

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 435

S.P. 113

In Senate, January 29, 2019

**An Act To Provide for the 2019 and 2020 Allocations of the State
Ceiling on Private Activity Bonds**

(EMERGENCY)

Submitted by the Finance Authority of Maine pursuant to Joint Rule 204.
Reference to the Committee on Innovation, Development, Economic Advancement and
Business suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator HERBIG of Waldo.
Cosponsored by Representative STETKIS of Canaan and
Senators: GUERIN of Penobscot, MILLETT of Cumberland, Representatives: AUSTIN of
Gray, BABINE of Scarborough, DAUGHTRY of Brunswick, DENNO of Cumberland,
HANDY of Lewiston, HIGGINS of Dover-Foxcroft.

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 2017, chapter 12 make a partial allocation of the state ceiling on private activity
5 bonds to some issuers for calendar year 2019 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 the lack of available state
10 ceiling, the rates and terms under which these bonds may be issued may be adversely
11 affected, resulting in increased costs to beneficiaries or even unavailability of financing
12 for certain 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 on private activity bonds for calendar year 2019 previously allocated to the
20 Treasurer of State remains allocated to the Treasurer of State to be used or reallocated in
21 accordance with the Maine Revised Statutes, Title 10, section 363, subsection 5 for
22 calendar year 2019. Five million dollars of the state ceiling for calendar year 2020 is
23 allocated to the Treasurer of State to be used or reallocated in accordance with Title 10,
24 section 363, subsection 5.

25 **Sec. 2. Allocation to the Finance Authority of Maine.** The \$40,000,000 of
26 the state ceiling on private activity bonds for calendar year 2019 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 2019. Forty million dollars of the state ceiling for
30 calendar year 2020 is allocated to the Finance Authority of Maine to be used or
31 reallocated in accordance with Title 10, section 363, subsection 6.

32 **Sec. 3. Allocation to the Maine Municipal Bond Bank.** The \$10,000,000 of
33 the state ceiling on private activity bonds for calendar year 2019 previously allocated to
34 the Maine Municipal Bond Bank remains allocated to the Maine Municipal Bond Bank to
35 be used or reallocated in accordance with the Maine Revised Statutes, Title 10, section
36 363, subsection 7 for calendar year 2019. Ten million dollars of the state ceiling for
37 calendar year 2020 is allocated to the Maine Municipal Bond Bank to be used or
38 reallocated in accordance with Title 10, section 363, subsection 7.

39 **Sec. 4. Allocation to the Finance Authority of Maine as successor to the**
40 **Maine Educational Loan Authority.** The \$15,000,000 of the state ceiling on private

1 activity bonds for calendar year 2019 previously allocated to the Finance Authority of
2 Maine as successor to the Maine Educational Loan Authority remains allocated to the
3 Finance Authority of Maine to be used or reallocated in accordance with the Maine
4 Revised Statutes, Title 10, section 363, subsection 8 for calendar year 2019. An
5 additional \$30,000,000 of the state ceiling on private activity bonds for calendar year
6 2019, previously unallocated, is allocated to the Finance Authority of Maine to be used or
7 reallocated in accordance with Title 10, section 363, subsection 8. Fifteen million dollars
8 of the state ceiling for calendar year 2020 is allocated to the Finance Authority of Maine
9 to be used or reallocated in accordance with Title 10, section 363, subsection 8.

10 **Sec. 5. Allocation to the Maine State Housing Authority.** The \$50,000,000
11 of the state ceiling on private activity bonds for calendar year 2019 previously allocated
12 to the Maine State Housing Authority remains allocated to the Maine State Housing
13 Authority to be used or reallocated in accordance with the Maine Revised Statutes, Title
14 10, section 363, subsection 4 for calendar year 2019. Fifty million dollars of the state
15 ceiling for calendar year 2020 is allocated to the Maine State Housing Authority to be
16 used or reallocated in accordance with Title 10, section 363, subsection 4.

17 **Sec. 6. Unallocated state ceiling.** One hundred seventy-one million two hundred
18 forty-five thousand dollars of the state ceiling on private activity bonds for calendar year
19 2019 is unallocated and must be reserved for future allocation in accordance with
20 applicable laws. Two hundred one million seven hundred forty-five thousand dollars of
21 the state ceiling for calendar year 2020 is unallocated and must be reserved for future
22 allocation in accordance with applicable laws.

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

25 SUMMARY

26 This bill establishes the allocations of the state ceiling on issuance of tax-exempt
27 private activity bonds for calendar years 2019 and 2020 among the state-level issuers of
28 tax-exempt bonds.