

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

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Legislative Document

No. 1674

H.P. 1204

House of Representatives, May 18, 1989

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 27.

Reference to the Committee on Housing and Economic Development suggested and ordered printed.

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

EDWIN H. PERT, Clerk

Presented by Representative OLIVER of Portland.

Cosponsored by Senator ANDREWS of Cumberland, Representative HEESCHEN of Wilton and Senator BRANNIGAN of Cumberland.

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STATE OF MAINE

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

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An Act to Authorize a Bond Issue in the Amount of \$5,000,000 to  
Provide Funds for the Development of Affordable Housing.

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(AFTER DEADLINE)



1           **Preamble.** Two thirds of both Houses of the Legislature  
2           deeming it necessary in accordance with the Constitution of  
3           Maine, Article IX, Section 14, to authorize the issuance of bonds  
4           on behalf of the State of Maine to provide funds for affordable  
5           housing.

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

9           **Sec. 1. Authorization of bonds to provide for affordable housing.** The  
10           Treasurer of State is authorized, under the direction of the  
11           Governor, to issue from time to time registered bonds in the name  
12           and behalf of the State to an amount not exceeding \$5,000,000 in  
13           the aggregate for the purpose of raising funds to fund the  
14           Affordable Housing Program for nonprofit community development  
15           corporations. The proceeds from the bonds shall be deposited in  
16           accounts established for the Housing Opportunities for Maine  
17           Program as established by the Maine Revised Statutes, Title 30-A,  
18           chapter 201, subchapter VII. The bonds shall be deemed a pledge  
19           of the full faith and credit of the State. The bonds shall not  
20           run for a longer period than 10 years from the date of the  
21           original issue. Any issuance of bonds may contain a call feature  
22           at the discretion of the Treasurer of State with the approval of  
23           the Governor.

25           **Sec. 2. Records of bonds issued to be kept by the State Auditor and**  
26           **Treasurer of State.** The State Auditor shall keep an account of the  
27           bonds, showing the number and amount of each, the date when  
28           payable and the date of delivery to the Treasurer of State who  
29           shall keep an account of each bond showing the number of the  
30           bond, the name or names of the successful bidders to whom sold,  
31           the amount received, the date of sale and the date when payable.

33           **Sec. 3. Sale; how negotiated; proceeds appropriated.** The  
34           Treasurer of State may negotiate the sale of the bonds by  
35           direction of the Governor, but no bond may be loaned, pledged or  
36           hypothecated on behalf of the State. The proceeds of the sale of  
37           the bonds, which shall be held by the Treasurer of State and paid  
38           by the Treasurer of State upon warrants drawn by the State  
39           Controller, are appropriated to be used solely for the purposes  
40           set forth in this Act.

41           **Sec. 4. Taxable bond option.** The Treasurer of State, at the  
42           direction of the Governor, shall covenant and consent that the  
43           interest on the bonds shall be includable, under the United  
44           States Internal Revenue Code, in the gross income of the holders  
45           of the bonds to the same extent and in the same manner that the  
46           interest on bills, bonds, notes or other obligations of the  
47           United States are includable in the gross income of the holders  
48           under the United States Internal Revenue Code or any subsequent  
49           law. The powers conferred by this section shall not be subject  
50           to any limitations or restrictions of any law which may limit the  
51           power to so covenant and consent.

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**Sec. 5. 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. 6. Disbursement of bond proceeds.** The proceeds of the bonds shall be expended under the direction and supervision of the Maine State Housing Authority.

**Sec. 7. 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. 8. 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 the 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. 9. 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:

"Shall the State fund the Affordable Housing Program for nonprofit housing corporations with a \$5,000,000 bond issue?"

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.

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

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**STATEMENT OF FACT**

9           The funds provided by this bond issue, in the amount of  
10 \$5,000,000, will be used to establish the Affordable Housing Fund.

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