

# MAINE STATE LEGISLATURE

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# 116th MAINE LEGISLATURE

## SECOND REGULAR SESSION-1994

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Legislative Document

No. 1977

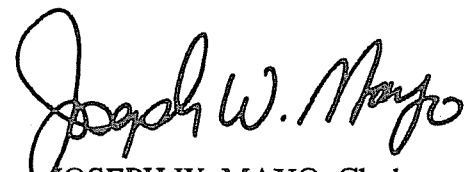
H.P. 1448

House of Representatives, March 10, 1994

**An Act Proposing a Referendum for the Issuance of General Obligation  
Bonds to Fund Municipal Infrastructure Improvements.**

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Reported by Representative MARTIN for the Joint Standing Committee on Energy and  
Natural Resources pursuant to Joint Order H.P. 1435.

  
JOSEPH W. MAYO, Clerk

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 loans and  
10       grants to municipalities that have adopted certified growth  
12       management programs for the purpose of capital investment in  
14       municipal public service infrastructure.

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

18       **Sec. 1. Authorization of bonds to provide for loans and grants for**  
20       **public service infrastructure.** The Treasurer of State is authorized,  
22       under the direction of the Governor, to issue bonds in the name  
24       and behalf of the State in an amount not exceeding \$10,000,000 to  
26       raise funds for a loans and grants program for municipal capital  
28       investments as authorized by section 7. The bonds are a pledge  
30       of the full faith and credit of the State. The bonds may not run  
32       for a period longer than 20 years from the date of the original  
34       issue of the bonds. At the discretion of the Treasurer of State,  
36       with the approval of the Governor, any issuance of bonds may  
38       contain a call feature.

40       **Sec. 2. Records of bonds issued to be kept by the Treasurer of State.**  
42       The Treasurer of State shall keep an account of each bond showing  
44       the number of the bond, the name of the successful bidder to whom  
46       sold, the amount received for the bond, the date of sale and the  
48       date when payable.

50       **Sec. 3. Sale; how negotiated; proceeds appropriated.** The  
52       Treasurer of State may negotiate the sale of the bonds by  
54       direction of the Governor, but no bond may be loaned, pledged or  
56       hypothecated on behalf of the State. The proceeds of the sale of  
58       the bonds, which must be held by the Treasurer of State and paid  
60       by the Treasurer of State upon warrants drawn by the State  
62       Controller, are appropriated solely for the purposes set forth in  
64       this Act. Any unencumbered balances remaining at the completion  
66       of the project in section 7 lapse to the debt service account  
68       established for the retirement of these bonds.

70       **Sec. 4. Taxable bond option.** The Treasurer of State, at the  
72       direction of the Governor, shall covenant and consent that the  
74       interest on the bonds is includable, under the United States  
76       Internal Revenue Code, in the gross income of the holders of the  
78       bonds to the same extent and in the same manner that the interest  
80       on bills, bonds, notes or other obligations of the United States  
82       is includable in the gross income of the holders under the United  
84       States Internal Revenue Code or any subsequent law. The powers  
86       conferred by this section are not subject to any limitations or  
88       restrictions of any law that may limit the power to so covenant  
90       and consent.



2 extend the period for issuing any remaining unissued bonds or  
bond anticipation notes for an additional amount of time not to  
4 exceed 5 years.

6 **Sec. 11. Referendum for ratification; submission at general election;  
form of question; effective date.** This Act must be submitted to the  
8 legal voters of the State of Maine at the next general election  
in the month of November following passage of this Act. The  
10 municipal officers of this State shall notify the inhabitants of  
their respective cities, towns and plantations to meet, in the  
12 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:

14 "Do you favor a \$10,000,000 bond issue for the establishment  
16 of a Municipal Infrastructure Investment Trust Fund to  
assist eligible municipalities in the building of public  
18 facilities necessary to accommodate growth and economic  
development?"

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

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

### 38 STATEMENT OF FACT

40 The funds provided by this bond issue, in the amount of  
\$10,000,000, will be used to assist eligible municipalities in  
42 the building of public facilities necessary to accommodate growth  
and economic development.

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48  
50 This document has not yet been reviewed to determine the  
need for cross-reference, stylistic and other technical  
amendments to conform existing law to current drafting standards.