

MAINE STATE LEGISLATURE

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Date: 3-31-08

(Filing No. H-881)

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
123RD LEGISLATURE
SECOND REGULAR SESSION**

HOUSE AMENDMENT "E" to H.P. 1651, L.D. 2289, Bill, "An Act Making Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2008 and June 30, 2009"

Amend the bill by inserting after Part PPPP the following:

PART QQQQ

Sec. QQQQ-1. Commission created. The Maine Government Efficiency Commission, referred to in this Part as "the commission," is created to identify government expenditures that may be eliminated or reduced by consolidating governmental entities, increasing efficiency in the provision of services and eliminating duplication.

Sec. QQQQ-2. Membership; chair. The commission consists of 9 members:

- 1. Two members of the general public, appointed by the President of the Senate;
- 2. Two members of the general public, appointed by the Speaker of the House of Representatives;
- 3. Two members of the general public, appointed by the minority leader of the Senate;
- 4. Two members of the general public, appointed by the minority leader of the House of Representatives; and
- 5. One member, appointed jointly by the other 8 members, who shall serve as chair and who may vote only in the event of a tie.

The appointing authorities shall make all reasonable efforts to select members who are generally considered experts in the fields of business, finance or government operations and who are supported by the other appointing authorities, the general public and other interested parties. Members may not have any vested interest in State Government such as being recipients of state funds or beneficiaries of state programs and may not be representatives of labor unions.

1 **Sec. QQQQ-3. Appointments; convening of commission.** All appointments
2 must be made no later than 30 days following the effective date of this Part. The chair
3 shall call the first meeting of the commission within 20 days of the completion of
4 appointments.

5 **Sec. QQQQ-4. Duties.** The commission shall:

6 1. Analyze state and national reports, including background papers prepared for the
7 Brookings Institution, that identify areas of state and local spending in which Maine's
8 costs are high relative to comparable states;

9 2. Identify areas of spending in state and local government, especially spending on
10 administration, that could be reduced by consolidation, elimination of duplication,
11 increases in efficiency or other means, excluding reduction in services or programs, with
12 the goal of identifying at least \$75,000,000 in spending reductions that are projected to be
13 continuing annual savings; and

14 3. Develop a plan for restructuring government at all levels so that Maine's overall tax
15 burden will within 10 years fall into the middle of the range of other rural states with
16 similar geographic and demographic characteristics.

17 **Sec. QQQQ-5. Staffing.** The commission may enter into a contract with a private
18 organization or consultant to provide administrative and research assistance in carrying
19 out the duties of the commission if outside funds to support such assistance are received
20 pursuant to section 8. The Office of Program Evaluation and Government Accountability,
21 the Department of Administrative and Financial Services, the Department of Education
22 and the policy institutes of the University of Maine System shall provide assistance
23 requested by the commission to the extent possible within available resources.

24 **Sec. QQQQ-6. Compensation.** The members of the commission are entitled to
25 receive reimbursement of necessary expenses for their attendance at authorized meetings
26 of the commission.

27 **Sec. QQQQ-7. Report; implementing legislation.** No later than January 2,
28 2009, the commission shall submit a final report that includes its findings and
29 recommendations, including suggested legislation and an estimate of the reduction in
30 spending that would result from adoption of each recommendation, for presentation to the
31 First Regular Session of the 124th Legislature. The commission shall submit legislation
32 related to its report to the First Regular Session of the 124th Legislature at the time of
33 submission of its report. It is the intent of the Legislature that any legislation submitted
34 to another Legislature by the commission be considered without amendment, except for
35 revenue-neutral amendments.

36 **Sec. QQQQ-8. Funding sources.** The commission shall seek outside funds to
37 fully fund all costs of the commission. Contributions to support the work of the
38 commission may not be accepted from any party having pecuniary or other vested interest
39 in the outcome of the matters being studied. Any person, other than a state agency,
40 desiring to make a financial or in-kind contribution must certify to the commission that it
41 has no pecuniary or other vested interest in the outcome of the study. Such a certification
42 must be made in the manner prescribed by the commission. All contributions are subject
43 to approval by the commission. All funds accepted must be forwarded to the commission

1 along with an accounting record that includes the amount of funds, the date the funds
2 were received, from whom the funds were received and the purpose of and any limitation
3 on the use of those funds.

4 **PART RRRR**

5 **Sec. RRRR-1. 5 MRSA §1518-A**, as enacted by PL 2005, c. 2, Pt. A, §4 and
6 affected by §14, is amended to read:

7 **§1518-A. Tax Relief Fund for Maine Residents**

8 **1. Tax Relief Fund for Maine Residents.** There is created the Tax Relief Fund for
9 Maine Residents, referred to in this section as "the fund," which must be used to provide
10 tax relief to residents of the State. The fund consists of all resources transferred to the
11 fund under this section and section 1536; all savings identified by the State Controller
12 from legislation enacted based on recommendations of a government efficiency
13 commission established during the Second Regular Session of the 123rd Legislature; and
14 other resources made available to the fund.

15 **2. Nonlapsing fund.** Any unexpended balance in the ~~Tax Relief Fund for Maine~~
16 ~~Residents may fund does~~ not lapse but ~~must be~~ is carried forward to be used pursuant to
17 subsection 1.

18 **3. Transfer from revenue growth.** Notwithstanding Title 5, section 1535,
19 beginning with fiscal year 2009-10, at the close of each fiscal year, the State Controller
20 shall transfer to the fund any revenue received by the State for the fiscal year being closed
21 that exceeds the amount of revenue received for the previous fiscal year adjusted by the
22 growth limitation factor calculated under Title 5, section 1534, subsection 2.

23 **4. Income tax reduction.** Amounts contained in the fund must be used to reduce
24 individual income taxes. The State Tax Assessor shall present legislation annually to
25 reduce income tax burden pursuant to this subsection. This legislation must use any
26 amounts contained in the fund to reduce income taxes until a top rate of 4.5% is reached.

27 **PART SSSS**

28 **Sec. SSSS-1. Appropriations and allocations.** The following appropriations
29 and allocations are made.

30 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

31 **Maine Government Efficiency Commission N040**

32 Initiative: Establishes a base allocation for the Maine Government Efficiency
33 Commission for outside contributions to support the work of the commission.

34	OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
35	All Other	\$0	\$500
36			
37	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$500

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

SUMMARY

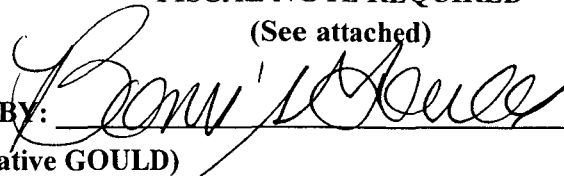
Part QQQQ of this amendment establishes the Maine Government Efficiency Commission recommended in the report of the Brookings Institution entitled "Charting Maine's Future: An Action Plan for Promoting Sustainable Prosperity and Quality Places" and directs the commission to identify at least \$75,000,000 in government expenditures that can be eliminated or reduced annually by consolidating governmental entities, increasing efficiency in the provision of services and eliminating duplication. The commission is also directed to develop a long-term plan for restructuring government at all levels in order to reduce the State's overall tax burden relative to similar states. The commission must submit its report to the 124th Legislature by January 2, 2009. It is intended that legislation to implement the commission's recommendations be voted on without amendment, except for those amendments that are revenue neutral.

Part RRRR requires the transfer to the Tax Relief Fund for Maine Residents, beginning in fiscal year 2009-10, of any growth in revenues over the previous year adjusted by the growth limitation factor and any funds attributable to savings from the enactment of recommendations of the government efficiency commission. The State Tax Assessor is required to present legislation annually to use amounts in the Tax Relief Fund for Maine Residents to reduce the individual income tax burden until a top rate of 4.5% is reached.

FISCAL NOTE REQUIRED

(See attached)

SPONSORED BY:



(Representative GOULD)

TOWN: South Berwick



123rd MAINE LEGISLATURE

LD 2289

LR 3624(17)

An Act Making Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2008 and June 30, 2009

Fiscal Note for House Amendment "E"

Sponsor: Rep. Gould of South Berwick

Fiscal Note Required: Yes

Fiscal Note

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
Appropriations/Allocations				
Other Special Revenue Funds	\$0	\$500	\$500	\$500

Fiscal Detail and Notes

This amendment will have no net effect on General Fund appropriations and revenue and a balanced budget is maintained for the 2008-2009 biennium.

This amendment includes a base allocation of \$500 in fiscal year 2008-09 for the Maine Government Efficiency Commission for contributions from outside sources to support the work of the Commission.