

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 1078

H.P. 796

House of Representatives, March 4, 2003

An Act To Establish a New Method of Determining the State Budget

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative JOY of Crystal.
Cosponsored by Representatives: ANDREWS of York, BERRY of Belmont, CARR of Lincoln, HEIDRICH of Oxford, LEWIN of Eliot, ROSEN of Bucksport, VAUGHAN of Durham, Senator: DAVIS of Piscataquis.

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

2 **Sec. 1. 5 MRSA §1665, sub-§1,** as enacted by PL 1989, c. 501,
4 Pt. P, §13, is amended to read:

6 **1. Expenditure and appropriation requirements.** On or
8 before September 1st of the ~~even-numbered~~ odd-numbered years, all
10 departments and other agencies of the State Government and
12 corporations and associations receiving or desiring to receive
14 state funds under the provisions of law shall prepare, in the
16 manner prescribed by and on blanks furnished them by the State
18 Budget Officer, and submit to the officer estimates of their
20 expenditure and appropriation requirements for each fiscal year
of the ensuing biennium contrasted with the corresponding figures
of the last completed fiscal year and the estimated figures for
the current fiscal year. The expenditure estimates shall must be
classified to set forth the data by funds, organization units,
character and objects of expenditure. The organization units may
be subclassified by functions and activities, or in any other
manner, at the discretion of the State Budget Officer.

22 **Sec. 2. 5 MRSA §1665, sub-§7,** as repealed and replaced by PL
24 1999, c. 127, Pt. A, §6 and affected by §7, is amended to read:

26 **7. General Fund and Highway Fund revenue and expenditure**
28 **forecasts.** By September 30th of each ~~even-numbered~~ odd-numbered
30 year, the State Budget Officer shall prepare and deliver a report
32 to the Governor, the Legislature and the joint standing committee
34 of the Legislature having jurisdiction over appropriations and
36 financial affairs containing a forecast of revenue and
38 expenditures for the following biennium. The forecast must
40 assume the continuation of current laws and include reasonable
42 and predictable estimates of growth in revenues and expenditures
based on national and local trends and program operations. General
Fund and Highway Fund revenue must be forecasted by income source
as provided in chapter 151-B. Expenditure forecasts for the General
Fund and the Highway Fund must be forecasted on the basis of current
law and assumed inflation variables related to program operations.
The forecast for the General Fund and the Highway Fund must be
presented in a budget fund flow statement and a comparative statement
showing each income source for revenue projections and expenditure
estimates for each major program category.

44 **Sec. 3. 5 MRSA §1666, first ¶,** as amended by PL 1993, c. 707,
46 Pt. R, §1, is further amended to read:

48 The Governor-elect or the Governor, with the assistance of
50 the State Budget Officer, shall review the budget estimates,
altering, revising, increasing or decreasing the items of the

estimates as may be determined necessary in view of the needs of the various departments and agencies and the total anticipated income of the State Government during the ensuing biennium. This review must cover all budgets regardless of source of funds, including, but not limited to, budgets related to the Highway Fund, the Federal Revenue Sharing Fund and other special revenue funds. The State Budget Officer, at the direction of the Governor-elect or the Governor, shall then prepare a state budget document in the form required by law. The Governor-elect or the Governor is fully responsible for all budgetary recommendations made to the Legislature. The Governor shall transmit the budget document to the Legislature not later than the Friday following the first Monday in January ~~December~~ of the ~~first~~ second regular legislative session. At that time the Governor shall also transmit any biennial budget bills that authorize appropriations or allocations in the upcoming biennium that the Governor may wish to propose as well as any emergency bills that authorize additional appropriations or allocations in the current fiscal year that the Governor may wish to propose. A Governor-elect elected to a first term of office shall transmit the budget document to the Legislature not later than the Friday following the first Monday in February ~~January~~ of the ~~first~~ second regular legislative session. At that time the Governor-elect shall also transmit any biennial budget bills that authorize appropriations or allocations in the upcoming biennium that the Governor may wish to propose as well as any emergency bills that authorize additional appropriations or allocations in the current fiscal year that the Governor may wish to propose.

Sec. 4. 5 MRSA §1666-A, as enacted by PL 1995, c. 113, §1, is amended to read:

§1666-A. Enactment of budget

The Legislature shall review a biennial or supplemental budget submitted to it in accordance with this chapter and enact a budget no later than 30 days prior to the date of adjournment prescribed in Title 3, section 2, except that, during the first year in office of a Governor-elect, the Legislature shall enact a budget no later than the first Friday in June ~~April~~.

Sec. 5. Application. For the fiscal year beginning on July 1, 2005, the budget of the State must provide for a complete financial plan for one fiscal year. Those sections of this Act that amend the Maine Revised Statutes, Title 5, sections 1665, 1666 and 1666-A take effect July 1, 2006.

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SUMMARY

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This bill shifts the start of the fiscal biennium for the state budget from the first regular session of the Legislature to the second regular session of the Legislature, beginning for the fiscal year that begins on July 1, 2006. This bill also provides that the state budget beginning on July 1, 2005 is a one-year budget.