

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

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No. 1582

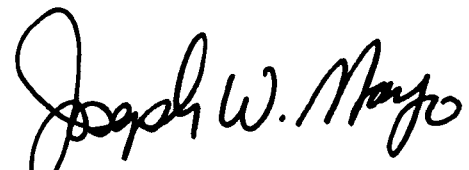
H.P. 1139

House of Representatives, June 23, 1995

An Act to Authorize a Tax Anticipation Note for Fiscal Year 1995-96.

(EMERGENCY)

Reported by Representative KERR for the Joint Standing Committee on Appropriations and Financial Affairs pursuant to Joint Order, H.P. 1136.


JOSEPH W. MAYO, Clerk

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

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

8 **Whereas,** certain obligations and expenses incident to the
operation of state departments and institutions will become due
and payable immediately; and

12 **Whereas,** the State's General Fund requires a tax
anticipation note to be available as early in fiscal year 1995-96
as possible due to its cash flow problems; and

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

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

24 **Sec. 1. 5 MRSA §150, 2nd ¶,** as amended by PL 1993, c. 707, Pt.
P, §1, is further amended to read:

26
28 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
30 amount of taxes estimated by the Treasurer of State to be
collected in the fiscal year in which the temporary loan or
32 loans, or renewal of the temporary loan or loans, is made,
provided that the temporary loans or renewals of the temporary
34 loans do not exceed any limitation set forth in the Constitution
of Maine, Article IX, Section 14. Any such loans may be renewed
36 from time to time as the Treasurer of State, with the approval of
the Governor, determines, except that each loan or renewal of the
38 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
40 the taxes in anticipation of the collection of which the loan was
originally made; and that each loan or renewal of the loan must
42 comply with the provisions of this section and the Constitution
of Maine, Article IX, Section 14. The Treasurer of State shall
44 pay the loan or loans in anticipation of taxes during the year
and there is appropriated for any year in which the Treasurer of
46 State and the Governor determine it necessary to borrow in
anticipation of taxes the sum of \$30,000,000; except that for
48 fiscal year 1991-92, the sum may not exceed \$150,000,000; for
fiscal year 1992-93, the sum may not exceed \$170,000,000; for
50 fiscal year 1993-94, the sum may not exceed \$170,000,000; and for

2 fiscal year 1994-95, the sum may not exceed \$175,000,000; and for
3 fiscal year 1995-96, the sum may not exceed \$182,000,000.

4 **Sec. 2. Appropriation.** The following funds are appropriated
5 from the General Fund to carry out the purposes of this Act.

6 **1995-96**

8 **TREASURER OF STATE (OFFICE OF)**

10 **Debt Service - Treasury**

12 All Other \$8,190,000

14 Provides funds to meet the debt service
16 payments related to a \$182,000,000 tax
18 anticipation note for fiscal year 1995-96.

18 **Emergency clause.** In view of the emergency cited in
20 the preamble, this Act takes effect when approved.

22 **FISCAL NOTE**

24 **1995-96**

26 **APPROPRIATIONS/ALLOCATIONS**

28 General Fund \$8,190,000

30 **REVENUES**

32 General Fund \$8,190,000

34
36 This bill includes a General Fund appropriation of
38 \$8,190,000 in fiscal year 1995-96 for the Office of the Treasurer
of State for the debt service payments related to a \$182,000,000
tax anticipation note for fiscal year 1995-96.

40
42 Interest earnings on the note will result in additional
General Fund revenue in fiscal year 1995-96 in the amount of
\$8,190,000 to offset the debt service costs.

44
46 **STATEMENT OF FACT**

48 This bill authorizes the Treasurer of State to negotiate a
tax anticipation note for fiscal year 1995-96 in an amount not to

2 exceed \$182,000,000. It also provides a General Fund
appropriation for the debt service payments related to the note,
4 recognizes the interest the State will earn on the note and
includes a fiscal note.