



# 126th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2013

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Legislative Document

No. 80

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H.P. 58

House of Representatives, January 22, 2013

### **An Act To Change the Schedule for the Beginning of the Biennial Budget Cycle**

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Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative COTTA of China.  
Cosponsored by Senator KATZ of Kennebec and  
Representatives: AYOTTE of Caswell, BOLAND of Sanford, CAREY of Lewiston, DION of  
Portland, HARVELL of Farmington, HAYES of Buckfield, KESCHL of Belgrade, SANBORN  
of Gorham.

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

2 **Sec. 1. 5 MRSA §1665, sub-§1**, as amended by PL 2009, c. 636, Pt. C, §2, is  
3 further amended to read:

4 **1. Expenditure and appropriation requirements.** On or before September 1st of  
5 the ~~even-numbered~~ odd-numbered years, all departments and other agencies of the State  
6 Government and corporations and associations receiving or desiring to receive state funds  
7 under the provisions of law shall prepare, in the manner prescribed by the State Budget  
8 Officer, and submit to the officer estimates of their expenditure and appropriation  
9 requirements for each fiscal year of the ensuing biennium. The expenditure estimates  
10 must be classified to set forth the data by funds, organization units, character and objects  
11 of expenditure. The organization units may be subclassified by functions and activities, or  
12 in any other manner, at the discretion of the State Budget Officer.

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

19 The State Budget Officer shall request that the Governor provide the budget proposal for  
20 the Maine Indian Tribal-State Commission developed pursuant to Title 30, section 6212,  
21 subsection 6.

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

24 **7. General Fund and Highway Fund revenue and expenditure forecasts.** By  
25 September 30th of each ~~even-numbered~~ odd-numbered year, the State Budget Officer  
26 shall prepare and deliver a report to the Governor, the Legislature and the joint standing  
27 committee of the Legislature having jurisdiction over appropriations and financial affairs  
28 containing a forecast of revenue and expenditures for the following biennium. The  
29 forecast must assume the continuation of current laws and include reasonable and  
30 predictable estimates of growth in revenues and expenditures based on national and local  
31 trends and program operations. General Fund and Highway Fund revenue must be  
32 forecasted by income source as provided in chapter 151-B. Expenditure forecasts for the  
33 General Fund and the Highway Fund must be forecasted on the basis of current law and  
34 assumed inflation variables related to program operations. The forecast for the General  
35 Fund and the Highway Fund must be presented in a budget fund flow statement and a  
36 comparative statement showing each income source for revenue projections and  
37 expenditure estimates for each major program category.

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

40 The ~~Governor elect or the~~ Governor, with the assistance of the State Budget Officer,  
41 shall review the budget estimates, altering, revising, increasing or decreasing the items of

1 the estimates as may be determined necessary in view of the needs of the various  
2 departments and agencies and the total anticipated income of the State Government  
3 during the ensuing biennium. This review must cover all budgets regardless of source of  
4 funds, including, but not limited to, budgets related to the Highway Fund, the Federal  
5 Revenue Sharing Fund and other special revenue funds. The State Budget Officer, at the  
6 direction of the ~~Governor elect or the Governor,~~ shall then prepare a state budget  
7 document in the form required by law. The ~~Governor elect or the Governor~~ is fully  
8 responsible for all budgetary recommendations made to the Legislature. The Governor  
9 shall transmit the budget document to the Legislature not later than the Friday following  
10 the first Monday in ~~January of~~ December in odd-numbered years for consideration in the  
11 first second regular legislative session. At that time the Governor shall also transmit any  
12 emergency bills that authorize additional appropriations or allocations in the current fiscal  
13 year that the Governor may wish to propose. ~~A Governor elect elected to a first term of~~  
14 ~~office shall transmit the budget document to the Legislature not later than the Friday~~  
15 ~~following the first Monday in February of the first regular legislative session. At that~~  
16 ~~time the Governor elect shall also transmit any emergency bills that authorize additional~~  
17 ~~appropriations or allocations in the current fiscal year that the Governor may wish to~~  
18 ~~propose.~~

19 **Sec. 4. 5 MRSA §1666-A**, as enacted by PL 1995, c. 113, §1, is amended to read:

20 **§1666-A. Enactment of budget**

21 The Legislature shall review a biennial or supplemental budget submitted to it in  
22 accordance with this chapter and enact a budget no later than 30 days prior to the date of  
23 adjournment prescribed in Title 3, section 2, except that, during the first year in office of  
24 a ~~Governor elect~~ Governor, the Legislature shall enact a budget no later than the first  
25 Friday in ~~June~~ April.

26 **Sec. 5. Application; single-year budget 2015-16.** Notwithstanding any other  
27 provision of law, for the fiscal year beginning on July 1, 2015, the budget of the State  
28 must provide for a complete financial plan for only that one fiscal year.

29 **Sec. 6. Submit legislation.** The Joint Standing Committee on Appropriations and  
30 Financial Affairs shall submit a bill to the Second Regular Session of the 126th  
31 Legislature to address references throughout the Maine Revised Statutes to the "biennial  
32 budget" and to make any additional technical changes necessary to implement this Act.

33 **Sec. 7. Effective date.** Those sections of this Act that amend the Maine Revised  
34 Statutes, Title 5, sections 1665, 1666 and 1666-A take effect July 1, 2015.

35 **SUMMARY**

36 This bill shifts the start of the fiscal biennium for the state budget from the first  
37 regular session of the Legislature to the second regular session of the Legislature,  
38 beginning for the fiscal year that begins on July 1, 2016. This bill also provides that the  
39 state budget beginning on July 1, 2015 is a one-year budget.

