



131st MAINE LEGISLATURE

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No. 1733

H.P. 1112

House of Representatives, April 20, 2023

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

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 L, §1, is repealed.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;

