# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

# FIRST REGULAR SESSION - 1989

# Legislative Document

No. 1325

S.P. 483

In Senate, April 25, 1989

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

JOY J. O'BRIEN Secretary of the Senate

Presented by Senator GAUVREAU of Androscoggin.
Cosponsored by Representative CARROLL of Gray, Representative LEBOWITZ of Bangor and Representative HEESCHEN of Wilton.

#### STATE OF MAINE

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

An Act to Authorize a General Fund Bond Issue in the Amount of \$10,000,000 for Low-income Housing.



Preamble. Two thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14, to authorize the issuance of bonds on behalf of the State of Maine to provide funds for low-income housing.

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

- Sec. 1. Authorization of bonds to provide for a capital improvements and construction program for low-income shelter, transitional and permanent housing. The Treasurer of State is authorized, under the direction of the Governor, to issue from time to time registered bonds in the name and on behalf of the State to an amount not exceeding \$10,000,000 for the purpose of raising funds to provide financing for a program of construction and capital improvements in low-income shelters and transitional and permanent housing administered by the Maine State Housing Authority as authorized by 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 period than 15 years from the date of the original issue of the bonds. Any issuance of bonds may contain a call feature at the discretion of the Treasurer of State with the approval of the Governor.
- 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 bonds showing the number and amount of each, the date when payable and the date of delivery of the bonds to the Treasurer of 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 amount received for the same, the date of sale and the date when payable.
- Sec. 3. Sale; how negotiated; proceeds appropriated. The Treasurer of State may negotiate the sale of the bonds by direction of the Governor, but no such bond may be loaned, pledged or hypothecated on behalf of the State. The proceeds of 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 the State Controller, are appropriated to be used solely for the purposes set forth in this Act. Any unencumbered balances remaining at the completion of the project in section 6 shall lapse to the debt service account established for the retirement of these bonds.
- Sec. 4. Interest and debt retirement. Interest due or accruing upon any bonds issued under this Act and all sums coming due for payment of bonds at maturity shall be paid by the Treasurer of State.

- 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 Maine State Housing Authority.
  - Sec. 6. Allocations from General Fund bond issue; Maine State Housing Authority low-income housing. The proceeds of the sale of bonds shall be expended as follows:

#### MAINE STATE HOUSING AUTHORITY

## Housing Opportunities for Maine Fund

\$10,000,000

- Funds shall be expended on acquisition, construction and capital improvements for shelters, transitional and permanent housing to prevent homelessness among low-income people.
- Sec. 7. Contingent upon ratification of bond issue. Sections 1 to 6 shall not become effective unless and until the people of the State have ratified the issuance of bonds as set forth in this Act.
  - Sec. 8. Appropriation balances at year end. At the end of each fiscal year, all unencumbered appropriation balances representing state money shall carry forward from year to year. Bond proceeds which have not been expended within 10 years after the date of the sale of the bonds shall lapse to General Fund debt service.
  - Sec. 9. Bonds authorized but not issued. Any bonds authorized but not issued, or for which bond anticipation notes have not been issued within 5 years of ratification of this Act, shall be deauthorized and may not be issued, provided that the Legislature may, within 2 years after the expiration of that 5-year period, extend the period for issuing any remaining unissued bonds or bond anticipation notes for an additional amount of time not to exceed 5 years.
- Sec. 10. Referendum for ratification; submission at statewide election; form of question; effective date. This Act shall be submitted to the legal voters of the State of Maine at a statewide election to be held on the Tuesday following the first Monday of November following passage of this Act. The city aldermen, town selectmen and plantation assessors of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Act by voting on the following question:

"Do you favor a \$10,000,000 bond issue for the acquisition, construction and upgrading of emergency shelters, transitional and permanent affordable housing to alleviate or prevent homelessness under the direction of the Maine State Housing Authority?"

The legal voters of each city, town and plantation shall vote by ballot on this question and shall designate their choice by a cross or check mark placed within a corresponding square below the word "Yes" or "No." The ballots shall be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns and, if it appears that a majority of the legal voters are in favor of the Act, the Governor shall proclaim that fact without delay, and the Act shall become effective 30 days after the date of the proclamation.

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.

### STATEMENT OF FACT

The funds provided by this bond issue, in the amount of \$10,000,000 will be used to finance a program of acquisition, development and capital improvements of low-income housing by the Maine State Housing Authority.