

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST SPECIAL SESSION-1997

Legislative Document

No. 1822

S.P. 619

In Senate, April 28, 1997

**Resolve, Authorizing the Town of Southwest Harbor to Refinance
Certain Temporary Bond Anticipation Notes Issued for Its Water Project.**

(EMERGENCY)

Received by the Secretary of the Senate on April 17, 1997. Referred to the Committee on State and Local Government pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator GOLDTHWAIT of Hancock.
Cosponsored by Representative JONES of Bar Harbor.

2 **Emergency preamble.** Whereas, Acts and resolves of the
Legislature do not become effective until 90 days after
adjournment unless enacted as emergencies; and

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6 **Whereas,** the Town of Southwest Harbor has authorized the
issuance of general obligation securities for the purpose of
financing certain capital improvements to the town's water
8 system, referred to as the "water project," and has issued its
temporary general obligation bond anticipation notes in the
10 principal amount of \$800,000 to finance its water project, such
debt being originally issued in November 1994; and

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14 **Whereas,** long-term financing for the water project is to be
provided by the issuance of general obligation bonds to the
United States; and

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18 **Whereas,** engineering and other problems of locating the
plant associated with the water project have caused the
construction of the project to be delayed beyond the time
20 originally contemplated, increased the proposed cost of the water
project and delayed the closing of the long-term financing with
22 the United States; and

24 **Whereas,** the Maine Revised Statutes, Title 30-A, section
5772 states that the period of anticipatory borrowing by a
26 municipality may not exceed 3 years; and

28 **Whereas,** it is necessary for the Town of Southwest Harbor
to extend the period of its anticipatory borrowing for an
30 additional 2 years; and

32 **Whereas,** in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
34 Maine and require the following legislation as immediately
necessary for the preservation of the public peace, health and
36 safety; now, therefore, be it

38 **Sec. 1. Authority to issue and sell temporary notes. Resolved:**
That, notwithstanding the Maine Revised Statutes, Title 30-A,
40 section 5772 or any other provision of law, the Town of Southwest
Harbor may issue and sell its temporary general obligation bond
42 anticipation notes in a principal amount not to exceed \$800,000
for an additional period not to exceed 2 years for the purpose of
44 refinancing a certain outstanding temporary note originally
issued in November 1994 in that amount to finance the water
46 project for the Town of Southwest Harbor, subsequently reissued
in 1995 and 1996, and further that the 3-year limitation
48 regarding temporary or anticipatory borrowing contained in Title
30-A, section 5772 must be extended to 5 years for the Town of
50 Southwest Harbor water project.

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Emergency clause. In view of the emergency cited in the preamble, this resolve takes effect when approved.

SUMMARY

This resolve allows the Town of Southwest Harbor to issue and sell its temporary general obligation bond anticipation notes in a principal amount not to exceed \$800,000 for an additional 2-year period.