

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1950

H.P. 1358

House of Representatives, June 12, 1991

Reported by Representative MELENDY from the Committee on Housing and Economic Development pursuant to H.P. 1352 and printed under Joint Rule 2.

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

EDWIN H. PERT, Clerk

STATE OF MAINE

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

**An Act to Authorize a General Fund Bond Issue in the Amount of
\$7,500,000 to Provide for the Maine Street Investment Program.**



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

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Sec. 1. Authorization of bonds to provide for the Maine Street Investment Program. The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and behalf of the State in an amount not exceeding \$7,500,000 to raise funds for downtown and business district revitalization as authorized by section 6. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 20 years from the date of the original issue of the bonds. At the discretion of the Treasurer of State, with the approval of the Governor, any issuance of bonds may contain a call feature. The bonds must be issued from time to time so as to meet the needs of the Maine Street Investment Program. The bonds, when paid at maturity or otherwise retired, may not be reissued, but may be refunded on terms more favorable to the State than those in the original issue.

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. The Treasurer of State 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 bond, 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 bond may be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the bonds, which must be held by the Treasurer of State and paid by the Treasurer of State upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Act.

Sec. 4. Interest and debt retirement. The Treasurer of State shall pay interest due or accruing on any bonds issued under this Act and all sums coming due for payment of bonds at maturity.

Sec. 5. Disbursement of bond proceeds. The proceeds of the bonds must be expended as set out in section 6 under the direction and supervision of the Finance Authority of Maine.

Sec. 6. Allocations from General Fund bond issue; downtown and business district revitalization. The proceeds of the sale of bonds must be expended as designated in the following schedule.

FINANCE AUTHORITY OF MAINE

2 **Maine Street Investment Program**

\$7,500,000

4 These funds provide for the capitalization
6 of the Maine Street Investment Program. The
8 program may provide grants to municipalities
10 and loans to businesses or municipalities on
12 a matching basis for public and private
investments in downtown and business
districts. The fund and the program are
administered by the Finance Authority of
Maine.

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16 **Sec. 7. Contingent upon ratification of bond issue.** Sections 1 to
6 do not become effective unless the people of the State have
ratified the issuance of bonds as set forth in this Act.

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20 **Sec. 8. Appropriation balances at year end.** At the end of each
fiscal year, all unencumbered appropriation balances representing
state money carry forward. Bond proceeds that have not been
expended within 10 years after the date of the sale of the bonds
lapse to General Fund debt service.

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24 **Sec. 9. Taxable bond option.** The Treasurer of State, at the
26 direction of the Governor, may covenant and consent that the
interest on some or all of the bonds is 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 and 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 may not be
subject to any limitations or restrictions of any law that may
limit the power to so covenant and consent.

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38 **Sec. 10. Bonds authorized but not issued.** Any bonds authorized
but not issued, or for which bond anticipation notes are not
issued within 5 years of ratification of this Act, are
deauthorized and may not be issued; except 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.

46 **Sec. 11. Referendum for ratification; submission at statewide
48 election; form of question; effective date.** This Act must be submitted
to the legal voters of the State of Maine at a statewide election
held on the Tuesday following the first Monday of November
50 following passage

2 of this Act. The municipal officers of this State shall notify
the inhabitants of their respective cities, towns and plantations
4 to meet, in the manner prescribed by law for holding a statewide
election, to vote on the acceptance or rejection of this Act by
6 voting on the following question:

8 "Do you favor a \$7,500,000 bond issue to encourage job
growth and economic vitality through public and private
investment in downtown and business districts?"

10 The legal voters of each city, town and plantation shall
12 vote by ballot on this question and designate their choice by a
cross or check mark placed within a corresponding square below
14 the word "Yes" or "No." The ballots must be received, sorted,
counted and declared in open ward, town and plantation meetings
16 and returns made to the Secretary of State in the same manner as
votes for members of the Legislature. The Governor shall review
18 the returns and, if a majority of the legal votes are cast in
favor of the Act, the Governor shall proclaim the result without
20 delay, and the Act becomes effective 30 days after the date of
the proclamation.

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

28 STATEMENT OF FACT

30 This bill authorizes a \$7,500,000 General Fund bond issue to
32 capitalize the Maine Street Investment Program within the Finance
Authority of Maine to encourage improvements to the State's
34 downtown and business districts.