

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1998

Legislative Document

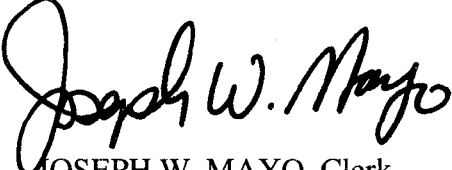
No. 35

H.P. 25

House of Representatives, December 23, 1998

An Act to Authorize a General Fund Bond Issue to Create Affordable Housing.

Received by the Clerk of the House on December 21, 1998. Referred to the Committee on Appropriations and Financial Affairs pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.


JOSEPH W. MAYO, Clerk

Presented by Representative BRENNAN of Portland.
Cosponsored by Representatives: BERRY of Livermore, BRUNO of Raymond, CAMERON of Rumford, KANE of Saco, QUINT of Portland, SHIAH of Bowdoinham, STEVENS of Orono, Senator: KONTOS of Cumberland.

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
 on behalf of the State of Maine to provide funds for affordable
 and accessible housing for persons who are homeless, mentally
 retarded or mentally ill.

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

10 **Sec. 1. Authorization of bonds to provide for affordable and**
12 **accessible housing for persons who are homeless, mentally retarded or**
 mentally ill. The Treasurer of State is authorized, under the
14 direction of the Governor, to issue bonds in the name and on
 behalf of the State in an amount not exceeding \$10,000,000 to
16 raise funds for affordable and accessible housing for persons who
 are homeless, mentally retarded or mentally ill as authorized by
18 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
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.

22 **Sec. 2. Records of bonds issued to be kept by the Treasurer of State.**
24 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
26 sold, the amount received for the bond, the date of sale and the
 date when payable.

28 **Sec. 3. Sale; how negotiated; proceeds appropriated.** The
30 Treasurer of State may negotiate the sale of the bonds by
 direction of the Governor, but no bond may be loaned, pledged or
32 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
34 by the Treasurer of State upon warrants drawn by the State
 Controller, are appropriated solely for the purposes set forth in
36 this Act. Any unencumbered balances remaining at the completion
 of the project in section 6 lapse to the debt service account
38 established for the retirement of these bonds.

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

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

48 **Sec. 6. Allocations from General Fund bond issue; affordable and**
50 **accessible housing for persons who are homeless, mentally retarded or**
 mentally ill. The proceeds of the sale of bonds must be expended
 as designated in the following schedule.

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1999-00

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MAINE STATE HOUSING AUTHORITY

\$10,000,000

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Provides funds for affordable and accessible housing for persons who are homeless, mentally retarded or mentally ill.

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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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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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Sec. 9. 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.

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Sec. 10. Referendum for ratification; submission at statewide 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 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 statewide election, to vote on the acceptance or rejection of this Act by voting on the following question:

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"Do you favor a \$10,000,000 bond issue for affordable and accessible housing for persons who are homeless, mentally retarded or mentally ill?"

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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

2 votes for members of the Legislature. The Governor shall review
the returns and, if a majority of the legal votes are cast in
4 favor of the Act, the Governor shall proclaim the result without
delay, and the Act becomes effective 30 days after the date of
6 the proclamation.

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

12 SUMMARY

14 The funds provided by this bond issue, in the amount of
\$10,000,000, will be used for affordable and accessible housing
for persons who are homeless, mentally retarded or mentally ill.