

MAINE STATE LEGISLATURE

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126th MAINE LEGISLATURE

SECOND REGULAR SESSION-2014

Legislative Document

No. 1762

H.P. 1264

House of Representatives, February 6, 2014

**An Act Related to the Report of the Tax Expenditure Review Task
Force**

Reported by the Majority from the Joint Standing Committee on Appropriations and
Financial Affairs pursuant to Public Law 2013, chapter 368, Part S, section 7.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

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

2 **Sec. 1. PL 2013, c. 368, Pt. S, §8** is repealed.

3 **Sec. 2. PL 2013, c. 368, Pt. S, §9** is amended to read:

4 **Sec. S-9. Fiscal year 2013-14 year-end unappropriated surplus, 4th**
5 **priority transfer.** The State Controller shall at the close of the fiscal year ending June
6 30, 2014, as the next priority after the transfers authorized pursuant to the Maine Revised
7 Statutes, Title 5, sections 1507, 1511 and 1522 and after all required deductions of
8 appropriations, budgeted financial commitments and adjustments considered necessary
9 by the State Controller have been made, transfer from the available balance of the
10 unappropriated surplus of the General Fund up to ~~\$40,000,000~~ \$21,000,000 to the ~~Local~~
11 ~~Government Fund by offsetting the amount of the reduction in that fund on a monthly~~
12 ~~basis pursuant to the Maine Revised Statutes, Title 30-A, section 5681, subsection 5-C~~
13 Maine Budget Stabilization Fund established in the Maine Revised Statutes, Title 5,
14 section 1532.

15 **Sec. 3. State Controller; post-closing.** The State Controller is authorized to
16 keep open the official system of general accounts of State Government for fiscal year
17 2013-14 in order to make post-closing entries and adjustments to carry out the provisions
18 of this Act.

19 **Sec. 4. Transfer from tax relief fund.** The State Controller shall transfer
20 \$4,000,000 from the Tax Relief Fund for Maine Residents established in the Maine
21 Revised Statutes, Title 5, section 1518-A to the unappropriated surplus of the General
22 Fund no later June 30, 2015.

23 **Sec. 5. Transfer from budget stabilization fund.** The State Controller shall
24 transfer \$21,000,000 from the Maine Budget Stabilization Fund established in the Maine
25 Revised Statutes, Title 5, section 1532 to the unappropriated surplus of the General Fund
26 no later than June 30, 2015.

27 **SUMMARY**

28 This bill repeals the provision in Part S of the biennial budget bill, Public Law 2013,
29 chapter 368, that reduced the transfers to so-called municipal revenue sharing by
30 \$40,000,000 in fiscal year 2014-15 if legislation is not enacted by July 1, 2014 pursuant
31 to Part S that generates an increase of \$40,000,000 in budgeted General Fund revenue.

32 This bill replaces the fiscal year 2013-14 year-end transfer from the General Fund
33 unappropriated surplus to the Local Government Fund of up to \$40,000,000 with a
34 transfer to the Maine Budget Stabilization Fund of up to \$21,000,000. The State
35 Controller is authorized to make post-closing entries and adjustments to effect this
36 change.

1 It also transfers \$4,000,000 from the Tax Relief Fund for Maine Residents and
2 \$21,000,000 from the Maine Budget Stabilization Fund to the unappropriated surplus of
3 the General Fund by the end of fiscal year 2014-15.

**126th MAINE LEGISLATURE****LD 1762****LR 2721(01)****An Act Related to the Report of the Tax Expenditure Review Task Force**

Fiscal Note for Original Bill
Committee: Appropriations and Financial Affairs
Fiscal Note Required: Yes

Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	\$0	\$15,000,000	\$0	\$0
Revenue				
General Fund	\$0	(\$40,000,000)	\$0	\$0
Other Special Revenue Funds	\$0	\$40,000,000	\$0	\$0
Transfers				
General Fund	\$0	\$25,000,000	\$0	\$0
Fund Detail by Section				
Revenue				
General Fund				
Section 1	\$0	(\$40,000,000)	\$0	\$0
Other Special Revenue Funds				
Section 1	\$0	\$40,000,000	\$0	\$0
Transfers				
General Fund				
Section 4	\$0	\$4,000,000	\$0	\$0
Section 5	\$0	\$21,000,000	\$0	\$0

Fiscal Detail and Notes

This bill has a net General Fund cost of \$15,000,000 in fiscal year 2014-15. The General Fund cost of the elimination of the \$40,000,000 contingent reduction to municipal revenue sharing is partially offset by transfers from the Maine Residents Tax Relief Fund and the Maine Budget Stabilization Fund.

It also changes the distribution of the General Fund unappropriated surplus at the close of fiscal year 2013-14, also known as the "Cascade," to replace the fourth priority transfer of up to \$40,000,000 to municipal revenue sharing with a transfer of up to \$21,000,000 to the Maine Budget Stabilization Fund.