

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 825

H.P. 615

House of Representatives, March 14, 1995

An Act to Improve Legislative Oversight of Lease-purchase Agreements.

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative WINN of Glenburn.

Cosponsored by Representatives: CLARK of Millinocket, MORRISON of Bangor, VIGUE of Winslow, YACKOBITZ of Hermon.

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

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Sec. 1. 5 MRSA §1587, first ¶, as amended by PL 1989, c. 237, §1, is further amended to read:

Notwithstanding any other provision of law, no agent or officer of the State or any department or agency thereof may enter into a lease-purchase or other similar agreement whereby the State would become the ultimate owner of buildings or equipment, if the outright purchase price of such capital items is more than \$2,000, or \$40,000 for telecommunications related equipment, without specific prior approval of the Legislature ~~through the usual budget procedure~~. That request for approval shall must be submitted as a separate ~~line-item~~ piece of legislation. All agreements relating to telecommunications equipment that are \$40,000 or less ~~shall be~~ are subject to review by a subcommittee of the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs. All lease-purchase agreements submitted for review or approval ~~shall~~ must include the total amount of interest charged.

Sec. 2. 5 MRSA §1588, sub-§1, as enacted by PL 1993, c. 92, §8, is amended to read:

1. Authority of Department of Administrative and Financial Services; central records. The Department of Administrative and Financial Services may develop, negotiate and administer master lease-purchase financing programs to facilitate advantageous lease-purchase terms and economies of scale. Upon final legislative approval of agency lease-purchase proposals in accordance with section 1587, state agencies, except for programs supported by the Highway Fund or the Federal Expenditure Fund in the Department of Transportation, shall participate in the Department of Administrative and Financial Services master lease-purchase program, unless participation is not feasible. The Department of Administrative and Financial Services, in conjunction with the relevant state agency, may negotiate and execute lease-purchase or financial contracts on behalf of the State following final legislative approval in accordance with section 1587. These master lease-purchase financing agreements may include the refinancing or consolidation of any state agency lease-purchase agreements. The Department of Administrative and Financial Services shall maintain central records on each lease-purchase financing agreement and each master lease-purchase program the department administers on behalf of a benefiting department or agency.

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STATEMENT OF FACT

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6 This bill requires lease-purchase agreements entered into by
a State Government entity to be submitted to the Legislature for
approval as separate pieces of legislation, instead of as
8 separate line items of the budget.