

MAINE STATE LEGISLATURE

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(EMERGENCY)
FIRST SPECIAL SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 1892

S.P. 662

In Senate, October 2, 1987

Received by the Secretary of the Senate on October 1, 1987. Referred to the Committee on Appropriations and Financial Affairs and 1,650 ordered printed pursuant to Joint Rule 14.

JOY J. O'BRIEN, Secretary of the Senate
Presented by Senator EMERSON of Penobscot.

Cosponsored by Representative CARTER of Winslow, Senator PEARSON of Penobscot, Representative HIGGINS of Scarborough.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SEVEN

1 **AN ACT to Adjust General Fund Appropriations**
2 **for the Fiscal Years Ending June 30,**
3 **1988, and June 30, 1989, and to**
4 **Deauthorize an Unused and Unneeded**
5 **General Fund Bond Issue Related to**
6 **Acquisition of Rail Lines.**
7

8 **Emergency preamble.** Whereas, Acts of the Legis-
9 lature do not become effective until 90 days after
10 adjournment unless enacted as emergencies; and

11 Whereas, in response to legislation authorizing
12 the State to purchase certain rail lines, the Depart-
13 ment of Transportation utilized available resources
14 to do so; and

1 Whereas, it is now deemed to be in the State's
2 best interest to reimburse these authorized expendi-
3 tures from resources expected to be available during
4 the 1988-89 biennium rather than issue bonds for this
5 purpose as originally contemplated; and

6 Whereas, this reimbursement should be made in a
7 timely fashion in order that other transportation
8 priorities may be met in a prudent manner; and

9 Whereas, in the judgment of the Legislature,
10 these facts create an emergency within the meaning of
11 the Constitution of Maine and require the following
12 legislation as immediately necessary for the preser-
13 vation of the public peace, health and safety; now,
14 therefore,

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

17 **Sec. 1. Appropriation.** The following funds are
18 appropriated from the General Fund to carry out the
19 purposes of this Act.

	<u>1987-88</u>	<u>1988-89</u>
20		
21	<u>TRANSPORTATION, DEPART-</u>	
22	<u>MENT OF</u>	
23	Railroad Assistance	
24	Program	
25	All Other	\$850,000
26	Provides funds for	
27	reimbursement of	
28	expenses incurred	
29	in the acquisition	
30	of certain rail	
31	lines in the	
32	State.	

33 TREASURY DEPARTMENT

34 Debt Service - Trea-
35 sury Department

1 All Other (\$850,000)

2 Deappropriates

3 funds not expected

4 to be required.

5

6 Total \$850,000 (\$850,000)

7 Sec. 2. Bond issue; unused portion of Private

8 and Special Law 1985, chapter 75, deauthorized. The

9 amount of \$850,000, which was authorized but remains

10 unissued in bond under Private and Special Law 1985,

11 chapter 75, shall be deauthorized.

12 Emergency clause. In view of the emergency cited

13 in the preamble, this Act shall take effect when ap-

14 proved.

15 FISCAL NOTE

16 General Fund Appropriations

	<u>1987-88</u>	<u>1988-89</u>
17		
18 Transportation, Department of	\$850,000	
19 Treasury Department	<u> </u>	(\$850,000)
20 Total	\$850,000	(\$850,000)

1

STATEMENT OF FACT

2 Private and Special Law 1985, chapter 75, autho-
3 rized a General Fund bond issue in the amount of
4 \$850,000 to provide for the acquisition of certain
5 rail lines in the State. Subsequently, the Depart-
6 ment of Transportation did acquire the specified rail
7 lines utilizing available resources in anticipation
8 of the sale of bonds which were authorized for that
9 purpose. Due to a combination of factors, including:
10 Fluctuating interest rates; the relatively small
11 amount of the authorized bond issue; the fact that
12 the authorized bond issue would not be tax exempt,
13 thus reducing its appeal to investors; and a slightly
14 lower need for appropriated funds to meet overall
15 debt service costs during fiscal year 1989 than orig-
16 inally projected, it would be in the State's best in-
17 terest to reimburse the Department of
18 Transportation's cost of acquiring the specified rail
19 lines by means of direct appropriation as proposed in
20 this Act. This action permits deauthorization of the
21 entire approved bond issue and avoids debt service
22 costs which would otherwise accrue to the State if
23 the bonds were issued as originally contemplated.

24

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