

MAINE STATE LEGISLATURE

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September 18, 1936

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

Re: \$500,000
STATE OF MAINE "Highway", Serial 2s
September 15, 1936 - September 15, 1950

Dear Sir:

Answering your inquiry as to the legality of the recent issue and sale of "Highway" Bonds to match available "Federal Funds" for the construction of state highways, 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. 1935, adopted an Amendment to Section 17 of Article IX of the Constitution, as amended by Article LII of 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 \$36,000,000 in amount at any one time, and all bonds issued after the year 1935 shall be payable serially within 15 years from date of issue, at a rate of interest not exceeding 4% per year, payable semi]annually. The proceeds of bonds hereafter issued and outstanding under the authority of this section to the extent of \$5,000,000 shall be devoted solely to the construction of the system of state highways heretofore designated or to such as may hereafter be designated. Said bonds, when paid at maturity or otherwise retired, shall not be

reissued. All bonds issued under the authority of this section shall be in addition to the bonds heretofore issued in the amount of \$3,000,000, 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, and in addition to the bonds heretofore issued in the amount of \$900,000 the proceeds of which were devoted to the building of a highway bridge across the Penobscot river between the towns of Prospect, Verona and Bucksport.

Provided further, that in case it becomes necessary in the judgment of the governor and council to match available federal funds for the construction of state highways, the state may issue its bonds up to \$1,000,000 per year, the proceeds thereof to be available for the aforesaid purpose after July 1, 1936."

In accordance with the foregoing Constitutional Amendment and Resolve of the Legislature, the following Council Orders were passed by the Council and by the Governor approved.

No. 343

"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 State of Maine Highway, Two (2) per cent bonds in the aggregate principal amount of Five Hundred Thousand Dollars (\$500,000) bearing date of September 15, 1936 and payable at the office of the State Treasury at Augusta, Maine, as follows:

\$50,000. September 15, in each of the years 1941-1950 inclusive.

The above authorization is provided by Chapter 96 of the Resolves of 1935.

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 Savings 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, '36

No. 363

"ORDERED,

That WHEREAS, the Commissioner of the Treasury has made a sale of \$500,000. "HIGHWAY" 2% Coupon Bond Issue bearing date of September 15, 1936, at a bid price of 102.419 to:

Lazard Freres & Co. Inc.
Bank of Manhattan Co.
B. J. Van Ingen & Co. Inc.
E. H. Rollins & Sons Inc.
Manufacturers & Traders Trust Co.
Schoellkopf Hutton & Pomeroy
Charles H. Newton & Co. Inc.

NOW THEREFORE IT IS ORDERED:

That the said sale shall stand approved."

Approved September 16, 1936.

This issue and sale of said "Highway" bonds to the amount of \$500,000 sold as aforesaid, being authorized by Chapter 06 of the Resolves of 1935, and by the adoption of an Amendment to the Constitution, as aforesaid, and the Orders of the Governor and Council of September 9, and September 16, 1936, being pursuant to said Constitutional Amendment and Resolve, and in due form and properly passed and recorded, and all other proceedings in connection with same being regular, these bonds in my opinion were legally issued and sold, are a pledge of the faith and credit and a lawful debt 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