

MAINE STATE LEGISLATURE

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MINORITY
BUSINESS AND ECONOMIC DEVELOPMENT

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "B" to H.P. 1230, L.D. 1677, Bill, "An Act to Enhance Tourism Promotion and Increase State Revenues"

Amend the bill in section 1 in that part designated "~~S13090-K.~~" by striking out all of subsection 3 and inserting in its place the following:

'3. Restrictions on expenditures. A minimum of 10% of the funds received by the Tourism Marketing Promotion Fund in accordance with subsection 2 must be used for regional marketing promotion and regional special events promotion.'

Further amend the bill by striking out all of sections 3 and 4 and inserting in their place the following:

'Sec. 3. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

2002-03

ECONOMIC AND COMMUNITY DEVELOPMENT,
DEPARTMENT OF

Office of Tourism

Positions - Legislative Count	(-7,000)
Personal Services	(\$438,314)
All Other	(4,210,132)

Deappropriates funds to permit the transfer of 7 positions and program

COMMITTEE AMENDMENT

2 operations from the General
Fund to the Other Special
4 Revenue funds program account.

6 **DEPARTMENT OF ECONOMIC AND COMMUNITY**
DEVELOPMENT
8 **TOTAL** (\$4,648,446)

10 **Sec. 4. Allocation.** The following funds are allocated from
Other Special Revenue to carry out the purposes of this Act.

12 **2002-03**

14 **ECONOMIC AND COMMUNITY**
16 **DEVELOPMENT, DEPARTMENT OF**

18 **Office of Tourism**

18 Positions - Legislative Count (7,000)
20 Personal Services \$438,314
22 All Other 6,403,976

24 Allocates funds to permit the transfer in of
7 positions and program operations from the
General Fund to the Other Special Revenue
26 funds program account and to increase
tourism promotion.

28 **DEPARTMENT OF ECONOMIC AND**
30 **COMMUNITY DEVELOPMENT**
TOTAL \$6,842,290'

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

36 **FISCAL NOTE**

38
40 **2001-02** **2002-03**

42 **APPROPRIATIONS/ALLOCATIONS**

44 General Fund (\$4,648,446)
46 Other Funds 6,842,290

REVENUES

2	General Fund	\$8,611,606	\$14,918,280
4	Other Funds	462,794	801,720

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 8 The increase in the tax on prepared food from 5% to 7%
 effective October 1, 2001 will increase sales and use tax
 collections by \$9,074,400 in fiscal year 2001-02 and \$15,720,000
 10 in fiscal year 2002-03. The increase of these tax collections
 will increase the amounts transferred to the Local Government
 12 Fund for state-municipal revenue sharing in those years by
 \$462,794 and \$801,720, respectively. The resulting net increase
 14 of General Fund revenue will be \$8,611,606 in fiscal year 2001-02
 and \$14,918,280 in fiscal year 2002-03.

16
 18 Beginning in fiscal year 2003-04, the bill requires monthly
 transfers of 5% of the 7% tax on meals and lodging to the Tourism
 Marketing Promotion Fund. This transfer is to be made after the
 20 required transfer to the Local Government Fund. As a result, the
 net increase to General Fund revenue from sales and use tax
 22 collections is expected to be \$7,126,730 and \$7,347,970 in fiscal
 years 2003-04 and 2004-05, respectively, with transfers to the
 24 Local Government Fund for state-municipal revenue sharing in
 those same years increasing by \$832,320 and \$863,430. Dedicated
 26 revenue transferred to the Tourism Marketing Promotion Fund is
 expected to be \$8,360,950 and \$8,718,600.

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 30 The bill requires the transfer of \$6,842,290 from the
 General Fund unappropriated surplus in fiscal year 2002-03 to the
 Tourism Marketing Promotion Fund. An Other Special Revenue funds
 32 allocation in this amount is provided to the Office of Tourism
 program within the Department of Economic and Community
 34 Development for the salary and benefits of 7 positions and
 program operations.

36
 38 Since the Office of Tourism program will be supported with
 dedicated revenue beginning in fiscal year 2002-03, the bill
 includes General Fund deappropriations from the office of
 40 \$4,648,446.

42 The Governor's proposed "current services" budget as amended
 by Committee Amendment "A" and the Governor's proposed
 44 supplemental, "Part 2," budget include proposals to fund the
 Tourism Marketing Promotion Fund. This estimate of the fiscal
 46 impact may need to be adjusted based on final legislative actions
 on those budget bills.'

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COMMITTEE AMENDMENT

SUMMARY

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This amendment, which is the minority report of the Joint Standing Committee on Business and Economic Development, strikes from the original bill the role of oversight of the Tourism Marketing Promotion Fund by the Maine Tourism Commission.