

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)



114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 897

S.P. 336

In Senate, March 22, 1989

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script, reading 'Joy J. O'Brien'.

JOY J. O'BRIEN
Secretary of the Senate

Presented by President PRAY of Penobscot.

Cosponsored by Senator CLARK of Cumberland, Senator DILLENBACK of Cumberland and Representative NADEAU of Lewiston.

STATE OF MAINE

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

An Act to Provide for the 1989 Allocations of the State Ceiling on Private Activity Bonds.

(EMERGENCY)



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

5 Whereas, the Maine Revised Statutes, Title 10, section 363
6 and Public Law 1987, chapter 668 make a partial allocation of the
7 state ceiling on private activity bonds to some issuers for
8 calendar year 1989, but leave a portion of the state ceiling
9 unallocated and do not provide sufficient allocations for certain
10 types of private activity bonds which may require an allocation
11 prior to the effective date of this Act if not enacted on an
12 emergency basis; and

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

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

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

24 **Sec. 1. 10 MRSA §363, sub-§7, as repealed and replaced by PL**
25 **1987, c. 413, §4, is amended to read:**

26 **7. Allocation to the Maine Municipal Bond Bank.** That
27 portion of the state ceiling allocated to the category of bonds
28 which are general obligations of issuers within the State, other
29 than the State; which are included in bond issues of the Maine
30 Municipal Bond Bank; which are included in bond issues of the
31 Maine Public Utility Financing Bank; or which are qualified
32 redevelopment bonds as defined in the United States Code, Title
33 26, shall be allocated to the Maine Municipal Bond Bank, which
34 may further allocate that portion of the state ceiling to bonds
35 requiring an allocation in order to qualify as tax-exempt bonds.

36 **Sec. 2. 10 MRSA §363, sub-§9, as enacted by PL 1987, c. 413,**
37 **§4, is amended to read:**

38 **9. Use of carry-forward.** In the event that any issuer has
39 made a ~~carryforward~~ carry-forward election under the United
40 States Code, Title 26, Section 146(f), as amended, the issuer
41 shall use, to the extent possible and consistent with the purpose
42 for which the ~~carryforward~~ carry-forward was elected, the
43 ~~carryforward~~ carry-forward for issues subject to the state
44 ceiling prior to allocating any portion of the state ceiling for
45 the applicable calendar year to the issue. To the extent

1 permitted by federal law, the issuers specifically identified in
2 subsections 4 to 8 may reallocate, by unanimous written agreement
3 executed by representatives of each of the issuers, carry-forward
4 amounts from one of the specific issuers designated in this
5 section to another specific issuer.

7 **Sec. 3. 30-A MRSA §5957**, as enacted by PL 1987, c. 737, Pt.
8 A, §2 and Pt. C, §106, and as amended by PL 1989, c. 6, is
9 further amended to read:

11 **§5957. Allocation of state ceiling**

13 By rulemaking under Title 5, chapter 375, subchapter II, the
14 bank may establish a process for allocation and ~~carry-forward~~
15 carry-forward of that portion of the state ceiling on issuance of
16 tax-exempt bonds allocated to the bank under Title 10, chapter
17 9. The executive director of the Maine Municipal Bond Bank is
18 designated as the state official authorized to issue the
19 certification under the United States Code, Title 26, Section
20 149(e)(2)(F), as amended, for allocations of the state ceiling
21 allocated to the bank pursuant to Title 10, chapter 9.

23 **Sec. 4. 35-A MRSA §2906, sub-§2** is enacted to read:

25 2. Allocation of state ceiling. The bank may establish a
26 process for allocation and carry-forward of that portion of the
27 state ceiling on issuance of tax-exempt bonds allocated to the
28 bank under Title 10, chapter 9. The executive director is
29 designated as the state official authorized to issue the
30 certification under the United States Code, Title 26, Section
31 149(e)(2)(F), as amended, for allocations of the state ceiling
32 allocated to the bank pursuant to Title 10, chapter 9.

33 **Sec. 5. Allocation to the Treasurer of State.** Twenty million
34 dollars of the state ceiling for calendar year 1989, previously
35 allocated to the Treasurer of State, shall remain allocated to
36 the Treasurer of State. Twenty million dollars of the state
37 ceiling for calendar year 1990 is allocated to the Treasurer of
38 State to be used in accordance with the Maine Revised Statutes,
39 Title 10, section 363, subsection 5.

41 **Sec. 6. Allocation to the Finance Authority of Maine.** The
42 \$25,000,000 in state ceiling for calendar year 1989 previously
43 allocated to the Finance Authority of Maine, plus an additional
44 \$31,500,000, is allocated to the Finance Authority of Maine to be
45 used or reallocated in accordance with the Maine Revised
46 Statutes, Title 10, section 363, subsection 6. Twenty-five
47 million dollars of the state ceiling for calendar year 1990 is
48 allocated to the Finance Authority of Maine to be used or
49 reallocated in accordance with Title 10, section 363, subsection
50 6.
51

1 Section 2 of the bill authorizes the issuers to reallocate
2 carry-forward amounts to maximize use of the federal bond
3 ceiling, to the extent permitted by federal law.

5 Section 3 confirms that the executive director of the Maine
6 Municipal Bond Bank is the proper official to sign the federal
7 forms allocating the applicable portion of the state ceiling,
8 while section 4 expressly authorizes the Maine Public Utility
9 Financing Bank to make allocations.

11 Sections 5 to 9 of the bill make specific allocations of the
12 state ceiling to various issuers for calendar year 1989, as well
13 as initial allocations for 1990.

15 Section 10 provides for a portion of the 1990 ceiling to
16 remain unallocated until further action by the Legislature or
17 reallocation according to applicable law. These allocations are
18 as follows:

	1989	1990
21 Treasurer of State	\$20,000,000	\$20,000,000
23 Finance Authority of Maine	56,500,000	25,000,000
25 Maine Municipal Bond Bank	33,000,000	10,000,000
27 Maine Educational Loan Authority	13,500,000	30,000,000
29 Maine State Housing Authority	27,000,000	10,000,000
31 Unallocated		<u>55,000,000</u>
33 Total	\$150,000,000	\$150,000,000