

# MAINE STATE LEGISLATURE

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September 30, 1936

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

Re: \$1,525,000 "State of Maine Improvement"  
2 Per Cent Serial Coupon Bonds Dated  
October 1, 1936 Due October 1, 1956

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 86th Legislature of the State of Maine, as evidenced by Chapter 113 of the Private and Special Laws of 1933, 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. 1934, 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 87th Legislature of the State of Maine, as evidenced by Chapter 80 of the Private and Special Laws of 1935, 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, 1935, 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 5% 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:

No. 341

"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 Improvement, Two (2) percent bonds in the aggregate principal amount of One Million five hundred and twenty-five thousand dollars (\$1,525,000) bearing date of October 1, 1936 and payable at the office of the State Treasury at Augusta, Maine, as follows:

\$75,000. October 1, each of the years  
1937, to 1955, inclusive;

\$100,000. October 1, 1956.

The above authorization is provided by Chapter 80, of P. & S. Laws 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 Times, 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. 362

"ORDERED,

That WHEREAS the Commissioner of the Treasury has made a sale of \$1,525,000. 'STATE OF MAINE IMPROVEMENT' 2% Coupon Bond Issue bearing date of October 1, 1936, at a bid price of 101.178 to:

Chemical Bank & Trust Co.  
Halgarten & Co.  
Kean, Taylor & Co.  
Hemphill Noyes & Co.  
Geo. B. Gibbons & Co. Inc.  
Rutter & Co.  
Starkweather & Co., Inc.  
F. L. Putnam & Co. Inc.

NOW THEREFORE IT IS ORDERED:

That the said sale shall stand approved."

Approved September 16, 1936

The issue and sale of said State of Maine Improvement Bonds to the amount of One Million Five Hundred Twenty-five Thousand (\$1,525,000) dollars, 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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