

MAINE STATE LEGISLATURE

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R.S.

L.D. 1607

DATE: 3/1/94

(Filing No. H- 774)

MAJORITY
MARINE RESOURCES

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

COMMITTEE AMENDMENT "A" to H.P. 1199, L.D. 1607, Bill, "An Act to Establish the Lobster Promotion Council as a Public Instrumentality"

Amend the bill by inserting after section 4 the following:

'Sec. 5. 12 MRSA §6455, sub-§5, as amended by PL 1993, c. 282, §4, is further amended to read:

5. Fund established; license surcharge assessed. The Lobster Promotion Fund, referred to in this subchapter as the "fund," is established in--the--department to carry out the purposes of this subchapter. ~~The council--shall--administer--the fund--and--the~~ department shall transfer pay to the fund all money appropriated or received by the department for the purposes of this subchapter, except that the department may retain funds necessary to reimburse the department for the actual cost of collecting the license surcharges established in this subsection. The fund is capitalized from the following annual surcharges assessed on the following licenses issued by the department for calendar years 1992, 1993, 1994, 1995, 1996 and 1997:

A. Class I crab and lobster licenses for persons 18 to 69 years of age, \$25;

B. Class II crab and lobster licenses, \$50;

COMMITTEE AMENDMENT

2 C. Class III crab and lobster licenses, \$75;

4 D. Wholesale seafood licenses with lobster permits, \$200;
and

6 E. Lobster transportation licenses, \$200.

8 A person holding more than one of the licenses listed in this
10 subsection is assessed a surcharge only on the highest
surchargeable license held.

12 The Treasurer of State shall hold all surcharges assessed by this
14 subsection in the fund and invest all money in the fund until
~~disbursement is authorized by the~~ disbursed to the council upon
16 request of the council. Interest from investments accrues to the
fund.

18 All money in the fund is subject to allocation by the
20 Legislature. Unexpended balances in the fund at the end of the
fiscal year may not lapse but must be carried forward to be used
for the same purposes.

22 In addition to payment of the regular license fee and the
24 surcharge, a person purchasing a license subject to the
surcharges established in this subsection may make voluntary
26 contributions to the fund at the time the license is purchased.
Voluntary contributions received by the department from a
28 licensee pursuant to this subsection must be deposited in the
fund by the department and must be used by the council for the
30 purposes of this subchapter.

32 **Sec. 6. 12 MRSA §6455, sub-§7 is enacted to read:**

34 7. Audit. Beginning with fiscal year 1994-95, the
36 Department of Audit shall annually perform a postaudit of
expenditures by the council and shall report the results of that
38 audit to the joint standing committee of the Legislature having
jurisdiction over marine resource matters. The council shall
40 reimburse the Department of Audit for costs incurred by that
department to conduct that audit.

42 **Sec. 7. Allocation.** The following funds are allocated from
Other Special Revenue to carry out the purposes of this Act.

44 1994-95

46 **AUDIT, DEPARTMENT OF**

48 **Audit - Departmental Bureau**

R.S.S.

COMMITTEE AMENDMENT "A" to H.P. 1199, L.D. 1607

2 All Other \$5,625

4 Provides for the allocation of funds to
 6 perform a postaudit of expenditures of
 8 the Lobster Promotion Council.

8 **DEPARTMENT OF AUDIT**

8 **TOTAL** \$5,625

10 **LOBSTER PROMOTION COUNCIL**

12 **Lobster Promotion Council**

14 All Other (\$400,000)

16 Provides for the deallocation of funds to
 18 reflect the new status of the Lobster
 20 Promotion Council as an instrumentality of the
 22 State.

22 **Lobster Promotion Council**

24 All Other \$400,000

26 Provides for the allocation of funds to
 28 reflect the new status of the Lobster
 30 Promotion Council as an instrumentality of
 32 the State and to allow the council to receive
 34 state funds from the Lobster Promotion Fund.

32 **LOBSTER PROMOTION COUNCIL**

32 **TOTAL** \$0

34 **TOTAL ALLOCATIONS** \$5,625

38 **Sec. 8. Effective date.** This Act takes effect on July 1, 1994.'

40 Further amend the bill by inserting at the end before the
statement of fact the following:

42 **FISCAL NOTE**

44 **1994-95**

46 **APPROPRIATIONS/ALLOCATIONS**

48 Other Funds \$5,625

50 **REVENUES**

COMMITTEE AMENDMENT

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Other Funds \$5,625

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The establishment of the Lobster Promotion Council as an instrumentality of the State will have the effect of removing the council's fiscal operations from the State's. A deallocation of \$400,000 in fiscal year 1994-95 is included to reflect the council's change of status. These funds are reallocated to the council to allow these revenues to be paid as a grant to the Lobster Promotion Council.

The Department of Marine Resources will incur some minor additional costs to collect certain license surcharges for the Lobster Promotion Fund. These costs and the funds retained by the department will not appreciably affect the revenues transferred to the Lobster Promotion Fund.

The Department of Audit will require an additional Other Special Revenue allocation of \$5,625 in fiscal year 1994-95 for performing a postaudit of the expenditures of the Lobster Promotion Council. The Department of Audit will also receive a corresponding increase of dedicated revenue from the Lobster Promotion Council in the form of payment for the cost of the postaudit services. This additional payment to reimburse the cost of the annual postaudit performed by the Department of Audit will require the Lobster Promotion Council to either reduce its planned annual expenditures by \$5,625 or have its statutory surcharges amended to produce additional revenue.'

STATEMENT OF FACT

This amendment requires the Department of Audit to annually perform a postaudit of expenditures by the Lobster Promotion Council and to report on that audit to the joint standing committee of the Legislature having jurisdiction over marine resources matters. The council is required to reimburse the Department of Audit for costs associated with conducting that audit. The amendment also allows the Department of Marine Resources to withhold from money transferred to the council an amount equal to the department's actual cost of collecting the license surcharges. The amendment also makes the Act effective on July 1, 1994.

The amendment also adds an allocation and a fiscal note to the bill.