

MAINE STATE LEGISLATURE

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July 10, 1941

Honorable Belmont Smith
Treasurer of State
Augusta, Maine

Dear Sir:

In re -- \$500,000
STATE OF MAINE
Coupon "Highway" Bonds
Dated July 1, 1941
Due Serially 1942-1951

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 9th day of September 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

Treasurer of State
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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:

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STATE OF MAINE

#543

In Council, June 18, 1941

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, (bidder to name coupon rate in multiples of 1/8% or 1/4%), Serial Coupon State of Maine Highway Bonds in the aggregate principal amount of Five hundred thousand dollars (500,000) bearing date of July 1, 1941 and payable at the office of the State Treasury at Augusta, Maine, as follows:

\$50,000. on July 1, in each of the years 1942 to 1951 inclusive.

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

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. Eastern Standard Time, Wednesday, July 2, 1941. No bids accepted less than par.

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

In Council, June 18, 1941

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

Frederick Robie Secretary of State.

true copy,
ATTEST:

E/ Frederick Robie
Secretary of State"

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STATE OF MAINE

"597

In Council, July 2, 1941

RESOLVED,

That Whereas, the Treasurer of State has made a sale of \$500,000, State of Maine Highway Coupon Bond Issue bearing date of July 1, 1941 at a bid price in denominations of \$1,000. each of 100.2902 and accrued interest to date of delivery for 7/8% coupon to

Blyth & Co., Inc.
C. F. Childs & Company, New York, N.Y.

NOW WHEREFORE IT IS ORDERED:

That the said sale shall stand approved.

In Council, July 2, 1941

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

Frederick Robie Secretary of State.

A true copy,
ATTEST:

S/ Frederick Robie
Secretary of State"

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This issue and sale of said "Highway" bonds to the amount of \$500,000 sold as aforesaid, being authorized by Chapter 96 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 June 18, and July 2, 1941, 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 ad valorem taxes to be levied on all the taxable property therein.

Respectfully submitted,

Sanford L. Fogg
Deputy Attorney General

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