

MAINE STATE LEGISLATURE

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STATE OF MAINE
DEPARTMENT OF THE ATTORNEY GENERAL
AUGUSTA

November 26, 1935

Hon. George S. Foster
Treasurer of State
Augusta, Maine

Re: \$475,000
STATE OF MAINE
State of Maine Improvement Bonds
Serial Coupon 2a
Dated December 2, 1935
Due 1937 to 1955

Dear Sir:

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

The 80th Legislature of the State of Maine, as evidenced by Chapter 113 of the Private and Special Laws of 1935, entitled,

"AN ACT to Provide for the Issue of State of Maine Improvement Bonds",

empowered the Treasurer of State, 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 \$2,000,000. at any one time outstanding. The issue, or issues, however, to be contingent upon the adoption of the Constitutional Amendment permitting the same. Section 5 of said Act is as follows:

"This act shall not take effect unless and until the constitution of this state is amended by adding to article IX a section, numbered 20, authorizing the issue of bonds not to exceed the amount of \$2,000,000, payable within 20 years at a rate of interest not exceeding 5% per year payable semi-annually, the proceeds to be disbursed for the construction of state buildings and equipment for same or remodeling and extension of any plant which is part of state owned property."

At an election held on the second Monday of September, A. D. 1974, the qualified voters of the State of Maine, adopted the proposal of the Legislature to amend Article IX of the Constitution authorizing the issuance of bonds not exceeding the amount of \$2,000,000., the proceeds of which to be disbursed for the construction of State buildings and equipment for the same, or remodeling and extension of any plant which is part of State owned property.

The 67th Legislature of the State of Maine, as evidenced by Chapter 80 of the Private and Special Laws of 1975, passed an Act entitled,

"AN ACT to Provide for the Issuance of State of Maine Improvement Bonds and the Allocation of the Proceeds From Sale."

This was an emergency act, approved by the Governor on April 6, 1975, and which became effective on said date. Section 1 of said 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 serial coupon bonds in the name and behalf of the state to an amount not exceeding \$2,000,000, at any one time outstanding, payable serially at the state treasury within 20 years from date of issue, at a rate of interest not exceeding 8% per year, interest payable semi-annually, and signed by the treasurer of state, countersigned by the governor and attested by the state auditor, with the seal of the state affixed. After 5 years after issue, these bonds shall be redeemable by the state on any interest date in such amounts as may be determined by the governor and council at 101 and accrued interest. The coupons attached to said bonds shall bear the facsimile of the signature of the treasurer of state instead of his original signature; and 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 State of Maine Improvement Bonds for the construction and improvement of state owned property, and shall be deemed a pledge of the faith and credit of the state, and when paid at maturity, or otherwise retired, shall not be reissued."

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:

and empowered
"That the Treasurer of State be and hereby is authorized, to issue in the name of the State of Maine and sell to the highest bidder, Serial Coupon State of Maine Improvement, Two (2) per cent bonds in the aggregate principal amount of Four hundred and seventy-five thousand dollars (\$475,000.), bearing date of December 2, 1935 and payable at the office of the Treasurer of State at Augusta, Maine, as follows:

\$25,000. in each of the years 1937 to 1955.

The above authorization is provided by Chapter 80 of P. & S. Laws of 1935.

ORDERED FURTHER,

That the Treasurer of State advertise for sealed bids for the above issue, to be received up to ten o'clock A.M. standard time, November 21, 1935.

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

L.J.B. /

In Council, October 23, 1935.

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

Lewis O. Barrows, Secretary of State."

Treasurer of State, Page 4.

"That WHEREAS, the Treasurer of State has made a sale of \$475,000, STATE OF MAINE IMPROVEMENT 2% Coupon Bond Issue bearing date of December 2, 1925, to

Bankers Trust Co New York
Edward B. Smith & Co " " at 101.075.

NOW THEREFORE IT IS ORDERED:

That the said sale shall stand approved.

In Council, November 25, 1925

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

Lewis O. Harrows, Secretary of State."

The issue and sale of said State of Maine Improvement Bonds to the amount of Four hundred and seventy-five thousand dollars (\$475,000.), sold as aforesaid, 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 were legally issued and sold, and are a general obligation of the State of Maine, payable from unlimited ad valorem taxes to be levied on all the taxable property therein.

Respectfully submitted,

Deputy Attorney General

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