

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)
SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 2376

S.P. 910

In Senate, February 26, 1988

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator PERKINS of Hancock.

Cosponsored by Representative FOSTER of Ellsworth, President PRAY of Penobscot, Representative GWADOSKY of Fairfield.

STATE OF MAINE

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

1 **AN ACT to Provide for Allocations of the State**
2 **Ceiling on Private Activity Bonds.**
3

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

7 Whereas, the Maine Revised Statutes, Title 10,
8 section 363, as enacted by Public Law 1985, chapter
9 594, section 1, and as amended by Public Law 1987,

1 chapter 363, sections 1 and 2 and as repealed and
2 replaced by chapter 413, section 4, makes a partial
3 allocation of the state ceiling on private activity
4 bonds to some issuers for calendar year 1988, but
5 leaves a portion of the state ceiling unallocated and
6 does not provide sufficient allocations for certain
7 types of private activity bonds which may require an
8 allocation prior to the effective date of this Act if
9 not enacted on an emergency basis; and

10 Whereas, if these bond issues must be delayed due
11 to lack of available state ceiling, the rates and
12 terms under which these bonds may be issued may be
13 adversely affected, resulting in increased costs to
14 beneficiaries or even unavailability of financing for
15 certain projects; and

16 Whereas, in the judgment of the Legislature, these
17 facts create an emergency within the meaning of the
18 Constitution of Maine and require the following
19 legislation as immediately necessary for the
20 preservation of the public peace, health and safety;
21 now, therefore,

22 Be it enacted by the People of the State of Maine as
23 follows:

24 **Sec. 1. 10 MRSA §363, sub-§1-A, as enacted by**
25 **PL 1987, c. 413, §4, is amended to read:**

26 1-A. Procedure. For calendar year 1987 and each
27 subsequent calendar year, the Legislature may
28 establish a procedure for allocation of the entire
29 amount of the state ceiling by allocating an amount of
30 the state ceiling to the specific issuers designated
31 in this section for further allocation by each
32 specific issuer to itself or to other issuers for
33 specific bond issues requiring an allocation of the
34 state ceiling or for carryforward. This procedure
35 shall supersede the federal formula to the full extent
36 that the United States Code, Title 26, authorizes the
37 Legislature to vary the federal formula. Allocations
38 may be reviewed by the Legislature periodically and
39 unused allocations may be reallocated to other
40 issuers, provided that, notwithstanding the existence

1 of legislation allocating or reallocating all or any
2 portion of the state ceiling, at any time during the
3 period from ~~November~~ September 1st to and including
4 December 31st of any calendar year, the issuers
5 specifically identified in subsections 4 to 8 may, by
6 unanimous written agreement executed by
7 representatives of each of the issuers, allocate
8 amounts not previously allocated and reallocate unused
9 allocations from one of the specific issuers
10 designated in this section to another specific issuer
11 for further allocation or carryforward, with respect
12 to the state ceiling for that calendar year only.

13 **Sec. 2. Allocation to the Treasurer of State.**
14 Twenty million dollars of the state ceiling for
15 calendar year 1988, previously allocated to the
16 Treasurer of State, shall remain allocated to the
17 Treasurer of State. Twenty million dollars of the
18 state ceiling for calendar year 1989 is allocated to
19 the Treasurer of State to be used in accordance with
20 the Maine Revised Statutes, Title 10, section 363,
21 subsection 5.

22 **Sec. 3. Allocation to the Finance Authority of**
23 **Maine.** The \$25,000,000 in state ceiling for calendar
24 year 1988 previously allocated to the Finance
25 Authority of Maine, plus an additional \$83,000,000 of
26 the state ceiling for calendar year 1988, is allocated
27 to the Finance Authority of Maine to be used in
28 accordance with the Maine Revised Statutes, Title 10,
29 section 363, subsection 6. Twenty-five million
30 dollars of the state ceiling for calendar year 1989 is
31 allocated to the Finance Authority of Maine to be used
32 in accordance with Title 10, section 363, subsection 6.

33 **Sec. 4. Allocation to the Maine Municipal Bond**
34 **Bank.** The \$12,000,000 of the state ceiling for
35 calendar year 1988 previously allocated to the Maine
36 Municipal Bond Bank shall remain allocated to the
37 Maine Municipal Bond Bank. Twelve million dollars of
38 the state ceiling for calendar year 1989 is allocated
39 to the Maine Municipal Bond Bank to be used in
40 accordance with Title 10, section 363, subsection 7.

41 **Sec. 5. Allocation to the Maine Educational**
42 **Loan**

1 Marketing Corporation. No portion of the calendar
2 year 1988 or 1989 state ceiling is allocated to the
3 Maine Educational Loan Marketing Corporation.

4 Sec. 6. Allocation to the Maine State Housing
5 Authority. Ten million dollars of the state ceiling
6 for calendar year 1988 is allocated to the Maine State
7 Housing Authority to be used in accordance with Title
8 10, section 363, subsection 4. Ten million dollars of
9 the state ceiling for calendar year 1989 is allocated
10 to the Maine State Housing Authority for the same uses.

11 Sec. 7. Unallocated state ceiling.
12 Eighty-three million dollars of the state ceiling for
13 calendar year 1989 is unallocated and shall be
14 reserved for future allocation in accordance with
15 applicable law.

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

19 STATEMENT OF FACT

20 This bill allocates the remainder of the state
21 ceiling on private activity bonds for calendar year
22 1988 and makes initial allocations for calendar year
23 1989 to the various state-level issuers, for further
24 allocation to themselves or to other issuers of
25 tax-exempt private activity bonds within the State.
26 Federal legislation limits the dollar volume of
27 private activity bonds issued in the State to
28 \$150,000,000 a year and authorizes the State to
29 allocate it among issuers.

30 Current law authorizes the state-level issuers to
31 reallocate unused state ceiling effective November 1st
32 of each year. Section 1 of the bill changes this date
33 to September 1st of each year. Experience has
34 indicated that most issuers know by September 1st how
35 much of the state cap they are likely to need
36 throughout the remainder of the year and this earlier
37 reallocation date will facilitate bond issues by
38 allowing issuers who do not need their allocation of
39 the state ceiling to reallocate it to issuers who need

1 more of the state ceiling.

2

4660021688