

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 214

H.P. 179

House of Representatives, January 21, 2009

**An Act To Authorize a General Fund Bond Issue for Economic
Recovery**

(EMERGENCY)

Reference to the Committee on Business, Research and Economic Development suggested
and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative GILES of Belfast.
Cosponsored by Senator SCHNEIDER of Penobscot and
Representatives: CLEARY of Houlton, COHEN of Portland, DILL of Cape Elizabeth,
MacDONALD of Boothbay, PERCY of Phippsburg, SMITH of Monmouth, STRANG
BURGESS of Cumberland, Senator: RECTOR of Knox.

1 **Preamble.** Two thirds of both Houses of the Legislature deeming it necessary in
2 accordance with the Constitution of Maine, Article IX, Section 14 to authorize the
3 issuance of bonds on behalf of the State of Maine to provide funds as described in this
4 Act,

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

7 **Whereas,** this legislation requires a bond issue to go before the voters before
8 adjournment and is associated with the special election in June; and

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

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

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

21 **Sec. 2. Records of bonds issued kept by Treasurer of State.** The Treasurer
22 of State shall keep an account of each bond showing the number of the bond, the name of
23 the successful bidder to whom sold, the amount received for the bond, the date of sale and
24 the date when payable.

25 **Sec. 3. Sale; how negotiated; proceeds appropriated.** The Treasurer of State
26 may negotiate the sale of the bonds by direction of the Governor, but no bond may be
27 loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the
28 bonds, which must be held by the Treasurer of State and paid by the Treasurer of State
29 upon warrants drawn by the State Controller, are appropriated solely for the purposes set
30 forth in this Act. Any unencumbered balances remaining at the completion of the project
31 in this Act lapse to the debt service account established for the retirement of these bonds.

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

35 **Sec. 5. Disbursement of bond proceeds.** The proceeds of the bonds must be
36 expended as set out in this Act under the direction and supervision of the Finance
37 Authority of Maine.

1 Governor shall proclaim the result without delay and this Act becomes effective 30 days
2 after the date of the proclamation:

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

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

8 **SUMMARY**

9 The funds provided by this bond issue, in the amount of \$20,000,000, will be used to
10 increase 2 Finance Authority of Maine business programs, a direct loan program and a
11 loan insurance program, by \$10,000,000 each to assist businesses facing loss of revenues
12 and that require business restructuring.