



## **117th MAINE LEGISLATURE**

## **SECOND REGULAR SESSION-1996**

Legislative Document

No. 1664

H.P. 1214

House of Representatives, January 9, 1996

RESOLUTION, Proposing an Amendment to the Constitution of Maine to Prohibit the Use of Funds Raised for Bond Issues for Any Other Purpose.

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 27. Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

**J**OSEPH W. MAYO, Clerk

Presented by Representative SIMONEAU of Thomaston. Cosponsored by Representative DONNELLY of Presque Isle, Senator KIEFFER of Aroostook and Representatives: AIKMAN of Poland, BIGL of Bucksport, CAMERON of Rumford, CHARTRAND of Rockland, CHICK of Lebanon, CLUKEY of Houlton, DAMREN of Belgrade, DiPIETRO of South Portland, DUNN of Gray, FISHER of Brewer, GREENLAW of Standish, HARTNETT of Freeport, HATCH of Skowhegan, JOY of Crystal, JOYNER of Hollis, KILKELLY of Wiscasset, LaFOUNTAIN of Biddeford, LANE of Enfield, LAYTON of Cherryfield, LEMKE of Westbrook, LEMONT of Kittery, MADORE of Augusta, McELROY of Unity, MURPHY of Berwick, NICKERSON of Turner, OTT of York, POULIOT of Lewiston, REED of Falmouth, RICE of South Bristol, ROWE of Portland, SAVAGE of Union, SPEAR of Nobleboro, STROUT of Corinth, TUFTS of Stockton Springs, WINSOR of Norway, Senators: CAREY of Kennebec, LONGLEY of Waldo. **Constitutional amendment. Resolved:** Two thirds of each 2 branch of the Legislature concurring, that the following amendment to the Constitution of Maine be proposed:

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## Constitution, Art. IX, §14 is amended to read:

Section 14. Authority and procedure for issuance of bonds. The credit of the State shall not be directly or indirectly 8 loaned in any case, except as provided in sections 14-A, 14-B, 10 14-C and 14-D. The Legislature shall not create any debt or debts, liability or liabilities, on behalf of the State, which 12 shall singly, or in the aggregate, with previous debts and liabilities hereafter incurred at any one time, exceed \$2,000,000, except to suppress insurrection, to repel invasion, 14 or for purposes of war, and except for temporary loans to be paid out of money raised by taxation during the fiscal year in which 16 they are made; and excepting also that whenever 2/3 of both Houses shall deem it necessary, by proper enactment ratified by a 18 majority of the electors voting thereon at a general or special election, the Legislature may authorize the issuance of bonds on 20 behalf of the State at such times and in such amounts and for such purposes as approved by such action; but this shall not be 22 construed to refer to any money that has been, or may be deposited with this State by the Government of the United States, 24 or to any fund which the State shall hold in trust for any Indian 26 tribe. The proceeds of the sale of bonds must be expended as designated in the law authorizing the sale of bonds. Whenever ratification by the electors is essential to the validity of 28 bonds to be issued on behalf of the State, the question submitted to the electors shall be accompanied by a statement setting forth 30 the total amount of bonds of the State outstanding and unpaid, the total amount of bonds of the State authorized and unissued, 32 and the total amount of bonds of the State contemplated to be 34 issued if the enactment submitted to the electors be ratified. For any bond authorization requiring ratification of the electors pursuant to this section, if any bonds have not been issued 36 within 5 years of the date of ratification, then those bonds may 38 not be issued after that date. Within 2 years after expiration of that 5-year period, the Legislature may extend, by a majority 40 vote, the 5-year period for an additional 5 years or may deauthorize the bonds. If the Legislature fails to take action within those 2 years, the bond issue shall be considered to be 42 deauthorized and no further bonds may be issued. For any bond 44 authorization in existence on November 6, 1984, and for which the 5-year period following ratification has expired, no further bonds may be issued unless the Legislature, by November 6, 1986, 46 reauthorizes those bonds by a majority vote, for an additional 5-year period, failing which all bonds unissued under those 48 authorizations shall be considered to be deauthorized. Temporary loans to be paid out of moneys raised by taxation during any 50

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fiscal year shall not exceed in the aggregate during the fiscal year in question an amount greater than 10% of all the moneys appropriated, authorized and allocated by the Legislature from undedicated revenues to the General Fund and dedicated revenues to the Highway Fund for that fiscal year, exclusive of proceeds or expenditures from the sale of bonds, or greater than 1% of the total valuation of the State of Maine, whichever is the lesser.

; and be it further

12 **Constitutional referendum procedure; form of question; effective date. Resolved:** That the municipal officers of this State shall 14 notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding 16 a general election, at the next general election in the month of November following passage of this resolution, to vote upon the 18 ratification of the amendment proposed in this resolution by voting upon the following question:

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"Do you favor amending the Constitution of Maine to provide that the proceeds of the sale of bonds be expended as designated in the law authorizing the sale of bonds?"

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a 26 cross or check mark placed within the corresponding square below the word "Yes" or "No." The ballots must be received, sorted, 28 counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as 30 votes for members of the Legislature. The Governor shall review 32 the returns and, if it appears that a majority of the legal votes are cast in favor of the amendment, the Governor shall proclaim that fact without delay and the amendment becomes part of the 34 Constitution on the date of the proclamation; and be it further

Secretary of State shall prepare ballots. Resolved: That the Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this resolution necessary to carry out the purpose of this referendum.

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STATEMENT OF FACT

This resolution proposes an amendment to the Constitution of Maine to provide that the proceeds of the sale of bonds be expended as designated in the law authorizing the sale of bonds.