

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

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

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

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

1. Expenditure and appropriation requirements. On or before September 1st of the ~~even-numbered~~odd-numbered years, all departments and other agencies of the State Government and corporations and associations receiving or desiring to receive state funds under the provisions of law shall prepare, in the manner prescribed by the State Budget Officer, and submit to the officer estimates of their expenditure and appropriation requirements for each fiscal year of the ensuing biennium. The expenditure estimates 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.

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

Sec. 2. 5 MRSA §1665, sub-§7, as repealed and replaced by PL 1999, c. 127, Pt.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

7. General Fund and Highway Fund revenue and expenditure forecasts. By September 30th of each ~~even-numbered~~odd-numbered year, the State Budget Officer shall prepare and deliver a report to the Governor, the Legislature and the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs containing a forecast of revenue and expenditures for the following biennium. The forecast must assume the continuation of current laws and include reasonable 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.

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

~~The Governor-elect or the~~ Governor, with the assistance of 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 of~~ December in odd-numbered years for consideration in the first~~second~~ regular legislative session. At that time the Governor shall also transmit 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 of the first regular legislative session. At that time the Governor-elect shall also transmit 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; single-year budget 2009-10. Notwithstanding any other provision of law, for the fiscal year beginning on July 1, 2009, the budget of the State must provide for a complete financial plan for one fiscal year.

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

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

SUMMARY

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, 2010. This bill also provides that the state budget beginning on July 1, 2009 is a one-year budget.