

# MAINE STATE LEGISLATURE

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# 131st MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2023

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No. 1733

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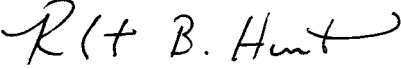
House of Representatives, April 20, 2023

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**An Act to Require the Revenue Forecasting Committee to Prepare  
Economic Impact Statements for Certain Legislation**

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Reference to the Committee on State and Local Government suggested and ordered printed.

  
ROBERT B. HUNT  
Clerk

Presented by Representative MILLETT of Waterford.  
Cosponsored by Senator GUERIN of Penobscot and  
Representatives: BRADSTREET of Vassalboro, COLLAMORE of Pittsfield, TERRY of  
Gorham, Senator: TIMBERLAKE of Androscoggin.

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

2 **Sec. 1. 5 MRSA §1710-E, first ¶**, as amended by PL 2019, c. 343, Pt. F, §1, is  
3 further amended to read:

4 There is established the Revenue Forecasting Committee, referred to in this chapter as  
5 the "committee," for the purpose of providing the Governor, the Legislature and the State  
6 Budget Officer with analyses, findings and recommendations relating to the projection of  
7 revenues for the General Fund and the Highway Fund based on economic assumptions  
8 recommended by the Consensus Economic Forecasting Commission. The committee shall  
9 also prepare economic impact statements for the Legislature as required by section  
10 1710-F-1, subsection 2. The committee includes the State Budget Officer, the Associate  
11 Commissioner for Tax Policy, the State Economist, an economist on the faculty of the  
12 University of Maine System selected by the chancellor, the Director of the Office of Fiscal  
13 and Program Review and another member of the Legislature's nonpartisan staff familiar  
14 with revenue estimating issues appointed by the Legislative Council. Beginning in calendar  
15 year 2019, the chair of the committee must be designated by a majority vote of the 6  
16 members, from among the Associate Commissioner for Tax Policy, the Director of the  
17 Office of Fiscal and Program Review, the State Economist, an economist on the faculty of  
18 the University of Maine System selected by the chancellor and another member of the  
19 Legislature's nonpartisan staff familiar with revenue estimating issues appointed by the  
20 Legislative Council. The chair must be designated on a rotating basis and serves a 2-year  
21 term.

22 **Sec. 2. 5 MRSA §1710-F**, as amended by PL 2011, c. 655, Pt. L, §1, is repealed.

23 **Sec. 3. 5 MRSA §1710-F-1** is enacted to read:

24 **§1710-F-1. Duties of committee**

25 **1. Biennial revenue projections; use of economic assumptions.** The committee  
26 shall develop current fiscal biennium and 2 ensuing fiscal biennia revenue projections using  
27 the economic assumptions recommended by the Consensus Economic Forecasting  
28 Commission.

29 A. The committee shall submit recommendations for state revenue projections for the  
30 next 2 fiscal biennia and analyze revenue projections for the current fiscal biennium,  
31 which must be approved by a majority of the committee members. No later than  
32 December 1st of each even-numbered year, the committee shall submit to the  
33 Governor, the Legislative Council, the joint standing committee of the Legislature  
34 having jurisdiction over appropriations and financial affairs and the State Budget  
35 Officer a report that presents the analyses, findings and recommendations for General  
36 Fund and Highway Fund revenue projections for the next 2 fiscal biennia. In its report  
37 the committee shall fully describe the methodology employed in reaching its  
38 recommendations. Revenue projections for other funds of the State may be included in  
39 the report at the discretion of the committee.

40 B. No later than May 1st and December 1st of each odd-numbered year and no later  
41 than March 1st and December 1st of each even-numbered year the committee shall  
42 submit to the Governor, the Legislative Council, the joint standing committee of the  
43 Legislature having jurisdiction over appropriations and financial affairs and the State  
44 Budget Officer a report that presents the analyses, findings and recommendations for

1 adjustments to General Fund revenue and Highway Fund revenue for the current and  
2 ensuing fiscal biennia. In each report the committee shall fully describe the  
3 methodology employed in reaching its recommendations. Revenue adjustments for  
4 other funds of the State may be included in the report at the discretion of the committee.

5 C. The committee shall make all determinations necessary to make the appropriation  
6 limitation calculations required under chapter 142.

7 **2. Economic impact statements.** At the written request of 3 or more members of a  
8 legislative committee, the committee shall prepare an economic impact statement for any  
9 legislation before that legislative committee or legislation being prepared by that legislative  
10 committee that creates a new workforce program or amends employment, labor or taxation  
11 laws. The request must be made by the legislative committee members within 7 days of  
12 the legislation's referral to the committee of jurisdiction. The committee shall issue the  
13 economic impact statement within 21 days of the receipt of the request and not later than  
14 the final work session on the legislation. Any amendment introduced that would affect the  
15 economic impact statement of the original legislation must also include an economic  
16 impact statement prepared by the committee. The committee may coordinate with relevant  
17 state agencies and departments to gather data, analysis and other information necessary to  
18 prepare the economic impact statement. The economic impact statement must include, but  
19 is not limited to:

20 A. A brief description of the nature and effect of the proposal;

21 B. A detailed description of the extent to which the proposed legislation conforms with  
22 the actions, goals and strategies outlined in the State's 10-year strategic economic  
23 development plan; and

24 C. A detailed description of any other short-term and long-term economic effects of  
25 the proposed legislation, including but not limited to the following information if  
26 appropriate:

27 (1) A determination of whether the legislation is the most cost-effective method  
28 for achieving the stated purpose;

29 (2) A determination of whether the legislation represents the most efficient  
30 appropriation or allocation of public and private resources to achieve the stated  
31 purpose;

32 (3) The source of revenue to be used for implementing and enforcing the  
33 legislation;

34 (4) A determination of the probable result of the legislation in terms of the number  
35 of public and private jobs that will be created, enhanced, retained, impaired,  
36 devalued or eliminated;

37 (5) A determination of the impact the legislation will have on quality jobs in the  
38 State;

39 (6) A determination of the relative impact of the legislation on firms of differing  
40 sizes;

41 (7) A determination of the effect of the legislation on competition within the State,  
42 with other states and with regions, on the regulated community and on potential  
43 global competition;

