

# MAINE STATE LEGISLATURE

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# 120th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2001

Legislative Document

No. 1593

S.P. 506

In Senate, March 13, 2001

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### **An Act to Authorize a General Fund Bond Issue in the Amount of \$20,000,000 to Address the Affordable Housing Crisis in the State.**

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Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

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

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator DAGGETT of Kennebec.  
Cosponsored by Representative COLWELL of Gardiner and  
Senators: BROMLEY of Cumberland, CARPENTER of York, CATHCART of Penobscot,  
DOUGLASS of Androscoggin, EDMONDS of Cumberland, GAGNON of Kennebec,  
KILKELLY of Lincoln, LaFOUNTAIN of York, LEMONT of York, LONGLEY of Waldo,  
MILLS of Somerset, NUTTING of Androscoggin, O'GARA of Cumberland, PENDLETON  
of Cumberland, RAND of Cumberland, ROTUNDO of Androscoggin, SAWYER of  
Penobscot, SMALL of Sagadahoc, TREAT of Kennebec, Representatives: BAKER of  
Bangor, BLANCHETTE of Bangor, BLISS of South Portland, BROOKS of Winterport,  
BULL of Freeport, CHICK of Lebanon, COTE of Lewiston, COWGER of Hallowell,  
DESMOND of Mapleton, DORR of Camden, DUDLEY of Portland, DUGAY of Cherryfield,  
ETNIER of Harpswell, FISHER of Brewer, FULLER of Manchester, GAGNE of Buckfield,  
GERZOFISKY of Brunswick, GREEN of Monmouth, HALL of Bristol, LORING of  
Penobscot Nation, MARLEY of Portland, MAYO of Bath, MCKEE of Wayne,  
McLAUGHLIN of Cape Elizabeth, McNEIL of Rockland, MENDROS of Lewiston,  
MICHAEL of Auburn, MICHAUD of Fort Kent, MURPHY of Berwick, NASS of Acton,  
NORTON of Bangor, O'BRIEN of Augusta, O'BRIEN of Lewiston, PATRICK of Rumford,  
PEAVEY of Woolwich, PERRY of Bangor, POVICH of Ellsworth, RICHARDSON of  
Brunswick, SAVAGE of Buxton, Speaker SAXL of Portland, SIMPSON of Auburn,  
STANLEY of Medway, SULLIVAN of Biddeford, TRACY of Rome, TUTTLE of Sanford,  
VOLENIK of Brooklin.

2           **Preamble.** Two thirds of both Houses of the Legislature  
deeming it necessary in accordance with the Constitution of  
4           Maine, Article IX, Section 14 to authorize the issuance of bonds  
on behalf of the State of Maine to provide funds for affordable  
6           housing.

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

10           **Sec. 1. Authorization of bonds to address affordable housing crisis.**

The Treasurer of State is authorized, under the direction of the  
12           Governor, to issue bonds in the name and on behalf of the State  
in an amount not exceeding \$20,000,000 to raise funds for the  
14           Maine State Housing Authority to address the affordable housing  
crisis in Maine by rehabilitating existing housing, acquiring  
16           affordable land and creating new permanent affordable rental  
units and owner-occupied rental units with attention to the  
18           affected populations as authorized by section 6. The bonds are a  
pledge of the full faith and credit of the State. The bonds may  
20           not run for a period longer than 10 years from the date of the  
original issue of the bonds. At the discretion of the Treasurer  
22           of State, with the approval of the Governor, any issuance of  
bonds may contain a call feature.

24           **Sec. 2. Records of bonds issued to be kept by Treasurer of State.**

The Treasurer of State shall keep an account of each bond showing  
26           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  
28           date when payable.

30           **Sec. 3. Sale; how negotiated; proceeds appropriated.**

The Treasurer of State may negotiate the sale of the bonds by  
32           direction of the Governor, but no bond may be loaned, pledged or  
hypothecated on behalf of the State. The proceeds of the sale of  
34           the bonds, which must be held by the Treasurer of State and paid  
by the Treasurer of State upon warrants drawn by the State  
36           Controller, are appropriated solely for the purposes set forth in  
this Act. Any unencumbered balances remaining at the completion  
38           of the project in section 6 lapse to the debt service account  
established for the retirement of these bonds.

40           **Sec. 4. Interest and debt retirement.**

The Treasurer of State  
42           shall pay interest due or accruing on any bonds issued under this  
Act and all sums coming due for payment of bonds at maturity.

44           **Sec. 5. Disbursement of bond proceeds.**

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



2 favor of this Act, the Governor shall proclaim the result without  
delay, and this Act becomes effective 30 days after the date of  
the proclamation.

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6 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.

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**10**

## **SUMMARY**

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14 The funds provided by this bond issue, in the amount of  
\$20,000,000, will be used for the Maine State Housing Authority  
to address the affordable housing crisis in Maine by  
rehabilitating existing housing, acquiring affordable land and  
16 creating permanent affordable rental units and owner occupied  
rental units.