

## CHAPTER 142

## MAINE BUDGET STABILIZATION FUND

**§1531. Definitions**

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 2005, c. 2, Pt. A, §5 (NEW); PL 2005, c. 2, Pt. A, §14 (AFF).]

**1. Average population growth.**

[PL 2015, c. 267, Pt. L, §2 (RP).]

**2. Average personal income growth.** "Average personal income growth" means the average for the prior 10 calendar years, ending with the most recent calendar year for which data is available, of the percent change in personal income in this State, as estimated by the United States Department of Commerce, Bureau of Economic Analysis. The average personal income growth is determined by October 1st, annually, by the State Economist.

[PL 2021, c. 293, Pt. A, §2 (RPR).]

**3. Baseline General Fund revenue.** "Baseline General Fund revenue" means the recommended General Fund revenue forecast reported by the Revenue Forecasting Committee in accordance with section 1710-F.

[PL 2023, c. 412, Pt. I, §1 (AMD).]

**4. Biennial base year appropriation.** "Biennial base year appropriation" means:

A. For the 2024-2025 biennium, 98% of the baseline General Fund revenue for fiscal year 2023-24 as of December 1, 2023; and [PL 2023, c. 643, Pt. F, §1 (AMD).]

B. For fiscal years subsequent to fiscal year 2024-25, the amount of the General Fund appropriation limitation calculated for the current year pursuant to section 1534, subsection 1. [PL 2023, c. 412, Pt. I, §2 (RPR).]

[PL 2023, c. 643, Pt. F, §1 (AMD).]

**5. Commissioner.** "Commissioner" means the Commissioner of Administrative and Financial Services.

[PL 2005, c. 2, Pt. A, §5 (NEW); PL 2005, c. 2, Pt. A, §14 (AFF).]

**6. Forecasted inflation.**

[PL 2015, c. 267, Pt. L, §5 (RP).]

**7. General Fund revenue shortfall.** "General Fund revenue shortfall" means the amount by which the General Fund appropriation limitation established by section 1534 exceeds baseline General Fund revenue and other available resources in each state fiscal year.

[PL 2005, c. 2, Pt. A, §5 (NEW); PL 2005, c. 2, Pt. A, §14 (AFF).]

**8. Stabilization fund.** "Stabilization fund" means the Maine Budget Stabilization Fund established in this chapter.

[PL 2005, c. 2, Pt. A, §5 (NEW); PL 2005, c. 2, Pt. A, §14 (AFF).]

**9. State and local tax burden.**

[PL 2023, c. 412, Pt. I, §3 (RP).]

## SECTION HISTORY

PL 2005, c. 2, §A5 (NEW). PL 2005, c. 2, §A14 (AFF). PL 2005, c. 621, §§1,2 (AMD). PL 2011, c. 655, Pt. DD, §§1, 2 (AMD). PL 2011, c. 655, Pt. DD, §24 (AFF). PL 2013, c. 368, Pt. Q, §2 (AMD). PL 2015, c. 267, Pt. L, §§2-5 (AMD). PL 2019, c. 343, Pt. D, §2 (AMD). PL 2019,

c. 343, Pt. III, §1 (AMD). PL 2021, c. 293, Pt. A, §2 (AMD). PL 2023, c. 412, Pt. I, §§1-3 (AMD). PL 2023, c. 643, Pt. F, §1 (AMD).

### §1532. Maine Budget Stabilization Fund

**1. Generally; stabilization fund established.** The Maine Budget Stabilization Fund is hereby established. Amounts in the stabilization fund may not exceed 18% of total General Fund revenues in the immediately preceding state fiscal year and, except as provided by section 1533, may not be reduced below 1% of total General Fund revenue in the immediately preceding state fiscal year. For the purposes of this subsection, at the close of a fiscal year, "immediately preceding state fiscal year" means the fiscal year that is being closed.

[PL 2015, c. 267, Pt. L, §6 (AMD).]

**2. Expenditures from fund.** Except as otherwise provided in this section, amounts in the stabilization fund may be expended only to offset a General Fund revenue shortfall.

[PL 2005, c. 2, Pt. A, §5 (NEW); PL 2005, c. 2, Pt. A, §14 (AFF).]

**3. Fund to be nonlapsing.** The balance of the stabilization fund may not lapse but must be carried forward to carry out the purposes of this chapter.

[PL 2005, c. 2, Pt. A, §5 (NEW); PL 2005, c. 2, Pt. A, §14 (AFF).]

**4. Investment of funds.** The money in the stabilization fund may be invested as provided by law with the earnings credited to the stabilization fund.

[PL 2005, c. 2, Pt. A, §5 (NEW); PL 2005, c. 2, Pt. A, §14 (AFF).]

**5. Investment proceeds; exception.** At the close of every month during which the stabilization fund is at the 18% limitation described in subsection 1, the State Controller shall transfer from the General Fund to the Irrevocable Trust Funds for Other Post-employment Benefits established in section 286-B, subsection 2 for the state employee plan, as defined in section 286-B, subsection 1, paragraph D, an amount equal to the investment earnings that otherwise would have been credited to the stabilization fund.

[PL 2023, c. 643, Pt. F, §2 (AMD).]

**6. Death benefits.** The Governor shall allocate funds from the stabilization fund as needed to pay benefits due pursuant to Title 25, chapter 195-A. Allocations may be made upon written request of the Chief of the State Police, the State Fire Marshal, the Director of Maine Emergency Medical Services or the Commissioner of Corrections and after consultation with the State Budget Officer.

[PL 2019, c. 658, §1 (AMD).]

**7. State valuation adjustments.**

[PL 2013, c. 368, Pt. O, §1 (RP); PL 2013, c. 544, §§6, 7 (AFF).]

**8. Emergency management assistance compact transfers.** The State Controller may transfer up to \$1,000,000 from the stabilization fund to the Military Training and Operations program within the Department of Defense, Veterans and Emergency Management based on amounts certified by the Commissioner of Defense, Veterans and Emergency Management to be necessary to fulfill the responsibilities of the department under the emergency management assistance compact under Title 37-B, section 921 or the International Emergency Management Assistance Compact under Title 37-B, section 935. These transfers are authorized only if the Legislature has adjourned sine die and only to the extent needed to meet the obligations of the department within that fiscal year that are in excess of available appropriations and any other funding sources. These funds must be allotted by financial order upon the recommendation of the State Budget Officer and approval of the Governor. Any amounts transferred from the stabilization fund must be returned to the stabilization fund upon receipt of reimbursement from the affected state or province.

[PL 2011, c. 655, Pt. O, §1 (NEW).]

**9. Emergency funding for nonprofit food banks.** During a state of emergency declared in accordance with Title 37-B, section 742, subsection 1 that exceeds 10 days, the Governor, in accordance with rules adopted by the Commissioner of Agriculture, Conservation and Forestry, may distribute up to \$400,000 from the stabilization fund to nonprofit entities, including food banks, food pantries and soup kitchens, that provide or distribute food to low-income, indigent or unemployed individuals or households without charge. The Commissioner of Agriculture, Conservation and Forestry shall adopt rules to prescribe the manner in which the funds distributed under this subsection must be disbursed. The commissioner may leverage funds distributed under this subsection to match any relevant federal funding available for qualifying food programs in the State. Rules adopted pursuant to this subsection are routine technical rules as described in chapter 375, subchapter 2-A. The Governor may not suspend under Title 37-B, section 742, subsection 1, paragraph C, subparagraph (1) rules adopted under this subsection.

[PL 2023, c. 424, §1 (NEW).]

#### SECTION HISTORY

PL 2005, c. 2, §A5 (NEW). PL 2005, c. 2, §A14 (AFF). PL 2007, c. 322, §1 (AMD). PL 2011, c. 655, Pt. O, §1 (AMD). PL 2013, c. 368, Pt. O, §1 (AMD). PL 2013, c. 368, Pt. O, §11 (AFF). PL 2013, c. 385, §§1, 3 (AFF). PL 2013, c. 544, §§6, 7 (AFF). PL 2015, c. 267, Pt. L, §6 (AMD). PL 2019, c. 658, §1 (AMD). PL 2023, c. 412, Pt. I, §4 (AMD). PL 2023, c. 424, §1 (AMD). PL 2023, c. 643, Pt. F, §2 (AMD).

#### §1533. Declaration of budget emergency

If the Legislature has adjourned sine die prior to the close of a fiscal year and the commissioner has provided notification as required by section 1668 that indicates that available General Fund resources, including any reserve for the stabilization fund under section 1535, will not be sufficient to meet General Fund expenditures, the commissioner may declare a budget emergency. At the close of the fiscal year, the State Controller may transfer from the available balance in the stabilization fund to the General Fund unappropriated surplus up to the amount necessary to increase total General Fund resources for that fiscal year to be equal to General Fund expenditures. For the purposes of this section, the Governor may reduce the stabilization fund below the 1% minimum threshold established by section 1532. The Governor shall inform the Legislative Council and the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs immediately upon such transfers from the stabilization fund. [PL 2023, c. 412, Pt. I, §5 (AMD).]

#### SECTION HISTORY

PL 2005, c. 2, §A5 (NEW). PL 2005, c. 2, §A14 (AFF). PL 2023, c. 412, Pt. I, §5 (AMD).

#### §1534. General Fund appropriation limitation

**1. Establishment of General Fund appropriation limitation.** As of December 1st of each even-numbered year, the State Budget Officer shall establish a General Fund appropriation limitation for each fiscal year of the ensuing biennium. The General Fund appropriation limitation applies to all General Fund appropriations and must be calculated as follows.

A. For the 2024-2025 biennium, the General Fund appropriation limitation for the first fiscal year is equal to the biennial base year appropriation. For subsequent biennia, the General Fund appropriation limitation for the first fiscal year of the biennium is equal to the biennial base year appropriation multiplied by one plus the growth limitation factor in subsection 2. [PL 2023, c. 412, Pt. I, §6 (AMD).]

B. For the 2nd fiscal year of the biennium, the General Fund appropriation limitation is equal to the General Fund appropriation limitation of the first fiscal year of the biennium multiplied by one plus the growth limitation factor in subsection 2. [PL 2023, c. 412, Pt. I, §6 (AMD).]

[PL 2023, c. 412, Pt. I, §6 (AMD).]

**2. Growth limitation factor.** The growth limitation factor is the average personal income growth.

A. [PL 2015, c. 267, Pt. L, §7 (RP).]

B. [PL 2015, c. 267, Pt. L, §7 (RP).]

[PL 2015, c. 267, Pt. L, §7 (AMD).]

**3. Exceeding General Fund appropriation limitation; extraordinary circumstances.** The General Fund appropriation limitation established in subsection 1 may be exceeded for extraordinary circumstances only under the following circumstances.

A. The extraordinary circumstances must be circumstances outside the control of the Legislature, including:

- (1) Catastrophic events such as natural disaster, terrorism, fire, war and riot;
- (2) Unfunded or underfunded state or federal mandates;
- (3) Citizens' initiatives or other referenda;
- (4) Court orders or decrees; or
- (5) Loss of federal funding.

Extraordinary circumstances do not include changes in economic conditions, revenue shortfalls, increases in salaries or benefits, new programs or program expansions that go beyond existing program criteria and operation. [PL 2005, c. 2, Pt. A, §5 (NEW); PL 2005, c. 2, Pt. A, §14 (AFF).]

B. The appropriation limitation in subsection 1 may be exceeded only by a vote of both Houses of the Legislature in a separate measure that identifies the extraordinary circumstance and the intent of the Legislature to exceed the appropriation limitation. [PL 2005, c. 2, Pt. A, §5 (NEW); PL 2005, c. 2, Pt. A, §14 (AFF).]

C. Exceeding the appropriation limitation established in subsection 1 permits appropriations to exceed the appropriation limitation only for the period necessary to address the extraordinary circumstance and does not increase the base for purposes of calculating the appropriation limitation for future years. [PL 2005, c. 2, Pt. A, §5 (NEW); PL 2005, c. 2, Pt. A, §14 (AFF).]

[PL 2005, c. 2, Pt. A, §5 (NEW); PL 2005, c. 2, Pt. A, §14 (AFF).]

**4. Increase in appropriation limitation.** The appropriation limitation established in subsection 1 may be increased for other purposes only by a vote of both Houses of the Legislature in a separate measure that identifies the intent of the Legislature to exceed the appropriation limitation.

[PL 2005, c. 2, Pt. A, §5 (NEW); PL 2005, c. 2, Pt. A, §14 (AFF).]

#### SECTION HISTORY

PL 2005, c. 2, §A5 (NEW). PL 2005, c. 2, §A14 (AFF). PL 2005, c. 621, §3 (AMD). PL 2005, c. 636, §A4 (AMD). PL 2005, c. 683, §M1 (AMD). PL 2015, c. 267, Pt. L, §7 (AMD). PL 2023, c. 412, Pt. I, §6 (AMD).

#### §1535. General Fund transfers to stabilization fund

Baseline General Fund revenue that exceeds the General Fund appropriation limitation established by section 1534 for any fiscal year must be reserved for the stabilization fund. The reserved amount must be adjusted each time baseline General Fund revenue changes. At the close of each fiscal year, the State Controller shall transfer to the stabilization fund the lesser of the reserved amount and the amount of actual General Fund revenues that exceed the General Fund appropriation limitation for that fiscal year. Following the transfer, the reserved amount for that fiscal year is zero. If the stabilization fund is at its limit of 18% of General Fund revenue of the immediately preceding year, amounts that

would otherwise have been transferred to the stabilization fund pursuant to this section must be transferred as follows: [PL 2023, c. 412, Pt. I, §7 (RPR).]

**1. Highway and Bridge Capital.** Eighty percent to the Department of Transportation, Highway and Bridge Capital program, Other Special Revenue Funds account; [PL 2023, c. 412, Pt. I, §7 (NEW).]

**2. School Revolving Renovation Fund.** Ten percent to the School Revolving Renovation Fund established in Title 30-A, section 6006-F, subsection 1; and [PL 2023, c. 412, Pt. I, §7 (NEW).]

**3. Irrevocable Trust Funds for Other Post-employment Benefits.** Ten percent to the Irrevocable Trust Funds for Other Post-employment Benefits established in section 286-B, subsection 2 for the state employee plan. [PL 2023, c. 643, Pt. F, §3 (AMD).]

#### SECTION HISTORY

PL 2005, c. 2, §A5 (NEW). PL 2005, c. 2, §A14 (AFF). PL 2005, c. 519, §VV3 (AMD). PL 2005, c. 621, §4 (AMD). PL 2023, c. 412, Pt. I, §7 (RPR). PL 2023, c. 643, Pt. F, §3 (AMD).

#### §1536. Excess General Fund revenues

**1. Final priority reserves.** After the transfers to the State Contingent Account pursuant to section 1507, the transfers to the Loan Insurance Reserve pursuant to section 1511, the transfers pursuant to section 1522, a transfer of \$2,500,000 for the Reserve for General Fund Operating Capital and the transfers to the Retiree Health Insurance Internal Service Fund pursuant to section 1519, the State Controller shall transfer at the close of each fiscal year from the unappropriated surplus of the General Fund an amount equal to the amount available from the unappropriated surplus after all required deductions of appropriations, budgeted financial commitments and adjustments considered necessary by the State Controller have been made as follows:

- A. Eighty percent to the stabilization fund; and [PL 2015, c. 267, Pt. L, §8 (AMD).]
- B. [PL 2013, c. 1, Pt. E, §2 (RP).]
- C. [PL 2015, c. 267, Pt. L, §8 (RP).]
- D. [PL 2015, c. 267, Pt. L, §8 (RP).]
- E. [PL 2015, c. 267, Pt. L, §8 (RP).]
- F. [PL 2021, c. 398, Pt. ZZZ, §2 (RP).]

G. Twenty percent to the Highway and Bridge Capital program, Other Special Revenue Funds account. [PL 2021, c. 398, Pt. ZZZ, §3 (NEW).]  
[PL 2021, c. 398, Pt. ZZZ, §§2, 3 (AMD).]

**2. Additional transfer.** At the close of each fiscal year, the State Controller shall transfer from the unappropriated surplus of the General Fund to the stabilization fund an amount equal to the balance remaining of the excess of total General Fund revenue received over accepted estimates in that fiscal year that would have been transferred to the Reserve for General Fund Operating Capital pursuant to subsection 1 had the Reserve for General Fund Operating Capital not been at its statutory limit of \$50,000,000.

[PL 2015, c. 267, Pt. L, §8 (AMD).]

**3. Exceptions; stabilization fund at limit.** If the stabilization fund is at its limit of 18% of General Fund revenue of the immediately preceding year, then amounts that would otherwise have been transferred to the stabilization fund pursuant to subsections 1 and 2 must be transferred to the Highway and Bridge Capital program, Other Special Revenue Funds account.

[PL 2021, c. 398, Pt. ZZZ, §4 (AMD).]

#### SECTION HISTORY

RR 2005, c. 1, §1 (COR). PL 2005, c. 2, §A5 (NEW). PL 2005, c. 2, §A14 (AFF). PL 2005, c. 519, §VV4 (AMD). PL 2011, c. 380, Pt. X, §2 (AMD). PL 2011, c. 692, §2 (AMD). PL 2011, c. 692, §3 (AFF). PL 2013, c. 1, Pt. E, §2 (AMD). PL 2015, c. 267, Pt. L, §8 (AMD). PL 2019, c. 448, §2, 3 (AMD). PL 2021, c. 398, Pt. ZZZ, §§2-4 (AMD).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 131st Maine Legislature and is current through January 1, 2025. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.