

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

No. 365

S.P. 128

In Senate, February 9, 1993

An Act Concerning Tax Anticipation Notes for Fiscal Year 1993-94.

(EMERGENCY)

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator CAREY of Kennebec.

2 **Emergency preamble.** Whereas, Acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and

4 Whereas, the 90-day period will not terminate until after
6 the beginning of the next fiscal year; and

8 Whereas, this legislation must be in effect prior to July 1,
1993 in order to provide for the orderly issuance of the State's
10 tax anticipation notes; and

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

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

20 **Sec. 1. 5 MRSA §150, 2nd ¶,** as corrected by RR 1991, c. 2, §6,
is amended to read:

22 The Treasurer of State, with the approval of the Governor,
24 may negotiate a temporary loan or loans in anticipation of taxes
levied for that fiscal year, but not exceeding a total of that
26 amount of taxes estimated by the Treasurer of State to be
collected in the fiscal year in which such the temporary loan or
28 loans, or renewal thereof, is made, provided that such the
temporary loans or renewals thereof do not exceed any limitation
30 set forth in the Constitution of Maine, Article IX, Section 14.
The Treasurer of State, with the approval of the Governor, may
32 enter into any contract that the Treasurer of State determines
necessary or appropriate to place the obligation or any
34 investment of the State, in connection with the loan or loans, on
the interest rate or other basis determined by the Treasurer of
36 State, including without limitation any investment contract,
interest rate swap agreement, future or contract providing for
38 payment based on levels of, or changes in, interest rates or
other indices, contract to exchange cash flows or a series of
40 payments, or contract, including without limitation interest rate
floors or caps, options, puts or calls, to hedge payments, rate
42 spread or similar exposure. Such Any such loans may be renewed
from time to time as the Treasurer of State, with the approval of
44 the Governor, determines, provided that each loan or renewal
thereof must be retired not later than the close of the fiscal
46 year in which such the loan was originally made and for which
were levied the taxes in anticipation of the collection of which
48 such loan was originally made; and that each such loan or renewal
thereof must comply with the provisions of this section and the
50 Constitution of Maine, Article IX, Section 14. The Treasurer of
State shall pay such the loan or loans in

2 anticipation of taxes during such year and there is appropriated
3 for any year in which the Treasurer of State and the Governor
4 deem determine it necessary to borrow in anticipation of taxes
5 the sum of \$30,000,000; except that for fiscal year 1991-92, the
6 sum may not exceed \$150,000,000 and; for fiscal year 1992-93, the
7 sum may not exceed \$170,000,000; and for fiscal year 1993-94, the
8 sum may not exceed \$170,000,000.

9
10 **Emergency clause.** In view of the emergency cited in the
11 preamble, this Act takes effect when approved.

12
13 **STATEMENT OF FACT**

14
15 This bill authorizes tax anticipation notes for fiscal year
16 1993-94 not exceeding \$170,000,000. This bill also authorizes
17 the Treasurer of State, with the approval of the Governor, to
18 enter into agreements that will lower the interest cost of tax
anticipation notes.