Maine, the investigation and sampling plan will not be complete until late spring. As the second contract "Statement of Work" is reliant on the results of the investigation and sampling, there will not be enough time left in fiscal year 2023-24 to complete and award this portion of closure activity. Therefore, a portion of the \$400,000 provided under PL 2021, chapter 398 will be needed in fiscal year 2024-25.



## **PART S**

**Sec. S-1. Transfer from General Fund unappropriated surplus; Maine Military Reserve Fund.** Notwithstanding any provision of law to the contrary, on or before June 30, 2024, the State Controller shall transfer \$75,000 from the General Fund unappropriated surplus to the Maine Military Reserve Fund, established under the Maine Revised Statutes, Title 5, section 1523, within the Department of Administrative and Financial Services for the purpose of settling outstanding obligations of the Maine Military Authority.

**Sec. S-2. Transfer from General Fund unappropriated surplus; Administration – Defense, Veterans, and Emergency Management.** Notwithstanding any other provision of law to the contrary, on or before June 30, 2024 the State Controller shall transfer \$460,000 from the General Fund unappropriated surplus to the Department of Defense, Veterans and Emergency Management, Administration – Defense, Veterans, and Emergency Management, Other Special Revenue Fund account, for the purpose of funding one-time environmental closure activity costs at the former Maine Military Authority site in Limestone.

## **PART S SUMMARY**

This Part requires the transfer of \$75,000 in fiscal year 2023-24 from the unappropriated surplus of the General Fund to the Maine Military Reserve Fund to settle outstanding obligations of the Maine Military Authority. This Part also requires the transfer of \$460,000 from the unappropriated surplus of the General Fund to the Administration – Defense, Veterans, and Emergency Management, Other Special Revenue Fund account, for the purpose of funding one-time environmental closure activity costs at the former Maine Military Authority site in Limestone.

## **PART T**

This Part is intentionally left blank.

## **PART T SUMMARY**

This Part is intentionally left blank.

## **PART U**

**Sec. U-1. 5 MRSA §3003-A**, as enacted by PL 2017, c. 279, §2, is amended to read:

### **§3003-A. Educator interchange program; period of assignment**

The period of an individual assignment of an educator under an interchange program, authorized under section 3003, between the educator's school administrative unit as the sending

agency and the Department of Education as the receiving agency may not exceed ~~24 months nor~~ 36 months ~~may any educator be assigned under such an interchange program for more than 24 months during any 36 month period~~. For the purposes of this section, "educator" means a teacher, principal or other education professional employed by a school administrative unit.

## **PART U SUMMARY**

This Part changes the maximum period of assignment of an educator under an interchange program from 24 months to 36 months.

## **PART V**

This part is intentionally left blank.

## **PART V SUMMARY**

This part is intentionally left blank.

## **PART W**

**Sec. W-1. 20-A MRSA §7001** as amended by PL 2023, c.405 is further amended to read:

### **§7001. Definitions**

As used in this subpart, unless the context otherwise indicates, the following terms have the following meanings:

**1. Agency.** "Agency" means ~~an~~ a public, quasi-governmental, or private agency, school, organization, facility or institution.

**1-A. Child Development Services System.** "Child Development Services System" means the state intermediate educational unit under section 7209, subsection 3, ~~and any regional sites it chooses to establish regional sites and maintain,~~ to ensure the provision of child find activities, early intervention services and, where designated by the commissioner, free, appropriate public education services to eligible children. As school administrative units begin to assume responsibility for ensuring a free appropriate public education for students under IDEA Part B Section 619, Child Development Services sites shall serve as regional service hubs, providing supports and resources to the local schools as determined by memoranda of understanding between department of education and the SAU.

**1-A2. CDS Regional site.** CDS is organize into 9 regional sites across the state. By April, 2024, these sites will be aligned with SAUs through the 9 Superintendent Regions.

**1-A3. CDS Regional Service Hub.** After responsibility for ensuring a free appropriate public education transitions to the School Administrative Units, CDS will support schools in serving children in each region through regional service hubs as determined by an MOU.

**1-B. Child with a disability.** "Child with a disability" means:

A. For children from birth to under 3 years of age:

(1) A child who needs early intervention services because the child has a significant developmental delay, as measured by both diagnostically appropriate instruments and procedures, in one or more of the following areas: cognitive development; physical development, including vision and hearing; communication development; social or emotional development; and adaptive development; or

(2) A child with a diagnosed physical or mental condition that has a high probability of resulting in a developmental delay, with the condition being such that the child needs early intervention services; or

B. For children at least 3 years of age and under 22 years of age evaluated in accordance with the federal Individuals with Disabilities Education Act, 20 United States Code, Section 1414, subsections (a) to (c) as measured by both standardized, norm-referenced diagnostic instruments and appropriate procedures with delays or impairments such that the children need special education:

(1) A child at least 3 years of age and under 6 years of age with a significant developmental delay, at the discretion of the intermediate educational unit or school administrative unit, as defined in rules adopted by the department, in one or more of the following areas: cognitive development; physical development, including vision and hearing; communication development; social or emotional development; adaptive development; or

(2) A child with at least one of the following:

- (a) Intellectual disability;
- (b) Deafness, including hearing loss;
- (c) Speech or language impairment;
- (d) Visual impairment, including blindness;
- (e) Emotional disability;
- (f) Orthopedic impairment;
- (g) Autism;
- (h) Traumatic brain injury;

- (i) Other health impairment;
- (j) Specific learning disabilities;
- (k) Deaf-blindness; and
- (l) Multiple disabilities.

**1-C. Early intervention services.** "Early intervention services" means developmental services that are provided under public supervision; are provided at no cost except where federal or state law provides for a system of payments by families, including a schedule of sliding fees; are designed to meet the developmental needs of a child with a disability, as identified by the individualized family service plan team, in one or more areas including physical development, cognitive development, communication development, social or emotional development and adaptive development; meet the standards of the State; are provided by qualified personnel; to the maximum extent appropriate, are provided in natural environments, including the home, and community settings in which children without disabilities participate; and are provided in conformity with an individualized family service plan.

**1-D. Child eligible under IDEA Part B Section 619.** "Child eligible under IDEA Part B Section 619" means a pre-K student who is 3, 4, or 5 years of age and requires special education and related services in order to access a free, appropriate, public, education in a pre-k classroom.

## **2. Exceptional student.**

**2-A. Free, appropriate public education.** "Free, appropriate public education" means special education and related services that are provided at public expense, under public supervision and direction and without charge; meet the standards of the department; include an appropriate preschool, elementary school or secondary school education in the State; and are provided in conformity with the individualized family service plan or individualized education program. The Child Development Services System shall provide free, appropriate public education to a preschool child with disabilities who reaches 5 years of age between July 1st and October 15th if that child is already receiving free, appropriate public education through the Child Development Services System and the child's individualized education program team determines, in accordance with rules adopted by the commissioner, that it is in the best interest of the child not to enroll that child in kindergarten until the start of the following school year.

**2-B. Intermediate educational unit.** "Intermediate educational unit" means an entity that meets the definition of intermediate educational unit in the federal Individuals with Disabilities Education Act, 20 United States Code, Section 1402, (23) as in effect prior to June 4, 1997 and that is a public authority, other than a local educational agency, under the general supervision of the department, that is established for the purpose of providing free public education on a regional basis and that provides special education and related services to children with disabilities within the State. An intermediate educational unit is considered a local educational agency under federal law. In this State, a local educational agency is a school administrative unit. For purposes of this chapter all references to school administrative units include intermediate educational units.

**2-C. Individualized education program team.** "Individualized education program team" means the group of individuals composed in accordance with Part B of the federal Individuals with Disabilities Education Act, 20 United States Code, Section 1414(d)(1)(B) to determine the individualized education program for a child with a disability.

**2-D. Individualized family services plan.** "Individualized family services plan" means the plan to provide early intervention services in accordance with Part C to an infant or toddler with a disability or to the infant's or toddler's family in the natural setting (home, childcare, or other community setting).

**3-A. Part B, Section 619.** "Part B, Section 619" means Part B, section 619 of the federal Individuals with Disabilities Education Act (IDEA), 20 United States Code, Section 1400 et seq. which is a federal grant program intended to help states ensure that pre-k students with disabilities receive free appropriate special education and related services in the least restrictive environment.

**3-B. Part C.** "Part C" means Part C of the federal Individuals with Disabilities Education Act, 20 United States Code, Section 1400 et seq., which describes early intervention programs and services, provided in the natural setting, for infants and toddlers with disabilities.

**3-C. Extended Part C Option.** "Extended part C option" allows families to continue early intervention programming through an Individual Family Service Plan after a child's 3<sup>rd</sup> birthday. Children in Part C early intervention programs are evaluated when they turn 3 years of age and, if they continue to qualify, they either enroll in a pre-K classroom to receive services through an IEP or they may remain in the "natural setting" (at home, at a childcare setting, or at another community based program) and continue to receive early intervention services under the extended Part C option. This option will be available in Maine beginning in March, 2024.

**4-B. Related services.** "Related services" means special education transportation and such developmental, corrective and other related services, as defined by the commissioner, as are required to assist children with disabilities to benefit from their special education programs.

**5. Special education.** "Special education" means specially designed instruction, at no cost to parents, to meet the unique needs of children with disabilities, as defined by the commissioner, including:

A. Instruction conducted in the classroom, in the home, in hospitals and institutions and in other settings; and

B. Instruction in physical education.

**6. Special education facility.** "Special education facility" means a public or private school, or portion of a public or private school, intended for use in meeting the educational and related needs of children with disabilities.

**6-A. State intermediate educational unit.** "State intermediate educational unit" or "SIEU" means the state intermediate educational unit, Child Development Services, established in section 7104.

**7. State licensed agency.** "State licensed agency" means an institution or facility licensed by the State to provide education, emotional or mental health services, alcohol or drug rehabilitation, boarding care or other child care services to a person between the ages of 5 and 20 years. It includes:

- A. Facilities under Title 22, chapter 1661; and
- B. Community mental health services under Title 34-B, chapter 3, subchapter 3
- C.
- D.

**8. Children's residential care facility.** "Children's residential care facility" is a facility defined in Title 22, section 8101, subsection 4.

**9. Special education program.** A "special education program" is a full-time or part-time educational program designed to provide an equal educational opportunity to children with disabilities through the delivery of special education services by qualified individuals.

**10. Special education services.** "Special education services" are educational services provided by qualified individuals as defined by the commissioner. Special education services must be provided by qualified individuals employed or contracted by the school administrative unit.

**Sec. W-2. 20-A MRSA §7006** as enacted by PL 2005, c. 662 §A20 is amended to read:

#### **§7006. Responsibility**

The Department of Education is designated as the state education agency responsible for carrying out the State's obligations under the federal Individuals with Disabilities Education Act, 20 United States Code, Section 1400 et seq., as amended. ~~The department and every school administrative unit, intermediate educational unit, public school or other public agency that receives federal or state funds to provide early intervention or free, appropriate public education services to children with disabilities shall comply with the federal Individuals with Disabilities Education Act, as amended, and all federal regulations adopted under the Act.~~ The commissioner shall designate responsibility for ensuring child find early intervention under IDEA Part C for children from birth until 3 years of age, or until the start of the school year in which the child is 4 years of age, if extended part C option is selected by the family, to the intermediate educational unit, Child Development Services. The commissioner shall designate responsibility for ensuring child find and a free appropriate public education under IDEA Part B Section 619 to Child Development Services or to the school administrative units where children reside. Where the school administrative unit is responsible for ensuring child find and a free appropriate public education, the Child Development Services site in that region shall transition to serve as a regional service hub to make necessary services and supports available in accordance with a memorandum of understanding that shall be developed by the Department of Education and the SAU before the transition of responsibility occurs.

Every school administrative unit, intermediate educational unit, public school or other agency that receives federal or state funds to provide early intervention or free, appropriate public education services to children with disabilities shall comply with the federal Individuals with Disabilities Education Act, as amended, and all federal regulations adopted under the Act.

**Sec. W-3. 20-A MRSA §7209, sub-§3** as amended by PL 2011 c.655, Part OO, §4 is further amended to read:

**3. State intermediate educational unit establishment; administrative functions.** The commissioner shall establish and supervise the state intermediate educational unit. The state intermediate educational unit is established as a body corporate and politic and as a public instrumentality of the State for the purpose of conducting child find activities as provided in 20 United States Code, Section 1412 (a) (3) for children from birth to under 6 years of age, ensuring the provision of early intervention services for eligible children from birth to under 3 years of age and for eligible children until the start of the school year when they are 4 years of age, if extended Part C option is selected by the family. ~~and ensuring~~ The state intermediate educational unit shall also ensure ~~ensuring~~ a free, appropriate public education for eligible children at least 3 years of age and under 6 years of age, where designated the responsible agency by the commissioner. The state intermediate educational unit shall perform the following statewide coordination and administration functions:

**Sec. W-4. 20-A MRSA §7209, sub-§3-A** as amended by PL 2017 c.284, Part AAAAAA, §§1 is further amended to read:

**3-A. State intermediate educational unit; program functions.** The state intermediate educational unit established pursuant to subsection 3, through a network of regional sites as ~~appropriate~~ where designated by the commissioner, shall:

A. Engage in child find activities as required by the federal Individuals with Disabilities Education Act, 20 United States Code, Section 1400 et seq.;

B. Engage in child count activities as required by the federal Individuals with Disabilities Education Act, 20 United States Code, Section 1400 et seq.;

C. Engage in appropriate data collection, training, staff development and direct service provision to eligible children with disabilities, from birth to under 3 years of age, or until the start of the school year when a child is 4 years of age, if extended Part C option is selected by the family, in accordance with Part C of the federal Individuals with Disabilities Education Act, 20 United States Code, Section 1400 et seq.;

D. Ensure that eligible children with disabilities, from birth to under 3 years of age, receive early intervention services, in accordance with the payment provisions established by the State;

E. Where designated by the commissioner, ensure ~~Ensure~~ that eligible children with disabilities, from 3 years of age to under 6 years of age, receive free, appropriate public

education services and where a local SAU has assumed responsibility for FAPE, provide services to support schools in carrying out this responsibility in accordance with an MOU;

F. Coordinate with eligible families the development of individualized family service plans for children with disabilities from birth to 2 years of age, or until the start of the school year when the child is 4 years of age, if extended Part C option is selected, or, where designated by the commissioner, coordinate an individualized education program for a child 3 years of age to under 6 years of age;

G. Ensure that children from birth until 6 years of age who are referred to the Child Development Services System also receive appropriate referrals for support outside of the system, including appropriate public and private programmatic resources, regardless of a child's eligibility for early intervention or free, appropriate public education; and

H. Engage in appropriate training and staff development for identification of and to provide intervention services for children with autism.

**Sec. W-5. 20-A MRSA §7209, sub-§4-A, ¶A-2** is enacted to read:

A-2. To aid in the transition of responsibility under IDEA Part B Section 619 for ensuring child find and a free appropriate public education from CDS to SAUs and to coordinate services to be provided through memoranda of understanding to support schools in carrying out Part B Section 619 responsibilities.

**Sec. W-5. 20-A MRSA §7209, sub-§9** is enacted to read:

**9. Transition of responsibility for ensuring a free appropriate public education for children eligible under IDEA Part B Section 619 from CDS to school administrative units.** Notwithstanding any provision of this section to the contrary, beginning July 1, 2028, all school administrative units shall be designated as responsible for child find and for ensuring a free, appropriate public education for children eligible under IDEA Part B Section 619.

A. Transition schedule and supports.

1) Beginning July 1, 2024, SAUs may be approved to pilot the assumption of responsibility for FAPE. Community readiness assessments, professional learning in working with young children and their families, and technical support will be provided by the department throughout the planning and implementation of the pilot year. Funding will be provided on a quarterly basis, in accordance with Section 10. A memorandum of understanding will be created between the department and each SAU to determine the services to be provided by the regional CDS service hub and will be reviewed and updated in response to unanticipated needs each month. Funding and programing will be monitored regularly by the department, led by a contracted national expert and recommended augmentations or changes will be considered as part of the pilot year activities. A midyear report and any recommended changes will be provided to the ECA in January.

2) During the 2026 and 2027 school years, additional SAUs will be approved as holding responsibility for Part B Section 619 implementation. Readiness assessments,



training, and technical support will be provided by the department, led by a contracted national expert, throughout the pilot year and throughout the transition period.

3) Those SAUs requiring additional time and support in regions where related services and staffing are not available to support this transition will be provided with necessary resources and an additional year and may qualify for a modified plan for managing Part B Section 619 students.

B. Service provision. A school administrative unit may directly provide services or may contract with public or private providers and a school administrative unit may also access their CDS regional site to provide certain services as delineated in an MOU as defined in section 7001, subsection 1-A to provide services.

**Sec. W-7. 20-A MRSA §7209, sub-§10** is enacted to read:

## **10. Funding.**

A. Funding for school administrative units who assume responsibility for FAPE for children with IEPs under IDEA Part B Section 619 shall be calculated on a per pupil basis in the same manner by which operating allocations are generated in Title 20-A Chapter 606B subsections 15674 and 15675. Department of Education shall ensure that operating allocations for all eligible students under Part B Section 619 are paid at 100% state share for an SAU that assumes responsibility under Part B Section 619. These funds will be appropriated to DOE outside of GPA and will not flow through the distribution formula.

B. An allocation for special education and related services shall also be provided outside of the EPS formula and calculated at the per pupil operating allocation as described in this section, multiplied by 1.5, for each eligible resident student. Special Education and Related Services funding shall be paid at 100% state share at the start of each quarter, based on estimated student count on July 1 and adjusted to reflect actual counts on October 1, with additional adjustments in subsequent quarters.

C. A separate allocation must be determined for high-cost in-district, regional program, and out-of-district special education placements for Part B Section 619 students in accordance with this paragraph.

(1) For high cost in-district students, additional funds must be allocated for each student estimated to cost 4 times the average EPS per-pupil rate for Pre-K students. The additional funds must equal the amount by which that student's estimated costs exceed 3 times the statewide pre-k per-pupil rate.

2) For private school placements, additional funds must be allocated for each student estimated to cost 4 times the statewide special education EPS per-pupil rate. The additional funds for each student must equal the amount by which that student's estimated costs exceed 4 times the statewide special education EPS per-pupil rate.

(3) For public school out of district placements, additional funds must be allocated for each student estimated to cost 3 times the statewide special education EPS per-pupil

rate. The additional funds for each student must equal the amount by which that student's estimated costs exceed 3 times the statewide special education EPS pre-K per-pupil rate.

(4) For public regional special education program placements, additional funds must be allocated for each student estimated to cost 2 times the statewide special education EPS per-pupil rate. The additional funds for each student must equal the amount by which that student's estimated costs exceed the statewide average Pre-K per pupil rate.

**Sec. W-8. 20-A MRSA §7303. Preschool Special Education** is enacted to read:

**§7303. Preschool Special Education**

**1. Fund established.** The Preschool Special Education Fund, referred to in this chapter as “the fund,” is established as a nonlapsing fund within the department to provide funding for special education and related services for children aged 3 through 5. The department shall distribute funds through a quarterly allocation.

**2. Eligibility requirements.** Beginning in fiscal year 2024-25, school administrative units may voluntarily assume responsibility for the free, appropriate public education of children aged 3 through 5 who are eligible for services under the Individuals with Disabilities Education Act Part B-619.

**3. Purposes.** Allocations from the fund may be made to participating school administrative units for the provision of special education and related services as outlined in each child’s individualized education program for preschool children aged 3 through 5 who are eligible under IDEA Part B Section 619. In school year 2024-2025 only, funds may also be used for general education costs through a per pupil allocation using the pupil count for public preschool students with an active Individualized Education Program under section 15674, subsection 4.

**PART W  
SUMMARY**

This bill reorganizes oversight and updates practices for serving infants, toddlers and children with disabilities from birth to 6 years of age. The bill:

1. Requires organizational improvements within the state intermediate education agency, Child Development Services, including data and financial systems improvements, expansion of eligibility for Part C early intervention services, and allows for extended Part C option to continue IFSPs until the start of the school year when the child is 4 years of age, if the family chooses this.

2. Provides that, beginning July 2029, all school administrative units are responsible for child find and ensuring a free, appropriate public education for resident children eligible under IDEA Part B Section 619, whether or not the school administrative units operate public preschool programs, and requires the Department of Education to implement a funding formula

to provide funds for school administrative units when they assume responsibility for the Section 619 children.

3. Reorganizes the resources and staffing in CDS Part B to support the work of schools through regional service hubs.

4. Establishes the Preschool Special Education Fund and authorizes the distribution of funds to school administrative units who have voluntarily assumed the free, appropriate public education for the costs of special education and related services for children aged 3 through 5.

## **PART X**

**Sec. X-1. Rename Facilities, Safety and Transportation program.** Notwithstanding any provision of law to the contrary, the Facilities, Safety and Transportation program within the Department of Education is renamed the School Facilities program.

## **PART X SUMMARY**

This Part changes the name of the Facilities, Safety and Transportation program to the School Facilities program.

## **PART Y**

**Sec. Y-1. 20-A MRSA §5205, sub-§11** as enacted by PL 2015, c. 363, §3 is repealed.

**Sec. Y-2. 20-A MRSA Chapter 312-A** as amended by PL 2021, c. 565, §1 is repealed.

**Sec. Y-3. 20-A MRSA §15689-A, sub-§26** as amended by PL 2015, c. 1, §15 is repealed.

## **PART Y SUMMARY**

This Part removes the Maine School for Marine Science, Technology, Transportation and Engineering from statute, from payments of targeted education and from the general residency rules for the calculation of state subsidy. The school closed as of December 31, 2022.

## **PART Z**

**Sec. Z-1. 20-A MRSA §13025, sub-§7** is enacted to read:

7. Certification hearing officers; immunity. The Commissioner of Education shall appoint a hearing officer for investigations. For the purposes of this section, while carrying out their official

duties, certification hearing officers are considered state employees and are entitled to the immunity provided state employees under the Maine Tort Claims Act.

**Sec. Z-2. 20-A MRSA §7207-B, sub-§5** is enacted to read:

5. Individualized Education Program due process facilitators; immunity. The State may contract with Individualized Education Program due process facilitators. For the purposes of this section, while carrying out their official duties, Individualized Education Program due process facilitators are considered state employees and are entitled to the immunity provided state employees under the Maine Tort Claims Act.

## **PART Z SUMMARY**

This Part allows certification hearing officers and Individualized Education Program due process facilitators to be covered under the Maine Tort Claims Act.

## **PART AA**

**Sec. AA-1. 20-A MRSA §15689-A** is amended to read:

**29. New Construction and/or Regionalization Start-up Funds.** If the General Purpose Aid for Local Schools, General Fund account has an unexpended fund balance, the commissioner may provide grant opportunities to cover certain pre-construction and/or pre-regionalization expenses, including site selection, engineering/architectural design and any required environmental tests, when these costs would threaten the viability of construction or regionalization projects involving more than one school administrative unit. The commissioner may expend and disburse funds on an as-needed basis for school administrative units engaged in State Approved Major School Construction Projects and/or regionalization efforts related to combining school administrative units or expanding the grade configurations available in the school administrative units.

## **PART AA SUMMARY**

This Part authorizes the commissioner to expend and disburse funds, when available, to school administrative units on an as-needed basis for school administrative units engaged in State Approved Major School Construction Projects and/or regionalization efforts related to combining school administrative units or expanding the grade configurations available in the school administrative units.

## **PART BB**

**Sec. BB-1. 20-A MRSA §10017** is enacted to read:

### **§10017. Higher Education Administrative Fund**

The Higher Education Administrative Fund, referred to in this section as “the fund,” is established within the department as a nonlapsing fund to be used by the commissioner to receive state participation fees from institutions of higher education for applications for membership or membership renewal in the State Authorization Reciprocity Agreement (SARA) and to utilize these funds to support the Department’s facilitation of SARA as the state portal entity for Maine and for other Department costs associated with the administration of higher education in the state. Funds deposited in the fund must be used for the purposes specified in this section.

## **PART BB SUMMARY**

This Part establishes the Higher Education Administrative Fund as a nonlapsing fund to accept State Authorization Reciprocity Agreements state participation fees and expend the funds to support the facilitation of SARA.

## **PART CC**

**Sec. CC-1. Transfer from General Fund unappropriated surplus; Child Development Services program.** Notwithstanding any provision of law to the contrary, on or before June 30, 2025, the State Controller shall transfer \$11,000,000 from the unappropriated surplus of the General Fund to the Department of Education, Child Development Services Program, Other Special Revenue Funds account to fund the daily rate.

## **PART CC SUMMARY**

This Part transfers \$11,000,000 from the unappropriated surplus of the General Fund to the Department of Education, Child Development Services Program, Other Special Revenue Funds account to fund the payment of a daily rate.

## **PART DD**

**Sec. DD-1. 5 MRSA c.310-B** is enacted to read:

### **CHAPTER 310-B**

### **MAINE OFFICE OF COMMUNITY AFFAIRS**

#### **§1. Definitions**

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

**1. Director.** "Director" means the Director of the Maine Office of Community Affairs established by section 2.

**2. Office.** "Office" means the Maine Office of Community Affairs established by section 2.

## **§2. Office established; purpose**

The Maine Office of Community Affairs (MOCA) is established as an agency in the Executive Branch to foster communications and partnerships between the State and communities in Maine. The Office will engage with towns, cities, Tribal governments, and regional entities to provide coordinated and efficient planning, technical assistance, and financial support to better plan for challenges, pursue solutions, and create stronger, more resilient Maine communities.

The Maine Office of Community Affairs is established to support and partner with Maine communities and regional councils; by providing:

**1. Assistance; data; planning, and funding.** Providing technical assistance and funding related to planning to regional councils, municipalities and Tribal Governments that supports a sustainable future for the State's people, communities, natural resources, physical infrastructure, industries, businesses and institutions;

**2. Coordination and Communication.** Facilitating general coordination and communications between municipalities, regional councils, and state government;

## **§3. Director**

The Director of the Maine Office of Community Affairs (MOCA) is appointed by the Governor and serves at the pleasure of the Governor. The Director should have demonstrated experience and leadership in municipal or regional government and should bring expertise in planning, technical assistance and/or grants programs for communities.

## **§4. Powers and duties**

The director shall exercise the powers of the office and is responsible for the execution of the duties of the office.

**1. Duties of the director.** The director shall:

**A.** Appoint and remove the staff of the office and prescribe the duties of the staff as necessary to implement the duties of the office, including:

(1) Hiring professional personnel competent by education, training and experience in the fields of planning and development, local and regional government, climate science and resilience, housing, building codes, and general policy making; and

- (2) Employing office assistance as necessary to support the work of the office;
- B. Supervise and administer the affairs of the office and advise the Governor and other officials of State Government on matters of communications and partnerships between the State and communities and regional councils in Maine;
- C. At the request of the Governor, act for the State in the initiation of or participation in any multi-governmental agency program related to the purposes of the office;
- D. At the request of the Governor, prepare and submit a budget for the office; and
- E. At the request of the Governor, report on the activities of the office and, after consultation with and approval by the Governor, submit such recommendations for legislative action as are determined necessary to further the purposes of this chapter.

**2. Duties of the office.** Under the supervision of the director, the office shall:

- A. Provide technical assistance and resources to municipalities, regional councils, and Tribal Governments on issues related to planning, resilience, and development;
- B. Collect and collate data and statistics relating to these matters and provide them to municipalities and Tribal Governments;
- C. Assist municipalities and Tribal Governments, as well as the state, in applying for, using and leveraging federal funding resources on issues of importance to communities and the State;
- D. Make grants from money appropriated to the program by the Legislature and any funds received by the office for the purposes of the program, including federal funding or private funds; and solicit applications for grants and make grant awards to eligible communities and to service provider organizations as determined by the office, including establishing eligibility requirements and other criteria to consider in awarding grants;
- E. Administer contracts with the state's Regional Councils and Economic Development Districts to provide technical assistance and resources to municipalities and Tribal Governments on issues related to planning, resilience, and development, including but not limited to land-use planning, planning for housing and other residential development, climate resilience planning and related infrastructure planning, building codes, and other forms of local development assistance to support state, regional, and local goals; and,
- F. Consult with and provide ongoing coordination with state agencies on programs and issues related to planning technical assistance and funding to communities in Maine, including but not limited to the Department of Transportation, Department of Environmental Protection, Department of Marine Resources, Department of Inland Fisheries and Wildlife, Department of Agriculture, Conservation and Forestry, Department of Economic and Community Development, Department of Health and Human Services, Maine Emergency Management Agency, Department of Public Safety, Maine Housing

Authority, Governor's Energy Office, Efficiency Maine Trust, the Maine Historic Preservation Commission, and the Maine Redevelopment Land Bank Authority.

**§5. Acceptance and administration of funds**

The office may accept, administer and expend funds, including but not limited to funds from the Federal Government or from private sources, for purposes consistent with this chapter. The director shall provide a report of the amount of any outside funding received from private sources and its designated purpose to the Governor and the joint standing committee of the Legislature with jurisdiction over municipal issues on an annual basis.

**§6. Contracts; agreements**

The office may employ expert and professional consultants, contract for services as the director determines necessary, within the limits of the funds provided and consistent with the powers and duties of the office, and enter into agreements with the Federal Government and other agencies and organizations as will promote the objectives of this chapter.

**Sec. DD-2. 2 MRSA §6 sub-§3 as amended by PL 2019, c. 343 Part D** is further amended to read:

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

Director, Bureau of General Services;

Director, Bureau of Alcoholic Beverages and Lottery Operations;

State Budget Officer;

State Controller;

Director, Bureau of Forestry;

Director, Governor's Office of Policy Innovation and the Future;

Director, Energy Resources Office;

Director of Human Resources;

Director, Bureau of Parks and Lands;

Director of the Governor's Office of Communications;

Director, Bureau of Agriculture, Food and Rural Resources; ~~and~~

Director, Bureau of Resource Information and Land Use Planning; and

Director, Maine Office of Community Affairs.

**PART DD**



## SUMMARY

This Part creates the Maine Office of Community Affairs and establishes a Director for the Office. The Maine Office of Community Affairs will foster communication and partnerships between the State and communities in Maine. The Office will engage with towns, cities, Tribal Governments, and regional entities to provide coordinated and efficient planning, technical assistance, and financial support to better plan for challenges, pursue solutions, and create stronger, more resilient Maine communities. A future reorganization of certain existing programs from the Department of Agriculture, Conservation and Forestry, the Department of Marine Resources, the Department of Economic and Community Development, and the Department of Public Safety under one umbrella will assist municipalities and Tribal Governments throughout the state to more easily access technical assistance and resources related to planning and development, as well as increasing community resilience.

## PART EE

**Sec. EE-1. Transfer from General Fund unappropriated surplus; GOPIF - Community Resilience Partnership.** Notwithstanding any provision of law to the contrary, on or before June 30, 2025, the State Controller shall transfer \$5,000,000 from the unappropriated surplus of the General Fund to the Executive Department, GOPIF - Community Resilience Partnership, Other Special Revenue Funds account for the purpose of supporting grants and technical assistance to Maine municipalities and tribes for climate planning and actions, including adaptation and resilience projects, as well as emissions reduction initiatives including clean energy and energy efficiency projects. These funds may be transferred by financial order upon the recommendation of the State Budget Officer and approval of the Governor.

## PART EE SUMMARY

This Part requires the transfer of \$5,000,000 in fiscal year 2024-25 from the unappropriated surplus of the General Fund to Executive Department, GOPIF - Community Resilience Partnership, Other Special Revenue Funds account for the purpose of supporting grants and technical assistance to Maine municipalities and tribes for climate planning and actions, including adaptation and resilience projects, as well as emissions reduction initiatives including clean energy and energy efficiency projects.

## PART FF

**Sec. FF-1. 5 MRSA §3110** is enacted to read:

**§3110. Office of New Americans**

**1. Establishment; purpose; administration.** The Office of New Americans is established within the Office of Policy Innovation and the Future for the purpose of improving the economic and civic integration of immigrants into the State's workforce and communities to strengthen the economy over the long term. The Office of Policy Innovation and the Future shall administer the Office of New Americans.

**2. Director; duties.** The director of the Office of New Americans shall manage the following activities within the Office of New Americans::

- A. Hiring professional personnel competent by education, training and experience to carry out the work of the Office of New Americans;
- B. Supervising and administering the affairs of the Office of New Americans;
- C. Determining the necessary budget for the Office of New Americans; and
- D. Reporting on the activities of the Office of New Americans.

**3. Duties of the Office of New Americans.** Under the supervision of the director of the Office of Policy Innovation and the Future and the director of the Office of New Americans, and with guidance from the Office of New Americans Advisory Council established in section 3111, the Office of New Americans shall identify and address needs, barriers and opportunities in order to support the long-term economic and civic integration of immigrants in the State by:

- A. Collecting and analyzing relevant data;
- B. Coordinating with all relevant local, state and federal government agencies;
- C. Serving as the State's primary liaison with all relevant external stakeholders; and
- D. Undertaking and promoting activities that improve the economic and civic integration of immigrants into the State's workforce and communities.

**4. Activities.** The Office of New Americans shall undertake and promote activities that improve the economic and civic integration of immigrants into the State's workforce and communities. Activities may include, but are not limited to:

- A. Strengthening workforce opportunities by providing guidance and promoting improved pathways for professional accreditation and licensure, supporting enhanced career pathways and engaging with businesses to increase employment, retention and advancement of immigrant employees;
- B. Expanding, improving and increasing access to English language learning programs;
- C. Strengthening financial literacy programs, financial education and entrepreneurship supports to assist individuals, immigrant entrepreneurs and small business owners;
- D. Supporting the expansion of access to legal services and protections;

E. Partnering with and supporting municipalities, school administrative units, educational institutions, community-based organizations and businesses providing assistance or opportunities to immigrants;

F. Participating in the nationwide Office of New Americans State Network, or its successor network, to access information and best practices from other states;

G. Collaborating with and providing guidance to agencies of State Government and the entity designated by the Federal Government to administer the State's refugee resettlement services in developing and executing policies that support the purpose of the Office of New Americans;

H. Coordinating with and advising federal agencies and the State's congressional delegation on federal policies that support the purpose of the Office of New Americans;

I. Advising the Governor and Legislature regarding any statutory, regulatory or other policies or practices that may be addressed to better support the purpose of the Office of New Americans; and

J. Promoting greater understanding of the history of immigration in the State, the contributions and influence of immigrants in the State and how communities may support immigrants' integration into local civic and economic life.

**5. Rulemaking.** The Office of New Americans may adopt rules as necessary for the proper administration of this section and section 3111 pursuant to the Maine Administrative Procedure Act. Unless otherwise specified, rules adopted pursuant to this subsection are routine technical rules as defined in chapter 375, subchapter 2-A.

**6. Report.** Beginning February 1, 2026, the Office of New Americans shall report biennially to the Governor and to the joint standing committee of the Legislature having jurisdiction over relevant matters with information and recommendations relating to the work and needs of the Office of New Americans.

**Sec. FF-2. 5 MRSA §3111** is enacted to read:

**§3111. Office of New Americans Advisory Council**

The Office of New Americans Advisory Council, as established in section 12004-I, subsection 6-K, is created as an advisory council to the Office of New Americans established in section 3110 on matters affecting the long-term economic and civic integration of immigrants in the State.

**1. Duties of advisory council.** The advisory council shall advise the Office of New Americans on matters affecting the long-term economic and civic integration of immigrants in the State.

**2. Membership.** The advisory council consists of 19 members as follows:

A. At least 10 members who are immigrants, 8 appointed by the Governor, one appointed by the President of the Senate and one appointed by the Speaker of the House;

B. Two members of the Senate from the 2 parties holding the largest number of seats in the Legislature, appointed by the President of the Senate;

C. Two members of the House of Representatives from the 2 parties holding the largest number of seats in the Legislature, appointed by the Speaker of the House

D. Three members appointed by the President of the Senate representing the following:

(1) A school administrative unit;

(2) An adult education program; and

(3) A small business;

E. Three members appointed by the Speaker of the House representing the following:

(1) An organization providing refugee resettlement services;

(2) A provider of legal assistance to immigrants; and

(3) A municipality; and

F. Four members appointed by the Governor representing the following:

(1) A large business;

(2) A business or organization with demonstrated expertise in of-housing assistance or housing production;

(3) An organization with demonstrated expertise in workforce development; and

(4) An employer with demonstrated experience providing immigrant apprenticeship opportunities, support and training programs.

In making appointments of members to the advisory council, the appointing authorities shall make a good faith effort to ensure that the members of the advisory council reflect geographic, gender, ethnic and racial diversity.

**3. Terms of office; removal.** Members of the advisory council serve 3-year terms and may be reappointed. A vacancy for an unexpired term must be filled in accordance with subsection 2. A member may serve until a replacement is appointed. The Governor may terminate the membership of any appointee for good cause. The reason for the termination must be communicated in writing to a member whose membership is terminated. The membership of any member of the advisory council must be terminated if the member is absent from 3 consecutive meetings without communicating good cause to a chair of the advisory council.

**4. Cochairs.** The Governor shall appoint 2 cochairs from among the members appointed and serving pursuant to subsection 2.

**5. Meetings; staffing.** The advisory council shall meet at the discretion of the cochairs. Meetings may be cancelled or postponed at the discretion of the cochairs. All meetings of the advisory council are public proceedings within the meaning of Title 1, chapter 13, subchapter 1. The Office of New Americans shall provide staffing services as necessary to the advisory council.

**6. Compensation; expenses.** Members of the advisory council not otherwise compensated by their employer for their time serving on the council may be compensated for their time and reimbursed for expenses, to the extent resources are available. The Office shall determine the amount and manner of compensation and reimbursement for expense provided to these members.

**Sec. FF-3. 5 MRSA §12004-I, sub-§6-K** is enacted to read:

**6-K.**

<u>Economic</u>	<u>Office of New Americans Advisory Council Expenses Only</u>	<u>5 MRSA</u>
<u>Development</u>		<u>§3111</u>

**PART FF  
SUMMARY**

This Part establishes the Office of New Americans within the Office of Policy Innovation and the Future and also establishes an advisory council to the Office of New Americans.

**PART GG**

**Sec. GG-1. Transfer from General Fund unappropriated surplus; Housing Authority-State.** Notwithstanding any provision of law to the contrary, on or before June 30, 2025, the State Controller shall transfer \$10,000,000 from the unappropriated surplus of the General Fund to the Maine State Housing Authority, Housing Authority - State, Other Special Revenue Funds account for new housing units through the Affordable Homeownership Program, to expand affordable, energy-efficient housing options that are affordable to workers and support state workforce needs.

**PART GG  
SUMMARY**

This Part requires the transfer of \$10,000,000 from the unappropriated surplus of the General Fund to the Maine State Housing Authority, Housing Authority - State, Other Special Revenue account to provide funds for new housing units through the Affordable Homeownership Program, to expand affordable, energy-efficient housing options that are affordable to workers and support state workforce needs.

## **PART HH**

**Sec. HH-1. Transfer from General Fund unappropriated surplus; Emergency Housing Relief Fund.** Notwithstanding any provision of law to the contrary, on or before June 30, 2025, the State Controller shall transfer \$16,000,000 from the unappropriated surplus of the General Fund to the Maine State Housing Authority, Emergency Housing Relief Fund Program, Other Special Revenue Funds account to supplement or establish programs addressing the needs of people experiencing homelessness or facing other immediate housing needs, and support other uses that address housing emergencies in the State, such as through privately-operated low barrier shelter, winter warming shelters, legal services, and other wraparound settlement supports intended to help individuals integrate into Maine's workforce and communities. Before June 30, 2025, unobligated amounts remaining from this transfer must be transferred to the unappropriated surplus of the General Fund.

## **PART HH SUMMARY**

This Part requires the transfer of \$16,000,000 from the unappropriated surplus of the General Fund to the Maine State Housing Authority, Emergency Housing Relief Fund program, Other Special Revenue account to supplement or establish programs addressing the needs of people experiencing homelessness or facing other immediate housing needs, and support other uses that address housing emergencies in the State, such as through privately-operated low barrier shelter, winter warming shelters, legal services, and other wraparound settlement supports intended to help individuals integrate into Maine's workforce and communities.

## **PART II**

**Sec. II-1. 22 MRSA §4308, sub-§2**, as amended by PL 2019, c. 515, §2, is further amended to read:

**2. Emergencies.** A person, including a person experiencing or facing homelessness, who does not have sufficient resources to provide one or more basic necessities in an emergency is eligible for emergency general assistance, even when that applicant has been found ineligible for nonemergency general assistance, except as provided in this subsection.

A. A person who is currently disqualified from general assistance for a violation of section 4315, 4316-A or 4317 is ineligible for emergency assistance under this subsection.

B. Municipalities may by standards adopted in municipal ordinances restrict the disbursement of emergency assistance to alleviate emergency situations to the extent that those situations could not have been averted by the applicant's use of income and resources

for basic necessities. The person requesting assistance shall provide evidence of income and resources for the applicable time period.

A municipality may provide emergency assistance to initial applicants when the municipality determines that an emergency is imminent and that failure to provide assistance may result in undue hardship and unnecessary costs.

A municipality shall not exceed maximum levels of assistance pursuant to section 4305 of this chapter for any applicant household for more than 30 days in a 12-month period.

**Sec. II-2. 22 MRSA §4310, sub-§4** as enacted by PL 1983, c. 577, §1, is amended to read:

4. Limitations. In no case:

A. May the authorization of benefits under this section exceed 30 days;~~and~~

B. May there be further authorization of benefits to the applicant until there has been full verification confirming the applicant's eligibility; and

C. May the authorization of benefits under this section exceed levels of assistance pursuant to section 4308 of this chapter.

## **PART II SUMMARY**

This Part limits municipalities from exceeding maximum levels of assistance past 30 days in a 12-month period for any household.

## **PART JJ**

**Sec. JJ-1. 36 MRSA §2891, sub-§1**, as amended by PL 2007, c. 545, §4 is further amended to read:

1. Hospital. "Hospital" means an acute care health care facility with permanent inpatient beds planned, organized, operated and maintained to offer for a continuing period of time facilities and services for the diagnosis and treatment of illness, injury and deformity; with a governing board and an organized medical staff offering continuous 24-hour professional nursing care; with a plan to provide emergency treatment 24 hours a day and including other services as defined in rules of the Department of Health and Human Services relating to licensure of general and specialty hospitals; and that is licensed under Title 22, chapter 405 as a general hospital, specialty hospital or critical access hospital. For purposes of this chapter, "hospital" does not include a nursing home or a publicly owned specialty hospital or, for state fiscal years beginning on or after July 1, 2008, municipally funded hospitals, or, effective January 1, 2025, critical access hospitals.

**Sec. JJ-2. 36 MRSA §2892, 2nd ¶**, as amended by PL 2007, c. 545, §6, is further amended to read:

For state fiscal years beginning on or after July 1, 2004, a tax is imposed annually against each hospital in the State. The tax is equal to 2.23% of the hospital's net operating revenue as identified in the hospital's audited financial statement for the hospital's taxable year. For the state fiscal year beginning July 1, 2004, the hospital's taxable year is the hospital's fiscal year that ended during calendar year 2002. For the state fiscal year beginning July 1, 2005, the hospital's taxable year is the hospital's fiscal year that ended during calendar year 2003. For state fiscal years beginning on or after July 1, 2006 but before July 1, 2008, the hospital's taxable year is the hospital's fiscal year that ended during calendar year 2004. Beginning on January 1, 2025, the tax for acute care hospitals and rehabilitation hospitals is equal to 3.25% of the hospital's net operating revenue as identified in the hospital's audited financial statement for the hospital's fiscal year that ended during calendar year 2022. Beginning on January 1, 2025, the tax does not apply to critical access hospitals.

**Sec. JJ-3. 36 MRSA §2892 9th ¶**, as enacted by PL 2023, c. 412, Pt. YY, §2, is amended to read:

For state fiscal years beginning on or after July 1, 2024, the hospital's taxable year is the hospital's fiscal year that ended during calendar year 2020. Beginning January 1, 2025, the hospital's taxable year is the hospital's fiscal year that ended during calendar year 2022.

**Sec. JJ-4. 36 MRSA §2893**, as amended by PL 2009, c. 571, Pt. VV, §§1, 2 is amended to read:

**3. Application of revenues.** ~~All revenues received by the assessor under this chapter must be credited to a General Fund suspense account. No later than the last day of each month, the State Controller shall transfer all revenues received by the assessor during the month under section 2892 to the Medical Care – Payments to Providers Other Special Revenue Funds account in the Department of Health and Human Services.~~ All revenues received in each fiscal year that result from the tax pursuant to this chapter from hospitals net of refunds must be credited to the Medical Care – Payments to Providers, Other Special Revenue Funds account in the Department of Health and Human Services to be used for MaineCare hospital payments.

## **PART JJ SUMMARY**

This part makes several changes to the hospital tax. First, it removes Critical Access Hospitals from the definition of hospital, as of January 1, 2025, in two sections of statute relating to the hospital tax. Second, it changes the tax imposed on hospitals from 2.23% to 3.25% beginning on January 1, 2025. Third, it specifies that the tax no longer applies to critical access hospitals beginning on January 1, 2025. Fourth, beginning January 1, 2025 it changes the taxable year for hospitals from 2020 to 2022.

## **Part KK**



**Sec KK-1. 22 MRSA §7932, sub-§10**, as amended by PL 2003, c. 673, Pt. HH, §2, is further amended to read:

**10. Critical access hospital.** "Critical access hospital" means a hospital that must first be designated and approved by the State, as long as the State also has established an approved rural hospital flexibility program, and that meets the conditions in effect on March 1, 2004 for critical access hospital status under the federal Medicare program. In addition, it must also:

A.

B. Have a Medicare participation agreement as a hospital and be in compliance with the Medicare hospital conditions of participation when applying to become a critical access hospital;

B-1. Have state approval of the hospital conversion to a critical access hospital following the applicant providing:

(1) A copy of the most recent Community Health Needs Assessment;

(2) A plan for utilization of the increased reimbursement rates that will be obtained as a critical access hospital to meet the Community Health Needs, which are not currently being fully met, including;

a. The anticipated revenue increases and how those funds will be budgeted towards meeting the unmet Community Health Needs identified;

b. An attestation that the increased funds shall be used as noted in the plan;

C. Be certified by the State prior to January 1, 2006 as being a necessary provider of health care services to residents in the area or be located more than a 35-mile drive from any other hospital or critical access hospital. In mountainous terrain or in areas with only secondary roads, the mileage criterion is 15 miles;

D. Provide not more than 25 beds for acute hospital-level inpatient care:

(1) Except that a swing-bed facility is allowed to have up to 25 inpatient beds that can be used interchangeably for acute or skilled nursing facility care; and

(2) In addition to the 25-bed limit for acute inpatient care, a hospital may have distinct parts with 10 or fewer psychiatric inpatient beds or 10 or fewer inpatient rehabilitation beds, or both; and

E. Agree to provide inpatient care for a period that does not exceed, as determined on an annual average basis, 96 hours per patient.

F.

G. Agree to provide an annual report to the department for a period of 5 years demonstrating its revenues and expenditures are in accordance with the approved plan.

## **PART KK SUMMARY**

This Part requires an applicant to provide a copy of the most recent Community Health Needs Assessment and a plan for utilization of the increased reimbursement rates that will be obtained as a critical access hospital (CAH) to meet the Community Health Needs that are not currently being fully met. If approved, the CAH will provide an annual report to the department for a period of 5 years demonstrating its revenues and expenditures are in accordance with the approved plan.

## **PART LL**

**Sec. LL-1. 22 MRSA §1714-C**, as amended by PL 2011, c. 548, §8 is amended to read:

Beginning April 1, 2011 and ending December 31, 2024, the department shall reimburse critical access hospitals from the total allocated from hospital tax revenues under Title 36, chapter 377 at least \$1,000,000 in state and federal funds to be distributed annually among critical access hospitals for staff enhancement payments.

**Sec. LL-2. 22 MRSA §1714-D**, as amended PL 2011, c. 687, §9 is amended to read:

Beginning April 1, 2012, the department shall reimburse licensed critical access hospitals at 109% of MaineCare allowable costs for both inpatient and outpatient services provided to patients covered by the MaineCare program. Beginning January 1, 2025, the department shall reimburse licensed critical access hospitals at 104.5% 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.

## **PART LL SUMMARY**

This Part repeals, as of December 31, 2024, the section of statute that requires the department to allocate at least \$1,000,000 to critical access hospitals for staff enhancement payments. This Part also changes the reimbursement percentage to critical access hospitals from 109% to 104.5% beginning January 1, 2025.

## **PART MM**

**Sec. MM-1. 22 MRSA §1730**, is enacted to read:

### **§1730. Upper Payment Limits to Hospital Providers**

Beginning July 1, 2024, a hospital licensed under Maine Revised Statutes, Title 22, chapter 405, subject to compliance with all applicable federal requirements, including payment limits found in 42 CFR § 447.271, 42 CFR § 447.272, and 42 CFR § 447.321, may not exceed aggregate

upper payment limit(s). If MaineCare payments to hospital providers exceed the upper payment limit(s) described in federal rules and requirements, the Department shall limit payments to hospital providers to the level that will ensure compliance with upper payment limits.

## **PART MM SUMMARY**

This Part authorizes the Department to ensure payments to hospitals licensed under 22 MRSA, chapter 405 comply with the upper payment limit(s) described in federal rules and requirements.

## **PART NN**

**Sec. NN-1. 22 MRSA §3174-LLL sub-§2**, as enacted by PL 2023, c. 412, Pt. EEEEE, §4 is amended to read:

2. Income eligibility for the qualified individual program (QI). No later than March 1, 2024~~July 1, 2024~~, the department shall establish an income disregards to determine eligibility so that a person with income ~~that is no more than 185% of the federal poverty level is qualified as a qualified Medicare beneficiary and a person with income that is more than 170% and no more than 202% of the federal poverty level, or the maximum allowed under Federal policy, is qualified as a qualified individual QI.~~ The department shall reduce the QI disregard if expenditures are projected to exceed the federally approved QI allotment in any calendar year.

## **PART NN SUMMARY**

This part repeals the requirement for the department to establish an increased disregard for the qualified Medicare beneficiary (QMB) program, thereby maintaining upper eligibility limits of 150% of the federal poverty level for QMB and 170% of the federal poverty level for the specialized low-income Medicare beneficiary (SLMB) program. It maintains the elimination of the asset test for all Medicare savings programs. It changes the expansion of the qualified individual (QI) program to no more than 202% of the federal poverty level, or the maximum allowed under Federal policy, effective July 1, 2024. It also authorizes the department to reduce the income limit in the QI program if expenditures are projected to exceed the federally approved annual QI allotment.

## **PART OO**

**Sec. OO-1. Transfer from General Fund unappropriated surplus; General Assistance – Reimbursement to Cities & Towns.** Notwithstanding any provision of law to the contrary, on or before June 30, 2025, the State Controller shall transfer \$5,000,000 from the unappropriated surplus of the General Fund to the Department of Health and Human Services, General Assistance – Reimbursement to Cities & Towns program, Other Special Revenue Funds account.

#### **PART OO SUMMARY**

This Part requires the transfer of \$5,000,000 on or before June 30, 2025 from the unappropriated surplus of the General Fund to the Department of Health and Human Services, General Assistance – Reimbursement to Cities and Towns program, Other Special Revenue Funds account for funding General Assistance payments to cities and towns.

#### **PART PP**

**Sec. PP-1. Transfer from General Fund unappropriated surplus; Purchased Social Services.** Notwithstanding any provision of law to the contrary, on or before June 30, 2025, the State Controller shall transfer \$6,000,000 from the unappropriated surplus of the General Fund to the Department of Health and Human Services, Purchased Social Services, Other Special Revenue Funds account to provide one-time funding to support victims of crimes.

#### **PART PP SUMMARY**

This Part requires the transfer of \$6,000,000 in fiscal year 2024-25 from the unappropriated surplus of the General Fund to the Department of Health and Human Services, Purchased Social Services, Other Special Revenue Funds account to provide one-time funding to support victims of crimes.

#### **PART QQ**

**Sec. QQ-1. 22 MRSA §3104-A, sub-§1, ¶D,** as enacted by PL 2013, c. 368, Pt. OO, §2, is repealed.

#### **PART QQ SUMMARY**

This part repeals the hardship exception that allows access to state-funded SNAP benefits for individuals who have obtained proper work documentation but are unemployed.

## **PART RR**

**Sec. RR-1. Carrying balances; Department of Health and Human Services, Child Care Services program.** Notwithstanding any provision of law to the contrary, at the end of state fiscal year 2023-24, the State Controller shall carry forward, to be used for the same purposes, in state fiscal year 2024-25, any unexpended balance of the \$1,500,000 appropriated in the 2024 Supplemental Budget in the All Other line category in the Office of Child and Family Services – Child Care Services program, General Fund account for the purpose of technology enhancements due to an increase in the eligibility for child care subsidies from 85% to 125% of the State’s median income.

## **PART RR SUMMARY**

This Part allows the Department of Health and Human Services, Office of Child and Family Services to carry up to \$1,500,000 for technology enhancements necessary to implement the increase in eligibility for child care subsidies from 85% to 125% of the State’s median income.

## **PART SS**

**Sec. SS-1. PL 2023, c. 412, Pt. VVV, §11** is amended to read:

1. Beginning ~~January~~ July 1, 2024, increase eligibility for child care subsidies from 85% of the State's median income to 125% of the State's median income; and

## **PART SS SUMMARY**

This Part changes the beginning date of the increase of eligibility for child care subsidies from January 1, 2024 to July1, 2024.

## **PART TT**

**Sec. TT-1. Department of Health and Human Services, Child Care Staff Scholarship Pilot Program.** Maine will implement a 2-year child care staff scholarship pilot beginning in state fiscal year 2024-25 capped at \$2.5 million per year. Staff who work in a licensed child care program in Maine are eligible to apply for a child care scholarship to help pay for their own child to attend a licensed child care program. The scholarship will be paid out to the program where the child attends. The pilot will be evaluated to inform recommendations on how to design an effective and efficient permanent program.

## **PART TT SUMMARY**

This Part establishes a 2-year child care staff scholarship program, beginning in state fiscal year 2024-25, to help staff working in a licensed child care program in Maine pay for their own child to attend a licensed child care program. The program is capped at \$2.5 million per year.

## **PART UU**

**Sec. UU-1. Nursing Facility payments in fiscal year 2024-25.** Funds appropriated or allocated in PL 2023, c. 412 to support investment and rate reform for fiscal year 2024-25 may be distributed in two phases. The first phase may take effect July 1, 2024 and allocate up to half of the funds to make one-time payments that align with rate reform. The remaining funds may be applied to reformed rates that take effect on January 1, 2025.

## **PART UU SUMMARY**

This Part outlines the distribution of funding approved in PL 2023, c. 412 to support investment and rate reform for fiscal year 2024-25. Half of the funds may take effect July 1, 2024 and the remaining funds may be applied to reformed rates that take effect on January 1, 2025.

## **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.

## **PART VV SUMMARY**

This Part authorizes the Department of Health and Human Services 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. Transfer of funds. Transfer of Personal Services balances to All Other; Maine Commission on Indigent Legal Services.** Notwithstanding any provision of law to the contrary, for fiscal year 2024-25 only, the Maine Commission on Indigent Legal Services is authorized to transfer up to \$2,500,000 of available balances of appropriations in the Personal Services line category in the Maine Commission on Indigent Legal Services program after all financial commitments for salary, benefit and other obligations have been made to the All Other line category in order to fund costs associated with assigned legal counsel. 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.

## **PART WW SUMMARY**

This Part authorizes a one-time transfer in fiscal year 2024-25 of available balances of appropriations in the Personal Services line category to the All Other line category in the Maine Commission on Indigent Legal Services program to fund costs associated with assigned legal counsel.

## **PART XX**

**Sec. XX-1. Transfer of funds. Transfer of Personal Services balances to All Other; Judicial Department.** Notwithstanding any provision of law to the contrary, for fiscal year 2023-24 and 2024-25 only, the Judicial Department is authorized to transfer up to \$400,000 of available balances of appropriations in the Personal Services line category in the Supreme Judicial & Superior Courts program after all financial commitments for salary, benefit and other obligations have been made to the All Other line category in order to fund temporary clerk services and marshal services contracts. 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.

## **PART XX SUMMARY**

This Part authorizes a one-time transfer in fiscal year 2023-24 and 2024-25 of available balances of appropriations in the Personal Services line category to the All Other line category in the Supreme Judicial & Superior Courts program to fund temporary clerk services and marshal services contracts.

## **PART YY**

**Sec. YY-1. Transfer of funds.** Notwithstanding any provision of law to the contrary, the State Controller shall transfer any unobligated balances remaining in the Paid Family and Medical Leave Insurance Fund program, Other Special Revenue Funds account to the Paid Family and Medical Leave Insurance Fund program at the end of fiscal year 2023-24.

## **PART YY SUMMARY**

This Part transfers funding from the Other Special Revenue Fund account to the Paid Family and Medical Leave Insurance Fund, an Enterprise Fund account within the Department of Labor, Paid Family and Medical Leave Insurance Fund program to accurately reflect the expenditures associated with implementing and administering the paid family and medical leave benefits program.

## **PART ZZ**

**Sec. ZZ-1. 26 MRSA §632-A** is enacted to read:

### **§632-A. Fund for recovered wages.**

1. **Fund established.** The Wage Recovery Fund is established within the Bureau of Labor Standards at the Department of Labor. The purpose of the fund is to facilitate the payment of unpaid wages, unpaid health benefits, liquidated damages or interest owed to employees or former employees of an employer when the department collects one or more of these remedies on behalf of affected employees or former employees.
2. **Administration.** The fund shall be administered by the Director of the Bureau of Labor Standards. Payment of unpaid wages, unpaid health benefits, liquidated damages, or interest to affected individuals may only be made to the extent that the department receives payment from the employer in accordance with a settlement agreement or a judgment. The department is not liable for payment of these remedies if the department does not receive the funds from the employer.
3. **Education.** As part of its settlement agreements, the department may include a provision for payment of funds towards education and public messaging regarding Maine labor laws.



Funds deposited to the Maine Wage Recovery Fund that are not required for the payment of unpaid wages, unpaid health benefits, liquidated damages or interest may also be used for such education and public messaging.

4. **Fund balances.** Amounts in the Maine Wage Recovery Fund shall not lapse and must be carried forward to be used for the same purposes. Interest earned on the balance in the fund must be credited to the Maine Wage Recovery Fund.

## **PART ZZ SUMMARY**

This Part establishes the Wage Recovery Fund within the Bureau of Labor Standards in the Department of Labor to facilitate the payment of unpaid wages, unpaid health benefits, liquidated damages or interest owed to employees or former employees of an employer when the department collects one or more of these remedies on behalf of affected employees or former employees.

## **PART AAA**

**Sec. AAA-1. Carrying provision; Maine State Library, Maine State Library.** Notwithstanding any provision of law to the contrary, at the end of fiscal year 2023-24, the State Controller shall carry forward up to \$300,000 appropriated for replacing the integrated library system in the libraries across the State of Maine as authorized in Public Law 2023, chapter 412, section A, to fiscal year 2024-25 in the Maine State Library program, General Fund account, All Other line category.

**Sec. AAA-2. Carrying provision; Maine State Library, Maine State Library.**

Notwithstanding any provision of law to the contrary, at the end of fiscal year 2023-24, the State Controller shall carry forward up to \$1,500,000 appropriated for furniture and high-density shelving at the Cultural Building as authorized in Public Law 2023, chapter 3, Part A, section 20 to fiscal year 2024-25 in the Maine State Library program, General Fund account, Capital Expenditures line category.

## **PART AAA SUMMARY**

This Part authorizes the Maine State Library to carry forward up to \$300,000 in the All Other line category authorized by the Public Law 2023, chapter 412, Part A to replace the integrated library system in the libraries across Maine and up to \$1,500,000 in the Capital Expenditures line category authorized in Public Law 2023, chapter 3, Part A, section 20 for the purpose of purchasing shelving and furniture for the Cultural Building in the Maine State Library program, General Fund.

## **PART BBB**

**Sec. BBB-1. Transfer from General Fund unappropriated surplus; Imagination Library of Maine Program, Other Special Revenue Funds.** Notwithstanding any provision of law to the contrary, the State Controller shall transfer \$168,030 from the unappropriated surplus of the General Fund to the Maine State Library, Imagination Library of Maine Program, Other Special Revenue Funds account on or before June 30, 2024 to provide funding for the support of the Imagination Library.

## **PART BBB SUMMARY**

This Part authorizes a one-time transfer from the unappropriated surplus of the General Fund to the Maine State Library, Imagination Library of Maine Program, Other Special Revenue Funds account to support the Imagination Library.

## **PART CCC**

**Sec. CCC-1. Transfer to School Revolving Renovation Fund; Maine Municipal Bond Bank.** Notwithstanding any provision of law to the contrary, on or before June 30, 2025, the State Controller shall transfer \$4,000,000 from the unappropriated surplus of the General Fund carrying account to the Maine Municipal Bond Bank for the School Revolving Renovation Fund established in the Maine Revised Statutes, Title 30-A, section 6006-F to support the renovation needs of school administrative units that have voluntarily assumed the free, appropriate public education for children aged 3 through 5.

## **PART CCC SUMMARY**

This Part requires the State Controller to transfer \$4 million from the unappropriated surplus of the General Fund to the School Revolving Renovation Fund at the Maine Municipal Bond Bank to support the renovation needs of school administrative units that have voluntarily assumed the free, appropriate public education for children aged 3 through 5.

## **PART DDD**

**Sec. DDD-1. Public Law 2023, chapter 329, §3** is amended to read:

Sec. 3. Effective Dates. Section 1 of this Act takes effect January 1, 2026. Section 2 of this Act takes effect January 1, 2025.

## **PART DDD SUMMARY**

This Part updates the effective date consistent with the allocations provided in Public Law 2023, chapter 329, §2 with the intent to provide funding and authority for a Comprehensive Health Planner II to support the anticipated increase in workload associated with joining the Physical Therapy Licensure Compact on January 1, 2026.

## **PART EEE**

**Sec. EEE-1. Transfer from General Fund unappropriated surplus; Safe Homes Program.** Notwithstanding any provision of law to the contrary, on or before June 30, 2025, the State Controller shall transfer \$200,000 from the unappropriated surplus of the General Fund to the Department of Public Safety, Safe Homes Program, Other Special Revenue Funds account to provide one-time funding to support the safe storage of prescription drugs, firearms and dangerous weapons in homes or public spaces.

## **PART EEE SUMMARY**

This Part requires the transfer of \$200,000 in fiscal year 2024-25 from the unappropriated surplus of the General Fund to the Department of Public Safety, Safe Homes Program, Other Special Revenue Funds account to provide one-time funding to support the safe storage of prescription drugs, firearms, and dangerous weapons in homes or public spaces.

## **PART FFF**

**Sec. FFF-1. Promotion adjustments in Department of Public Safety, Office of the State Fire Marshall.** A person employed by the office as a Fire Investigator may be promoted to a Senior Fire Investigator if they become certified as a Fire Investigator by the International Association of Arson Investigators (IAAI) or equivalent certification body. The effective date of the promotion would be the date the employee officially became certified.

When a Senior Fire Investigator position is vacated, that position reverts to the Fire Investigator position.

**Sec. FFF-2. Costs to General Fund for promotion adjustments.** Costs to the General Fund due to section 1 of this Part must be provided from the Salary Plan program, General Fund account in the Department of Administrative and Financial Services in an amount up to \$10,000 for the fiscal year ending June 30, 2024 and in an amount up to \$13,000 for the fiscal year ending June 30, 2025 to implement the initiative in section 1.

## **PART FFF SUMMARY**

This Part authorizes employees in a Fire Investigator position to immediately progress to a Senior Fire Investigator position upon successful completion of the Fire Investigator certification by the International Association of Arson Investigators (IAAI) or equivalent certification body. The changes will approve the ability of the Office of the State Fire Marshall to attract and retain capable investigators.

## **PART GGG**

**Sec. GGG-1. Carrying provision; Department of Secretary of State, Administration - Archives.** Notwithstanding any provision of law to the contrary, at the end of fiscal year 2023-24, the State Controller shall carry forward up to \$1,500,000 appropriated for high-density shelving at the former Eastside Wellness Center and in the Cultural Building in the Maine State Archives as authorized in Public Law 2023, chapter 3 to fiscal year 2024-25 in the Administration – Archives program, General Fund account, Capital Expenditures line category.

## **PART GGG SUMMARY**

This Part authorizes the Secretary of State to carry forward up to \$1,500,000 allocated for high-density shelving at the former Eastside Wellness Center and in the Cultural Building in the Maine State Archives as authorized in Public Law 2023, chapter 3 to fiscal year 2024-25 in the Administration – Archives program, General Fund account, Capital Expenditures line category.

## **PART HHH**

**Sec. HHH-1. Transfer from General Fund unappropriated surplus; Department of Agriculture, Conservation and Forestry, Milk Commission.** Notwithstanding any provision of law to the contrary, on or before June 30, 2024, the State Controller shall transfer \$3,000,000 from the unappropriated surplus of the General Fund to the Department of Agriculture, Conservation and Forestry, Milk Commission program, Other Special Revenue Funds account to provide one-time payments to address escalating production costs to Maine milk producers who produced milk and reported production information to the Maine Milk Commission in calendar year 2023 and are currently participating in the dairy stabilization program under the Maine Revised Statutes, Title 7, section 3153-B, also known as the Tier Program. In calculating the payment, the administrator of the Maine Milk Pool shall attempt to achieve, insofar as practical, a proportional distribution of the entire transferred amount to farmers by basing the payments on a per hundredweight production basis and limiting payments to a production limit of 5,000,000 pounds per farm. The

administrator of the Maine Milk Pool may use existing distribution methods within the Maine Milk Pool program to expedite the distribution of payments.

### **PART HHH SUMMARY**

This Part requires the transfer of \$3,000,000 in fiscal year 2024-25 from the unappropriated surplus of the General Fund to the Department of Agriculture, Conservation and Forestry, Milk Commission program, Other Special Revenue Funds account to provide one-time pandemic volatility payments to Maine milk producers.

### **PART III**

**Sec. III-1. Transfer from General Fund unappropriated surplus; Department of Agriculture, Conservation and Forestry, Parks – General Operation.** Notwithstanding any provision of law to the contrary, on or before June 30, 2024, the State Controller shall transfer \$6,000,000 to the Department of Agriculture, Conservation and Forestry, Parks – General Operation, Other Special Revenue Funds account to provide one-time funding to address damage incurred to the State Parks & Historic Sites and Public Lands during the December 2023 and January 2024 storms. The Department of Agriculture, Conservation and Forestry will seek reimbursement of costs through Risk Management, MEMA and FEMA. Any reimbursement received prior to June 30, 2025 will be transferred to the reserve account established by the State Controller to reserve General Fund resources for future funding needs. Any reimbursement received after July 1, 2025 will be transferred to the unappropriated surplus of the General Fund.

### **PART III SUMMARY**

This Part requires the transfer of \$6,000,000 in fiscal year 2024-25 from the unappropriated surplus of the General Fund to the Department of Agriculture, Conservation and Forestry, Parks – General Operation, Other Special Revenue Funds account to provide one-time funding to address damage incurred to the State Parks & Historic Sites and Public Lands during the December 2023 and January 2024 storms and directs any reimbursement received to the reserve account established by the State Controller to reserve General Fund resources for future funding needs or the unappropriated surplus of the General Fund.

### **PART JJJ**

**Sec. JJJ-1. Carrying provision; Department of Agriculture, Conservation and Forestry, Bureau of Agriculture, Food and Rural Resources.** Notwithstanding any other provision of law to the contrary, at the end of fiscal year 2023-24, the State Controller shall carry forward any unexpended balance remaining of the \$500,000 appropriated in Public Law 2021, chapter 635, in the Department of Agriculture, Conservation and Forestry, Bureau of Agriculture program,

General Fund account, All Other line category to the next fiscal year to be used for replacement of the feed, seed, and fertilizer database.

**Sec. JJJ-2. Carrying provision; Department of Agriculture, Conservation and Forestry, Bureau of Agriculture, Food and Rural Resources.** Notwithstanding any other provision of law to the contrary, at the end of fiscal year 2023-24, the State Controller shall carry forward any unexpended balance remaining of the \$1,500,000 appropriated in Public Law 2023, chapter 412, in the Department of Agriculture, Conservation and Forestry, Bureau of Agriculture program, General Fund account, Capital Expenditures line category to the next fiscal year to be used for replacement of the licensing and inspection database.

## **PART JJJ SUMMARY**

This Part authorizes the State Controller to carry forward up to \$500,000 of unexpended balance in the All Other line category in the Department of Agriculture, Conservation and Forestry, Bureau of Agriculture, Food and Rural Resources at the end of fiscal year 2023-24 to the All Other line category for the next fiscal year in the Department of Agriculture, Conservation and Forestry, Bureau of Agriculture, Food and Rural Resources to be used to replace the feed, seed, and fertilizer database. It also authorizes the State Controller to carry forward up to \$1,500,000 of unexpended balance in the Capital Expenditures line category in the Department of Agriculture, Conservation and Forestry, Bureau of Agriculture, Food and Rural Resources at the end of fiscal year 2023-24 to the Capital Expenditures line category for the next fiscal year in the Department of Agriculture, Conservation and Forestry, Bureau of Agriculture, Food and Rural Resources to be used to replace the licensing and inspection database.

## **PART KKK**

**Sec. KKK-1. 34-B MRS c. 3, sub-c. 3 §3613 is enacted to read:**

### **§3613. Crisis Receiving Center**

#### **1. Definitions.**

“Crisis Receiving Center” means a center that provides immediate and short-term walk-in access to an array of both clinical and non-clinical mental health and substance use disorder crisis stabilization services to all individuals seeking care regardless of acuity or insurance coverage and within bounds of licensing.

#### **2. Authority**

The department shall develop a plan for a network of community-based Crisis Receiving Centers across the state to support both clinical and non-clinical mental health and substance use disorder crisis stabilization services. It shall also coordinate meetings, technical assistance,

trainings, and provide other assistance to help create, maintain, and, as necessary, expand the network.

### **3. Guidelines**

The department shall :

a. Consult with law enforcement agencies, municipalities, public health experts, behavioral health providers, other states, and others as appropriate.

b. Assess geographical locations for maximization of community impact.

c. Provide technical assistance to places and providers interested in joining the network.

d. Coordinate regular meetings with crisis receiving centers and provide technical assistance.

e. Engage in continual process improvement and planning updates.

## **PART KKK SUMMARY**

This Part provides the department the authority to plan for and assist a statewide network for Crisis Receiving Centers in regions of Maine that will support both rural and urban communities to provide short-term mental health and substance use disorder crisis stabilization services.

## **PART LLL**

**Sec. LLL-1. 22-A MRS §203, sub-§2** as enacted by PL 2003, c.689, Part A, §1 is amended to read:

2. Additional programs and services for children and families. The department shall provide children and families with additional programs and services to assist them in meeting their needs, including, but not limited to:

A. Child welfare services;

B. Head Start and child care services;

C. Maternal and child health services, including home visiting programs;

D. Paternity establishment and child support enforcement services; ~~and~~

E. Residential and long-term care services for children with disabilities; and

F. Injury and violence prevention programs, including data collection, synthesis and evaluation.

## **PART LLL SUMMARY**

This Part provides the department the authority to create and administer injury and violence prevention programs, including data collection, synthesis, and evaluation.