

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

SECOND REGULAR SESSION-2008

Legislative Document

No. 2185

S.P. 843

February 5, 2008

**An Act To Provide for the 2008 and 2009 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, reading '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 Senators: COURTNEY of York,
SCHNEIDER of Penobscot, Representatives: AUSTIN of Gray, BEAUDETTE of Biddeford,
BEAULIEU of Auburn, MacDONALD of Boothbay, RECTOR of Thomaston, SAMSON of
Auburn.

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 2007, chapter 18 make a partial allocation of the state ceiling on private activity
5 bonds to some issuers for calendar year 2008, 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 may 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 the Treasurer of State.** The \$5,000,000 of the state
19 ceiling for calendar year 2008 previously allocated to the Treasurer of State remains
20 allocated to the Treasurer of State to be used or reallocated in accordance with the Maine
21 Revised Statutes, Title 10, section 363, subsection 5 for calendar year 2008. Five million
22 dollars of the state ceiling for calendar year 2009 is allocated to the Treasurer of State to
23 be used or reallocated in accordance with Title 10, section 363, subsection 5.

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

26 1. The \$45,000,000 of the state ceiling for calendar year 2008 previously allocated to
27 the Finance Authority of Maine remains allocated to the Finance Authority of Maine to
28 be used or reallocated in accordance with the Maine Revised Statutes, Title 10, section
29 363, subsection 6 for calendar year 2008. Fifteen million dollars of the previously
30 unallocated state ceiling for calendar year 2008 is allocated to the Finance Authority of
31 Maine to be used or reallocated in accordance with Title 10, section 363, subsection 6 for
32 calendar year 2008. Forty million dollars of the state ceiling for calendar year 2009 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 \$50,000,000 of the state ceiling for calendar year 2008 previously allocated to
36 the Finance Authority of Maine remains allocated to the Finance Authority of Maine, the
37 entity designated pursuant to Title 20-A, section 11407, to be used or reallocated in
38 accordance with Title 10, section 363, subsection 8-A. Fifty million dollars of the state
39 ceiling for calendar year 2009 is allocated to the Finance Authority of Maine, the entity

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

3 **Sec. 3. Allocation to the Maine Municipal Bond Bank.** The \$10,000,000 of
4 the state ceiling for calendar year 2008 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 2008. Ten million dollars of the state ceiling for calendar year 2009 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 the Maine Educational Loan Authority.** The
11 \$20,000,000 of the state ceiling for calendar year 2008 previously allocated to the Maine
12 Educational Loan Authority remains allocated to the Maine Educational Loan Authority
13 to be used or reallocated in accordance with the Maine Revised Statutes, Title 10, section
14 363, subsection 8 for calendar year 2008. Twenty million dollars of the previously
15 unallocated state ceiling for calendar year 2008 is allocated to the Maine Educational
16 Loan Authority to be used in accordance with Title 10, section 363, subsection 8. Forty
17 million dollars of the state ceiling for calendar year 2009 is allocated to the Maine
18 Educational Loan Authority to be used in accordance with Title 10, section 363,
19 subsection 8.

20 **Sec. 5. Allocation to the Maine State Housing Authority.** The \$40,000,000
21 of the state ceiling for calendar year 2008 previously allocated to the Maine State
22 Housing Authority remains allocated to the Maine State Housing Authority to be used or
23 reallocated in accordance with the Maine Revised Statutes, Title 10, section 363,
24 subsection 4 in calendar year 2008. Forty million dollars of the previously unallocated
25 state ceiling for calendar year 2008 is allocated to the Maine State Housing Authority to
26 be used in accordance with Title 10, section 363, subsection 4. Forty million dollars of
27 the state ceiling for calendar year 2009 is allocated to the Maine State Housing Authority
28 to be used or reallocated in accordance with Title 10, section 363, subsection 4.

29 **Sec. 6. Unallocated state ceiling.** Of the state ceiling for calendar year 2008,
30 \$17,095,000 is unallocated and must be reserved for future allocation in accordance with
31 applicable laws. Of the state ceiling for calendar year 2009, \$77,095,000 is unallocated
32 and must be reserved for future allocation in accordance with applicable laws.

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

35

SUMMARY

36 This bill establishes the allocations of the state ceiling on the issuance of tax-exempt
37 bonds for calendar years 2008 and 2009. Under federal law, a maximum of \$262,095,000
38 in tax-exempt bonds benefiting private individuals or entities may be issued in Maine in
39 2008 and at least \$262,095,000 in tax-exempt bonds benefiting private individuals or
40 entities may be issued in Maine in 2009. This bill allocates the state ceiling among the
41 state-level issuers of tax-exempt bonds.