

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

SECOND REGULAR SESSION-2002

Legislative Document

No. 2215

S.P. 834

In Senate, April 9, 2002

**An Act to Address the Cash Flow and Funding Needs of State
Government for the Fiscal Years Ending June 30, 2002 and June 30, 2003.**

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

A handwritten signature in cursive script that reads "Pamela L. Cahill".

PAMELA L. CAHILL
Secretary of the Senate

Presented by Senator GOLDTHWAIT of Hancock. (GOVERNOR'S BILL).
Cosponsored by Representative BERRY of Livermore and
Senators: CATHCART of Penobscot, MILLS of Somerset, Representative: NASS of Acton.

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

Sec. 1. 5 MRSA §150, 2nd ¶, as amended by PL 2001, c. 467, Pt. A, §1, is further amended to read:

The Treasurer of State, with the approval of the Governor, may negotiate a temporary loan or loans in anticipation of taxes levied for that fiscal year, but not exceeding a total of that amount of taxes estimated by the Treasurer of State to be collected in the fiscal year in which the temporary loan or loans, or renewal of the temporary loan or loans, is made, as long as the temporary loans or renewals of the temporary loans do not exceed any limitation set forth in the Constitution of Maine, Article IX, Section 14. Any such loans may be renewed from time to time as the Treasurer of State, with the approval of the Governor, determines, except that each loan or renewal of the loan must be retired not later than the close of the fiscal year in which the loan was originally made and for which were levied the taxes in anticipation of the collection of which the loan was originally made; and that each loan or renewal of the loan must comply with the provisions of this section and the Constitution of Maine, Article IX, Section 14. ~~The Treasurer of State shall pay the loan or loans in anticipation of taxes during the year and there is appropriated for any year in which the Treasurer of State and the Governor determine it necessary to borrow in anticipation of taxes the sum of \$100,000,000.~~

Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Bureau of General Services Capital Improvement Reserve Fund

Initiative: Deappropriates funds designated for an architectural and engineering assessment of the Harlow Building that will be shifted to bond funds.

General Fund	2001-02	2002-03
All Other	\$0	(\$129,392)

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

DEPARTMENT TOTALS	2001-02	2002-03
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2	GENERAL FUND	\$0	(\$129,392)
4	DEPARTMENT TOTAL - ALL FUNDS	\$0	(\$129,392)
6	SECRETARY OF STATE, DEPARTMENT OF THE		
8	Bureau of Administrative Services and Corporations		
10	Initiative: Provides funds for the increased referenda costs as a result of the number and the length of the questions to be submitted to the voters in June 2002 and November 2002.		
12	General Fund	2001-02	2002-03
14	All Other	\$8,000	\$121,392
16	SECRETARY OF STATE, DEPARTMENT OF THE		
18	DEPARTMENT TOTALS		
20	GENERAL FUND	\$8,000	\$121,392
22	DEPARTMENT TOTAL - ALL FUNDS	\$8,000	\$121,392
24	TREASURER OF STATE, OFFICE OF THE		
26	Debt Service - Treasury		
28	Initiative: Provides funds for the debt services costs associated with a tax anticipation note issue in fiscal year 2002-03.		
30	General Fund	2001-02	2002-03
32	All Other	\$0	\$7,500,000
34	TREASURER OF STATE, OFFICE OF THE		
36	DEPARTMENT TOTALS		
38	GENERAL FUND	\$0	\$7,500,000
40	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$7,500,000
42	SECTION TOTALS	2001-02	2002-03
44	GENERAL FUND	\$8,000	\$7,492,000
46	SECTION TOTAL - ALL FUNDS	\$8,000	\$7,492,000

FISCAL NOTE

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2001-02

2002-03

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APPROPRIATIONS/ALLOCATIONS

6

General Fund

\$8,000

\$7,492,000

8

10 REVENUES

12

General Fund

\$7,500,000

14

16 This bill increases the tax anticipation note authorization
18 limit to the limitation established in the Constitution of
20 Maine. This bill also provides a General Fund appropriation of
22 \$7,500,000 for the estimated increase of debt service costs from
a tax anticipation note issuance in fiscal year 2002-03. The
increase of the General Fund cash balance will improve interest
earnings and, consequently, increase General Fund revenue by
\$7,500,000 in fiscal year 2002-03.

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26 This bill also includes General Fund appropriations of
28 \$8,000 and \$121,392 in fiscal years 2001-02 and 2002-03,
30 respectively, for the additional costs associated with the
32 referenda questions submitted to the voters in June 2002 and
34 November 2002. The additional referenda costs are offset by a
36 \$129,392 General Fund deappropriation in fiscal year 2002-03 from
the amounts appropriated to Bureau of General Services Capital
Improvement Reserve Fund for the architectural and engineering
assessment of the Harlow Building. The reduction of funding for
a portion of the assessment of the Harlow Building will be
included in a proposed bond issue. If the bond issue is not
passed by the Legislature and approved by the voters, the
Department of Administrative and Financial Services will not have
sufficient funds for the assessment.

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SUMMARY

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44 This bill strikes the limit on the tax anticipation note
46 authority currently established at \$100,000,000. In the absence
48 of this statutory restriction, the limitation of the Constitution
of Maine, Article IX, Section 14 restricts this borrowing
authority to the lesser of 10% of all the money appropriated,
authorized and allocated by the Legislature from undedicated
revenues to the General Fund and dedicated revenues to the
Highway fund for that fiscal year, exclusive of proceeds or
50 expenditures from the sale of bonds, and 1% of the total

2 valuation of the State. In fiscal year 2000-01, that limit would have been \$293,843,735 based on final General Fund appropriations and Highway Fund allocations for that fiscal year.