

# MAINE STATE LEGISLATURE

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# 117th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1995

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Legislative Document

No. 932

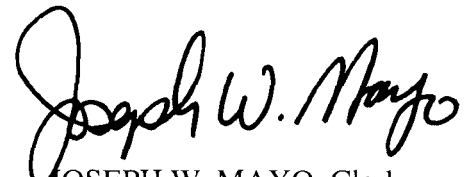
H.P. 681

House of Representatives, March 21, 1995

**An Act to Prohibit the Use of Unappropriated Surplus Funds to Balance  
the Budget.**

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Reference to the Committee on Appropriations and Financial Affairs suggested and  
ordered printed.

  
JOSEPH W. MAYO, Clerk

Presented by Representative REED of Falmouth.

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

Sec. 1. 5 MRSA §1663 is amended to read:

**§1663. Scope of budget**

The budget of the State Government shall must present a complete financial plan for each fiscal year of the ensuing biennium. It shall must set forth all proposed expenditures for the administration, operation and maintenance of the departments and agencies of the State Government; all interest and debt redemption charges during each fiscal year and all expenditures for capital projects to be undertaken and executed during each fiscal year of the biennium. In addition ~~thereto~~, the state budget shall must set forth the anticipated revenues of the State Government ~~and any other additional means of financing to finance~~ the expenditures proposed for each fiscal year of the biennium. For the purposes of this section, "anticipated revenues" means all revenues generated and realized for accounting purposes within that fiscal year and may not include any balances carried forward from prior years in the unappropriated surpluses of the General Fund or the Highway Fund.

Sec. 2. 5 MRSA §1664, as amended by PL 1993, c. 675, Pt. C, §11, is repealed and the following enacted in its place:

**§1664. Form of budget document**

1. Definitions. As used in this section, unless the context otherwise indicates, the following words have the following meanings.

A. "Anticipated revenues" means all revenues generated and realized for accounting purposes within each fiscal year of the ensuing biennium and may not include any balances carried forward from prior years in the unappropriated surpluses of the General Fund or Highway Fund.

B. "Tax expenditures" means those state tax revenue losses attributable to provisions of Maine tax laws that allow a special exclusion, exemption or deduction or that provide a special credit, a preferential rate of tax or a deferral of tax liability.

2. Contents of budget document. The state budget document, setting forth a financial plan for State Government for each fiscal year of the ensuing biennium, must be set up in 2 parts, the nature and contents of which must be as follows.

A. Part 1 must consist of a budget message by the Governor-elect, or the Governor, that outlines the financial policy of State Government for the ensuing biennium,

describing the important features of the financial plan. It must include a general budget summary setting forth the aggregate figures of the budget to show the balanced relations between the total proposed expenditures and the total anticipated revenues to finance the proposed expenditures for each fiscal year of the ensuing biennium contrasted with the corresponding figures for the last completed fiscal year and the fiscal year in progress. It must specifically describe the estimated loss in revenue during the last completed fiscal year and the fiscal year in progress and the anticipated loss in revenue for each fiscal year of the ensuing biennium caused by tax expenditures provided in Maine statutes. The general budget summary must be supported by explanatory schedules or statements classifying the expenditures contained in the budget by organization units, objects and funds and the income by organization units, sources and funds.

B. Part 2 must include the detailed budget estimates of both expenditures and revenues as provided in Part 1. Part 2 must include statements of the bonded indebtedness of State government showing the debt redemption requirements, the debt authorized and unissued and the condition of the sinking funds. Part 2 must contain any statements relative to the financial plan that the Governor-elect, or the Governor, considers desirable or that may be required by the Legislature and must contain the analysis and statement required by section 1665, subsections 2 and 5.

C. If the Governor submits legislation setting forth appropriations or allocations for the Judicial Department that differ from the full budget request submitted by the Judicial Department under Title 4, section 24, the Governor shall simultaneously submit a report to the joint standing committees of the Legislature having jurisdiction over appropriations and financial affairs and judiciary matters explaining why the Governor's budget legislation differs from the Judicial Department's budget submission.

Sec. 3. 5 MRSA §1666-A is enacted to read:

**§1666-A. Balanced budget**

The Legislature shall enact a budget that establishes a level of expenditures for each fiscal year less than or equal to anticipated revenues. For the purposes of this section, "anticipated revenues" means all revenues generated and realized for accounting purposes within that fiscal year and may not include any balances carried forward from prior years in the unappropriated surpluses of the General Fund or Highway Fund.

## STATEMENT OF FACT

2

4       This bill requires the Governor to submit a balanced budget  
6       within each fiscal year by excluding any consideration of the  
8       balances carried forward in the General Fund or the Highway  
10      Fund. Estimated General Fund revenues generated within a given  
      fiscal year determine the amount of expenditures that the  
      Governor may propose in the budget. This bill also requires the  
      Legislature to enact a balanced budget that does not consider  
      balances carried forward.