

# MAINE STATE LEGISLATURE

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(EMERGENCY)  
FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 5

H.P. 5 House of Representatives, December 3, 1986

Reference to the Committee on Economic Development  
suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Gwadosky of Fairfield.

Cosponsored by Senator Andrews of Cumberland, Senator  
Dillenback of Cumberland and President Pray of Penobscot.

STATE OF MAINE

IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND EIGHTY-SIX

AN ACT to Provide for Emergency Allocations  
of a Portion of the State Ceiling on  
Private Activity Bonds.

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

Whereas, the Maine Revised Statutes, Title 10,  
section 363, subsection 3, enacted by Public Law  
1985, c. 594, provides that the Governor, with the  
approval of the Legislature, shall provide an emer-  
gency allocation of the state ceiling on private ac-  
tivity bonds established under federal law, including  
the Internal Revenue Code of 1986, as amended, during  
the interim period prior to the effective date of  
legislation as provided in the Maine Revised Stat-  
utes, Title 10, section 363, subsection 2; and

Whereas, there is an immediate need to provide  
for an allocation of the state ceiling so that issues

1 of certain tax exempt bonds by the State and issuers  
2 within the State can continue prior to the effective  
3 date of legislation pursuant to the Maine Revised  
4 Statutes, Title 10, section 363, subsection 2; and

5 Whereas, there is a statewide need to assure that  
6 state ceiling can be allocated in a timely and effi-  
7 cient manner beginning immediately after January 1,  
8 1987; and

9 Whereas, in the judgment of the Legislature,  
10 these facts create an emergency within the meaning of  
11 the Constitution of Maine and require the following  
12 legislation as immediately necessary for the preser-  
13 vation of the public peace, health and safety; now,  
14 therefore,

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

17 Sec. 1. 10 MRSA §363, sub-§3, as enacted by PL  
18 1985, c. 594, §1, is amended to read:

19 3. Emergency allocation. With respect to any  
20 state ceiling established by federal formula which  
21 becomes effective applicable on or after January 1,  
22 1987, and prior to the enactment effective date of  
23 legislation enacted after January 1, 1987, and prior  
24 to the enactment of legislation providing for the al-  
25 location of the state ceiling as provided in subsec-  
26 tion 2, the Governor, with the approval of the Legis-  
27 lature, shall provide for emergency allocations for  
28 the interim period which shall be in effect until the  
29 allocation of the state ceiling is effective date of  
30 legislation enacted in accordance with the procedure  
31 established in subsection 2.

32 A. The Governor shall not allocate the state  
33 ceiling or any part of the state ceiling begin-  
34 ning January 1, 1987, except as provided in this  
35 section.

36 Sec. 2. 10 MRSA §363, sub-§8 is enacted to read:

37 8. Use of carryforward. In the event that any  
38 issuer has made a carryforward election under the

1 United States Code, Title 26, Section 146(f), as  
2 amended, such issuer shall, to the extent possible  
3 and consistent with the purpose for which the  
4 carryforward was elected use the carryforward for is-  
5 ssues subject to the state ceiling prior to allocating  
6 any portion of the state ceiling for the applicable  
7 calendar year to the issue.

8       Sec. 3. 10 MRSA §980-A, as amended by PL 1985,  
9 c. 594, §2, is further amended to read:

10 §980-A. Allocation of federal bond ceiling

11       The authority may, by rulemaking pursuant to Ti-  
12 tle 5, chapter 375, subchapter II, establish a pro-  
13 cess that is different from the federal formula for  
14 allocating that portion of the ceiling established by  
15 the United States Code, Title 26, Section 146, as  
16 amended, allocated to the authority pursuant to sec-  
17 tion 363. For purposes of this section, the authori-  
18 ty may also limit the types of projects which are el-  
19 igible to receive allocations of the ceiling and es-  
20 tablish other requirements and limitations for assur-  
21 ing effective and efficient use of the ceiling. The  
22 authority shall include in its report pursuant to  
23 section 974 a description of its operations pursuant  
24 to this section for the most recent calendar year and  
25 of its plans, if any, to revise any allocation system  
26 established pursuant to this section. The chief ex-  
27 ecutive officer is designated as the state official  
28 authorized to issue the certification under the  
29 United States Code, Title 26, Section 149(e)(2)(F),  
30 as amended, for allocations of the state ceiling al-  
31 located to the authority pursuant to section 363.

32       Sec. 4. Allocation to the Maine State Housing  
33 Authority. Fifty million dollars of the state ceil-  
34 ing for calendar year 1987 shall be allocated by the  
35 Governor pursuant to the Maine Revised Statutes, Ti-  
36 tle 10, section 363, subsection 3, to the Maine State  
37 Housing Authority to be used in accordance with the  
38 Maine Revised Statutes, Title 10, section 363, sub-  
39 section 4.

40       Sec. 5. Allocation to the Treasurer of State.  
41 Twenty million dollars of the state ceiling for cal-  
42 endar year 1987 shall be allocated by the Governor

1 pursuant to the Maine Revised Statutes, Title 10,  
2 section 363, subsection 3, to the Treasurer of State  
3 to be used in accordance with the Maine Revised Stat-  
4 utes, Title 10, section 363, subsection 5.

5 Sec. 6. Allocation to the Finance Authority of  
6 Maine. Fifty million dollars of the state ceiling  
7 for calendar year 1987 shall be allocated by the Gov-  
8 ernor pursuant to the Maine Revised Statutes, Title  
9 10, section 363, subsection 3, to the Finance Author-  
10 ity of Maine to be used in accordance with the Maine  
11 Revised Statutes, Title 10, section 363, subsection  
12 6, for qualified small issue bonds only.

13 Sec. 7. Allocation to the Maine Municipal Bond  
14 Bank. Twelve million dollars of the state ceiling  
15 for calendar year 1987 shall be allocated by the Gov-  
16 ernor pursuant to the Maine Revised Statutes, Title  
17 10, section 363, subsection 3, to the Maine Municipal  
18 Bond Bank to be used in accordance with the Maine Re-  
19 vised Statutes, Title 10, section 363, subsection 7.

20 Sec. 8. Unallocated state ceiling. One hundred  
21 eighteen million dollars of the state ceiling for  
22 calendar year 1987 is unallocated and shall be re-  
23 served for allocation in accordance with subsequent  
24 legislation.

25 Sec. 9. Reallocation authorized. Amounts autho-  
26 rized to be allocated in this Act may be reallocated  
27 in accordance with subsequent legislation except for  
28 amounts allocated to specific issues of bonds prior  
29 to the effective date of the subsequent legislation,  
30 which allocations shall be final.

31 Emergency clause. In view of the emergency cited  
32 in the preamble, this Act shall take effect when ap-  
33 proved.

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STATEMENT OF FACT

2           The purposes of this bill are stated in the emer-  
3 gency preamble. The bill directs the Governor to  
4 make certain allocations of the state ceiling, imple-  
5 menting the Maine Revised Statutes, Title 10, section  
6 363, subsection 3, and Public Law 1985, c. 594, sec-  
7 tion 13. The allocations are intended to be for the  
8 interim period until the effective date of new legis-  
9 lation enacted for calendar year 1987. One hundred  
10 eighteen million dollars of the \$250,000,000 state  
11 ceiling for 1987 is unallocated and will be reserved  
12 for allocation in future legislation.

13           The bill requires issuers of bonds subject to the  
14 state ceiling to use any carryforward available for  
15 the bonds prior to allocating a portion of the state  
16 ceiling to the bonds.

17           The bill also designates the chief executive of-  
18 ficer of the Finance Authority of Maine as the state  
19 official authorized to certify compliance with the  
20 volume limitation requirements of the Internal Reve-  
21 nue Code of 1986, as amended, for those bonds for  
22 which the Finance Authority of Maine gives alloca-  
23 tions. This change is intended to ratify and confirm  
24 the chief executive officer's authority to make the  
25 certifications under existing law.

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