

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 564

S. P. 196

In Senate, February 2, 1981

Referred to the Committee on Appropriations and Financial Affairs. Sent down for concurrence and ordered printed.

MAY M. ROSS, Secretary of the Senate

Presented by Senator Huber of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Create the Budget Stabilization Fund.

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

5 MRSA § 1512 is enacted to read:

§ 1512. Budget Stabilization Fund

1. Transfer to fund. The State Controller shall at the close of each fiscal year transfer from the unappropriated surplus of the General Fund to the hereby created Budget Stabilization Fund an amount equal to the excess of total General Fund revenues received over accepted General Fund revenue estimates in the fiscal year. No accepted revenue estimate may be increased after adjournment of each first regular session of the Legislature.

2. Expenditures from the fund. Appropriations from the Budget Stabilization Fund may be made by the Legislature upon recommendation of the Governor, but only for prepayment of outstanding General Fund bonds, for purposes for which issuance of bonds has been approved, or for major construction. Major construction is defined as being any single project with a total cost of over \$500,000.

3. Investment of funds. The money in the fund may be invested as provided by law, with the earnings credited to the fund.

STATEMENT OF FACT

The purpose of this bill is to help stabilize the General Fund budget in future fiscal years and thereby eliminate one of the great contributing factors to our present fiscal dilemma, namely spending more than we are taking in, due to excess revenue in prior rapid-growth years having been used to expand current programs or establish new programs.