

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

(EMERGENCY)

---

---

ONE HUNDRED AND EIGHTH LEGISLATURE

---

---

**Legislative Document**

**No. 140**

---

---

H. P. 109

House of Representatives, January 25, 1977

Referred to Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Whittemore of Skowhegan.

---

---

STATE OF MAINE

---

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-SEVEN

---

**AN ACT to Clarify the Maine Municipal Securities Approval Act.**

---

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

Whereas, the intent of this Act is to permit refunding of municipal securities without requiring the approval of a municipal election; and

Whereas, most municipal elections are held at town meeting time in the spring of each year; and

Whereas, if this Act does not take effect before 90 days after adjournment of the Legislature, many municipal bonds could not receive approval until the spring of 1978, by which time interest rates for bonds may have greatly increased; and

Whereas, it is important that municipalities, whose financial resources are presently being strained by a combination of economic stagnation and inflation, are able to secure refunding of their bonds at the lowest possible interest rate, which early passage of this bill might secure; 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.** 30 MRSA § 5337, last sentence, as enacted by P.L. 1965, c. 423, § 1, is amended to read:

The issuance of such securities, the maturities and other details thereof, the rights and remedies of the holders thereof, and the rights, powers, privileges, duties and obligations of the municipality and the municipal officers with respect to the same, shall be governed by the foregoing provisions of sections of this chapter insofar as the same may be applicable; provided, the requirement that voter approval be obtained of the general purpose and maximum principal amount of securities as set forth in section 5331, subsection 1, shall not be applicable to securities issued for refunding purposes under this section; and provided, further, that any action or proceeding in any court to set aside a resolution authorizing the issuance of revenue refunding securities under this chapter or to obtain any relief on the ground the resolution was improperly adopted, was adopted for unauthorized purposes or is otherwise invalid for any reason must be commenced within 30 days after publication by the clerk of the municipality in the state newspaper and in a newspaper of general circulation in the municipality of a notice stating that the resolution has been adopted, the principal amount of revenue refunding securities authorized to be issued and the purpose of that issuance.

Sec. 2. 30 MRSA § 5337, as last amended by PL 1971, c. 210, § 15, is further amended by adding at the end the following new sentence:

**After the expiration of the period of limitation, no right of action or defense founded upon the invalidity of that resolution or any of its provisions shall be asserted nor shall the validity of that resolution or any of its provisions be open to question in any court upon any ground whatever.**

**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 clarify that where municipal revenue refunding securities are to be issued to refund revenue obligation securities already outstanding, a new local election will not be required prior to the issuance of those revenue refunding securities. It further adds a limitation on appeals and court actions regarding revenue refunding securities similar to the limitation contained in the last 2 sentences of section 5331, subsection 1, which applies where an election is required. The purpose and amount of the original issue of revenue obligation securities will continue to be subject to the requirement that they be approved by ballot. This bill does not affect the approval powers of the Maine Guarantee Authority.