

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 757

S.P. 255

In Senate, February 10, 2005

**An Act To Authorize a General Fund Bond Issue To Promote
Affordable Workforce Housing**

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 BRENNAN of Cumberland.
Cosponsored by Representative LERMAN of Augusta, Representative DUDLEY of Portland
and
Senators: DAMON of Hancock, DIAMOND of Cumberland, President EDMONDS of
Cumberland, Representatives: CUMMINGS of Portland, DUPLESSIE of Westbrook,
KOFFMAN of Bar Harbor, MARLEY of Portland, Speaker RICHARDSON of Brunswick.

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 as described in
 this Act,

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

10 **Sec. 1. Authorization of bonds.** The Treasurer of State is
12 authorized, under the direction of the Governor, to issue bonds
14 in the name and on behalf of the State in an amount not exceeding
16 \$20,000,000 for the purposes described in section 6 of this Act.
18 The bonds are a pledge of the full faith and credit of the
 State. The bonds may 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 of State, with the approval of the
 Governor, any issuance of bonds may contain a call feature.

20 **Sec. 2. Records of bonds issued kept by Treasurer of State.** The
22 Treasurer of State shall keep an account of each bond showing the
24 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
 date when payable.

26 **Sec. 3. Sale; how negotiated; proceeds appropriated.** The
28 Treasurer of State may negotiate the sale of the bonds by
30 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
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
 Controller, are appropriated solely for the purposes set forth in
 this Act. Any unencumbered balances remaining at the completion
 of the project in this Act lapse to the debt service account
 established for the retirement of these bonds.

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

40 **Sec. 5. Disbursement of bond proceeds.** The proceeds of the
42 bonds must be expended as set out in this Act under the direction
 and supervision of the Maine State Housing Authority.

44 **Sec. 6. Allocations from General Fund bond issue.** The proceeds
46 of the sale of the bonds authorized under this Act must be
 expended as designated in the following schedule.

48 Maine State Housing Authority	\$20,000,000
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2 To address the affordable housing crisis in
the State by providing funds for the
4 purposes of land purchase and infrastructure
costs for the development of affordable
6 workforce housing in anticipation of an
additional \$100,000,000 in other public and
private funding to develop affordable
8 workforce housing in the State.

10 **Sec. 7. Contingent upon ratification of bond issue.** Sections 1 to
6 do not become effective unless the people of the State ratify
12 the issuance of the bonds as set forth in this Act.

14 **Sec. 8. Appropriation balances at year-end.** At the end of each
fiscal year, all unencumbered appropriation balances representing
16 state money carry forward. Bond proceeds that have not been
expended within 10 years after the date of the sale of the bonds
18 lapse to General Fund debt service.

20 **Sec. 9. Bonds authorized but not issued.** Any bonds authorized
but not issued, or for which bond anticipation notes are not
22 issued within 5 years of ratification of this Act, are
deauthorized and may not be issued, except that the Legislature
24 may, within 2 years after the expiration of that 5-year period,
extend the period for issuing any remaining unissued bonds or
26 bond anticipation notes for an additional amount of time not to
exceed 5 years.

28
30 **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 at a statewide election held on
32 the Tuesday following the first Monday of November following
passage of this Act. The municipal officers of this State shall
34 notify the inhabitants of their respective cities, towns and
plantations to meet, in the manner prescribed by law for holding
36 a statewide election, to vote on the acceptance or rejection of
this Act by voting on the following question:

38
40 "Do you favor a \$20,000,000 bond issue to promote affordable
workforce housing?"

42 The legal voters of each city, town and plantation shall
vote by ballot on this question and designate their choice by a
44 cross or check mark placed within a corresponding square below
the word "Yes" or "No." The ballots must be received, sorted,
46 counted and declared in open ward, town and plantation meetings
and returns made to the Secretary of State in the same manner as
48 votes for members of the Legislature. The Governor shall review
the returns and, if a majority of the legal votes are cast in
50 favor of this Act, the Governor shall proclaim the result without

2 delay, and this Act becomes effective 30 days after the date of
the proclamation.

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

8

SUMMARY

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12 The funds provided by this bond issue, in the amount of
\$20,000,000, will be used to promote affordable workforce housing.