



127th MAINE LEGISLATURE

LD 1612

LR 2675(04)

An Act To Implement the Recommendations of the Commission To Strengthen and Align the Services Provided to Maine's Veterans Regarding Enhancements to the Bureau of Maine Veterans' Services

Fiscal Note for House Amendment " " to Committee Amendment "A"

Sponsor: Rep. Golden of Lewiston

Fiscal Note Required: Yes

Fiscal Note

	FY 2015-16	FY 2016-17	Projections FY 2017-18	Projections FY 2018-19
Net Cost (Savings)				
General Fund	\$0	(\$345,516)	(\$303,561)	(\$307,121)
Appropriations/Allocations				
General Fund	\$0	(\$345,516)	(\$395,383)	(\$403,075)
Other Special Revenue Funds	\$0	\$548,174	\$598,479	\$608,682
Revenue				
General Fund	\$0	\$0	(\$91,822)	(\$95,954)
Other Special Revenue Funds	\$0	\$546,531	\$546,300	\$546,216

Fiscal Detail and Notes

Under current law, the Liquor Operation Revenue Fund (Liquor Fund) within the Maine Municipal Bond Bank is required to distribute funds in the following order in fiscal year 2016-17: (1) Liquor Operation Revenue Bonds debt service, which will be \$26,841,273 in fiscal year 2016-17; (2) \$9,817,000 to the General Fund (GF); (3) up to \$3,500,000 to each of the Department of Environmental Protection (DEP) and the Department of Health and Human Services (DHHS), and; (4) remaining amounts to the Department of Transportation (DOT). This amendment raises the maximum transfer by an additional \$628,720 in fiscal year 2016-17 and has the following new order of distributions: (1) same payment of debt service; (2) \$9,897,546 to the GF; (3) \$548,174 to the Bureau of Veterans Services Special Operations Fund; (4) up to \$3,500,000 to each of the DEP and the DHHS, and; (5) remaining amounts to the DOT.

Under current law, the Liquor Fund is required to distribute funds in the following order in fiscal years 2017-18 through 2023-24: (1) payment of debt service; (2) up to \$3,500,000 each to the DEP and the DHHS, and; (3) remainder to the DOT. The new distribution would raise the maximum transfer by an additional \$548,174 and has the following new order of distributions: (1) same payment of debt service; (2) up to \$3,500,000 each to the DEP and the DHHS; (3) \$548,174 to the Bureau of Veterans Services Operations Fund, and; (4) the remainder to the DOT.

Under current law, the Liquor Fund, after all debt service and any ancillary obligations secured by the fund have been retired, proceeds are distributed as follows: (1) up to a total of 15% of funds to the DEP and the DHHS; (2) 35% to the DOT, and; (3) the remainder to the Maine Budget Stabilization Fund. This amendment has a new distribution as follows: (1) up to a total of 15% to the DEP and the DHHS; (2) \$548,174 to the Bureau of Veterans Services Special Operations Fund; (3) 35% of the remaining funds to the DOT, and; (4) 65% of the remainder to the Maine Budget Stabilization Fund.

The Liquor Fund is expected to receive sufficient revenue from liquor operations to make these transfers to the various entities. This amendment contains the necessary OSRF allocations to sufficiently operate the Veterans Services Special Operations Fund.

This bill also provides a sales tax exemption to all federally-chartered veterans' service organizations. This will reduce General Fund revenue and Local Government Fund revenue annually beginning in fiscal year 2016-17. The reduction to the General Fund will be \$80,546 in fiscal year 2016-17, \$91,822 in fiscal year 2017-18 and \$95,954 in fiscal year 2018-19. A one-time Liquor Fund revenue transfer will reimburse the General Fund in fiscal year 2016-17 only for the \$80,546 loss. No Liquor Fund transfers will be made after fiscal year 2016-17 to reimburse the General Fund for the loss of sales tax revenue in subsequent years.