

MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

ONE HUNDRED AND FIFTH LEGISLATURE

Legislative Document

No. 1881

S. P. 700

In Senate, January 24, 1972

Committee on Legal Affairs suggested.

HARRY N. STARBRANCH, Secretary

Presented by Senator Clifford of Androscoggin.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-TWO

AN ACT Relating to Municipal Finance.

Be it enacted by the People of the State of Maine, as follows:

R. S., T. 30, § 5153, additional. Title 30 of the Revised Statutes is amended by adding a new section 5153, to read as follows:

§ 5153. Borrowing in anticipation of federal or state aid; maximum period for anticipatory borrowing

1. Borrowing. The municipal officers of any municipality may contract for and accept an offer or a grant of federal or state aid, or both, for any purpose for which a municipality may raise or expend money. Notwithstanding any provisions in a charter or special Act of the Legislature, but subject to the constitutional limit on indebtedness, any municipality which has contracted for and accepted an offer or a grant of federal or state aid or both may by vote of its municipal officers incur indebtedness in anticipation of the receipt of such aid by issuing its general obligation notes payable in not more than one year, which notes may be renewed from time to time by the issue of other notes, provided that no notes shall be issued or renewed in an amount which at the time of such issuance or renewal exceeds the unpaid amount of the federal or state aid in anticipation of which such notes are issued or renewed, as the case may be. To any extent that the federal or state aid in anticipation of which the notes were issued when received exceeds the amount of such aid remaining to be paid under contract or accepted offer, plus the amount of any outstanding notes issued in anticipation thereof, it shall be kept in a separate account and used solely for the payment of such outstanding notes. Any provision of a charter of a city or town requiring the publication of an ordinance, vote, order or resolution of

the municipal officers, the holding of a public hearing thereon or subjecting such ordinance, vote, order or resolution to a referendum shall not apply to any borrowing authorized under this section.

2. — period. The maximum period of anticipatory borrowing by any municipality may be the maximum period provided for in this Article for the respective purposes, notwithstanding any lesser limit contained in any special law or the charter of any municipality.

STATEMENT OF FACT

This bill would allow municipalities, where federal or state aid has been granted or offered and accepted, but not yet actually received, to issue notes in anticipation of actual receipt so that projects may begin and continue toward completion without interruption due to temporary inability to make progress payments because of delay in receiving grant payments. In addition, it allows statutorily enacted limits on periods of anticipatory borrowing to take effect notwithstanding the existence of other, lesser limits.