

MAINE STATE LEGISLATURE

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R. of S.

L.D. 586

(Filing No. S-418)

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**STATE OF MAINE
SENATE
115TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 232, L.D. 586, Bill, "An Act to Provide the Legislature with Revenue Forecasting Capabilities"

Amend the bill by striking out everything after the title and before the statement of fact and inserting in its place the following:

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

Sec. 1. 5 MRSA §1663-A is enacted to read:

§1663-A. Access to information

To assist the State Revenue Forecasting Commission in meeting its responsibilities under chapter 149-A, the Department of Finance shall provide information and data upon request. Commission members and legislative staff are bound by the confidentiality restrictions concerning certain tax records as described in Title 36, chapter 7.

Sec. 2. 5 MRSA §1665, sub-§3, as enacted by PL 1989, c. 501, Pt. P, §13, is amended to read:

3. Tentative revenue estimates. Tentative revenue estimates prepared by the State Budget Officer during the month of September of the even-numbered years shall **must** be revised by this officer during the following November for inclusion in the budget. The State Budget Officer shall, in setting these estimates or any revisions, consider the report and recommendations presented by the State Revenue Forecasting Commission established in chapter 149-A. If the State Budget Officer does not accept any or all of the recommendations of the commission, the officer shall submit in writing the reasons for

2 so doing to the Governor, the Legislative Council and the joint
3 standing committee of the Legislature having jurisdiction over
4 appropriations and financial affairs within 15 working days of
5 receipt of the commission's report and recommendations. The
6 revenue estimates shall must be classified so as to show the
7 income by organization units, sources and funds, or in any other
8 manner, at the discretion of the State Budget Officer.

9 **Sec. 3. 5 MRSA c. 149-A is enacted to read:**

10 **CHAPTER 149-A**

11 **STATE REVENUE FORECASTING COMMISSION**

12 **§1675. State Revenue Forecasting Commission established**

13 The State Revenue Forecasting Commission, known in this
14 chapter as the "commission," is established pursuant to section
15 12004-G, subsection 35, for the purpose of providing the Governor
16 and the Legislature with supplemental projections and analyses of
17 revenues for the General Fund and General Highway Fund. Revenue
18 findings and recommendations for other funds may be provided to
19 the Governor and the Legislature at the discretion of the
20 commission. The commission consists of 4 members appointed in
21 January of every odd-numbered year as follows: two members
22 appointed by the Governor; one member appointed by the President
23 of the Senate; and one member appointed by the Speaker of the
24 House of Representatives. A chair must be selected annually from
25 among the 4 members. No one may be appointed who is a Legislator
26 at the time of appointment. Each member must have a demonstrated
27 expertise in revenue forecasting and economic and fiscal issues.

28 All members must be appointed for terms to coincide with the
29 legislative biennium. Vacancies must be filled in the same
30 manner as the original appointments for the balance of the
31 unexpired terms.

32 The members are entitled to compensation as authorized by
33 chapter 379.

34 **§1676. Duties of commission**

35 The commission shall develop state revenue projections for
36 the next fiscal biennium and analyze revenue projections for the
37 current fiscal biennium.

38 1. Biennial revenue projections. No later than October
39 15th of each even-numbered year, the commission shall submit to
40 the Governor, the Legislative Council, the joint standing
41 committee of the Legislature having jurisdiction over

2 appropriations and financial affairs and the State Budget Officer
3 a report that presents the commission's findings and
4 recommendations for General Fund and General Highway Fund revenue
5 projections for the next fiscal biennium. In its report the
6 commission shall fully describe the methodology employed in
7 reaching its recommendations. Revenue projections for other
8 funds of the State may be included at the discretion of the
9 commission.

10 2. Current biennium adjustments. No later than March 15th,
11 June 15th, September 15th and December 15th of each year the
12 commission shall submit to the Governor, the Legislative Council,
13 the joint standing committee of the Legislature having
14 jurisdiction over appropriations and financial affairs and the
15 State Budget Officer a report that presents the commission's
16 findings and recommendations for adjustments of General Fund
17 revenue and General Highway Fund revenue projections for the
18 current fiscal biennium. In each quarterly report the commission
19 shall fully describe the methodology employed in reaching its
20 recommendations. Revenue findings and recommendations for other
21 funds of the State may be included at the discretion of the
22 commission.

24 §1677. Contracts

26 The commission may enter into contractual arrangements for
27 the procurement of economic and forecasting models, data and
28 assistance in analyzing that data.

30 §1678. Meetings

32 The commission shall meet at least 4 times a year.
33 Additional meetings may be called by the chair or by any 2
34 members. All meetings must be open to the public.

36 §1679. Staffing

38 The commission may receive staff support from the Bureau of
39 the Budget and the Office of Fiscal and Program Review. Clerical
40 assistance must be shared jointly among these offices.

42 Sec. 4. 5 MRSA §12004-G, sub-§35 is enacted to read:

44	<u>35.</u>	<u>State Revenue</u>	<u>Expenses</u>	<u>5 MRSA</u>
	<u>Finance</u>	<u>Forecasting</u>	<u>Only</u>	<u>§1675</u>
46		<u>Commission</u>		

48 Sec. 5. 36 MRSA §191, sub-§2, ¶N, as amended by PL 1987, c.
49 769, Pt. A, §148, is repealed and the following enacted in its
50 place:

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N. The disclosure by the State Tax Assessor of any corporate or individualized income tax data, sales and use tax data, business tax data, property tax data or other tax data to the State Revenue Forecasting Commission or their staff. This information may be requested in any form, including paper records, computerized data, individual records or summary statistics, but may not be transmitted with any identification by taxpayer name, number or address; and

Sec. 6. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

	1991-92	1992-93
STATE REVENUE FORECASTING COMMISSION		
State Revenue Forecasting Commission		
All Other	\$25,000	\$25,000
Provides funds for the meeting, report printing, data collection and data analyses needs of the commission. These funds may not lapse but must be carried forward until June 30, 1993.		

FISCAL NOTE

This bill requests a \$25,000 General Fund appropriation in fiscal year 1991-92 and fiscal year 1992-93 to support the State Revenue Forecasting Commission.

This bill will have staffing implications in the Bureau of the Budget and the Office of Fiscal and Program Review. The amount of staff needed can not be determined at this time.

This bill will generate additional costs to a number of agencies in State Government in terms of data collection, dissemination and analysis, the total of which can be absorbed within existing resources.'

STATEMENT OF FACT

COMMITTEE AMENDMENT " A" to S.P. 232, L.D. 586

2 This amendment replaces the original bill with a "consensus
revenue estimating commission." A number of states have
4 implemented this approach as a means of stabilizing the budgeting
process at the state level.
6

Reported by the Majority for the Committee on Appropriations
and Financial Affairs. Reproduced and Distributed Pursuant to
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