

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

No. 989

H.P. 730

House of Representatives, March 22, 1993

An Act to Limit to 5 Years Certain State Contracts.

Reference to the Committee on State and Local Government suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative KERR of Old Orchard Beach.

Cosponsored by Representatives: AHEARNE of Madawaska, CAMPBELL of Holden, CARR of Sanford, CLARK of Millinocket, DiPIETRO of South Portland, GEAN of Alfred, JOSEPH of Waterville, MICHAUD of East Millinocket, POULIOT of Lewiston, TARDY of Palmyra.

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

4 Sec. 1. 5 MRSA c. 156-A is enacted to read:

6 CHAPTER 156-A

8 CONTRACT LIMITATION

10 §1841. Definitions

12 As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

14 1. Executive director. "Executive director" means the Executive Director of the Legislative Council.

16 2. Independent agency. "Independent agency" has the same meaning as found in Title 3, section 923, subsection 3.

18 3. State agency. "State agency" means any agency or department of state government subject to the provisions of chapters 141 to 156.

20 §1842. Time limitation on contracts

22 A state agency or an independent agency may not enter into a contract, agreement or lease for a period of time exceeding 5 years unless the contract is reviewed by the Legislature. Following review and recommendations made by the Legislature, a proposed state agency contract, agreement or lease subject to this chapter must be approved by the Director of the Bureau of General Services and the Commissioner of Financial and Administrative Services.

24 1. Current contracts exceeding 5 years. A state agency or an independent agency that is a party to a contract that expires more than 5 years from the effective date of this chapter must review that contract in order to renegotiate the contract for a period not to exceed 5 years with contract provisions that are more favorable to the State than the current contract.

26 2. Report to the Legislature. A contract, lease or agreement subject to review by the Legislature must be accompanied by the following:

28 A. A brief summary of the basic provisions of the contract;

30 B. The annual cost and the total cost of the contract;

2 C. The names and addresses of competing firms and
3 organizations that were not selected with respect to a
4 contract, agreement or lease and the annual costs and total
5 costs for each of the competing offers; and

6 D. The reasons for rejecting competing offers or
7 acceptances of contracts or bids.

8
9 Any report to the Legislature pursuant to this chapter must be
10 provided to the executive director. The executive director must
11 provide the joint standing committee of the Legislature having
12 jurisdiction over appropriations and financial affairs and the
13 joint standing committee of the Legislature having jurisdiction
14 over the subject matter of the contract with copies of the
15 information required by this subsection.

16
17 3. Legislative review. Within 14 days of receipt of the
18 report under subsection 2, the joint standing committee of the
19 Legislature having jurisdiction over appropriations and financial
20 affairs and the joint standing committee of the Legislature
21 having jurisdiction over the subject matter of the contract shall
22 report their findings and recommendations to the executive
23 director, who shall forward the reports to the appropriate agency
24 and the Commissioner of Financial and Administrative Services.

25
26 The legislative committees reviewing contracts are not required
27 to formally meet, and committee members may convey their findings
28 and recommendations to the executive director, who shall forward
29 these findings and recommendations as provided in this section.

30
31 A committee may meet to review contract provisions if the
32 committee chairs or 4 or more members of the committee consider a
33 committee meeting necessary.

34 **§1843. Exclusions**

35 1. Application limited. This chapter does not apply to:

36 A. Purchases or sales of land, buildings and equipment;

37 B. Sales of bonds and notes; and

38 C. Loans to businesses, students or homeowners, including
39 eligible apartment house owners participating in state
40 housing programs.

41 2. Agency rules. Agency rules are not contracts or
42 agreements for the purposes of this chapter. Agency rules are
43 not subject to this chapter.

STATEMENT OF FACT

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With some exceptions, this bill imposes a time limitation of 5 years on contracts entered into by state agencies. Contracts that exceed this limitation are subject to legislative review.