

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 1292

H. P. 1095

House of Representatives, March 13, 1981

Referred to the Committee on Local and County Government. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative LaPlante of Sabattus.

STATE OF MAINE

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

**AN ACT to Improve County Budget and Financial Procedures.**

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

Sec. 1. 30 MRSA § 252, last ¶, as repealed and replaced by PL 1967, c. 541, § 1, is repealed and the following enacted in its place:

**The county treasurer shall keep a record of any transfers between specific line categories or from the contingent account. This record shall be certified by the county commissioners within 30 days of each transfer.**

Sec. 2. 30 MRSA § 254, first ¶, 2nd sentence, as repealed and replaced by PL 1977, c. 698, § 3, is amended to read:

They may add that sum above the sum so authorized, not exceeding 2% of that sum, as a fractional division ~~renders convenient~~ **necessitates** and ~~certify~~ **demonstrate** that ~~fact~~ **necessity** in the record of that apportionment, and issue their warrant to the assessors requiring them forthwith to assess the sum apportioned to their town or place, and to commit their assessment to the constable or collector for collection.

Sec. 3. 30 MRSA § 401, 2nd ¶, as amended by PL 1973, c. 567, § 20, is further amended to read:

If the auditor shall find in the course of his audit evidences of improper transactions, ~~or~~ **including use of contingency funds for nonemergency purposes**

and transfer of funds between departments or agencies, of incompetence in keeping accounts or handling funds, of failure to comply with this article or of any other improper practice of financial administration, he shall report the same to the district attorney immediately.

Sec. 4. 30 MRSA § 401, 2nd ¶, as amended by PL 1973, c. 567, § 20, is further amended by adding at the end a new sentence to read:

**The county commissioners shall be responsible for the proper financial administration of each county department or agency.**

Sec. 5. 30 MRSA § 403, 2nd ¶, as enacted by PL 1967, c. 541, § 4, is amended by adding at the end a new sentence to read:

**Once a purpose for an account is specified any expenditure from that account must be for the purpose unless the Department of Audit states in writing that an account for that purpose is no longer needed.**

Sec. 6. 30 MRSA § 409 is amended to read:

#### § 409. Bonds

A county having occasion to issue bonds may make them payable in installments extending over a period of not more than ~~50~~ 20 years.

Sec. 7. 30 MRSA § 411, sub-§ 3, as repealed and replaced by PL 1969, § 278, is amended to read:

**3. Statement of assets, liabilities, reserves and surplus.** It shall contain a detailed statement of the assets, liabilities, **general, special and capital** reserves and surplus of the county.

Sec. 8. 30 MRSA § 703 is amended to read:

#### § 703. Annual statement of financial standing

Each treasurer shall, at the end of each year in connection with the commissioners, make a statement of the financial condition of the county showing in detail all moneys received into and paid out of its treasury, including a statement in detail of all sums received under ~~Title 18, section 2351~~ Title 18-A, section 3-914, of the division of moneys among general, special and capital reserve accounts and the amounts remaining in each account, of all federal funds received and other facts and statistics necessary to exhibit the true state of its finances, including the number of weeks' board and expense of clothing furnished prisoners, and shall publish in pamphlet form a reasonable number of copies for distribution among its citizens.

Sec. 9. 30 MRSA § 801, first ¶, last sentence, as amended by PL 1973, c. 302, is repealed and the following enacted in its place:

**The county commissioners may establish reasonable office hours for offices in the county buildings and provide for a county pay scale, for vacations and for sick leave for clerical help.**

Sec. 10. 30 MRSA § 801, 2nd ¶ is repealed.

#### STATEMENT OF FACT

The purpose of this bill is to clarify certain provisions of the laws relating to county budgets and finances.

Section 1 deletes the requirement that the county commissioners inform the State Auditor of certain transfers of funds. The State Auditor no longer audits all counties so it is more appropriate for each county treasurer to have a record of these transfers available for the county's auditor.

Section 2 seeks to emphasize that a sum of 2% of a county's budget is to be added to the budget only when required for the assessment to be divided appropriately. An automatic addition of 2% of a county's budget to the budget when assessment occurs is not proper.

Sections 3 and 4 specify that findings by an auditor that a county has failed to comply with the financial sections of the county laws, used contingency funds when an emergency did not exist or permitted interdepartmental transfers of funds shall be reported to the district attorney, and that the county commissioners bear ultimate responsibility for improper financial practices.

Section 5 makes clear that once a purpose is established for a capital reserve account the money in that account must be used for the specified purpose.

Section 6 reflects the current practice of counties of issuing bonds.

Section 7 requires that the annual report of a county detail the funds in general reserve, special reserve and capital reserve accounts.

Section 8 adjusts the statutory reference concerning sums received by counties under probate procedures to reflect the enactment of the Probate Code, and requires that a county's financial statement include specific mention of general, special and capital reserve funds and federal funds.

Sections 9 and 10 delete the provisions which specified amounts of vacation and sick leave to be provided county clerical help. These determinations should be left to the county commissioners.