

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1620

S.P. 564

March 21, 2007

**An Act To Provide for the 2007 and 2008 Allocations of the State
Ceiling on Private Activity Bonds**

(EMERGENCY)

Reference to the Committee on Business, Research and Economic Development 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 BROMLEY of Cumberland. (GOVERNOR'S BILL)
Cosponsored by Representative SMITH of Monmouth and Senator: COURTNEY of York,
Representatives: AUSTIN of Gray, BEAUDETTE of Biddeford, CLEARY of Houlton,
RECTOR of Thomaston.

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

3 **Whereas,** the Maine Revised Statutes, Title 10, section 363 and Private and Special
4 Law 2005, chapter 48 make a partial allocation of the state ceiling on private activity
5 bonds to some issuers for calendar year 2007 but leave a portion of the state ceiling
6 unallocated and do not provide sufficient allocations for certain types of private activity
7 bonds that may require an allocation prior to the effective date of this Act if not enacted
8 on an emergency basis; and

9 **Whereas,** if these bond issues must be delayed due to lack of available state ceiling,
10 the rates and terms under which these bonds might be issued may be adversely affected,
11 resulting in increased costs to beneficiaries or even unavailability of financing for certain
12 projects; and

13 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
14 the meaning of the Constitution of Maine and require the following legislation as
15 immediately necessary for the preservation of the public peace, health and safety; now,
16 therefore,

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

18 **Sec. 1. Allocation to Treasurer of State.** The \$5,000,000 in state ceiling for
19 calendar year 2007 previously allocated to the Treasurer of State remains allocated to the
20 Treasurer of State to be used or reallocated in accordance with the Maine Revised
21 Statutes, Title 10, section 363, subsection 5. Five million dollars of the state ceiling for
22 calendar year 2008 is allocated to the Treasurer of State to be used or reallocated in
23 accordance with Title 10, section 363, subsection 5.

24 **Sec. 2. Allocation to Finance Authority of Maine.** The state ceiling or private
25 activity bonds allocated to the Finance Authority of Maine is as follows.

26 1. The \$40,000,000 in state ceiling for calendar year 2007 previously allocated to the
27 Finance Authority of Maine remains allocated to the Finance Authority of Maine to be
28 used or reallocated in accordance with the Maine Revised Statutes, Title 10, section 363,
29 subsection 6 for calendar year 2007. Five million dollars of previously unallocated state
30 ceiling money for calendar year 2007 is allocated to the Finance Authority of Maine to be
31 used or reallocated in accordance with Title 10, section 363, subsection 6 for calendar
32 year 2007. Forty-five million dollars of the state ceiling for calendar year 2008 is
33 allocated to the Finance Authority of Maine to be used or reallocated in accordance with
34 Title 10, section 363, subsection 6.

35 2. The \$40,000,000 in state ceiling for calendar year 2007 previously allocated to the
36 Finance Authority of Maine remains allocated to the Finance Authority of Maine, the
37 entity designated pursuant to the Maine Revised Statutes, Title 20-A, section 11407, to be
38 used or reallocated in accordance with Title 10, section 363, subsection 8-A. Fifty
39 million dollars of the state ceiling for calendar year 2008 is allocated to the Finance

1 Authority of Maine, the entity designated pursuant to Title 20-A, section 11407, to be
2 used in accordance with Title 10, section 363, subsection 8-A.

3 **Sec. 3. Allocation to Maine Municipal Bond Bank.** The \$10,000,000 of the
4 state ceiling for calendar year 2007 previously allocated to the Maine Municipal Bond
5 Bank remains allocated to the Maine Municipal Bond Bank to be used or reallocated in
6 accordance with the Maine Revised Statutes, Title 10, section 363, subsection 7 for
7 calendar year 2007. Ten million dollars of the state ceiling for calendar year 2008 is
8 allocated to the Maine Municipal Bond Bank to be used or reallocated in accordance with
9 Title 10, section 363, subsection 7.

10 **Sec. 4. Allocation to Maine Educational Loan Authority.** The \$10,000,000
11 of the state ceiling for calendar year 2007 previously allocated to the Maine Educational
12 Loan Authority remains allocated to the Maine Educational Loan Authority to be used or
13 reallocated in accordance with the Maine Revised Statutes, Title 10, section 363,
14 subsection 8 for calendar year 2007. Ten million dollars of previously unallocated state
15 ceiling for calendar year 2007 is allocated to the Maine Educational Loan Authority to be
16 used in accordance with Title 10, section 363, subsection 8. Twenty million dollars of the
17 state ceiling for calendar year 2008 is allocated to the Maine Educational Loan Authority
18 to be used in accordance with Title 10, section 363, subsection 8.

19 **Sec. 5. Allocation to Maine State Housing Authority.** The \$40,000,000 of
20 the state ceiling for calendar year 2007 previously allocated to the Maine State Housing
21 Authority remains allocated to the Maine State Housing Authority to be used or
22 reallocated in accordance with the Maine Revised Statutes, Title 10, section 363,
23 subsection 4 for calendar year 2007. Forty million dollars of the state ceiling for calendar
24 year 2008 is allocated to the Maine State Housing Authority to be used or reallocated in
25 accordance with Title 10, section 363, subsection 4 in calendar year 2008.

26 **Sec. 6. Unallocated state ceiling.** Of the state ceiling for calendar year 2007,
27 \$96,235,000, is unallocated and must be reserved for future allocation in accordance with
28 applicable laws. Of the state ceiling for calendar year 2008, \$86,235,000, is unallocated
29 and must be reserved for future allocation in accordance with applicable laws.

30 **Emergency clause.** In view of the emergency cited in the preamble, this
31 legislation takes effect when approved.

32 **SUMMARY**

33 This bill establishes the allocations of the state ceiling on issuance of tax-exempt
34 bonds for calendar years 2007 and 2008. Under federal law, a maximum of \$256,235,000
35 in tax-exempt bonds benefiting private individuals or entities may be issued in the State
36 in 2007, and at least \$256,235,000 in tax-exempt bonds benefiting private individuals or
37 entities may be issued in the State in 2008. This bill allocates the state ceiling among the
38 state-level issuers of tax-exempt bonds.