FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document **No. 1507**

H. P. 1294 House of Representatives, March 30, 1981
Referred to the Committee on Local and County Government. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Tarbell of Bangor.

STATE OF MAINE

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

AN ACT to Revise the County Budget Process to Prevent the Incurrence of Deficits.

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

Sec. 1. 30 MRSA § 9 is enacted to read:

§ 9. Standard of care

All county officers and department heads shall exercise their powers and discharge their duties in good faith with a view to the interests of the county and with that degree of diligence, care and skill which ordinary prudent people would exercise under similar circumstances in like positions.

Sec. 2. 30 MRSA § 252-A is enacted to read:

§ 252-A. Anticipated fees and revenues

1. Withholding and use 1981-1984. In each of the calendar years 1981, 1982, 1983 and 1984, when preparing the estimates under section 252, the county commissioners may use, as sums to defray expenses, 75% of the fees or revenues that they anticipate will be generated by county officers or departments during the coming year for the use of the county. In each of the calendar years 1982, 1983, 1984 and 1985, the county treasurer in each county shall set aside in a separate interest-bearing account all of the fees and revenues generated by county officers or departments during the year and transmitted to him for use of the county that

exceed the amount used by the county commissioners in establishing their estimates for that year under section 252. That account may be used by the county commissioners in 1985 when preparing their estimates for 1986. They may not use any fees or revenues that they anticipate will be generate in 1986.

2. Estimates; 1986 and after. In calendar year 1986 and thereafter, when preparing the estimates under section 252, the county commissioners may use as sums to defray expenses the fees or revenues generated by county officers or department heads during that calendar year, transmitted to the county treasurer for use of the county and set aside by him under subsections 3. They may not use any fees or revenues that they anticipate will be generated in the following year.

3. Fee account; 1984 and after. In calendar year 1986 and thereafter, the county treasurer shall set aside, in an interest bearing account, all fees and revenues generated by county officers or department heads during that calendar year and transmitted to him for use of the county. The money set aside may be used by the county commissioners under subsection 2.

STATEMENT OF FACT

This bill revises the method by which county commissioners use anticipated revenues when establishing their county budget estimates. Because these estimates can be higher than the amount actually generated, a county can incur a deficit although no department spends more than what has been appropriated. The bill would, after a 4-year phase-in period, preclude commissioners from using anticipated revenues. They could use revenues actually recevied during that calendar year, the commissioners would have close to a full year's worth of revenues, rather than an estimated amount that might be generated in the following year, when they are establishing the budget figures.

The bill also imposes upon county officers and department heads a standard of care similar to that imposed on boards of directors who manage profit and nonprofit corporations.