



114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 1460

H.P. 1049

House of Representatives, May 3, 1989

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

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EDWIN H. PERT, Clerk

Presented by Representative PENDLETON of Scarborough. Cosponsored by Senator THERIAULT of Aroostook, Senator COLLINS of Aroostook and Representative TOWNSEND of Eastport.

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 \$1,000,000 for a Low-interest Loan Program for Sewerage System Access or Septic System Replacement.

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 a low-interest loan program for sewerage system access or septic system replacement.

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

Sec. 1. Authorization of bonds to provide for a low-interest loan program for sewerage system access or septic system replacement. The 11 Treasurer of State is authorized, under the direction of the 13 Governor, to issue from time to time registered bonds in the name and behalf of the State to an amount not exceeding \$1,000,000 for 15 the purpose of raising funds to provide for a low-interest loan program for sewerage system access or septic system replacement 17 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 19 run for a longer period than 20 years from the date of the original issue of the bonds. Any issuance of bonds may contain a 21 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.

Sale; how negotiated; proceeds appropriated. 33 Sec. 3. The Treasurer of State may negotiate the sale of the bonds by 35 direction of the Governor, but no such bond may be loaned, pledged or hypothecated on behalf of the State. The proceeds of 37 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 39 purposes set forth in this Act. Any unencumbered balances remaining at the completion of the project in section 6 shall 41 lapse to the debt service account established for the retirement of these bonds. 43

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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.

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Sec. 6. Allocations from General Fund bond issue: low-interest loan program for sewerage system access or septic system replacement. The proceeds of the sale of bonds shall be expended as designated in the following schedule.

1989-90

MAINE STATE HOUSING AUTHORITY

\$1,000,000

Funds to be used to administer a low-interest loan program available to families for sewerage system access or septic system replacement.

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 21 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 23 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 29 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 33 exceed 5 years.

Sec. 10. Referendum for ratification; submission at statewide election; 35 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 39 plantation assessors of this State shall notify and the inhabitants of their respective cities, towns and plantations to 41 meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Act by 43 voting on the following question:

> "Do you favor a \$1,000,000 bond issue for a low-interest loan program for sewerage system access or septic system replacement?"

The legal voters of each city, town and plantation shall 51 vote by ballot on this question and shall designate their choice

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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.

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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

17 The funds provided by this bond issue, in the amount of \$1,000,000, will be used to set up a low-interest loan program to 19 be administered by the Maine State Housing Authority. The loans will be available for families for sewerage system access or 21 septic system replacement.

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