## MAINE STATE LEGISLATURE

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_		L.D. 1287	
2	DATE: May 22,2001	(Filing No. S- $\frac{3}{3}$ )	
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6	STATE AND LOCAL GOVERNMENT		
8	Reported by:		
10	Reproduced and distributed under to of the Senate.	the direction of the Secretary	
12	STATE OF	MAINE	
14	SENATE 120TH LEGISLATURE FIRST REGULAR SESSION		
16			
18	COMMITTEE AMENDMENT "A" to	S.P. 391, L.D. 1287, Bill, "An	
20	Act Concerning the Administration of	f County Government"	
22	Amend the bill by inserting af	ter section 2 the following:	
24	'Sec. 3. 30-A MRSA §124, as ame further amended by adding at the en	ended by PL 1999, c. 14, §1, is	
26	further amended by adding at the en	d a new paragraph to read.	
28	The procurement of goods or services pursuant to this section that involves the expenditure of \$10,000 or less may be accepted by oral proposal or bids.'		
30	accepted by oral proposal of bids.		
32	Further amend the bill by striking out all of sections 5 and 6 and inserting in their place the following:		
34	'Sec. 5. 30-A MRSA §924, as amended by PL 1993, c. 573, §3, is further amended to read:		
36	is further amended to read:		
	§924. Surplus funds	§924. Surplus funds	
38	The government of the control of the	to the second of	
40	unexpended-balances-and-the-actual	each county shall use the	
	from-the-previous any unencumbered surplus funds at the end of		
42	fiscal year in the following fisca	l year only as provided in this	
	section, except that the Androscoggin County commissioners shall		
44	act in accordance with section 725,	subsection 9.	
46	1. Restore contingent fund.	The county commissioners shall	
	first use any unencumbered su		
48	contingent account as provided in s	section 922, subsection 2.	

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- 2 2. Reduce tax levy. After restoring the contingent account under subsection 1, the county commissioners shall use any unencumbered surplus funds to reduce the tax levy in the ensuing 4 following fiscal year as provided in this subsection. first-day-of-each-fiscal-year,-the The county commissioners shall 6 use any remaining unencumbered surplus funds in excess of 10% 15% 8 for the fiscal year beginning in 2002, 18% for the fiscal year beginning in 2003 and 20% for the fiscal year beginning in 2004 10 and each fiscal year thereafter of the amount to be raised by taxation in that the following fiscal year to reduce the tax levy 12 in that year. The county commissioners may not commit taxes to be raised in any fiscal year until the county commissioners have 14 complied with this subsection. 3. Other uses; working capital. The After compliance with 16 subsection 2, the county commissioners may use any remaining unencumbered surplus funds to fund a county charter commission, 18 as provided in section 1322, subsection 4, or to establish or 20 fund a capital reserve account under section 921, as provided in section 5801. If not used for these purposes, any remaining 22 surplus funds may not be expended but shall must be retained as working capital for the use and benefit of the county.
- 4. Unencumbered surplus funds defined. As used in this section, the term "unencumbered surplus funds" means the actual revenue in excess of estimates, as filed with the Department of Audit for that fiscal year; all unexpended account balances at the end of that fiscal year, not including capital reserve accounts established pursuant to section 921; all overlay as permitted under section 706; and any unexpended balances carried forward from prior fiscal years, including amounts retained as working capital.

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

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

## 44 FISCAL NOTE

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The bill provides discretion to county officials to retain more funds than currently allowed for purposes other than reducing the tax levy. While not a mandate, this action will increase the tax assessment imposed by the county on municipalities.'

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## COMMITTEE AMENDMENT

## **SUMMARY**

This amendment adds a new section that defines "unencumbered surplus funds" and inserts that term in the place of "unexpended balance" and "actual revenue in excess of estimates" in the law governing the use of surplus funds by counties. The amendment also requires counties to consider surpluses from all prior years rather than the only the preceding year in complying with the provisions of the laws governing use of surplus funds. It also clarifies the sequence of uses of the county surplus in existing law. The amendment increases from 10% to 20%, phased in over 3 years, the amount of surplus funds a county may retain for purposes other than reducing the amount of the tax levy in a fiscal year. Finally, the amendment permits counties to make expenditures of \$10,000 or less for the procurement of goods and services through oral proposals or bids. The amendment also adds a fiscal note to the bill.

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