

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

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Legislative Document

No. 1741

H.P. 1188

House of Representatives, April 30, 1991

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

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

EDWIN H. PERT, Clerk

Presented by Representative GRAY of Sedgwick.  
Cosponsored by Representative DORE of Auburn.

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STATE OF MAINE

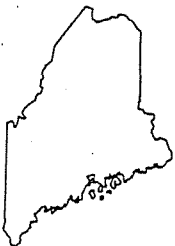
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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-ONE

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An Act to Limit the Bond Indebtedness of the State.

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

3 MRSA §§554 and 555 are enacted to read:

§554. Debt service limitation

The total annual general obligation debt service payments by or on behalf of the State in any given year may not exceed 7% of the total General Fund and Highway Fund revenues for that year.

§555. Limitations on bond issues

The Legislature may not create any debt or liability on behalf of the State through authorization of the issuance of general obligation bonds under the Constitution of Maine, Article IX, Section 14:

1. Minimum amount. For any single purpose that is less than \$5,000,000; or

2. Current services. That funds any current services expenditures, which are items that are regularly budgeted by the issuing agency and which may include maintenance.

STATEMENT OF FACT

This bill places into the statutes several limitations on the issuance of general obligation bonds by or on behalf of the State. The bill limits total annual debt service payments to 7% of General Fund and Highway Fund revenues, imposes a minimum amount of \$5,000,000 for a single bond issue and reflects the Constitution of Maine, Article V, Part Third, Section 5 by prohibiting funding of current services expenditures by bond issues.