

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 621

H. P. 502

House of Representatives, February 23, 1977

Referred to Committee on State Government. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Kany of Waterville.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT Relating to the State's Bonded Debt.

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

3 MRSA c. 23 is enacted to read:

CHAPTER 23

STATE DEBT

§ 551. Policy

The Constitution of Maine establishes limits and controls on the amount of debt the State shall have. However, the state debt has grown rapidly, placing an onerous tax burden on Maine citizens. It is the policy of the Legislature that all reasonable efforts should be undertaken to reverse the trend of ever-increasing bonded debt of the State and that there should be a more careful appraisal of proposed bond issues. It is the policy of the Legislature that capital construction projects which are not self-liquidating should be funded from accumulated surplus or from appropriations from current revenues, with the exception that, to the extent additional bond issues are warranted and necessary, such bonds should be issued only in such amounts so as not to exceed the state's bonded debt as of the effective date of this Act, provided that the procedures of the following section are followed.

§ 552. Analysis of proposed bond issues

The Commissioner of Finance and Administration, together with the Treasurer of State, shall advise the Legislature and the Governor in a timely manner and in written form as to the effect on the state's bonded debt of any bond issue or issues proposed which would not be self-liquidating. Specifically, the

analysis provided shall indicate the relationship of the issue or issues proposed to the limit on the aggregate level of outstanding state debt established by this chapter and to the future debt service requirements on the State. The analysis shall be comprehensive in nature and shall include consideration of the outstanding debt, bonds authorized but unissued, and proposed issues enacted by the Legislature and awaiting ratification or rejection by the electors.

STATEMENT OF FACT

This bill establishes the intent of the State to reverse the trend of ever-increasing state debt. It also provides for a detailed analysis of the effect of proposed bond issues on the state's debt.