

# MAINE STATE LEGISLATURE

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November 28, 1934

Honorable George S. Foster  
Treasurer of State  
Augusta, Maine

Re: State of Maine  
Highway and Bridge Loan  
Serial 2s, Dated December 1, 1934  
Due 1935 to 1939

Dear Sir:

Answering your inquiry as to the legality of the recent issue and sale of State Highway and Bridge Bonds, this department makes the following reply:

The qualified voters of the State of Maine at an election held on the 9th day of September A. D. 1929, adopted an Amendment to Article IX of the Constitution of the State of Maine by striking out Section 17 of said Article, as amended by the XLVIII and XLIX Amendments to the Constitution so that said section, as amended, now reads as follows:

The state, under proper enactment of the legislature, may issue its bonds not exceeding in the aggregate thirty-one million dollars in amount at any one time and all bonds issued during and after the year nineteen hundred and twenty-nine shall be payable serially within twenty-five years from date of issue, at a rate of interest not exceeding five per centum per annum, payable semi-annually. The proceeds of bonds hereafter issued and outstanding under authority of this section to the extent of ten million dollars shall be devoted solely to the construction of the present system of state highways designated prior to April first, nineteen hundred and twenty-nine; provided, however, that not exceeding two million five hundred thousand dollars of such proceeds

may be used for the reconstruction of state highways forming a part of that system heretofore constructed and provided further that not exceeding one million five hundred thousand dollars of such proceeds may be used for the construction of state highways hereafter to be designated. The proceeds of bonds hereafter issued and outstanding, under authority of this section, to the extent of five million dollars shall be devoted solely to the building of interstate, intrastate, and international bridges. Said bonds when paid at maturity or otherwise retired shall not be re-issued. All bonds issued under the authority of this section of the constitution shall be in addition to the bonds heretofore authorized and issued in the amount of three million dollars, the proceeds of which were devoted to the building of a combination highway and railroad bridge across the Kennebec river between the city of Bath and the town of Woolwich.

The 84th Legislature of the State of Maine passed an Act entitled,--

AN ACT to Authorize the Treasurer of State, Under the Direction of the Governor and Council, to Issue Bonds for State Highway and Bridge Construction, Conditional on the Adoption by the People of a Constitutional Amendment Authorizing Such Bonds,

which was approved by the Governor, April 13, 1929, Section 1 of that Act provides as follows:

In addition to state highway and bridge bonds heretofore issued in the name and behalf of the state as provided by statute, the treasurer of state is hereby authorized under the direction of the governor and council to issue from time to time serial coupon bonds in the name and behalf of the state to an amount not exceeding fifteen million dollars payable serially at the state treasury within twenty-five years from date of issue at a rate of interest not exceeding five per centum per annum, interest payable semi-annually, and signed by the treasurer of state, counter-signed by the governor and attested by the state

auditor, with the seal of the state affixed. The coupons attached to said bonds shall bear the facsimile of the signature of the treasurer of state instead of his original signature; such bonds and coupons shall be of such denominations and form and upon such terms and conditions not inconsistent herewith as the governor and council shall direct. Said bonds, together with the proceeds thereof, shall be designated as a part of the state highway and bridge loan and shall be deemed a pledge of the faith and credit of the state. Not more than three million dollars of said bonds shall be issued from the date this act becomes effective to January first, nineteen hundred and thirty-one and thereafter such bonds shall be issued only in amounts expressly authorized by the legislature for state highway construction or reconstruction, and not more than one million dollars shall be issued, in any one fiscal year, for bridge construction in the discretion of the governor and council as provided in this act.

The 85th Legislature of the State of Maine passed an Act entitled:

AN ACT to Authorize the Treasurer of State Under the Direction of the Governor and Council to Issue Bonds for State Highway Construction and Reconstruction for the Calendar Year Nineteen Hundred Thirty-one,

which was an emergency Act, approved by the Governor on March 4, 1931, and which became effective on said date. Section 1 of that Act provides as follows:

The treasurer of state is hereby authorized under the direction of the governor and council to issue from time to time during nineteen hundred thirty-one, serial coupon bonds in the name and behalf of the state to the amount of three million dollars payable serially at the state treasury within twenty-five years from the date of issue at a rate of interest not exceeding five per cent per year, interest payable semi-annually, to be signed by the treasurer of state, countersigned by the governor and attested by the state auditor, with the seal of the state affixed. The coupons attached to said bonds shall

bear the facsimile of the signature of the treasurer of state instead of his original signature; such bonds and coupons shall be of such denominations and form, and upon such terms and conditions not inconsistent herewith as the governor and council shall direct. The proceeds of said bonds to be used for the construction or reconstruction of state highways.

The 85th Legislature of the State of Maine, as evidenced by Chapter 122 of the Private and Special Laws of 1931, also passed an Act entitled,--

An ACT to Provide for the Further Issuance of State Highway and Bridge Bonds

which was approved by the Governor, April 3, 1931, and which became effective July 3, 1931. Sections 1 and 2 of that Act provide as follows:

In addition to state highway and bridge bonds heretofore issued in the name and behalf of the state, and in addition to three million dollars of bonds for state highway construction and reconstruction authorized to be issued by the eighty-fifth legislature under the provisions of an emergency bill, the treasurer of state is hereby expressly authorized, in accordance with and under the provisions of chapter one hundred thirty of the private and special laws of nineteen hundred twenty-nine, to issue from time to time during the calendar year nineteen hundred thirty-two serial coupon bonds in the name and behalf of the state to an amount not exceeding three million dollars; the proceeds thereof to be used in accordance with the comprehensive program for state highway construction laid out by the state highway commission and approved by the governor and council, under the provisions of section five of chapter one hundred thirty of the private and special laws of nineteen hundred twenty-nine. The governor and council are also hereby authorized, in accordance with and under the provisions of said chapter

one hundred thirty of the private and special laws of nineteen hundred twenty-nine, to issue, in their discretion, like bonds for the building of bridges, to an amount not exceeding one and one-half million dollars in any one fiscal year.

All of the provisions of sections one, two, three, four, and five of said chapter one hundred thirty of the private and special laws of nineteen hundred twenty-nine are made applicable to this act.

The 86th Legislature of the State of Maine passed an Act entitled,--  
AN ACT to Provide for Further Issuance of State Bonds

which was an emergency Act, approved by the Governor on March 28, 1933 and which became effective on said date. Sections 1 and 2 of that Act provide as follows:

In addition to state highway bonds heretofore issued in the name and behalf of the state, the treasurer of state is hereby expressly authorized in accordance with and under the provisions of chapter 130 of the private and special laws of 1929 to issue from time to time during the calendar years 1933 and 1934 serial coupon bonds in the name and behalf of the state to an amount not exceeding \$2,000,000; the proceeds thereof to be used in accordance with the program for state highway construction laid out by the state highway commission and approved by the governor and council under the provisions of chapter 130 of the private and special laws of 1929.

All of the provisions of chapter 130 of the private and special laws of 1929 that are not inconsistent with the special provisions hereof are hereby made applicable to this act.

In accordance with the foregoing constitutional amendment and the aforesaid Acts, the following Council Orders were passed by the Council and approved by the Governor:

No. 318

STATE OF MAINE

In Council, November 9, 1934

ORDERED,

That the Treasurer of State be and hereby is authorized and empowered to issue in the name of the State of Maine and sell to the highest bidder Serial Coupon Highway & Bridge Loan Two (2) per cent bonds in the aggregate principal amount of two hundred and fifty thousand dollars (\$250,000) bearing date of December 1, 1934, and payable at the office of the Treasurer of State at Augusta, Maine, as follows:

\$50,000 in each of the years 1935 to 1939 inclusive.

ORDERED FURTHER:

That the Treasurer of State advertise for sealed bids for the above issue to be received up to 10 o'clock A. M. Standard Time, November 21, 1934.

That the Treasurer of State prepare and submit the form of bond and coupon to the Governor and Council for approval.

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In Council, November 9, 1934

Read and Passed by the Council, and by the Governor approved.

Robinson C. Tobey Secretary of State



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No. 432

STATE OF MAINE

In Council November 21, 1934

ORDERED,

That WHEREAS the Treasurer of State has made a sale of \$250,000 HIGHWAY & BRIDGE LOAN 2% Coupon Bond Issue bearing date of December 1, 1934, to

GRAHAM PARSONS & CO. BOSTON at 101.269

NOW THEREFORE IT IS ORDERED:

That the said sale shall stand approved.

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In Council November 21, 1934

Read and Passed by the Council, and by the Governor approved.

Robinson C. Tobey      Secretary of State

This issue and sale of State Highway and Bridge Bonds to the amount of Two Hundred Fifty Thousand Dollars (\$250,000), being duly authorized by said constitutional amendment and acts of the legislature, and all other proceedings in connection therewith being regular, these bonds, in my opinion, are a general obligation of the State of Maine, payable from unlimited ad valorem taxes to be levied on all taxable property therein.

Respectfully submitted,

Sanford L. Fogg  
Deputy      Attorney General

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