



128th MAINE LEGISLATURE

SECOND REGULAR SESSION-2018

Legislative Document

No. 1908

S.P. 738

In Senate, April 18, 2018

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

(EMERGENCY)

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

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator HAMPER of Oxford. (GOVERNOR'S BILL)

1 Budget Stabilization Fund established in the Maine Revised Statutes, Title 5, section
2 1532 from the funds received pursuant to an assurance of discontinuance dated February
3 2017 in the matter of Moody's Corporation, Moody's Investors Service, Inc. and Moody's
4 Analytics, Inc.

5 **PART D**

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

11 **PART E**

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

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

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

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

15 SUMMARY

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

19 Part B of this bill transfers \$20,000,000 from the Personal Services line category in
20 the Department of Administrative and Financial Services, Salary Plan program, General
21 Fund carrying account to the unappropriated surplus of the General Fund and transfers
22 \$20,000,000 from the unappropriated surplus of the General Fund to the Maine Budget
23 Stabilization Fund.

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

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

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