

	1 2	SECOND REGULAR SESSION
	3 4	ONE HUNDRED AND TENTH LEGISLATURE
	5 6	Legislative Document No. 1879
•	7 8	S. P. 797 Approved for introduction by the Legislative Council pursuant to Joint Rule 26. Referred to the Committee on Local and County Government and ordered printed. Sent down for concurrence. MAY M. ROSS, Secretary of the Senate
	9 10 11	Presented by Senator Najarian of Cumberland. Cosponsors: Representative Joyce of Portland, Representative Brannigan of Portland and Representative Beaulieu of Portland.
	12 13	STATE OF MAINE
	14 15 16	IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-TWO
	17 18 19 20	AN ACT to Authorize the Use of Surplus Proceeds of Municipal Borrowing for Other Purposes.
	21	Be it enacted by the People of the State of Maine as follows:
•	22	30 MRSA §5154 is enacted to read:
	23	§5154. Disposition of unencumbered proceeds
	24 25 26 27	A municipality may, by vote of its legislative body, dispose of unencumbered proceeds from the sale or issuance of bonds, notes or other municipal securities authorized by this Article or other law in the following manner.
	28 29 30 31 32	1. Completed projects. If a project for which borrow- ing was authorized has been completed and an unexpended bal- ance remains, a municipality may at any time appropriate the balance for any purpose for which borrowing is authorized for an equal or longer period of time.

1 2. Incomplete projects. If a project for which borrowing was authorized has not been completed and no liability remains outstanding and unpaid on account thereof, a municipality may, by a 2/3 vote, abandon or discontinue the project and appropriate the unexpended balance remaining for any purpose for which borrowing is authorized for an equal or longer period of time.

8 Nothing in this section may be construed to authorize 9 the use of proceeds from the sale or issuance of bonds, notes or other municipal securities for purposes other than 10 the purposes specified in the authorization for such borrow-11 ing, except as provided in this section. Notwithstanding 12 this section, no appropriation from an unexpended balance 13 remaining may be made which would increase the amount of the 14 proceeds available for any purpose to an amount in excess of 15 any limit imposed by law for that purpose. 16

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STATEMENT OF FACT

18 The purpose of this bill is to permit municipalities to 19 use surplus funds from municipal borrowing for purposes 20 other than the purpose for which the funds were originally 21 borrowed. This authority would give municipalities greater 22 flexibility in the use of borrowed funds, especially when 23 the project for which borrowing was authorized is abandoned 24 prior to completion or is completed under cost.

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