

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

L.D. 1907

DATE: *February 12, 2002* (Filing No. S- 419)

TRANSPORTATION

Reported by:

Reproduced and distributed under the direction of the Secretary of the Senate.

**STATE OF MAINE
SENATE
120TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT " *A* " to S.P. 705, L.D. 1907,
"RESOLUTION, Proposing an Amendment to the Constitution of Maine
to Allow for Loans to be Repaid With Federal Transportation Funds"

Amend the resolution on page 1 on line 18 by inserting after
the following: "funds" the following: 'in amounts not to exceed
50% of federal transportation funds allocated in the prior fiscal
year'

Further amend the resolution on page 2 on line 23 by
striking out the following: "loans" and inserting in its place
the following: 'short-term debt in limited amounts'

Further amend the resolution by inserting at the end before
the summary the following:

'FISCAL NOTE

If this proposed constitutional amendment is approved by the
voters, it would allow the Department of Transportation to
alleviate cash-flow problems that currently exist due to the
timing of the federal fiscal year, which starts October 1st of
each year. The department would be able to engage in short-term
borrowing, which will be limited to not more than 12 months for
repayment purposes in amounts not to exceed 50% of the federal
transportation funds allocated in the previous fiscal year in a
manner that will be similar to tax anticipation notes that are

COMMITTEE AMENDMENT "A" to S.P. 705, L.D. 1907

2 commonly used by municipalities. The use of the proposed
borrowing authority will permit the department to complete
4 certain federally funded transportation projects on a more timely
basis. There will be no impact on other state funds administered
6 by the Department of Transportation. Current federal procedures
allow states to obligate federal transportation funds in this
8 manner and also allow federal funds to be used to pay for the
interest costs of this type of short-term borrowing.

10 The estimated cost of sending this proposed constitutional
amendment out to referendum will vary according to the total
12 number of referenda enacted during the Second Regular Session of
the 120th Legislature to be submitted to the voters in November.
14 The estimated cost to the Secretary of State if one to 6
referenda are enacted is \$121,392. Each additional referendum
16 costs an additional \$8,000.

18 The additional costs associated with the administrative
activity involved in issuing a grant anticipation note can be
20 absorbed by the Office of the Treasurer of State utilizing
existing budgeted resources.'

22

24

SUMMARY

26 This amendment limits the amount of short-term debt that can
be issued under the proposed amendment to the Constitution of
28 Maine to 50% of federal transportation funds allocated in the
prior fiscal year.