MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

SECOND REGULAR SESSION-1994

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.

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

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

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

10 Sec. 1. Authorization of bonds to provide for loans and grants for 12 public service infrastructure. 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 \$10,000,000 to 14 raise funds for a loans and grants program for municipal capital investments as authorized by section 7. The bonds are a pledge 16 of the full faith and credit of the State. The bonds may not run 18 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 20 contain a call feature.

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Sec. 2. Records of bonds issued to be kept by 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.

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- Sec. 3. Sale; how megotiated; 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. Any unencumbered balances remaining at the completion of the project in section 7 lapse to the debt service account established for the retirement of these bonds.
- Sec. 4. Taxable bond option. The Treasurer of State, at the 40 direction of the Governor, shall covenant and consent that the interest on the bonds is includable, under the United States 42 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 46 States Internal Revenue Code or any subsequent law. The powers 48 conferred by this section are not subject to any limitations or restrictions of any law that may limit the power to so covenant 50 and consent.

	Sec. 5. Interest and debt retirement. The Treasurer of State
2	shall pay interest due or accruing on any bonds issued under this Act and all sums coming due for payment of bonds at maturity.
4	Sec. 6. Disbursement of bond proceeds. The proceeds of the
6	bonds must be expended as set out in section 7 under the direction and supervision of the Department of Economic and
8	Community Development.
10	Sec. 7. Allocations from General Fund bond issue; loans and grants program for municipal capital investments. The proceeds of the sale
12	of bonds must be expended as designated in the following schedule.
14	1994-95
16	ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF
18	Barania and Carana Barana and Carana Barana and Carana Barana and Carana Barana and Carana and Cara
20	Municipal Growth Management and Capital Investment Trust Fund
22	All Other \$10,000,000
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	These funds will be used to
26	create a fund that will
28	provide loans and grants to municipalities experiencing
20	high growth rates for the
30	development of necessary
	public service infrastructure.
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	Sec. 8. Contingent upon ratification of bond issue. Sections 1 to
34	7 do not become effective unless the people of the State have ratified the issuance of bonds as set forth in this Act.
36	ractified the issuance of bonds as set forth in this Act.
30	Sec. 9. Appropriation balances at year end. At the end of each
38	fiscal year, all unencumbered appropriation balances representing
	state money carry forward. Bond proceeds that have not been
40	expended within 10 years after the date of the sale of the bonds
	lapse to General Fund debt service.
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	Sec. 10. Bonds authorized but not issued. Any bonds authorized
44	but not issued, or for which bond anticipation notes are not
	issued within 5 years of ratification of this Act, are
46	deauthorized and may not be issued; except that the Legislature may, within 2 years after the expiration of that 5-year period,

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exten	d the	e period	for	issu	ing	any remain	ing u	nissu	ed be	onds	or
		· · · · · · · · · · · · · · · · · ·	notes	for	an	additional	amoun	t of	time	not	to
excee	d 5 y	ears.			9.			S			

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

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

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

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.

STATEMENT OF FACT

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

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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.