

MAINE STATE LEGISLATURE

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R 48

L.D. 302

DATE: 3/15/94

(Filing No. H-843)

M I N O R I T Y
A P P R O P R I A T I O N S & F I N A N C I A L A F F A I R S

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
116TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 234, L.D. 302, "RESOLUTION, to Amend the Constitution of Maine Regarding the Rainy Day Fund"

Amend the resolution by striking out the title and substituting the following:

'RESOLUTION, to Amend the Constitution of Maine Regarding the Maine Rainy Day Fund'

Further amend the resolve by striking out all of the 2nd and 3rd paragraphs (page 1, lines 5 to 19 in L.D.) and inserting in their place the following:

'Constitution, Art. IX, §24 is enacted to read:

Section 24. Expenditure limit and reserve fund. In any state fiscal year beginning after January 1, 1995, General Fund expenditures of State Government may not exceed in any budget period an amount established by formula prescribed by the Legislature. When actual General Fund revenues in a budget period exceed the accepted General Fund revenue estimates, 75% of the excess revenues must be placed in a reserve fund and 25% of the excess revenues must be placed in the Property Tax Relief Fund, as established in the Maine Revised Statutes, Title 30-A, section 5683. Funds in the reserve fund may not exceed 10% of the total General Fund revenues received in the immediately preceding fiscal year and may be expended only in years of revenue shortfalls. Funds may be expended from this fund only upon recommendation of the Governor and approval by 2/3 of both Houses of the Legislature. The Legislature shall prescribe the procedures by which the terms of this provision are implemented, including a specific spending limitation formula.'

COMMITTEE AMENDMENT

R 216

2 Further amend the resolve by inserting at the end before the
statement of fact the following:

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FISCAL NOTE

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The estimated cost of sending this constitutional amendment out to referendum will vary according to the total number of referenda enacted during the Second Regular Session of the 116th Legislature. The estimated cost to the Secretary of State if one to 6 referenda are enacted is \$95,000. Each additional referendum costs an additional \$7,000.

14

If approved by the voters, the constitutional provision directing 75% of each year-end General Fund revenue surplus to a reserve fund will reduce the General Fund unappropriated surplus in future years. This provision will also override current statutory provisions allowing part of each year-end General fund revenue surplus to be transferred to the Maine Rainy Day Fund.'

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STATEMENT OF FACT

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This amendment provides that transfers to a reserve fund will be based on 75% of the difference between actual General Fund revenues exceeding budgeted revenues, with the remaining 25% being transferred to the Property Tax Relief Fund. It also caps that reserve fund at 10% of the previous fiscal year's total General Fund revenues, corrects certain date references and adds a fiscal note to the bill.

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