

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## **An Act To Increase Funding in the Maine Budget Stabilization Fund**

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

**Whereas,** this legislation requires the transfer of funds to the Maine Budget Stabilization Fund before the expiration of the current fiscal year; and

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

**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,

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

### **PART A**

**Sec. A-1. Transfers; unexpended funds; Department of Professional and Financial Regulation Other Special Revenue Funds balances.** At the close of fiscal year 2017-18, the State Controller shall transfer \$5,000,000 from available balances in Other Special Revenue Funds accounts within the Department of Professional and Financial Regulation to the Maine Budget Stabilization Fund established in the Maine Revised Statutes, Title 5, section 1532. On or before June 30, 2018, the Commissioner of Professional and Financial Regulation shall determine from which accounts the funds will be transferred so that the sum equals \$5,000,000 and notify the State Controller and the Joint Standing Committee on Appropriations and Financial Affairs of the amounts to be transferred from each account.

### **PART B**

**Sec. B-1. Lapsed balance; Department of Administrative and Financial Services, Salary Plan program, fiscal year 2017-18; General Fund.** Notwithstanding any other provision of law, \$20,000,000 of funds in the Personal Services line category in the Department of Administrative and Financial Services, Salary Plan program, General Fund carrying account lapses to the unappropriated surplus of the General Fund no later than June 30, 2018.

**Sec. B-2. Transfer of \$20,000,000 to Maine Budget Stabilization Fund for fiscal year 2017-18.** On or before June 30, 2018, the State Controller shall transfer \$20,000,000 from the unappropriated surplus of the General Fund to the Maine Budget Stabilization Fund established in the Maine Revised Statutes, Title 5, section 1532.

### **PART C**

**Sec. C-1. Transfer to Maine Budget Stabilization Fund for fiscal year 2017-18; assurance of discontinuance.** Notwithstanding any other provision of law, no later than May 1, 2018, the State Controller shall transfer \$2,231,089 to the Maine Budget Stabilization Fund established in the Maine Revised Statutes, Title 5, section 1532 from the funds received pursuant to an assurance of discontinuance dated February 2017 in the matter of Moody's Corporation, Moody's Investors Service, Inc. and Moody's Analytics, Inc.

## PART D

**Sec. D-1. Transfer of \$6,362,226 to Maine Budget Stabilization Fund for fiscal year 2017-18.** Notwithstanding any other provision of law, the State Controller shall transfer \$6,362,226 to the Maine Budget Stabilization Fund established in the Maine Revised Statutes, Title 5, section 1532 from the unappropriated surplus of the General Fund no later than June 30, 2018.

## PART E

**Sec. E-1. 5 MRSA §135, first ¶**, as amended by PL 2005, c. 386, Pt. CC, §2, is further amended to read:

The Treasurer of State may deposit the money, including trust funds of the State, in any national bank or in any banking institution, trust company, state or federal savings and loan association or mutual savings bank organized under the laws of this State or having a location in the State except as provided in chapter 161. Before making a deposit, the Treasurer of State must consider the rating of the banking institution, trust company, state or federal savings and loan association or mutual savings bank on its most recent assessment conducted pursuant to the federal Community Reinvestment Act, 12 United States Code, Section 2901. The Treasurer of State may transfer funds into and out of the respective funds in the cash pool as circumstances may require to meet current obligations and shall request the State Controller to effect such transfers by journal entry as set forth in section 131-B. When there is excess money in the State Treasury that is not needed to meet current obligations, the Treasurer of State may invest, with the concurrence of the State Controller or the Commissioner of Administrative and Financial Services and with the consent of the Governor, those amounts in bonds, notes, certificates of indebtedness or other obligations of the United States and its agencies and instrumentalities that mature not more than 36 months from the date of investment or in repurchase agreements that mature within the succeeding 12 months that are secured by obligations of the United States and its agencies and instrumentalities, prime commercial paper, tax-exempt obligations and corporate bonds rated "AAA" that mature not more than 36 months from the date of investment, banker's acceptances or so-called "no-load" shares of any investment company registered under the federal Investment Company Act of 1940, as amended, that complies with Rule 2a-7 guidelines and maintains a constant share price. The Treasurer of State may participate in the securities loan market by loaning state-owned bonds, notes or certificates of indebtedness of the Federal Government, only if loans are fully collateralized by treasury bills or cash. The Treasurer of State shall seek competitive bids for investments except when, after a reasonable investigation, it appears that an investment of the desired maturity is procurable by the State from only one source. Interest earned on those investments of money must be credited to the respective funds, except that interest earned on investments

of the General Fund and special revenue funds must be credited to the ~~General Fund of the State~~ Disaster Recovery Fund established in Title 37-B, section 745. If the Disaster Recovery Fund is at its statutory limit as provided in Title 37-B, section 745, subsection 4, interest must be credited to the Maine Budget Stabilization Fund established in section 1532. Effective July 1, 1995, interest earned on investments of the Highway Fund must be credited to the Highway Fund. Interest earned on funds of the Department of Inland Fisheries and Wildlife must be credited to the General Fund. Interest earned on funds of the Baxter State Park Authority must be credited to the Baxter State Park Fund. This section does not prevent the deposit for safekeeping or custodial care of the securities of the several funds of the State in banks or safe deposit companies in this State or any other state, nor the deposit of state funds required by the terms of custodial contracts or agreements negotiated in accordance with the laws of this State. All custodial contracts and agreements are subject to the approval of the Governor.

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

## SUMMARY

Part A of this bill transfers \$5,000,000 from Other Special Revenue Funds in the Department of Professional and Financial Regulation to the Maine Budget Stabilization Fund.

Part B of this bill transfers \$20,000,000 from the Personal Services line category in the Department of Administrative and Financial Services, Salary Plan program, General Fund carrying account to the unappropriated surplus of the General Fund and transfers \$20,000,000 from the unappropriated surplus of the General Fund to the Maine Budget Stabilization Fund.

Part C transfers \$2,231,089 in settlement funds received pursuant to an assurance of discontinuance in the matter of Moody's Corporation, Moody's Investors Service, Inc. and Moody's Analytics, Inc. to the Maine Budget Stabilization Fund.

Part D transfers \$6,362,226 from the unappropriated surplus of the General Fund to the Maine Budget Stabilization Fund.

Part E credits interest earned on the investments of the General Fund and special revenue funds to replenish the Disaster Recovery Fund, subject to its existing statutory cap, and the Maine Budget Stabilization Fund.