

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 782

H.P. 598

House of Representatives, February 15, 2007

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 Senator SNOWE-MELLO of Androscoggin and
Representatives: ANNIS of Dover-Foxcroft, CEBRA of Naples, COTTA of China, HAYES of
Buckfield, MILLETT of Waterford, RICHARDSON of Carmel, RICHARDSON of Greenville,
VAUGHAN of Durham.

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

2 **Sec. 1. 5 MRSA §1665, sub-§1**, as amended by PL 2005, c. 601, §2, is further
3 amended to read:

4 **1. Expenditure and appropriation requirements.** On or before September 1st of
5 the ~~even-numbered~~ odd-numbered years, all departments and other agencies of the State
6 Government and corporations and associations receiving or desiring to receive state funds
7 under the provisions of law shall prepare, in the manner prescribed by the State Budget
8 Officer, and submit to the officer estimates of their expenditure and appropriation
9 requirements for each fiscal year of the ensuing biennium. The expenditure estimates
10 must be classified to set forth the data by funds, organization units, character and objects
11 of expenditure. The organization units may be subclassified by functions and activities, or
12 in any other manner, at the discretion of the State Budget Officer.

13 All departments and other agencies receiving or desiring to receive state funds from the
14 Highway Fund shall submit to the officer estimates of their expenditure and appropriation
15 requirements for each fiscal year of the ensuing biennium that do not exceed the Highway
16 Fund appropriation of the previous fiscal year multiplied by one plus the average real
17 personal income growth rate or 2.75%, whichever is less. The Highway Fund highway
18 and bridge improvement accounts are exempt from this spending limitation.

19 **Sec. 2. 5 MRSA §1665, sub-§7**, as repealed and replaced by PL 1999, c. 127, Pt.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

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

35 **Sec. 3. 5 MRSA §1666, first ¶**, as amended by PL 2005, c. 601, §4, is further
36 amended to read:

37 ~~The Governor elect or the~~ Governor, with the assistance of the State Budget Officer,
38 shall review the budget estimates, altering, revising, increasing or decreasing the items of
39 the estimates as may be determined necessary in view of the needs of the various
40 departments and agencies and the total anticipated income of the State Government
41 during the ensuing biennium. This review must cover all budgets regardless of source of
42 funds, including, but not limited to, budgets related to the Highway Fund, the Federal

1 Revenue Sharing Fund and other special revenue funds. The State Budget Officer, at the
2 direction of ~~the Governor-elect~~ or the Governor, shall then prepare a state budget
3 document in the form required by law. The Governor-elect or the Governor is fully
4 responsible for all budgetary recommendations made to the Legislature. The Governor
5 shall transmit the budget document to the Legislature not later than the Friday following
6 the first Monday in ~~January~~ of December in odd-numbered years for consideration in the
7 ~~first~~ second regular legislative session. At that time the Governor shall also transmit any
8 emergency bills that authorize additional appropriations or allocations in the current fiscal
9 year that the Governor may wish to propose. ~~A Governor-elect elected to a first term of~~
10 ~~office shall transmit the budget document to the Legislature not later than the Friday~~
11 ~~following the first Monday in February of the first regular legislative session. At that~~
12 ~~time the Governor-elect shall also transmit any emergency bills that authorize additional~~
13 ~~appropriations or allocations in the current fiscal year that the Governor may wish to~~
14 ~~propose.~~

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

16 **§1666-A. Enactment of budget**

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

22 **Sec. 5. Application; single-year budget 2009-10.** Notwithstanding any other
23 provision of law, for the fiscal year beginning on July 1, 2009, the budget of the State
24 must provide for a complete financial plan for one fiscal year.

25 **Sec. 6. Revisor's review.** The Revisor of Statutes shall review the Maine Revised
26 Statutes and include in the errors and inconsistencies bill submitted to the Second Regular
27 Session of the 123rd Legislature pursuant to Title 1, section 94 any sections necessary to
28 correct and update any provisions in the statutes necessitated by passage of this Act.

29 **Sec. 7. Effective date.** Those sections of this Act that amend the Maine Revised
30 Statutes, Title 5, sections 1665, 1666 and 1666-A take effect July 1, 2009.

31 **SUMMARY**

32 This bill shifts the start of the fiscal biennium for the state budget from the first
33 regular session of the Legislature to the second regular session of the Legislature,
34 beginning for the fiscal year that begins on July 1, 2010. This bill also provides that the
35 state budget beginning on July 1, 2009 is a one-year budget.