



# 128th MAINE LEGISLATURE

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H.P. 1083

House of Representatives, May 4, 2017

**An Act To Implement Recommendations of the Government  
Oversight Committee To Improve the Efficiency and Effectiveness  
of Legislative Reviews of Tax Expenditures**

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Reported by Representative MASTRACCIO of Sanford for the Government Oversight Committee pursuant to the Maine Revised Statutes, Title 3, section 1001, subsection 2.

Reference to the Committee on Taxation suggested and ordered printed pursuant to Joint Rule 218.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT  
Clerk

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

2 **Sec. 1. 3 MRSA §998, sub-§2**, as enacted by PL 2015, c. 344, §4, is amended to  
3 read:

4 **2. Schedule.** ~~By October 1, 2015, the~~ The committee, in consultation with the policy  
5 committee, shall establish a prioritized schedule of ongoing review of the tax  
6 expenditures assigned to the full evaluation and expedited review categories pursuant to  
7 subsection 1, paragraphs A and B. To the extent practicable, the committee shall  
8 schedule group the review of tax expenditures with similar goals ~~during the same year~~  
9 together.

10 **Sec. 2. 3 MRSA §999, sub-§1, ¶A**, as enacted by PL 2015, c. 344, §4, is  
11 amended to read:

12 A. ~~By January 31st of each year~~ Prior to the beginning of each evaluation, the  
13 committee, after consideration of recommendations from the office, shall approve the  
14 following for each tax expenditure subject to full evaluation ~~review in that year~~:

15 (1) The purposes, intent or goals of the tax expenditure, as informed by original  
16 legislative intent as well as subsequent legislative and policy developments and  
17 changes in the state economy and fiscal condition;

18 (2) The intended beneficiaries of the tax expenditure;

19 (3) The evaluation objectives, which may include an assessment of:

20 (a) The fiscal impact of the tax expenditure, including past and estimated  
21 future impacts;

22 (b) The extent to which the design of the tax expenditure is effective in  
23 accomplishing the tax expenditure's purposes, intent or goals and consistent  
24 with best practices;

25 (c) The extent to which the tax expenditure is achieving its purposes, intent  
26 or goals, taking into consideration the economic context, market conditions  
27 and indirect benefits;

28 (d) The extent to which those actually benefiting from the tax expenditure  
29 are the intended beneficiaries;

30 (e) The extent to which it is likely that the desired behavior might have  
31 occurred without the tax expenditure, taking into consideration similar tax  
32 expenditures offered by other states;

33 (f) The extent to which the State's administration of the tax expenditure,  
34 including enforcement efforts, is efficient and effective;

35 (g) The extent to which there are other state or federal tax expenditures,  
36 direct expenditures or other programs that have similar purposes, intent or  
37 goals as the tax expenditure, and the extent to which such similar initiatives  
38 are coordinated, complementary or duplicative;

- 1 (h) The extent to which the tax expenditure is a cost-effective use of  
2 resources compared to other options for using the same resources or  
3 addressing the same purposes, intent or goals; and
- 4 (i) Any opportunities to improve the effectiveness of the tax expenditure in  
5 meeting its purposes, intent or goals; and
- 6 (4) The performance measures appropriate for analyzing the evaluation  
7 objectives. Performance measures must be clear and relevant to the specific tax  
8 expenditure and the approved evaluation objectives.

9 **Sec. 3. 3 MRSA §999, sub-§§2 and 3**, as enacted by PL 2015, c. 344, §4, are  
10 amended to read:

11 **2. Action by office; report.** ~~By December 31st of each year, beginning in 2016, the~~  
12 ~~The~~ office shall ~~complete the tax expenditure evaluations pursuant to subsection 1~~  
13 ~~scheduled for that year and~~ submit a report on the results of each evaluation to the  
14 committee and the policy committee. The office shall seek stakeholder input as part of  
15 the report. For each tax expenditure evaluated, the report must include conclusions  
16 regarding the extent to which the tax expenditure is meeting its purposes, intent or goals  
17 and may include recommendations for continuation or repeal of the tax expenditure or  
18 modification of the tax expenditure to improve its performance.

19 **3. Action by committee.** The committee shall review the report submitted by the  
20 office under subsection 2, assess the report's objectivity and credibility and vote whether  
21 to endorse the report. ~~By June 1st of each year, beginning in 2017, the~~ The committee  
22 shall submit a record of the vote on ~~the report~~ any reports submitted by the office and any  
23 comments of or actions recommended by the committee to the policy committee for its  
24 review and consideration.

25 **SUMMARY**

26 This bill is submitted pursuant to the Maine Revised Statutes, Title 3, section 1001,  
27 subsection 2. The purpose of this bill is to make changes to the law to improve the  
28 efficiency and effectiveness of tax expenditure evaluations conducted by the Office of  
29 Program Evaluation and Government Accountability, or OPEGA, for the Legislature. The  
30 bill removes statutory deadlines to provide more flexibility in scheduling, completion and  
31 reporting on full evaluations to allow for a better fit with legislative schedules and to  
32 ensure OPEGA can complete a comprehensive and quality review of each program,  
33 within OPEGA's available capacity.