

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 1232

H.P. 906

House of Representatives, March 6, 2003

**RESOLUTION, Proposing an Amendment to the Constitution of
Maine To Increase the State Bonding Limit under Certain
Circumstances**

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative McKENNEY of Cumberland.
Cosponsored by Senator TURNER of Cumberland and
Representative: MILLS of Cornville.

2 **Constitutional amendment. Resolved:** Two thirds of each
branch of the Legislature concurring, that the following
amendment to the Constitution of Maine be proposed:

4 **Constitution, Art. IX, §14,** as amended by CR 2001, c. 1, is
6 further amended to read:

8 **Section 14. Authority and procedure for issuance of bonds.**

10 The credit of the State shall not be directly or indirectly
loaned in any case, except as provided in sections 14-A, 14-B,
12 14-C and 14-D. The Legislature shall not create any debt or
debts, liability or liabilities, on behalf of the State, which
shall singly, or in the aggregate, with previous debts and
14 liabilities hereafter incurred at any one time, exceed
\$2,000,000, except to suppress insurrection, to repel invasion,
16 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
18 they are made, and except for loans to be repaid within 12 months
with federal transportation funds in amounts not to exceed 50% of
20 transportation funds appropriated by the Federal Government in
the prior federal fiscal year, and except that this \$2,000,000
22 debt limit is raised to \$30,000,000 when the total outstanding
debt of a public instrumentality of the State that acquires,
24 constructs, improves, reconstructs or equips, or constructs an
addition or additions to, any structure designed for use as a
26 court facility, state office or state activity space that is
intended to be used primarily by the State, any agency,
28 instrumentality or department of the State or by any branch of
State Government is \$30,000,000 or less, and any such public
30 instrumentality is prohibited from incurring any additional debt
or liability; and excepting also that whenever 2/3 of both Houses
32 shall deem it necessary, by proper enactment ratified by a
majority of the electors voting thereon at a general or special
34 election, the Legislature may authorize the issuance of bonds on
behalf of the State at such times and in such amounts and for
36 such purposes as approved by such action; but this shall not be
construed to refer to any money that has been, or may be
38 deposited with this State by the Government of the United States,
or to any fund which the State shall hold in trust for any Indian
40 tribe. Whenever ratification by the electors is essential to the
validity of bonds to be issued on behalf of the State, the
42 question submitted to the electors shall be accompanied by a
statement setting forth the total amount of bonds of the State
44 outstanding and unpaid, the total amount of bonds of the State
authorized and unissued, and the total amount of bonds of the
46 State contemplated to be issued if the enactment submitted to the
electors be ratified. For any bond authorization requiring
48 ratification of the electors pursuant to this section, if any
bonds have not been issued within 5 years of the date of
50 ratification, then those bonds may not be issued after that

2 date. Within 2 years after expiration of that 5-year period, the
Legislature may extend, by a majority vote, the 5-year period for
4 an additional 5 years or may deauthorize the bonds. If the
Legislature fails to take action within those 2 years, the bond
6 issue shall be considered to be deauthorized and no further bonds
may be issued. For any bond authorization in existence on
8 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, reauthorizes those bonds by
10 a majority vote, for an additional 5-year period, failing which
all bonds unissued under those authorizations shall be considered
12 to be deauthorized. Temporary loans to be paid out of moneys
raised by taxation during any fiscal year shall not exceed in the
14 aggregate during the fiscal year in question an amount greater
than 10% of all the moneys appropriated, authorized and allocated
16 by the Legislature from undedicated revenues to the General Fund
and dedicated revenues to the Highway Fund for that fiscal year,
18 exclusive of proceeds or expenditures from the sale of bonds, or
greater than 1% of the total valuation of the State of Maine,
20 whichever is the lesser.

22 ; and be it further

24 **Constitutional referendum procedure; form of question; effective**
date. Resolved: That the municipal officers of this State shall
26 notify the inhabitants of their respective cities, towns and
plantations to meet, in the manner prescribed by law for holding
28 a statewide election, at a statewide election, on the Tuesday
following the first Monday of November following the passage of
30 this resolution, to vote upon the ratification of the amendment
proposed in this resolution by voting upon the following question:

32 "Do you favor amending the Constitution of Maine to increase
34 the state bonding limit from \$2,000,000 to \$30,000,000 when
the total outstanding debt of a public instrumentality of
36 the State that acquires, constructs or improves buildings
for use by the State is \$30,000,000 or less, and that public
38 instrumentality is prohibited from incurring any additional
debt or liability?"

40 The legal voters of each city, town and plantation shall
42 vote by ballot on this question and designate their choice by a
cross or check mark placed within the corresponding square below
44 the word "Yes" or "No." The ballots must be received, sorted,
counted and declared in open ward, town and plantation meetings
46 and returns made to the Secretary of State in the same manner as
votes for members of the Legislature. The Governor shall review
48 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 Constitution of Maine 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 purposes of this referendum.

SUMMARY

This constitutional resolution increases the debt limit of the State from \$2,000,000 to \$30,000,000 when the total outstanding debt of a public instrumentality of the State that acquires, constructs or improves buildings for use by the State is \$30,000,000 or less and that public instrumentality is prohibited from incurring any additional debt or liability.