

# MAINE STATE LEGISLATURE

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L.D. 2189  
(Filing No. H- 592)

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
112TH LEGISLATURE  
SECOND REGULAR SESSION

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COMMITTEE AMENDMENT "A" to H.P. 1550, L.D.  
2189, Bill, "AN ACT to Provide for the Allocation of  
the State Ceiling on Bonds for Nongovernmental Pur-  
poses."

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Amend the bill in section 1, in that part desig-  
nated "§362." in the 19th line (page 4, line 1, in  
L.D.) by inserting after the underlined word  
"Governor" the underlined words 'and Legislature'

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Further amend the bill in section 1, in that part  
designated "§362." by inserting at the end a new par-  
agraph to read:

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'For the purpose of expeditiously allocating tax  
exempt bond authority among issuers for 1986 only,  
the Legislature authorizes the Governor to allocate  
the state ceiling in accordance with section 363,  
subsection 1.'

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Further amend the bill in section 1, by striking  
out all of that part designated "§363." and inserting  
in its place the following:

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'§363. Allocation of the state ceiling

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1. Formula and procedure. The Governor may es-  
tablish by Executive Order a formula and procedure  
for allocation of the entire amount of the state  
ceiling for the 1986 calendar year only, including  
any amounts set aside for nonprofit organizations and  
any carry-forward among issuers of tax-exempt bonds,  
which formula may be different from the federal for-  
mula to the extent that the United States Code, Title  
26, authorizes the Governor or Legislature of the  
State to vary the federal formula, and which formula  
may limit allocations of the state ceiling as deemed

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1 necessary by the Governor in the event that there is  
2 pending federal legislation with retroactive effective  
3 dates which might affect the state ceiling, including,  
4 without limitation, the United States House  
5 of Representatives Bill, 3838.

6 A. The Governor may provide that any specific  
7 allocations under this section be reviewed periodically  
8 and that unused allocations be repooled  
9 for reallocation to other issuers or for carry-  
10 forward in a manner established by the Governor.

11 B. This subsection is repealed on January 1,  
12 1987.

13 2. Allocations by the Governor and the Legisla-  
14 ture. Beginning in 1987, the Governor shall submit  
15 to the joint standing committee of the Legislature  
16 having jurisdiction over State Government, by no later  
17 than February 1st of each year, legislation providing  
18 for the allocation of the state ceiling. The  
19 legislation providing for the allocation shall include  
20 a formula and a procedure for the allocation of  
21 the entire amount of the state ceiling, including any  
22 amounts set aside for nonprofit organizations, for  
23 further allocation to issuers of tax exempt bonds,  
24 which formula may be different from the federal formula  
25 to the extent that the United States Code, Title  
26 26, authorizes the Governor and Legislature of the  
27 State to vary the federal formula. The legislation  
28 shall clearly indicate the categories of uses to  
29 which the tax exempt bonds shall be allocated.

30 3. Emergency allocation. With respect to any  
31 state ceiling established by federal formula which  
32 becomes effective on or after January 1, 1987, and  
33 prior to the enactment of legislation after January  
34 1, 1987, and prior to the enactment of legislation  
35 for the allocation of the state ceiling as provided  
36 in subsection 2, the Governor, with the approval of  
37 the Legislature, shall provide for emergency allocations  
38 for the interim period which shall be in effect

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1     until the allocation of the state ceiling is enacted  
2     in accordance with the procedure established in sub-  
3     section 2.

4             A. The Governor shall not allocate the state  
5     ceiling or any part of the state ceiling begin-  
6     ning January 1, 1987, except as provided in this  
7     section.

8             4. Allocation to Maine State Housing Authority.  
9     That portion of the state ceiling allocated under  
10    this section for bonds for housing or housing-related  
11    purposes shall be allocated to the Maine State Hous-  
12    ing Authority, which may establish a process that is  
13    different from the federal formula for allocating  
14    that portion of the state ceiling pertaining to bonds  
15    for housing-related projects.

16            5. Allocation to the Treasurer of State. That  
17    portion of the state ceiling allocated under this  
18    section for bonds for general obligations of the  
19    State shall be allocated to the Treasurer of State,  
20    who may further allocate such portion of the state  
21    ceiling to bonds of the State requiring an allocation  
22    in order to qualify as tax-exempt bonds.

23            6. Allocation to Finance Authority of Maine.  
24    That portion of the state ceiling allocated for bonds  
25    for solid waste energy projects or bonds issued pur-  
26    suant to chapter 110, other than for housing or  
27    housing-related purposes, shall be allocated to the  
28    Finance Authority of Maine, which may further allo-  
29    cate such portion of the state ceiling to bonds re-  
30    quiring an allocation in order to qualify as tax-  
31    exempt bonds.

32            7. Allocation to Maine Municipal Bond Bank.  
33    That portion of the state ceiling not allocated pur-  
34    suant to subsection 4, 5 and 6, shall be allocated to  
35    the Maine Municipal Bond Bank, which may further al-  
36    locate such portion of the state ceiling to bonds re-  
37    quiring an allocation in order to qualify as tax-

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1 exempt bonds.'

2 Further amend the bill in section 2, in that part  
3 designated "§980-A." in the 10th and 11th lines (page  
4 5, lines 34 and 35 in L.D.) by striking out the un-  
5 derlined words "by the Governor"

6 Further amend the bill in section 3, by striking  
7 out all of subsection 4, (page 6, lines 6 to 15 in  
8 L.D.) and inserting in its place the following:

9 '4. Residential property. In the case of  
10 projects consisting of multi-family or single-family  
11 residential property, the Maine State Housing Author-  
12 ity shall have responsibility to approve or disap-  
13 prove such projects in accordance with regulations  
14 adopted pursuant to the Maine Administrative Proce-  
15 dure Act, Title 5, chapter 375, in lieu of the ap-  
16 proval required by the authority under this subchap-  
17 ter, provided that this subsection shall only apply  
18 to projects for which an application is made after  
19 February 28, 1986, and which require an allocation  
20 under any applicable state bond ceiling for tax-  
21 exempt bonds.'

22 Further amend the bill in section 9, in subsec-  
23 tion 14, in the 8th line (page 8, line 5 in L.D.) by  
24 striking out the underlined words "by the Governor"

25 Further amend the bill by striking out all of  
26 section 11 and inserting in its place the following:

27 'Sec. 11. 30 MRSA §4751, 5th ¶, as enacted by PL  
28 1983, c. 589, is amended to read:

29 In case any of the commissioners or officers of  
30 the authority whose signatures appear on any bonds or  
31 coupons shall cease to be such commissioners or offi-  
32 cers before the delivery of such bonds, such  
33 signatures shall, nevertheless, be valid and suffi-  
34 cient for all purposes, the same as if such commis-  
35 sioners or officers had remained in office until such

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1 delivery. For calendar year 1986, the allocation pro-  
2 visions of Title 10, chapter 9 shall supersede this  
3 allocation.'

4 Further amend the bill in section 12, in that  
5 part designated "§5166-A." in the 6th line (page 8,  
6 line 26 in L.D.) by striking out the underlined words  
7 "by the Governor"

8 Further amend the bill by inserting at the end  
9 before the emergency clause the following:

10       'Sec. 13. Procedure for the interim period. The  
11 joint standing committee of the Legislature having  
12 jurisdiction over State Government shall establish a  
13 procedure prior to December 1, 1986, by which emer-  
14 gency allocations may be provided for the interim pe-  
15 riod defined in section 363, subsection 3.

16 STATEMENT OF FACT

17 This amendment authorizes the Governor to allo-  
18 cate the state ceiling on the issuance of tax-exempt  
19 bonds by Executive Order for the year 1986 only. Be-  
20 ginning in 1987, the allocation of the state ceiling  
21 requires the approval of the Legislature with respect  
22 to the formula for making the allocations and the  
23 uses to which the tax-exempt bonds will be put.

24 In the event that the Tax Reform Act establishes  
25 the effective date for the 1987 allocation prior to  
26 the enactment of legislation by the Governor and Leg-  
27 islature providing for the 1987 allocation, the Gov-  
28 ernor, with the approval of the Legislature, shall  
29 provide an emergency temporary allocation effective  
30 until the Legislature enacts the allocation as pro-  
31 vided by law.

32 This amendment also provides for the joint stand-  
33 ing committee of the Legislature having jurisdiction

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1 over State Government to establish a procedure by  
2 which emergency allocations may be made for the peri-  
3 od between January 1, 1987, and the date on which the  
4 allocation of the state ceiling becomes effective.

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