118th MAINE LEGISLATURE

FIRST SPECIAL SESSION-1997

Legislative Document **No. 1829**

S.P. 627 In Senate, April 22, 1997

An Act to Change the State's Fiscal Year from July 1st to October 1st.

Received by the Secretary of the Senate on April 22, 1997. Referred to the Committee on Appropriations and Financial Affairs pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Joy J O'Brien

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator PINGREE of Knox.
Cosponsored by Representative KONTOS of Windham and
Senators: CLEVELAND of Androscoggin, LAWRENCE of York, MICHAUD of Penobscot, RAND of Cumberland, Representatives: MITCHELL of Vassalboro, SAXL of Portland.

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

PART A

Sec. A-1. 5 MRSA §1501 is amended to read:

§1501. Uniform fiscal year

The fiscal year of the State Government ~~shall--commence~~ commences on the first day of ~~July~~ October and ~~end~~ ends on the 30th day of ~~June~~ September each year. The fiscal year ~~shall~~ must be followed in making appropriations and in financial reporting, and ~~shall~~ must be uniformly adopted by all departments and agencies of the State Government.

Sec. A-2. 23 MRSA §8116, sub-§2, as enacted by PL 1995, c. 374, §3, is amended to read:

2. Operating budget. Beginning January 31, 1996, on an annual basis, the authority shall present the operating budget of the authority for the next fiscal year beginning ~~July~~ October 1st to the Commissioner of Transportation for approval. The authority may only make expenditures in accordance with allocations approved by the commissioner. Any balance of an allocation that at any time may not be required for the purpose named in that allocation may be transferred at any time prior to the closing of the books to any other allocation for the use of the authority for the same fiscal year subject to review and approval by the commissioner. Fiscal statements describing a transfer must be submitted by the authority to the commissioner 30 days before the transfer is to be implemented. These fiscal statements must include information specifying the accounts that are affected, amounts to be transferred, a description of the transfer and a detailed explanation as to why the transfer is needed.

Sec. A-3. 24 MRSA §2332, first ¶, as amended by PL 1991, c. 334, §1, is further amended to read:

The Superintendent of Insurance shall levy an assessment annually upon nonprofit hospital or medical service organizations and nonprofit health care plans licensed to do business in this State in proportion to their respective subscription income derived from business operations in this State during the year ending December 31st immediately preceding the fiscal year for which assessment is made. The annual assessment upon all hospital or medical service organizations and health care plans 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 .00015 of subscription income. When the superintendent calculates the amount of the annual assessment, the superintendent shall consider, among other factors, the staffing level required to administer the nonprofit health care regulatory program of the bureau.

Sec. A-4. 24-A MRSA §237, first ¶, as amended by PL 1993, c. 313, §15, 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 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.

Sec. A-5. 30-A MRSA §5270, sub-§3, as enacted by PL 1993, c. 671, §2, is amended to read:

3. Recommended appropriation. Starting with the fiscal year beginning on July 1, 1995, the Governor shall include in the recommended budget described under Title 5, section 1664, an appropriation of $2,000,000 to the Pulp and Paper Environmental Investment Fund in that fiscal year and $6,000,000 annually for the fiscal years ending June 30, 1997, June 30, 1998 and ~~June~~ September 30, 1999.

Sec. A-6. 37-B MRSA §604, sub-§3, as enacted by PL 1983, c. 460, §3, is amended to read:

3. Selection of officers. At its first annual meeting, which ~~shall~~ must be held in ~~July~~ October each year, the board shall elect a ~~chairman~~ chair and secretary for that fiscal year.

Sec. A-7. 39-A MRSA §154, sub-§6, as amended by PL 1995, c. 59, §4, is further amended to read:

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

Sec. A-8. Effective date. This Part takes effect July 1, 1998.

PART B

Sec. B-1. Transition. By February 1, 1998, the Governor shall submit a General Fund appropriation bill to authorize the appropriation to be made to each department or agency of the State Government for the period between July 1, 1998 and October 1, 1998.

Sec. B-2. Review; conforming legislation. The Commissioner of Finance shall review this Act and examine the impact of changing the State's fiscal year on existing law. The commissioner shall prepare proposed legislation that amends those sections of the Maine Revised Statutes or affects any other law necessary to conform to a state fiscal year that commences October 1st. The proposed legislation must be submitted to the Second Regular Session of the 118th Legislature no later than January 1, 1998.

SUMMARY

Under current law, the State's fiscal year runs from July 1st to June 30th. This bill changes the fiscal year to one that runs from October 1st to September 30th, effective July 1, 1998. The bill also amends certain other laws to conform to the change in fiscal year; requires the Governor to submit a budget bill authorizing expenditures for the period between July 1, 1998 and October 1, 1998; and requires the Commissioner of Finance to prepare proposed legislation that amends those sections of the Maine Revised Statutes or affects any other law necessary to conform to a state fiscal year that commences October 1st.