

MAINE STATE LEGISLATURE

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September 17, 1936

Hon. Louis H. Winship
Commissioner of the Treasury
Augusta, Maine

Re: \$875,000
State of Maine
"Highway and Bridge"
2 Per Cent Serial Coupon Bonds
September 15, 1936 - September 15, 1945

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 ninth 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 Forty-eighth and Forty-ninth 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 eighty-fourth 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."

This Act was approved by the Governor on April 13, 1929, and

Section 1, 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 fac-simile of the signature of the treasurer of state instead of his original signature; such bonds and coupons shall be of such denomination 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 Eighty-fifth 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."

This was an emergency Act, approved by the Governor on March 4, 1931, and which became effective on said date. Section 1 of the 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; 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 Eighty-fifth Legislature of the State of Maine, as evidence 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."

This Act was approved by the Governor on April 3, 1931, and became effective on July 3, 1931, Sections 1 and 2 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 Eighty-sixth Legislature of the State of Maine passed an Act entitled,

"An Act to Provide for Further Issuance of State Bonds."

This was an emergency Act, approved by the Governor on March 28, 1933, and became effective on said date. Sections 1 and 2 of said 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."

The ~~Eighty~~-seventh Legislature of the State of Maine passed an Act entitled,

"An Act to Provide for Further Issuance of State Bonds."

This was an emergency Act approved by the Governor on March 30, 1935, and which became effective on said date. Sections 1 and 2 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 1935 and 1936 serial coupon bonds in the name and behalf of the state to an amount not exceeding \$500,000 in each calendar year; the proceeds thereof to be used in accordance with a 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, provided that the proceeds shall be used only to match federal funds obtained for such purpose.

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. 345

"ORDERED,

That The Commissioner of the Treasury 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 and Bridge Loan Two (2) per cent bonds in the aggregate principal amount of eight hundred and seventy-five thousand (875,000) dollars bearing date of September 15, 1936, and payable at the office of the Treasury at Augusta, Maine, as follows:

\$100,000. September 15, in each of the years 1937 to 1944 inclusive, and \$75,000. September 15, 1945.

ORDERED FURTHER:

That the Commissioner of the Treasury advertise for sealed bids for the above issue to be received up to 10 o'clock A.M. Daylight Saving Time, September 16, 1936.

That the Commissioner of the Treasury prepare and submit the form of bond and coupon to the Governor and Council for approval."

Approved September 9, 1936

No. 361
"ORDERED,

That WHEREAS, the Commissioner of the Treasury has made a sale of \$875,000 "HIGHWAY AND BRIDGE" LOAN 2% Coupon Bond Issue bearing date of September 15, 1936 at a bid price of 102.908 to;

Halsey Stuart & Co.
Bancamerica Blair Co.
Kidder Peabody & Co.
Stone, Webster & Blodgett

NOW THEREFORE IT IS ORDERED:

That the the said sale shall stand approved."

Approved September 16, 1936

This issue and sale of State Highway and Bridge Bonds to the amount of Eight Hundred Seventy-Five Thousand (\$875,000) Dollars, 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 and valorem taxes to be levied on all the taxable property therein.

Respectfully submitted,

Deputy Attorney General

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