MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 1389

H.P. 1000

House of Representatives, April 27, 1989

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

EDWIN H. PERT, Clerk

Presented by Representative NADEAU of Lewiston.

Cosponsored by Senator DUTREMBLE of York, Representative McGOWAN of Canaan and Representative GRAHAM of Houlton.

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 \$20,000,000 to Provide Funds for Acquiring Land for Affordable 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 the acquisition of land for the development of affordable housing.

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

Sec. 1. Authorization of bonds to provide for affordable 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 behalf of the State to an amount not exceeding \$20,000,000 for the purpose of raising funds to acquire land for the development of affordable housing 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 10 years from the date of the original issue of the bonds. Any issuance of the 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 megotiated; 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 for acquisition of lands for the development of affordable housing.

Sec. 6. Allocations from General Fund bond issue; affordable 1 housing. The proceeds of the sale of bonds shall be expended as follows. 3 1989-90 5 MAINE STATE HOUSING AUTHORITY 7 Maine Affordable Housing Land Trust Fund 11 All Other \$20,000,000 These funds will be used to create a 13 revolving fund for the acquisition of land to be used for the development of affordable 15 housing for low-income and middle-income 17 households. Sec. 7. Contingent upon ratification of bond issue. Sections 1 to 6 19 shall not become effective unless and until the people of the State have ratified the issuance of bonds as set forth in this 21 23 Sec. 8. Appropriation balances at year end. At the end of each fiscal year, all unencumbered appropriation balances representing 25 state money shall carry forward from year to year. Bond proceeds 27 which have not been expended within 10 years after the date of the sale of the bonds shall lapse to General Fund debt! service. 29 Sec. 9. Bonds authorized but not issued. Any bonds authorized but not issued, or for which bond anticipation notes have not 31 been issued within 5 years of ratification of this Act, shall be deauthorized and may not be issued, provided that the Legislature 33 may, within 2 years after the expiration of that 5-year period, extend the period for issuing any remaining unissued bonds or 35 bond anticipation notes for an additional amount of time not to 37 exceed 5 years. Sec. 10. Referendum for ratification; submission at statewide election; 39 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 41 held on the Tuesday following the first Monday of November following passage of this Act. The city aldermen, town selectmen 43 plantation assessors of this State shall notify inhabitants of their respective cities, towns and plantations to 45 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:

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"Shall a bond issue for the purchase of land to provide affordable housing for Maine's low-income and middle-income households in the amount of \$20,000,000 be approved?"

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

This bill authorizes a bond issue in the amount of \$20,000,000 to provide money for the acquisition of land to be used to create affordable housing for low-income and middle-income households.