

MAINE STATE LEGISLATURE

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(EMERGENCY)

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 551

S. P. 207

In Senate, February 1, 1973

Referred to Committee on State Government. Sent down for concurrence and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Joly of Kennebec.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT to Revise the Maine Municipal Bond Bank Act.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, some governmental units may find it difficult or impossible to receive bond counsel opinions on bond issues planned for sale to the Maine Municipal Bond Bank; and

Whereas, some governmental units are finding it difficult to finance their capital improvements projects at favorable interest rates through regular sources; and

Whereas, inability to finance such projects through the Maine Municipal Bond Bank would cause governmental units to pay higher borrowing costs and unnecessarily cause delays either in awarding construction contracts and loss of federal and state matching funds; and

Whereas, it is essential to the health and welfare of the citizens of this State to reduce borrowing costs and to assure a continued flow of funds for the construction of necessary capital improvement projects; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. R. S., T. 30, § 5163, sub-§ 8, amended. Subsection 8 of section 5163 of Title 30 of the Revised Statutes, as enacted by chapter 558 of the public laws of 1971, is amended to read as follows:

8. Municipal security. "Municipal security" means a bond or note or evidence of debt ~~for the payment of which the personal property of the residents and the real estate within the boundaries of the governmental unit may be taken~~ issued by a governmental unit and payable from taxes or from rates, charges or assessments, but shall not include any bond or note or evidence of debt issued by any other state or any public body or municipal corporation thereof under chapter 235 or chapter 242.

Sec. 2. R. S., T. 30, § 5186, amended. Section 5186 of Title 30 of the Revised Statutes, as enacted by chapter 558 of the public laws of 1971, is amended to read as follows:

§ 5186. Remedies on default of municipal securities

~~Section 5053 shall apply in~~ In the event of default by a governmental unit in the payment of interest on or principal of any municipal securities owned or held by the bank as and when due and payable by said governmental unit, ~~the bank shall proceed to enforce payment pursuant to applicable provisions of law of such interest or principal or other amounts then due and payable.~~

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

STATEMENT OF FACT

The purpose of this bill is to insure the eligibility of certain governmental units to participate in the Maine Municipal Bond Bank.