

MAINE STATE LEGISLATURE

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EMERGENCY
FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 5

S. P. 5

Office of the Secretary of the Senate

Filed December 6, 1978 under Joint Rule 21 by Senator-Elect James McBreairy of Aroostook. To be printed and delivered to the Senate of the 109th Maine Legislature.

MAY M. ROSS, Secretary of the Senate

Presented by Senator-Elect McBreairy of Aroostook.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT to Provide for Prepayment of State Bonded Debt.

Emergency Preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment; and

Whereas, the State has a surplus of undedicated revenue based upon the best available estimates; and

Whereas, use of these funds to provide for prepayment of state bonded debt is considered of high priority; and

Whereas, this legislation is imperative to direct other use of these funds toward payment of state General Fund bonded debt; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 36 MRSA c. 902, as enacted by PL 1977, c. 721, § 2, is repealed.

Sec. 2. PL 1977, c. 721, § 4, last 4 lines, are repealed and the following enacted in their place:

1978-79

TREASURER OF STATE

Special Payments Account

All Other

\$20,000,000

Sec. 3. Prepayment of state bonded debt or cash payments in lieu of issuance of authorized bonds. The Treasurer of State is directed to make prepayments of state General Fund bonded debt or to provide for cash disbursement for authorized projects in lieu of issuance of authorized General Fund bonds in an amount not to exceed \$20,000,000 from any surplus certified in section 4 and appropriated by the Legislature. The Treasurer of State is further directed to choose the method that is most economically beneficial to the State.

Sec. 4. Certification of surplus. The State Budget Officer shall document and certify to the Legislature on or before February 1, 1979, the amount of surplus that will be available at the end of fiscal year 1978-79. In his certification process, he shall take into account outstanding contingencies for the current fiscal year.

Sec. 5. Adjustment of appropriation. If the surplus certified in section 4 is not sufficient to meet the amount appropriated in this Act, the Legislature shall adjust that appropriation accordingly.

6. Transfers barred. Funds appropriated by this Act shall be used solely for the purposes specified in section 3. There shall be no transfers of funds out of this account pursuant to Title 5, section 1585.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

STATEMENT OF FACT

The purpose of this bill is to repeal the inequitable property tax rebate passed in the second special session of the 108th Legislature and to provide for more meaningful and lasting benefits to the taxpayers of our State. Prepayment of bonded debt or payments from currently available surplus funds in lieu of issuing more bonds is the first and very important step in regaining the AAA bond rating for the State of Maine, which in turn will provide for cost avoidance and limit the need for future tax increases.