

MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
4

5 Legislative Document

No. 1832

6
7 H.P. 1410

House of Representatives, January 4, 1984

8 Reference to the Committee on State Government. Ordered printed and
9 sent up for concurrence.

10 Approved for introduction by the Legislative Council pursuant to Joint
Rule 26.

EDWIN H. PERT, Clerk

Presented by Representative Higgins of Scarborough.

11 Cosponsors: Representative Lebowitz of Bangor, Representative
12 Gwadosky of Fairfield and Senator Pray of Penobscot.

13 STATE OF MAINE
14

15 IN THE YEAR OF OUR LORD
16 NINETEEN HUNDRED AND EIGHTY-FOUR
17

18 RESOLUTION, Proposing an Amendment to the
19 Constitution of Maine
20 to Limit the Life of Authorized Bonds.
21

22 Constitutional amendment. RESOLVED: Two-thirds
23 of each branch of the Legislature concurring, that
24 the following amendment to the Constitution of Maine
25 be proposed:

26 Constitution, Art. IX, §14 is amended to read:

27 Section 14. The credit of the State shall not be
28 directly or indirectly loaned in any case, except as
29 provided in sections 14-A, 14-B, 14-C and 14-D. The
30 Legislature shall not create any debt or debts, lia-
31 bility or liabilities, on behalf of the State, which
32 shall singly, or in the aggregate, with previous
33 debts and liabilities hereafter incurred at any one
34 time, exceed two million dollars, except to suppress
35 insurrection, to repel invasion, or for purposes of
36 war, and except for temporary loans to be paid out of

1 money raised by taxation during the fiscal year in
2 which they are made; and excepting also that whenever
3 two thirds of both Houses shall deem it necessary, by
4 proper enactment ratified by a majority of the elec-
5 tors voting thereon at a general or special election,
6 the Legislature may authorize the issuance of bonds
7 on behalf of the State at such times and in such
8 amounts and for such purposes as approved by such ac-
9 tion; but this shall not be construed to refer to any
10 money that has been, or may be deposited with this
11 State by the Government of the United States, or to
12 any fund which the State shall hold in trust for any
13 Indian tribe. Whenever ratification by the electors
14 is essential to the validity of bonds to be issued on
15 behalf of the State, the question submitted to the
16 electors shall be accompanied by a statement setting
17 forth the total amount of bonds of the State out-
18 standing and unpaid, the total amount of bonds of the
19 State authorized and unissued, and the total amount
20 of bonds of the State contemplated to be issued if
21 the enactment submitted to the electors be ratified.
22 For any bond authorization requiring ratification of
23 the electors pursuant to this section, if ~~no~~ any
24 bonds have not been issued within five years of the
25 date of ratification, then ~~no~~ those bonds may not be
26 issued after that date. The Legislature may, within
27 two years after expiration of that five-year period,
28 extend the five-year period for an additional five
29 years or may deauthorize the bonds. If the Legisla-
30 ture fails to take action within those two years, the
31 bond issue shall be considered to be deauthorized and
32 no further bonds may be issued. For any bond autho-
33 rization in existence on November 6, 1984, and for
34 which the five-year period following ratification has
35 expired, no further bonds may be issued unless the
36 Legislature, by November 6, 1986, reauthorizes those
37 bonds for an additional five-year period, failing
38 which all bonds unissued under those authorizations
39 shall be considered to be deauthorized. Temporary
40 loans to be paid out of moneys raised by taxation
41 during any fiscal year shall not exceed in the aggreg-
42 ate during the fiscal year in question an amount
43 greater than 10% of all the moneys appropriated, au-
44 thorized and allocated by the Legislature from unded-
45 icated revenues to the General Fund and dedicated
46 revenues to the Highway Fund for that fiscal year,
47 exclusive of proceeds or expenditures from the sale

1 of bonds, or greater than 1% of the total valuation
2 of the State of Maine, whichever is the lesser.

3 Constitutional referendum procedure; form of
4 question; effective date. Resolved: That the city
5 aldermen, town selectmen and plantation assessors of
6 this State shall notify the inhabitants of their re-
7 spective cities, towns and plantations to meet, in
8 the manner prescribed by law for holding a statewide
9 election, at the next general election in the month
10 of November following passage of this resolution, to
11 vote upon the ratification of the amendment proposed
12 in this resolution by voting upon the following ques-
13 tion:

14 "Shall the Constitution of Maine be amended to
15 limit the life of bonds authorized but not is-
16 sued?"

17 The legal voters of each city, town and
18 plantation shall vote by ballot on this question, and
19 shall designate their choice by a cross or check mark
20 placed within the corresponding square below the word
21 "Yes" or "No." The ballots shall be received,
22 sorted, counted and declared in open ward, town and
23 plantation meetings and returns made to the Secretary
24 of State in the same manner as votes for members of
25 the Legislature. The Governor shall review the re-
26 turns and, if it appears that a majority of the legal
27 votes are in favor of the amendment, the Governor
28 shall proclaim that fact without delay and the amend-
29 ment shall become part of the Constitution on the
30 date of the proclamation.

31 Secretary of State shall prepare ballots. Re-
32 solved: That the Secretary of State shall prepare
33 and furnish to each city, town and plantation all
34 ballots, returns and copies of this resolution neces-
35 sary to carry out the purposes of this referendum.

36 STATEMENT OF FACT

37 The purpose of this constitutional amendment is
38 to provide that, in cases of bond authorizations
39 where some but not all of the bonds have been issued
40 within 5 years of ratification, the unissued bonds

1 shall be deauthorized unless the Legislature extends
2 the authorization for one additional 5-year period.
3 At present, bond authorizations lapse, unless
4 reauthorized, at the expiration of 5 years after
5 their ratification only if no bonds have been issued
6 during that time. The amendment also makes clear
7 that for bonds which were authorized more than 5
8 years before November 6, 1984, the date on which the
9 amendment, if passed by the Legislature, would be
10 presented to the electors for ratification, but unis-
11 sued, the Legislature shall have 2 additional years
12 to extend authorization of those bonds for an addi-
13 tional 5-year period, otherwise such bonds shall be
14 deemed deauthorized. For bond authorizations occur-
15 ring within 5 years preceding November 6, 1984, the
16 intention of this resolution is that any unissued
17 bonds therein may not be issued after 5 years follow-
18 ing the date of ratification has expired, unless the
19 Legislature, within that period or the succeeding 2
20 years, reauthorizes them.

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