

MAINE STATE LEGISLATURE

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L.D. 1829

DATE: *March 9, 1998*

(Filing No. S- 492)

APPROPRIATIONS AND FINANCIAL AFFAIRS

Reported by:

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**STATE OF MAINE
SENATE
118TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 627, L.D. 1829, Bill, "An Act to Change the State's Fiscal Year from July 1st to October 1st"

Amend the bill in Part A by striking out all of section 4 and inserting in its place the following:

'Sec. A-4. 24-A MRSA §237, first ¶, as amended by PL 1997, c. 79, §2, is further amended to read:

The expense of maintaining the Bureau of Insurance must be assessed annually by the Superintendent of Insurance against all insurers and health maintenance organizations licensed to do business in this State in proportion to their respective direct gross premium written on business in this State during the year ending December 31st immediately preceding the fiscal year for which assessment is made. The annual assessment upon all insurers must be applied to the budget of the bureau for the fiscal year commencing July October 1st. For any biennial period, total assessment must be in an amount not exceeding .002 of total direct premiums written. When the superintendent calculates the amount of the annual assessment, the superintendent must consider, among other factors, the staffing level required to administer the responsibilities of the bureau.'

Further amend the bill in Part A by striking out all of section 5.

Further amend the bill in Part A by striking out all of section 7 and inserting in its place the following:

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2 **Sec. A-7. 39-A MRSA §154, sub-§6**, as amended by PL 1997, c.
486, §5, is further amended to read:

4 **6. Assessment levied.** The assessments levied under this
6 section may not be designed to produce more than \$6,000,000 in
revenues annually beginning in the 1995-96 fiscal year or more
8 than \$6,600,000 annually beginning in the 1997-98 fiscal year.
Assessments collected that exceed \$6,000,000 beginning in the
10 1995-96 fiscal year or \$6,600,000 beginning in the 1997-98 fiscal
year by a margin of more than 10% must be refunded to those who
12 paid the assessment. Any amount collected above the board's
allocated budget and within the 10% margin must be used to create
14 a reserve of up to 1/4 of the board's annual budget. Any
collected amounts or savings above the allowed reserve must be
used to reduce the assessment for the following fiscal year. The
16 board shall determine the assessments prior to May 1st and shall
assess each insurance company or association and self-insured
18 employer its pro rata share for expenditures during the fiscal
year beginning ~~July~~ October 1st. Each self-insured employer
20 shall pay the assessment on or before ~~June~~ September 1st. Each
insurance company or association shall pay the assessment in
22 accordance with subsection 3.'

24 Further amend the bill in Part A in section 8 in the last
line (page 3, line 14 in L.D.) by striking out the following:
26 "1998" and inserting in its place the following: '1999'

28 Further amend the bill in Part B by striking out all of
section 1 and inserting in its place the following:

30 **Sec. B-1. Transition.** By February 1, 1999, the Governor
32 shall submit a 3-month unified budget bill to authorize the
appropriations or allocations to be made to each department or
34 agency of the State Government for the period between July 1,
1999 and September 30, 1999.'

36 Further amend the bill in Part B in section 2 in the 2nd
38 line (page 3, line 26 in L.D.) by striking out the following:
"Finance" and inserting in its place the following:
40 'Administrative and Financial Services'

42 Further amend the bill in Part B in section 2 in the 7th
line (page 3, line 31 in L.D.) by striking out the following:
44 "Second" and inserting in its place the following: 'First'

46 Further amend the bill in Part B in section 2 in the last
line (page 3, line 32 in L.D.) by striking out the following:
48 "118th" and inserting in its place the following: '119th' and by
striking out the following: "1998" and inserting in its place the
50 following: '1999'

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2 Further amend the bill by relettering or renumbering any
nonconsecutive Part letter or section number to read
4 consecutively.

6 Further amend the bill by inserting at the end before the
summary the following:

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FISCAL NOTE

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The change in the State's fiscal year will require one-time
additional General Fund appropriations and Highway Fund and other
14 fund allocations to fund the equivalent of one additional fiscal
quarter. This "one quarter budget" will bridge the State's
16 finances from the current fiscal year ending June 30, 1999 to the
proposed fiscal year starting on October 1, 1999.

18

Whether this legislation and the conforming legislation,
20 required to be submitted to the First Regular Session of the
119th Legislature, will be able to address all applicable fiscal
22 and programmatic issues to avoid unintended revenue and
expenditure effects is uncertain at this time.'

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SUMMARY

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This amendment is the minority report of the Joint Standing
Committee on Appropriations and Financial Affairs. It changes
30 certain dates and makes technical changes to the bill so that a
3-month budget will be prepared for the period July 1, 1999 to
32 September 30, 1999.