

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



114th MAINE LEGISLATURE

SECOND REGULAR SESSION - 1990

Legislative Document

No. 2073

H.P. 1496

House of Representatives, January 4, 1990

Reported by Representative RYDELL from the Joint Standing Committee on Banking and Insurance.

Reference to the Joint Standing Committee on Appropriations and Financial Affairs suggested and printing ordered under Joint Rule 19.

Ed Pert

EDWIN H. PERT, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY

An Act to Authorize a General Fund Bond Issue in the Amount of \$10,000,000 to Provide Initial Capitalization of a Public Mutual Insurance Company to Provide Workers' Compensation Insurance to Employers in this State.



2 Preamble. Two thirds of both Houses of the Legislature
4 deeming it necessary in accordance with the Constitution of
6 Maine, Article IX, Section 14, to authorize the issuance of bonds
8 on behalf of the State of Maine to provide funds for the initial
10 capitalization and administrative expenses of a public mutual
12 insurance company to provide workers' compensation insurance to
14 the employers in this State.

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

18 **Sec. 1. Authorization of bonds to provide for the initial capitalization
20 and administrative expenses of a public mutual insurance company to
22 provide workers' compensation insurance to the employers in this State.**

24 The Treasurer of State is authorized, under the direction of the
26 Governor, to issue from time to time registered bonds in the name
28 and behalf of the State to an amount not exceeding \$10,000,000
30 for the purpose of raising funds for the initial capitalization
32 and administrative expenses of a public mutual insurance company
34 to provide workers' compensation insurance to employers in this
State 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 20 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.

36 **Sec. 2. Records of bonds issued to be kept by the State Auditor and
38 Treasurer of State.** The State Auditor shall keep an account of the
40 bonds, showing the number and amount of each, the date when
42 payable and the date of delivery of the bonds to the Treasurer of
44 State who shall keep an account of each bond showing the number
46 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.

48 **Sec. 3. Sale; how negotiated; proceeds appropriated.** The
50 Treasurer of State may negotiate the sale of the bonds by
direction of the Governor, but no 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 not accepted by
the public mutual insurance company within 2 years after the
funds are made available to it shall lapse to the debt service
account established for the retirement of these bonds.

52 **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.

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

13
14 The Secretary of State shall prepare and furnish to each
15 city, town and plantation all ballots, returns and copies of this
16 Act necessary to carry out the purpose of this referendum.

18 STATEMENT OF FACT

19
20 This bond issue is part of the legislation submitted as a
21 result of a study on the feasibility of creating a state workers'
22 compensation insurance fund, conducted by a subcommittee of the
23 Joint Standing Committee on Banking and Insurance. The bond
24 issue provides \$10,000,000 for the initial capitalization and
25 administrative expenses of the proposed Maine State Insurance
26 Fund. These funds would have to be repaid to the State by the
27 proposed Maine State Insurance Fund as provided in other
28 legislation submitted from the study.
29
30