

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

SECOND REGULAR SESSION-2010

Legislative Document

No. 1743

H.P. 1240

House of Representatives, January 14, 2010

**An Act To Provide for the 2010 and 2011 Allocations of the State
Ceiling on Private Activity Bonds**

(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 SMITH of Monmouth. (GOVERNOR'S BILL)
Cosponsored by Senator SCHNEIDER of Penobscot and
Representatives: AUSTIN of Gray, COHEN of Portland, HUNT of Buxton, MARTIN of
Orono, PRESCOTT of Topsham, WRIGHT of Berwick, Senator: RECTOR of Knox.

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 2009, chapter 14 make a partial allocation of the state ceiling on private activity
5 bonds to some issuers for calendar year 2010, 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 in state ceiling
19 for calendar year 2010 previously allocated to the Treasurer of State remains allocated to
20 the Treasurer of State to be used or reallocated in accordance with the Maine Revised
21 Statutes, Title 10, section 363, subsection 5 for calendar year 2010. Five million dollars
22 of the state ceiling for calendar year 2011 is allocated to the Treasurer of State to be used
23 or reallocated in accordance with Title 10, section 363, subsection 5.

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

26 1. The \$40,000,000 in state ceiling for calendar year 2010 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 2010. Forty million dollars of the state ceiling for calendar
30 year 2011 is allocated to the Finance Authority of Maine to be used or reallocated in
31 accordance with Title 10, section 363, subsection 6.

32 2. The \$60,000,000 in state ceiling for calendar year 2010 previously allocated to the
33 Finance Authority of Maine remains allocated to the Finance Authority of Maine, the
34 entity designated pursuant to the Maine Revised Statutes, Title 20-A, section 11407, to be
35 used or reallocated in accordance with Title 10, section 363, subsection 8-A. Ten million
36 dollars of previously unallocated state ceiling for calendar year 2010 is allocated to the
37 Finance Authority of Maine to be used or reallocated in accordance with Title 10, section
38 363, subsection 8-A for calendar year 2010. Forty million dollars of the state ceiling for
39 calendar year 2011 is allocated to the Finance Authority of Maine, the entity designated

1 pursuant to Title 20-A, section 11407, to be used in accordance with Title 10, section
2 363, 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 2010 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 2010. Ten million dollars of the state ceiling for calendar year 2011 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.** Twenty
11 million dollars of the \$40,000,000 of state ceiling for calendar year 2010 previously
12 allocated to the Maine Educational Loan Authority remains allocated to the Maine
13 Educational Loan Authority to be used or reallocated in accordance with the Maine
14 Revised Statutes, Title 10, section 363, subsection 8 for calendar year 2010. Twenty
15 million dollars of the state ceiling for calendar year 2011 is allocated to the Maine
16 Educational Loan Authority to be used in accordance with Title 10, section 363,
17 subsection 8.

18 **Sec. 5. Allocation to the Maine State Housing Authority.** The \$50,000,000
19 of the state ceiling for calendar year 2010 previously allocated to the Maine State
20 Housing Authority remains allocated to the Maine State Housing Authority to be used or
21 reallocated in accordance with the Maine Revised Statutes, Title 10, section 363,
22 subsection 4 in calendar year 2010. Forty million dollars of the state ceiling for calendar
23 year 2011 is allocated to the Maine State Housing Authority to be used or reallocated in
24 accordance with Title 10, section 363, subsection 4.

25 **Sec. 6. Unallocated state ceiling.** Of the state ceiling for calendar year 2010,
26 \$78,775,000 is unallocated and must be reserved for future allocation in accordance with
27 applicable laws. Of the state ceiling for calendar year 2011, \$118,775,000 is unallocated
28 and must be reserved for future allocation in accordance with applicable laws.

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

31 SUMMARY

32 This bill establishes the allocations of the state ceiling on issuance of tax-exempt
33 bonds for calendar years 2010 and 2011. Under federal law, a maximum of \$273,775,000
34 in tax-exempt bonds benefiting private individuals or entities may be issued in the State
35 in 2010 and at least \$273,775,000 in tax-exempt bonds benefiting private individuals or
36 entities may be issued in the State in 2011. This bill allocates the state ceiling among the
37 state level issuers of tax-exempt bonds.