

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

SECOND REGULAR SESSION - 1990

Legislative Document

No. 2410

H.P. 1747

House of Representatives, March 8, 1990

Reported by Representative ROLDE for the Joint Standing Committee on Audit and Program Review pursuant to the Maine Revised Statutes Title 3, chapter 33.

Reference to the Joint Standing Committee on Audit and Program Review suggested and printing ordered under Joint Rule 18.

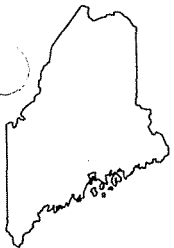
A handwritten signature in cursive script, reading "Ed Pert".

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 for the Purpose of
Promoting the Well-being and Rehabilitation of Children in Need of
Care, Treatment, or Shelter.**



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 loans which would promote the well-being and rehabilitation of children in need of care, treatment or shelter.

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

Sec. 1. Authorization of bonds to provide for loans to promote the well-being and rehabilitation of children in need of care, treatment or shelter. 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 \$5,000,000 for the purpose of raising funds to create loans that would allow qualifying borrowers to develop projects that will provide for the promotion of the well-being and rehabilitation of children in need of care, treatment or shelter as authorized by section 7. 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 5 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 him 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 7 shall lapse to the debt service account established for the retirement of these bonds.

Sec. 4. Taxable bond option. The Treasurer of State, at the direction of the Governor, shall covenant and consent that the interest of the bonds shall be includable, under the United States Internal Revenue Code, in the gross income of the holders of the bonds to the same extent and in the same manner that the interest on bills, bonds, notes or other obligations of the

United States is includable in the gross income of the holders under the United States Internal Revenue Code or any subsequent law. The powers conferred by this section shall not be subject to any limitations or restrictions of any law which may limit the power to so covenant and consent.

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 set out in section 7 shall be expended under the direction and supervision of the Finance Authority of Maine.

Sec. 7. Allocations from General Fund bond issue. The proceeds of the sale of bonds shall be expended as follows.

1990-91

FINANCE AUTHORITY OF MAINE

All Other	\$5,000,000
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These funds will be used to create a revolving loan fund which will provide loans to promote the well-being and rehabilitation of children in need of care, treatment or shelter.

Sec. 8. Contingent upon ratification of bond issue. Sections 1 to 7 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. 9. 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. 10. 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. 11. Referendum for ratification; submission at general election; form of question; effective date. This Act shall be submitted to the legal

2 voters of the State of Maine at the next general election in the
month of November following passage of this Act. The city
4 aldermen, town selectmen and plantation assessors of this State
shall notify the inhabitants of their respective cities, towns
6 and plantations to meet, in the manner prescribed by law for
holding a general election, to vote on the acceptance or
rejection of this Act by voting on the following question:

8
10 "Do you favor a \$5,000,000 bond issue for the establishment
of a loan fund for the treatment of children which would
12 provide for the construction of shelters for children and
the promotion of the well-being and rehabilitation of
children in need of care, treatment or shelter?"

14
16 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
18 below the word "Yes" or "No." The ballots shall be received,
sorted, counted or declared in open ward, town and plantation
20 meetings and returns made to the Secretary of State in the same
manner as votes for members of the Legislature. The Governor
22 shall review the returns and, if it appears that a majority of
the legal voters are in favor of the Act, the Governor shall
24 proclaim that fact without delay, and the Act shall become
effective 30 days after the date of the proclamation.

26
28 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.

30
32 **STATEMENT OF FACT**

34 The funds provided by this bond issue, in the amount of
\$5,000,000, will be used to establish a revolving loan fund for
36 the construction, renovation, rehabilitation or expansion of
shelters for children and the promotion of the well-being and
rehabilitation of children and their families in need of care,
38 treatment or shelter.