

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 172

S.P. 62

In Senate, January 14, 1997

An Act to Provide for Long-range Revenue Forecasts.

Submitted by the Department of Administrative and Financial Services pursuant to Joint Rule 204.

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

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator MICHAUD of Penobscot.
Cosponsored by Representative: OTT of York.

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

Sec. 1. 5 MRSA §§1710-F and 1710-G, as enacted by PL 1995, c. 368, Pt. J, §1, are amended to read:

§1710-F. Duties of committee

1. **Duties; use of economic assumptions.** The committee shall develop current fiscal biennium and 2 ensuing fiscal biennium biennia revenue projections using the economic assumptions recommended by the Consensus Economic Forecasting Commission.

2. **Biennial revenue projections.** The committee shall submit recommendations for state revenue projections for the next 2 fiscal biennium biennia and analyze revenue projections for the current fiscal biennium, which must be approved by a majority of the committee members. No later than December 1st of each even-numbered year, the committee shall submit to the Governor, the Legislative Council, the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the State Budget Officer a report that presents the analyses, findings and recommendations for General Fund and Highway Fund revenue projections for the next 2 fiscal biennium biennia. In its report the committee shall fully describe the methodology employed in reaching its recommendations. Revenue projections for other funds of the State may be included in the report at the discretion of the committee.

3. **Current and ensuing biennium adjustments.** No later than March 1st and December 1st annually the committee shall submit to the Governor, the Legislative Council, the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the State Budget Officer a report that presents the analyses, findings and recommendations for adjustments to General Fund revenue and Highway Fund revenue for the current and ensuing fiscal biennium biennia. In each report the committee shall fully describe the methodology employed in reaching its recommendations. Revenue adjustments for other funds of the State may be included in the report at the discretion of the committee.

§1710-G. Use of revenue forecasts

The State Budget Officer shall consider the revenue projections recommended by the committee in setting revenue estimates in accordance with section 1665, subsection 3. The State Budget Officer shall use the revenue projections of the committee in preparing General Fund and Highway Fund revenue and expenditure forecasts in accordance with section 1664 and section 1665, subsection 7. If the State Budget Officer adjusts the

revenue projections recommended by the committee in setting
2 revenue estimates in accordance with section 1665, subsection 3,
the State Budget Officer shall submit to the Governor, the
4 Legislative Council and the joint standing committee of the
Legislature having jurisdiction over appropriations and financial
6 affairs a report that presents the analyses, findings and
recommendations by revenue line and explains the variances from
8 the revenue projections recommended by the committee.

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SUMMARY

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This bill requires the Revenue Forecasting Committee to
14 prepare and recommend 4-year revenue forecasts for the General
Fund and the Highway Fund.