

**Summary of PL 2023, Ch. 417 “An Act to Implement the Recommendations of the Working Group to Review the Process for Ongoing Review of Tax Expenditures by the Legislature”**

Updated by OPEGA for the GOC – October 2023

Amendments to 3 MRS Chapter 37 (GOC & OPEGA Statute)	PL Section	Status & Proposed Action
<p><b>Amends the membership of the GOC under 3 MRS §993</b> to include at least 1 member also on TAX and 1 member also on IDEAB, beginning with the 132<sup>nd</sup> Legislature. No 2 members of the GOC may be members of the same JSC and also members of the same political party.</p>	1	Takes effect for the 132 <sup>nd</sup> .
<p><b>Amends GOC tax expenditure review scheduling responsibilities</b> under 3 MRS §998(2). Starting in 2024:</p> <ul style="list-style-type: none"> <li>• Prioritizes reviews of business incentives over individual tax relief tax expenditures</li> <li>• Requires sunset dates, and legislation to extend expenditures, be considered in setting the schedule</li> </ul>	2	OPEGA will incorporate changes into the 2024 categorization and scheduling recommendations.
<p><b>Enacts 3 MRS §998(5) authorizing the TAX Committee to meet year-round</b> as necessary to complete work under Ch. 37.</p>	3	No OPEGA/GOC action needed.
<p><b>Enacts 3 MRS §998(6) creating “limited analysis projects” to be completed by OPEGA.</b></p> <ul style="list-style-type: none"> <li>• Up to 2 per regular session, related to bills before the TAX Committee</li> <li>• Subject to request by TAX and approval by GOC</li> <li>• Projects to be based on readily available data and submitted to the GOC and TAX within 30 days of GOC approval</li> </ul>	4	Projects may be requested by TAX beginning in 2024.
<p><b>Repeals 3 MRS §1000 ending the Expedited Review process</b> and references to it.</p>	5; 6 & 8	By fall of 2024, OPEGA will work with the GOC to determine how to proceed with tax expenditures previously categorized for expedited review.
<p><b>Enacts 3 MRS §1002, requiring proposed tax expenditure legislation to be evaluated by the TAX Committee, in consultation with OPEGA, before being enacted.</b></p> <ul style="list-style-type: none"> <li>• Policy committee sends bills supported by a majority of members to TAX for review</li> <li>• For the those determined likely to require full evaluation, TAX Committee, in consultation with OPEGA, evaluates whether the proposal: <ul style="list-style-type: none"> <li>A. Identifies purposes and goals</li> <li>B. Identifies data/information necessary for evaluation, and agency responsible for collection</li> <li>C. Requires applicable data be reported to OPEGA</li> <li>D. Provides the framework for OPEGA to evaluate the expenditure under §999</li> </ul> </li> <li>• TAX reports recommendations for bill amendments to policy committee, if needed</li> </ul>	7	OPEGA will stay in contact with the TAX Committee analyst regarding any consultations.

One-Time Efforts Involving GOC and/or OPEGA	PL Section	Status & Proposed Action
<p><b>Requires OPEGA Director to review laws governing full evaluations of tax expenditures and recommend statutory changes to the GOC and TAX Committees</b> to enhance the efficiency and effectiveness of the process.</p> <ul style="list-style-type: none"> <li>• Focus on evaluation parameters, and the schedule and pace of full evaluations</li> <li>• Recommendations to GOC and TAX by 11/1/24</li> <li>• GOC may submit related legislation to the First Regular Session of the 132<sup>nd</sup></li> </ul>	9	The OPEGA Director will work with staff to bring recommendations to GOC and TAX by 11/1/24.
<p><b>Requires OPEGA and OFPR to report to the Legislative Council whether additional staff are needed</b> to perform the functions contained in the bill, by 1/15/25.</p>	10	The OPEGA Director will assess staff impacts with the new 30 day projects and report whether additional staff are needed by 1/15/25.