



## **132nd MAINE LEGISLATURE**

## FIRST SPECIAL SESSION-2025

Legislative DocumentNo. 1424

S.P. 580

In Senate, April 1, 2025

An Act to Authorize a General Fund Bond Issue for Investment in Workforce Housing and Raise Certain Income Eligibility Limits in the Affordable Homeownership Program

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

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DAREK M. GRANT Secretary of the Senate

Presented by President DAUGHTRY of Cumberland. Cosponsored by Representative GATTINE of Westbrook and Senators: BENNETT of Oxford, CURRY of Waldo, PIERCE of Cumberland. Preamble. Two thirds of both Houses of the Legislature deeming it necessary in
 accordance with the Constitution of Maine, Article IX, Section 14 to authorize the issuance
 of bonds on behalf of the State of Maine to provide funds as described in this Act,

- 4 Be it enacted by the People of the State of Maine as follows:
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PART A

**Sec. A-1. Authorization of bonds.** The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$10,000,000 for the purposes described in section 5 of this Part. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds.

11 Sec. A-2. Records of bonds issued; Treasurer of State. The Treasurer of State 12 shall ensure that an account of each bond is kept showing the number of the bond, the name 13 of the successful bidder to whom sold, the amount received for the bond, the date of sale 14 and the date when payable.

15 Sec. A-3. Sale; how negotiated; proceeds appropriated. The Treasurer of State may negotiate the sale of the bonds by direction of the Governor, but no bond may 16 be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the 17 18 bonds, which must be held by the Treasurer of State and paid by the Treasurer of State upon warrants drawn by the State Controller, are appropriated solely for the purposes set 19 forth in this Part. Any unencumbered balances remaining at the completion of the project 20 21 in this Part lapse to the Office of the Treasurer of State to be used for the retirement of 22 general obligation bonds.

Sec. A-4. Interest and debt retirement. The Treasurer of State shall pay interest
 due or accruing on any bonds issued under this Part and all sums coming due for payment
 of bonds at maturity.

26 Sec. A-5. Disbursement of bond proceeds from General Fund bond issue. 27 The proceeds of the sale of the bonds authorized under this Part must be expended as 28 designated in the following schedule under the direction and supervision of the agencies 29 and entities set forth in this section.

## 30 MAINE STATE HOUSING AUTHORITY

- Provides funds to finance the construction of workforce housing in opportunity zones
  established pursuant to the federal Tax Cuts and Jobs Act of 2017.
- 33 Total

\$10,000,000

Sec. A-6. Contingent upon ratification of bond issue. Sections 1 to 5 do not
 become effective unless the people of the State ratify the issuance of the bonds as set forth
 in this Part.

**Sec. A-7. Appropriation balances at year-end.** At the end of each fiscal year, all unencumbered appropriation balances representing state money carry forward. Bond proceeds that have not been expended within 10 years after the date of the sale of the bonds lapse to the Office of the Treasurer of State to be used for the retirement of general obligation bonds. 1 Sec. A-8. Bonds authorized but not issued. Any bonds authorized but not issued 2 within 5 years of ratification of this Part are deauthorized and may not be issued, except 3 that the Legislature may, within 2 years after the expiration of that 5-year period, extend 4 the period for issuing any remaining unissued bonds for an additional amount of time not 5 to exceed 5 years.

Sec. A-9. Referendum for ratification; submission at election; form of question; effective date. This Part must be submitted to the legal voters of the State at a statewide election held in the month of November following passage of this Act. The municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Part by voting on the following question:

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"Do you favor a \$10,000,000 bond issue for workforce housing in the State's opportunity zones?"

14 The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within a corresponding square 15 below the word "Yes" or "No." The ballots must be received, sorted, counted and declared 16 in open ward, town and plantation meetings and returns made to the Secretary of State in 17 the same manner as votes for members of the Legislature. The Governor shall review the 18 19 returns. If a majority of the legal votes are cast in favor of this Part, the Governor shall proclaim the result without delay and this Part becomes effective 30 days after the date of 20 21 the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Part necessary to carry out the purposes of this referendum.

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PART B

26 Sec. B-1. Maine State Housing Authority to change Affordable Homeownership Program homebuyer income limit. Resolved: That the Maine 27 28 State Housing Authority shall amend its rules governing the Affordable Homeownership 29 Program to change the income limit of homebuyers from 120% to 150% of the area median 30 income in all counties outside of Cumberland, Sagadahoc and York. The authority may 31 adopt rules to require that a project must have leveraged funds. Rules adopted pursuant to this section are routine technical rules pursuant to the Maine Revised Statutes, Title 5, 32 33 chapter 375, subchapter 2-A.

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## SUMMARY

The funds provided by the bond issue in Part A, in the amount of \$10,000,000, will be used by the Maine State Housing Authority to finance workforce housing in the State's opportunity zones through its Affordable Homeownership Program. Part B directs the Maine State Housing Authority to change the income limit of homebuyers participating in the Affordable Homeownership Program from 120% to 150% of the area median income in all counties outside of Cumberland, Sagadahoc and York. It also allows the authority to require leveraged funds.