

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 911

H.P. 629

House of Representatives, March 5, 2009

An Act To Authorize a General Fund Bond Issue for Affordable Housing

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative ADAMS of Portland.
Cosponsored by Senator SIMPSON of Androscoggin and
Representatives: CAREY of Lewiston, EBERLE of South Portland, Speaker PINGREE of
North Haven.

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

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

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

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

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

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

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

33 **MAINE STATE HOUSING**
34 **AUTHORITY**

35		
36	Provides funds for low-interest loans for	\$20,000,000
37	construction of new homes.	
38		

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

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

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

14 **Sec. 10. Referendum for ratification; submission at election; form of**
15 **question; effective date.** This Act must be submitted to the legal voters of the State at
16 a statewide election held in the month of November following passage of this Act. The
17 municipal officers of this State shall notify the inhabitants of their respective cities, towns
18 and plantations to meet, in the manner prescribed by law for holding a statewide election,
19 to vote on the acceptance or rejection of this Act by voting on the following question:

20 "Do you favor a \$20,000,000 bond issue to provide funds for low-interest
21 loans for construction of new homes?"

22 The legal voters of each city, town and plantation shall vote by ballot on this question
23 and designate their choice by a cross or check mark placed within a corresponding square
24 below the word "Yes" or "No." The ballots must be received, sorted, counted and
25 declared in open ward, town and plantation meetings and returns made to the Secretary of
26 State in the same manner as votes for members of the Legislature. The Governor shall
27 review the returns. If a majority of the legal votes are cast in favor of this Act, the
28 Governor shall proclaim the result without delay and this Act becomes effective 30 days
29 after the date of the proclamation.

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

33 SUMMARY

34 The funds provided by this bond issue, in the amount of \$20,000,000, will be used to
35 provide funds for low-interest loans for construction of new homes.