

MAINE STATE LEGISLATURE

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L.D. 468

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DATE: 3.30.05

(Filing No. S- 55)

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STATE OF MAINE
SENATE
122ND LEGISLATURE
FIRST REGULAR SESSION

SENATE AMENDMENT "U" to COMMITTEE AMENDMENT "A" to H.P. 343, L.D. 468, Bill, "An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2006 and June 30, 2007"

Amend the amendment by inserting before the emergency preamble the following:

Preamble. Two thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14 to authorize the issuance of bonds on behalf of the State of Maine to provide funds as described in this Act,

Further amend the amendment by striking out all of Part PPPP and inserting in its place the following:

PART PPPP

Sec. PPPP-1. Authorization of bonds. The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$410,000,138 for the purposes described in section 6 of this Part. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds. At the discretion of the Treasurer of State, with the approval of the Governor, any issuance of bonds may contain a call feature.

SENATE AMENDMENT

205

Sec. PPPP-2. Records of bonds issued kept by Treasurer of State.

2 The Treasurer of State shall keep an account of each bond showing
4 the number of the bond, the name of the successful bidder to whom
6 sold, the amount received for the bond, the date of sale and the
date when payable.

Sec. PPPP-3. Sale; how negotiated; proceeds appropriated.

8 The Treasurer of State may negotiate the sale of the bonds by
10 direction of the Governor, but no bond may be loaned, pledged or
12 hypothecated on behalf of the State. The proceeds of the sale of
14 the bonds, which must be held by the Treasurer of State and paid
16 by the Treasurer of State upon warrants drawn by the State
Controller, are appropriated solely for the purposes set forth in
this Part. Any unencumbered balances remaining at the completion
of the project in this Part lapse to the debt service account
established for the retirement of these bonds.

Sec. PPPP-4. Interest and debt retirement.

18 The Treasurer of State shall pay interest due or accruing on any bonds issued
20 under this Part and all sums coming due for payment of bonds at
maturity.

Sec. PPPP-5. Appropriations and allocations.

22 The following appropriations and allocations are made.

SECRETARY OF STATE, DEPARTMENT OF

Bureau of Administrative Services and Corporations 0692

30 Initiative: Provides one-time funding to reimburse
32 municipalities for the cost of holding a special statewide
referendum in June of 2005. Municipalities shall apply to the
Secretary of State for reimbursement of these election costs.

| | | | |
|----|---------------------------|------------------|----------------|
| 34 | GENERAL FUND | 2005-06 | 2006-07 |
| 36 | All Other | \$400,000 | \$0 |
| 38 | GENERAL FUND TOTAL | <u>\$400,000</u> | <u>\$0</u> |

Bureau of Administrative Services and Corporations 0692

42 Initiative: Provides one-time funding for the cost of holding a
special statewide referendum in June of 2005.

| | | | |
|----|---------------------------|------------------|----------------|
| 44 | GENERAL FUND | 2005-06 | 2006-07 |
| 46 | All Other | \$139,560 | \$0 |
| 48 | GENERAL FUND TOTAL | <u>\$139,560</u> | <u>\$0</u> |

R.O.S.

| 2 | SECRETARY OF STATE, DEPARTMENT OF | 2005-06 | 2006-07 |
|---|-----------------------------------|-----------|---------|
| | DEPARTMENT TOTALS | | |
| 4 | GENERAL FUND | \$539,560 | \$0 |
| 6 | DEPARTMENT TOTAL - ALL FUNDS | \$539,560 | \$0 |

8 **Sec. PPPP-6. Allocations from General Fund bond issue.** The
10 proceeds of the sale of the bonds authorized under this Part must
be expended as designated in the following schedule.

12 **ADMINISTRATIVE AND FINANCIAL SERVICES,**
14 **DEPARTMENT OF**

16 Provides funds to fund prepayment to the \$410,000,138
18 Maine State Retirement System of a
portion of the unfunded actuarial liability.

20 **Sec. PPPP-7. Contingent upon ratification of bond issue.** Sections
22 1 to 6 do not become effective unless the people of the State
ratify the issuance of the bonds as set forth in this Part.

24 **Sec. PPPP-8. Appropriation balances at year-end.** At the end of
each fiscal year, all unencumbered appropriation balances
representing state money carry forward. Bond proceeds that have
not been expended within 10 years after the date of the sale of
the bonds lapse to General Fund debt service.

28 **Sec. PPPP-9. Bonds authorized but not issued.** Any bonds
30 authorized but not issued, or for which bond anticipation notes
are not issued within 5 years of ratification of this Part, are
32 deauthorized and may not be issued, except that the Legislature
may, within 2 years after the expiration of that 5-year period,
34 extend the period for issuing any remaining unissued bonds or
bond anticipation notes for an additional amount of time not to
36 exceed 5 years.

38 **Sec. PPPP-10. Referendum for ratification; submission at statewide**
40 **election; form of question; effective date.** This Part must be submitted
to the legal voters of the State at a statewide election held in
42 June following passage of this Act. The municipal officers of
this State shall notify the inhabitants of their respective
44 cities, towns and plantations to meet, in the manner prescribed
by law for holding a statewide election, to vote on the
46 acceptance or rejection of this Part by voting on the following
question:

48 "Do you favor a \$410,000,138 bond issue to prepay to the
Maine State Retirement System a portion of the unfunded

NOIS

SENATE AMENDMENT "u" to COMMITTEE AMENDMENT "A" to H.P. 343,
L.D. 468

2 actuarial liability in order to fund current operations of
State Government for the fiscal years ending June 30, 2006
and June 30, 2007?"

4
6 The legal voters of each city, town and plantation shall
vote by ballot on this question and designate their choice by a
cross or check mark placed within a corresponding square below
8 the word "Yes" or "No." The ballots must be received, sorted,
counted and declared in open ward, town and plantation meetings
10 and returns made to the Secretary of State in the same manner as
votes for members of the Legislature. The Governor shall review
12 the returns and, if a majority of the legal votes are cast in
favor of this Part, the Governor shall proclaim the result
14 without delay, and this Part becomes effective 30 days after the
date of the proclamation.

16
18 The Secretary of State shall prepare and furnish to each
city, town and plantation all ballots, returns and copies of this
Part necessary to carry out the purposes of this referendum.'

20
22 Further amend the amendment by relettering or renumbering
any nonconsecutive Part letter or section number to read
consecutively.

24
26


SUMMARY

28 This amendment strikes Part PPPP from Committee Amendment
"A," which authorized the issuance of \$410,000,138 in bonds
30 through the Maine Municipal Bond Bank to fund prepayment to the
Maine State Retirement System of a portion of the unfunded
32 actuarial liability and replaces it with a General Fund bond
issue in the same amount to be used for the same purposes.

34

FISCAL NOTE REQUIRED
(See attached)

36
38

40
42 SPONSORED BY: 
(Senator R. ROSEN)

44

COUNTY: Hancock

46

SENATE AMENDMENT



122nd MAINE LEGISLATURE

LD 468

LR 2149(04)

An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2006 and June 30, 2007

Fiscal Note for Senate Amendment *U* to Committee Amendment *A*

Sponsor: Sen. Rosen

Fiscal Note Required: Yes

Fiscal Note

Contingent current biennium cost increase - General Fund
Referendum cost - General Fund

| | 2005-06 | 2006-07 |
|-----------------------------------|---------------|---------------|
| Net Cost (Savings) | | |
| General Fund | \$133,115,226 | \$117,424,334 |
| Appropriations/Allocations | | |
| General Fund | \$175,023,628 | \$184,081,037 |
| Transfers | | |
| General Fund | \$41,908,402 | \$66,656,703 |

| Referendum Costs | Month/Year | Election Type | Question | Length |
|-------------------------|-------------------|----------------------|-----------------|---------------|
| | Jun-05 | Special | Referendum | Standard |

The Secretary of State's budget includes sufficient funds to accommodate one ballot of average length for the general election in November. A special election would require an additional appropriation of \$139,560.

Fiscal Detail and Notes

This amendment will increase the General Fund cost of the bill by \$133,115,226 in fiscal year 2005-06 and \$117,424,334 in fiscal year 2006-07. Based on the estimated year-end balances, a balanced budget is not maintained for the 2006-2007 biennium.

Because the savings generated by Section PPPP would, by this amendment, be contingent on approval by the voters in June and on the ability to issue General Obligation bonds to fund current expenditures, those savings cannot be booked until approval occurs. The costs above reflect reinstatement of the appropriations for teacher's retirement costs in the biennium reduced by a transfer from unappropriated surplus. They also include \$400,000 appropriated to the Secretary of State to reimburse municipalities for documented expenses incurred in conducting the referendum and \$139,560 for the state costs of holding it.