

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 1222

H.P. 879

House of Representatives, April 18, 1989

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

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative NORTON of Winthrop.

Cosponsored by Senator EMERSON of Penobscot, Representative AULT of Wayne and Representative GOULD of Greenville.

STATE OF MAINE

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

**An Act to Issue a General Fund Bond Issue in the Amount of
\$5,000,000 to Fund a Property Tax Deferral Revolving Fund for
Elderly Persons.**



1 **Preamble.** Two thirds of both Houses of the Legislature
deeming it necessary in accordance with the Constitution of
3 Maine, Article IX, Section 14, to authorize the issuance of bonds
on behalf of the State of Maine to provide funds to establish a
5 property tax deferral revolving fund.

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

9 **Sec. 1. Authorization of bonds to provide for the Property Tax**
Deferral Revolving Fund. The Treasurer of State is authorized,
11 under the direction of the Governor, to issue from time to time
registered bonds in the name and behalf of the State to an amount
13 not exceeding \$5,000,000 for the purpose of raising funds to
fund the Property Tax Deferral Revolving Fund as authorized by
15 section 6. The bonds shall be deemed a pledge of the full faith
and credit of the State. The bonds shall not run for a longer
17 period than 20 years from the date of the original issue of the
bonds. Any issuance of bonds may contain a call feature at the
19 discretion of the Treasurer of State with the approval of the
Governor.

21 **Sec. 2. Records of bonds issued to be kept by the State Auditor and**
Treasurer of State. The State Auditor shall keep an account of the
23 bonds, showing the number and amount of each, the date when
payable and the date of delivery of the bonds to the Treasurer of
25 State who shall keep an account of each bond showing the number
of the bond, the name of the successful bidder to whom sold, the
27 amount received for the same, the date of sale and the date when
payable.
29

31 **Sec. 3. Sale; how negotiated; proceeds appropriated.** The
Treasurer of State may negotiate the sale of the bonds by
33 direction of the Governor, but no such bond may be loaned,
pledged or hypothecated in behalf of the State. The proceeds of
35 the sale of the bonds, which shall be held by the Treasurer of
State and paid by the Treasurer of State upon warrants drawn by
37 the State Controller, are appropriated to be used solely for the
purposes set forth in this Act. Any unencumbered balances
39 remaining at the completion of the project in section 6 shall
lapse to the debt service account established for the retirement
41 of these bonds.

43 **Sec. 4. Interest and debt retirement.** Interest due or accruing
upon any bonds issued under this Act and all sums coming due for
45 payment of bonds at maturity shall be paid by the Treasurer of
State.
47

49 **Sec. 5. Disbursement of bond proceeds.** The proceeds of the
bonds set out in section 6 shall be expended under the direction
and supervision of the Commissioner of Finance.

1
3 **Sec. 6. Allocations from General Fund bond issue; property tax**
4 **deferral.** The proceeds of the sale of bonds shall be expended to
5 reimburse municipalities that grant property tax deferrals to
6 elderly persons, in an amount not to exceed \$5,000,000. No money
7 may be expended until the proceeds of the sale of bonds are
8 allocated by the Legislature.

9 **Sec. 7. Contingent upon ratification of bond issue.** Sections 1 to 6
10 shall not become effective unless and until the people of the
11 State have ratified the issuance of bonds as set forth in this
12 Act.

13 **Sec. 8. Appropriation balances at year end.** At the end of each
14 fiscal year, all unencumbered appropriation balances representing
15 state money shall carry forward from year to year. Bond proceeds
16 which have not been expended within 10 years after the date of
17 the sale of the bonds shall lapse to General Fund debt service.

18 **Sec. 9. Bonds authorized but not issued.** Any bonds authorized
19 but not issued, or for which bond anticipation notes have not
20 been issued within 5 years of ratification of this Act, shall be
21 deauthorized and may not be issued, provided that the Legislature
22 may, within 2 years after the expiration of that 5-year period,
23 extend the period for issuing any remaining unissued bonds or
24 bond anticipation notes for an additional amount of time not to
25 exceed 5 years.

26 **Sec. 10. Referendum for ratification; submission at statewide election;**
27 **form of question; effective date.** This Act shall be submitted to the
28 legal voters of the State of Maine at a statewide election to be
29 held on the Tuesday following the first Monday of November
30 following passage of this Act. The city aldermen, town selectmen
31 and plantation assessors of this State shall notify the
32 inhabitants of their respective cities, towns and plantations to
33 meet, in the manner prescribed by law for holding a statewide
34 election, to vote on the acceptance or rejection of this Act by
35 voting on the following question:

36
37 "Do you favor a \$5,000,000 bond issue to create a Property
38 Tax Deferral Revolving Fund for elderly persons?"

39
40 The legal voters of each city, town and plantation shall
41 vote by ballot on this question and shall designate their choice
42 by a cross or check mark placed within a corresponding square
43 below the word "Yes" or "No." The ballots shall be received,
44 sorted, counted or declared in open ward, town and plantation
45 meetings and returns made to the Secretary of State in the same
46 manner as votes for members of the Legislature. The Governor
47 shall review the returns and, if it appears that a majority of
48 the legal voters are in favor of the Act, the Governor shall
49
50
51

1 proclaim that fact without delay, and the Act shall become
effective 30 days after the date of the proclamation.

3

5 The Secretary of State shall prepare and furnish to each
city, town and plantation all ballots, returns and copies of this
Act necessary to carry out the purpose of this referendum.

7

STATEMENT OF FACT

9

11 The funds provided by this bond issue, in the amount of
\$5,000,000, will be used to establish the Property Tax Deferral
13 Revolving Fund for elderly persons. It is a companion measure to
"An Act to Create a Property Tax Option for Elderly Homeowners"
15 which sets up the program which will administer the funds
generated by this bond issue.