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126TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

**LEGISLATIVE COUNCIL
MEETING SUMMARY
March 27, 2014**

CALL TO ORDER

Legislative Council Chair Mark Eves called the March 27, 2014 Legislative Council meeting to order at 2:53 p.m. in the Legislative Council Chamber.

ROLL CALL

Senators: President Alfond, Senator Jackson, Senator Haskell and Senator Katz
Absent: Senator Thibodeau (arrived after the start of the meeting)
Representatives: Speaker Eves, Representative Berry, Representative McCabe, Representative Fredette and Representative Willette
Legislative Officers: David E. Boulter, Executive Director of the Legislative Council
Millicent MacFarland, Clerk of the House
Robert Hunt, Assistant Clerk of the House
Dawna Lopatosky, Legislative Finance Director
John Barden, Director, Law and Legislative Reference Library
Scott Clark, Director, Legislative Information Technology
Marion Hylan Barr, Director, Office of Policy and Legal Analysis
Grant Pennoyer, Director, Office of Fiscal and Program Review
Suzanne Gresser, Revisor of Statutes

Speaker Eves convened the meeting at 2:53 p.m. with a quorum of members present.

Legislative Council Chair Eves asked if there was any objection to taking an item out of order. There was no objection. The Chair then moved to **New Business, Item 1.**

NEW BUSINESS

Item #1: Consideration of After Deadline Bill Requests / Addendum

Representative Fredette noted that the legislative session is drawing to a close and that he has concerns about authorizing additional bills for introduction this late in the session. He asked the chair for direction about new bills. Legislative Council Chair Speaker Eves responded that the presiding officers intend for the committees to be done with the majority of their work this week and have authorized committees to meet next Tuesday and Wednesday to finish remaining bills. He concluded saying he believed the bar is extremely high for introduction of new bills at this point in the session.

The Legislative Council considered and voted on the bill requests in accordance with the established protocol. Of the 22 bill requests, all failed to be authorized by the Legislative Council. Of the 3 joint resolutions, all failed to be authorized by the Legislative Council. The Legislative Council's actions on the requests are included on the attached list.

The Legislative Council then returned to the other items on its agenda.

SUMMARY OF FEBRUARY 27, 2014 MEETING OF LEGISLATIVE COUNCIL

Motion: That the Meeting Summary for February 27, 2014 be accepted and placed on file. Motion by President Alfond. Second by Senator Haskell. **Motion passed unanimous (7-0-0-3**, with Senator Jackson and Representatives Berry and Willette absent).

REPORTS FROM EXECUTIVE DIRECTOR AND COUNCIL OFFICES

Executive Director's Report

David Boulter, Executive Director, reported on the following:

1. Copper Dome Replacement

Work has begun on the copper dome replacement project. The stair tower is being erected on the southwest side of the State House, to be followed by erection of staging on the roof to the height of the statue. Actual roofing work is scheduled to begin in April once weather conditions allow. The project should be completed by November 2014.

Fiscal Report

Grant Pennoyer, Director, Office of Fiscal and Program Review, reported on the following:

Revenue Update

Total General Fund Revenue - FY 2014 (\$'s in Millions)						
	Budget	Actual	Var.	% Var.	Prior Year	% Growth
February	\$99.2	\$110.0	\$10.8	10.9%	\$112.1	-1.9%
FYTD	\$1,748.3	\$1,765.0	\$16.7	1.0%	\$1,719.4	2.7%

General Fund revenue was over budget by \$10.8 million (10.9%) in February and \$16.7 million (1.0%) for the fiscal year through February. These variances through February do not yet reflect the \$0.2 million reduction to FY 2014 General Fund revenue in the March 2014 revenue forecast. The March monthly revenue report will reflect a new monthly distribution resulting from the March forecast.

Positive variances related to refunds in the Individual Income Tax (\$22.9 million) and Corporate Income Tax (\$5.3 million) generated February's positive variance. Within the Individual Income Tax, this slower refund processing helped offset an unexplained \$9.9 million negative variance in income tax withholding during February.

Highway Fund Revenue Update

Total Highway Fund Revenue - FY 2014 (\$'s in Millions)						
	Budget	Actual	Var.	% Var.	Prior Year	% Growth
February	\$25.0	\$25.5	\$0.5	2.0%	\$25.3	0.7%
FYTD	\$190.2	\$195.1	\$4.9	2.6%	\$196.7	-0.8%

Highway Fund revenue was over budget by \$0.5 million (2.0%) in February and \$4.9 million (2.6%) for the fiscal year through February. The Fuel Taxes category was under budget for February, due to a \$0.9 million negative variance from Special Fuel and Road Use Taxes. The Gasoline Tax portion continued to exceed budget and was over budget by \$3.4 million through February. The March revenue forecast increased budgeted revenue from the Gasoline Tax by \$2.0 million in FY 2014. After adjusting for that upward revision, the Gasoline Tax will still have a sizeable surplus to provide a cushion against future negative variances.

Cash Update

Average cash balances in FY 2014 through February continued to exceed last fiscal year's balances, both for the total cash pool and the General Fund. Strong performances during the past fall in the Sales and Use Tax and Individual Income Tax estimated payments and the change in the Circuitbreaker program to an income tax credit, the Property Tax Fairness Credit, which delayed these similar reimbursements/credits until the second half of the fiscal year, helped to offset the negative cash flow effects of the \$98.5 million one-day borrowing to balance the FY 2014 General Fund budget.

Highway Fund balances have nearly recovered to last year's levels in February after a significant drop in December due to the change to a single annual payment for the \$23 million Local Road Assistance program, which is now paid by December 1st each year.

REPORTS FROM COUNCIL COMMITTEES

1. Personnel Committee

No report

2. State House Facilities Committee

No report

OLD BUSINESS

Item #1: Council Actions Taken by Ballot since the February 27, 2013 Council Meeting

Requests for Introduction of Legislation:

LR 2823 An Act to Amend the Outcome-based Forestry Experimental Program

Submitted by: Representative Jeff McCabe
Approved: February 27, 2014 Vote: 6-3-1-0 in favor (with Senator Thibodeau and Representatives Fredette and Willette opposed, and Senator Katz abstaining)

LR 2829 An Act to Require the Licensure of Scrap Metal Recyclers

Submitted by: Representative Thomas Longstaff
Approved: March 11, 2014 Vote: 9-1-0-0 in favor (with Senator Thibodeau opposed)

LR 2836 An Act to Correct an Error in the Permitting Process by the Department of Environmental Protection

Submitted by: Senator Troy Jackson
Approved: March 13, 2014 Vote: 10-0 in favor

LR 2823 An Act to Clarify Outcome-based Forestry

Submitted by: Senator James Boyle
Approved: March 19, 2014 Vote: 10-0 in favor

Legislative Council Decision:

That the Legislative Council authorize legislative budget adjustments in the FY2014-2015 biennium by lapsing a total of \$2,250,000 from unspent balances in legislative accounts to the General Fund not later than June 30, 2015 and convey its decision to the Joint Standing Committee on Appropriations and Financial Affairs. Further, that the Legislative Council direct the Executive Director to prepare and submit implementing language reflecting this decision of the Legislative Council to the Joint Standing Committee on Appropriations and Financial Affairs on behalf of the Legislative Council for inclusion in the committee bill authorized pursuant to Joint Order HP 1284.

Motion by: Senator Justin Alford
Second by: Representative Mark Eves
Approved: March 20, 2014 Vote: 10-0 in favor

NEW BUSINESS

Items #2 through 4: Submission of Reports

President Alfond recommended that the following reports (New Business Items #2, #3 and #4) be considered as a group. The following reports have been submitted to the Legislative Council for acceptance:

- Submission of the Final Report of the Forensic Mental Health Services Oversight Committee (March 2014)
- Submission of the Report of the Maine State Revenue Forecasting Committee (March 2014)
- Submission of the ninth Annual Report of the Citizen Trade Policy Commission (March 2014)

Motion: That the Legislative Council accept and place on file the above noted reports. Motion by President Alfond. Second by Representative McCabe. **Motion passed unanimous (7-0-0-3**, with Senator Jackson, and Representatives Berry and Fredette absent).

ANNOUNCEMENTS AND REMARKS

With no other business to consider or announcements, the Legislative Council meeting was adjourned at 3:36 p.m.