

1 S.206

2 Introduced by Senator Miller

3 Referred to Committee on

4 Date:

5 Subject: Taxation; finance; debts and claims of the state

6 Statement of purpose: This bill proposes to permit the state to issue registered  
7 warrants for the payment of state expenses in the event of a fiscal emergency.

8 An act relating to the issuance of registered warrants

9 It is hereby enacted by the General Assembly of the State of Vermont:

10 Sec. 1. 32 V.S.A. § 461a is added to read:

11 § 461a. REGISTERED WARRANTS

12 (a) Upon the declaration of a fiscal emergency, the commissioner of  
13 finance and management may issue registered warrants for the payment of  
14 state expenses incurred but not satisfied. The secretary of administration shall  
15 establish a system for clearing the warrants, as well as fix the amount, maturity  
16 date, interest rate, redemption provision, and other necessary requirements of  
17 the warrants by issuing rules or emergency rules under 3 V.S.A. chapter 25.  
18 Upon the availability of funds, and in accordance with any rules adopted under  
19 this section, the treasurer shall disburse moneys from the state treasury to

1 honor registered warrants issued by the commissioner of finance and  
2 management.

3 (b) Within 45 days of the issuing of warrants, the governor shall convene a  
4 special session of the general assembly to address the issues resulting in the  
5 fiscal emergency.

6 (c) A state agency shall accept from any person or entity a registered  
7 warrant issued under this section at full face value for the payment of any  
8 obligations owed by that payee to that state agency.

9 (d) For the purpose of this section:

10 (1) "Declaration of a fiscal emergency" means a resolution by the  
11 emergency board that the conditions constituting a fiscal emergency have  
12 occurred.

13 (2) "Fiscal emergency" means that the following have occurred:

14 (A) the provisions of section 436 (interfund borrowing) of this title  
15 either do not apply or funds under that section have been exhausted;

16 (B) the provisions of section 704 (interim budget and appropriation  
17 adjustments) of this title either do not apply or the adjustment authority under  
18 that section has been exhausted; and

19 (C) funds in any of the following have been exhausted:

20 (i) the general fund budget stabilization reserve, section 308 of  
21 this title;

1                   (ii) the transportation fund stabilization reserve, section 308a of  
2 this title; or

3                   (iii) the education fund budget stabilization reserve, 16 V.S.A.  
4 § 4026.

5                   (3) “Registered warrant” means a warrant issued by the commissioner of  
6 finance and management evincing an intent to pay an expense of the state at a  
7 later date. Any such warrant must be registered with the treasurer, according  
8 to rules adopted by the secretary of administration. Registered warrants shall  
9 be for a defined term and shall provide a return of interest. Notwithstanding  
10 any other provision of law, registered warrants shall be negotiable instruments.

11                   Sec. 2. EFFECTIVE DATE

12                   This act shall take effect on July 1, 2012.