## MAINE STATE LEGISLATURE

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	(EMERGENCY)	
	SECOND REGULAR SE	SSION
ONE HUN	NDRED AND ELEVENTH	LEGISLATURE
Legislative Docume	nt	No. 2402
S.P. 885		In Senate, March 29, 1984
	ossed without reference to	ok, rules suspended, read twice the Committee. Sent down
Presented by Senator	JOY J. O'll Violette of Aroostook.	BRIEN, Secretary of the Senate
	STATE OF MAIN	E
NINET	IN THE YEAR OF OU EEN HUNDRED AND E	
AN ACI	Relating to the Registered Bon	
lature do not		, Acts of the Legis- e until 90 days after ergencies; and
Act (TEFRA) has must be in regi	s mandated that bo stered form rathe maintain their ex	Fiscal Responsibility nds issued by a state r than in bearer form emption from federal
provisions of f State be empo	federal law it is	s bonds in registered
	the Treasurer of on behalf of the S	State will shortly be tate; and

Whereas, it is in the best interest of the people of the State that its bonds be free from federal income taxation; 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,

10 Be it enacted by the People of the State of Maine as 11 follows:

## 5 MRSA §145-B is enacted to read:

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- 13 §145-B. Issuance of registered bonds; miscellaneous 14 provisions
  - 1. Issuance. Notwithstanding any other provisions of the laws of this State, whenever the Treasurer of State is authorized to issue and sell bonds for the State, he may issue the bonds in registered form.
    - 2. Signatures. Registered bonds shall bear the facsimile signatures of the Governor and the Treasurer of State, or his deputy, and shall be attested by the facsimile signature of the Commissioner of Finance and Administration or such agents as he may designate. Whenever signatures on registered bonds of other state officials are required, their facsimile signatures may be used.
- 28 <u>3. Seal. The seal of the State on registered</u> 29 bonds may be by facsimile.
- 30 4. Agents. The Treasurer of State may appoint, 31 for such terms as may be agreed upon, including for as long as a registered bond may be outstanding, cor-32 33 porate or other authenticity, agents, transfer 34 agents, registrars, paying or other agents, and spec-35 ify the terms of their appointments, including their 36 rights, compensation and duties. None of the agents 37 need have an office or do business within this State.

5. Storage and transfer. The Treasurer of State may agree with custodial banks and financial intermediaries, within or without this State, and the nominees of any of them, in connection with the establishment and maintenance by others of a central depository system for the storage of transferable certificates and the transfer of registered bonds. Any such custodial banks and financial intermediaries, and nominees, if qualified and acting as fiduciaries, may also serve as authenticating agents, transfer agents, registrars, paying or other agents of the Treasurer of State with respect to the same issue of registered bonds.

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

## STATEMENT OF FACT

The Tax Equity and Fiscal Responsibility Act (TEFRA) requires that bonds issued by a state must be in registered rather than in bearer form if they are to maintain their exemption from federal income taxation. The Treasurer of State issues bonds for the State on a recurring basis, and for them to maintain their marketability they must continue to be exempt from federal income taxation. This bill clarifies the powers of the Treasurer of State by specifically authorizing him to issue registered bonds. It permits the use of facsimile signatures of state officials on the registered bonds. Further, it permits the use of a facsimile of the state seal on registered bonds. Additionally, it provides for the use out-of-state authenticating agents, transfer agents, registrars, paying agents and other necessary agents. Finally, it provides for the out-of-state storage of a supply of transferable certificates.

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