

CHAPTER 151-B

CONSENSUS REVENUE FORECASTING

§1710. Consensus Economic Forecasting Commission; membership

The Consensus Economic Forecasting Commission established by Title 5, section 12004-I, subsection 29-B, to provide the Governor, the Legislature and the Revenue Forecasting Committee with analyses, findings and recommendations representing state economic assumptions relevant to revenue forecasting, and referred to in this chapter as the "commission," consists of 5 members appointed as follows: two members appointed by the Governor; one member recommended for appointment to the Governor by the President of the Senate; one member recommended for appointment to the Governor by the Speaker of the House of Representatives; and one member appointed by the other members of the commission. One of the 5 members must be selected by a majority vote of the committee members to serve as the chair of the commission. The commission members recommended for appointment to the Governor by the President of the Senate and the Speaker of the House and one of the members appointed by the Governor must be appointed in January 2019 and serve a 2-year term. The 2nd member appointed by the Governor and the member appointed by the other members of the commission must be appointed in January 2019 and serve a one-year term. Thereafter, all commission members are appointed to 2-year terms. A member may not be a Legislator or an employee of the Executive Department, the Legislature or the Judicial Department. Each commission member must have professional credentials and demonstrated expertise in economic forecasting. [PL 2017, c. 284, Pt. N, §1 (AMD).]

Vacancies must be filled in the same manner as the original appointments for the balance of the unexpired term, except as otherwise provided in this section. [PL 2017, c. 284, Pt. N, §1 (AMD).]

If the expeditious filling of a vacancy is required to enable the commission to perform its duties in an efficient and timely manner, the Governor shall make those appointments at such times and in such a manner as the Governor determines necessary. [PL 2017, c. 284, Pt. N, §1 (AMD).]

SECTION HISTORY

PL 1995, c. 368, §J1 (NEW). PL 2017, c. 284, Pt. N, §1 (AMD).

§1710-A. Duties of commission

1. Duties. The Consensus Economic Forecasting Commission shall develop macroeconomic secular trend forecasts for the current fiscal biennium and the next 2 fiscal biennia. [PL 2017, c. 284, Pt. N, §2 (AMD).]

2. Economic assumptions. No later than November 1st of each even-numbered year and April 1st of each odd-numbered year, the commission shall submit to the Governor, the Legislative Council, the Revenue Forecasting Committee and the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs a report that presents analyses, findings and recommendations for state economic assumptions for the next 2 fiscal biennia and analyze economic assumptions for the current fiscal biennium, which must be approved by a majority of the commission members. In its report, the commission shall fully describe the methodology employed in reaching its recommendations. [PL 2017, c. 284, Pt. N, §2 (AMD).]

3. Current biennium adjustments. No later than November 1st of each odd-numbered year and no later than February 1st of each even-numbered year the commission shall submit to the Governor, the Legislative Council, the Revenue Forecasting Committee and the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs a report that presents the

commission's findings and recommendations for adjustments to the economic assumptions for all forecast years. In each report the commission shall fully describe the methodology employed in reaching its recommendations.

[PL 2017, c. 284, Pt. N, §2 (AMD).]

4. Alternative economic scenarios. No later than February 1st of each even-numbered year the commission shall provide to the State Budget Officer, the State Economist and the Associate Commissioner for Tax Policy at least 2 additional economic forecasts that assume potential economic recession scenarios of varying levels of severity. These additional forecasts must include economic assumptions for the current fiscal biennium and the next 2 fiscal biennia. In each report the commission shall fully describe the methodology employed in reaching its recommendations.

[PL 2017, c. 284, Pt. N, §2 (NEW).]

SECTION HISTORY

PL 1995, c. 368, §J1 (NEW). PL 1997, c. 643, §W1 (AMD). PL 2007, c. 539, Pt. Q, §1 (AMD). PL 2017, c. 284, Pt. N, §2 (AMD).

§1710-B. Contracts

The commission may enter into contractual arrangements subject to state purchasing procedures for the procurement of economic forecasting models, data, assumptions and assistance in analyzing the data. [PL 1995, c. 368, Pt. J, §1 (NEW).]

SECTION HISTORY

PL 1995, c. 368, §J1 (NEW).

§1710-C. Meetings

The commission shall meet at least 3 times a year. Additional meetings may be called by the chair or by any 3 members. All meetings are open to the public. [PL 2017, c. 284, Pt. N, §3 (AMD).]

SECTION HISTORY

PL 1995, c. 368, §J1 (NEW). PL 2017, c. 284, Pt. N, §3 (AMD).

§1710-D. Staffing

The commission may receive staff support from the Department of Administrative and Financial Services and the Department of Labor. [PL 2021, c. 293, Pt. A, §3 (NEW).]

SECTION HISTORY

PL 1995, c. 368, §J1 (NEW). PL 2011, c. 655, Pt. DD, §3 (AMD). PL 2011, c. 655, Pt. DD, §24 (AFF). PL 2019, c. 343, Pt. D, §4 (AMD). PL 2019, c. 343, Pt. IIII, §2 (AMD). PL 2021, c. 293, Pt. A, §3 (RPR).

§1710-E. Revenue Forecasting Committee; established; membership

There is established the Revenue Forecasting Committee, referred to in this chapter as the "committee," for the purpose of providing the Governor, the Legislature and the State Budget Officer with analyses, findings and recommendations relating to the projection of revenues for the General Fund and the Highway Fund based on economic assumptions recommended by the Consensus Economic Forecasting Commission. The committee includes the State Budget Officer, the Associate Commissioner for Tax Policy, the State Economist, an economist on the faculty of the University of Maine System selected by the chancellor, the Director of the Office of Fiscal and Program Review and another member of the Legislature's nonpartisan staff familiar with revenue estimating issues appointed by the Legislative Council. Beginning in calendar year 2019, the chair of the committee must be designated by a majority vote of the 6 members, from among the Associate Commissioner for Tax Policy, the Director of the Office of Fiscal and Program Review, the State Economist, an economist on

the faculty of the University of Maine System selected by the chancellor and another member of the Legislature's nonpartisan staff familiar with revenue estimating issues appointed by the Legislative Council. The chair must be designated on a rotating basis and serves a 2-year term. [PL 2019, c. 343, Pt. F, §1 (AMD).]

SECTION HISTORY

PL 1995, c. 368, §J1 (NEW). PL 1997, c. 655, §4 (AMD). PL 1999, c. 127, §A8 (AMD). PL 2001, c. 2, §1 (AMD). PL 2011, c. 655, Pt. I, §6 (AMD). PL 2011, c. 655, Pt. I, §11 (AFF). PL 2019, c. 343, Pt. F, §1 (AMD).

§1710-F. Duties of committee

1. Duties; use of economic assumptions. The committee shall develop current fiscal biennium and 2 ensuing fiscal biennia revenue projections using the economic assumptions recommended by the Consensus Economic Forecasting Commission.

[PL 1997, c. 157, §1 (AMD).]

2. Biennial revenue projections. The committee shall submit recommendations for state revenue projections for the next 2 fiscal biennia and analyze revenue projections for the current fiscal biennium, which must be approved by a majority of the committee members. No later than December 1st of each even-numbered year, the committee shall submit to the Governor, the Legislative Council, the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the State Budget Officer a report that presents the analyses, findings and recommendations for General Fund and Highway Fund revenue projections for the next 2 fiscal biennia. In its report the committee shall fully describe the methodology employed in reaching its recommendations. Revenue projections for other funds of the State may be included in the report at the discretion of the committee.

[PL 2011, c. 655, Pt. L, §1 (AMD).]

3. Current and ensuing biennium adjustments. No later than May 1st and December 1st of each odd-numbered year and no later than March 1st and December 1st of each even-numbered year the committee shall submit to the Governor, the Legislative Council, the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the State Budget Officer a report that presents the analyses, findings and recommendations for adjustments to General Fund revenue and Highway Fund revenue for the current and ensuing fiscal biennia. In each report the committee shall fully describe the methodology employed in reaching its recommendations. Revenue adjustments for other funds of the State may be included in the report at the discretion of the committee.

[PL 2007, c. 539, Pt. Q, §2 (AMD).]

4. Appropriation limitation. The committee shall make all determinations necessary to make the appropriation limitation calculations required under chapter 142.

[PL 2005, c. 2, Pt. A, §8 (NEW); PL 2005, c. 2, Pt. A, §14 (AFF).]

SECTION HISTORY

PL 1995, c. 368, §J1 (NEW). PL 1997, c. 157, §1 (AMD). PL 2005, c. 2, §A8 (AMD). PL 2005, c. 2, §A14 (AFF). PL 2007, c. 539, Pt. Q, §2 (AMD). PL 2009, c. 461, §1 (AMD). PL 2011, c. 655, Pt. L, §1 (AMD).

§1710-G. Use of revenue forecasts

The State Budget Officer shall use the revenue projections recommended by the committee in setting revenue estimates in accordance with section 1665, subsection 3. The State Budget Officer shall use the revenue projections of the committee in preparing General Fund and Highway Fund revenue and expenditure forecasts in accordance with section 1664 and section 1665, subsection 7. If new information becomes available and the State Budget Officer wishes to recommend an adjustment to the revenue projections already recommended by the committee, the State Budget Officer shall convene a

meeting of the committee as soon as practicable so that the committee may review any new data and make any additional recommendations it feels necessary. [PL 1997, c. 655, §5 (AMD).]

No later than October 1st of each even-numbered year the commission and committee shall jointly issue a report to the Governor, the Legislative Council and the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs that uses the alternative economic scenarios recommended by the commission in accordance with section 1710-A, subsection 4. The report must include analyses and findings that detail the stress impact such potential economic recession scenarios would have on the current General Fund revenue projections of sales and income tax revenues. The report must include an analysis of the sufficiency of the current level of the Maine Budget Stabilization Fund and an estimate of the reserves in the Maine Budget Stabilization Fund necessary to offset the declines in revenue as a result of potential economic recessions of varying levels of severity. [PL 2017, c. 284, Pt. N, §4 (NEW).]

SECTION HISTORY

PL 1995, c. 368, §J1 (NEW). PL 1997, c. 157, §1 (AMD). PL 1997, c. 655, §5 (AMD). PL 2017, c. 284, Pt. N, §4 (AMD).

§1710-H. Meetings

The committee shall meet at least 3 times a year. Additional meetings may be called by a majority vote of the committee or by the State Budget Officer as specified in section 1710-G. [PL 2017, c. 284, Pt. N, §5 (AMD).]

SECTION HISTORY

PL 1995, c. 368, §J1 (NEW). PL 1997, c. 655, §6 (AMD). PL 2017, c. 284, Pt. N, §5 (AMD).

§1710-I. Staffing

The committee may receive staff assistance from the Department of Administrative and Financial Services and, at the discretion of the Legislature, the Office of Fiscal and Program Review. The committee may also utilize other professionals having revenue forecasting, economic and fiscal expertise. [PL 2021, c. 293, Pt. A, §4 (NEW).]

SECTION HISTORY

PL 1995, c. 368, §J1 (NEW). PL 1997, c. 526, §14 (AMD). PL 2011, c. 655, Pt. DD, §4 (AMD). PL 2011, c. 655, Pt. DD, §24 (AFF). PL 2019, c. 343, Pt. D, §5 (AMD). PL 2019, c. 343, Pt. IIII, §3 (AMD). PL 2021, c. 293, Pt. A, §4 (RPR).

§1710-J. Access to information

The Department of Administrative and Financial Services shall provide certain information and data to the committee in order to assist the committee in performing its statutory duties. The committee members and staff are subject to the provisions governing confidentiality of tax information described in Title 36, section 191 with regard to disclosures made pursuant to this section. [PL 2017, c. 211, Pt. A, §1 (NEW).]

1. Statistical data. The Associate Commissioner for Tax Policy shall provide to the committee upon request any statistical tax data that may be published pursuant to Title 36, section 191, subsection 2, paragraph B. [PL 2017, c. 211, Pt. A, §1 (NEW).]

2. Capital gains data. The Associate Commissioner for Tax Policy shall provide information annually to the committee before the committee's December 1st report pursuant to section 1710-F concerning the amount of actual capital gains and losses experienced by resident taxpayers filing income tax returns in the State under Title 36, Part 8 for tax years ending in the calendar year 2 years prior. Data reported concerning capital gains and losses may be distributed by decile or quartile. In

the absence of actual data, the Associate Commissioner for Tax Policy may provide estimates of the capital gains or losses experienced.

[PL 2017, c. 211, Pt. A, §1 (NEW).]

3. Confidential tax information. Consistent with Title 36, section 191, subsection 2, paragraph CCC, the Associate Commissioner for Tax Policy may provide to the committee any additional tax information, including confidential tax information, that will assist the committee in performing its statutory duties. Any confidential tax information must be disclosed in only oral or paper form; any disclosure in paper form must be returned to the State Tax Assessor or destroyed once the committee chair determines that the committee has completed its use of the information. The committee shall discuss disclosed confidential tax information in a manner that preserves the confidentiality of that information, including meeting in executive session not open to the public in accordance with Title 1, section 405.

[PL 2017, c. 211, Pt. A, §1 (NEW).]

SECTION HISTORY

PL 1995, c. 368, §J1 (NEW). PL 2001, c. 652, §1 (AMD). PL 2017, c. 211, Pt. A, §1 (RPR).

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