

MAINE STATE LEGISLATURE

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130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document

No. 329

H.P. 233

House of Representatives, February 8, 2021

An Act To Amend the Laws Governing the Issuance of Bonds

Received by the Clerk of the House on February 4, 2021. Referred to the Committee on Appropriations and Financial Affairs pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative HARNETT of Gardiner.
Cosponsored by Representatives: EVANGELOS of Friendship, TALBOT ROSS of Portland,
Senators: President JACKSON of Aroostook, MIRAMANT of Knox.

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

2 **Sec. 1. 2 MRSA §11** is enacted to read:

3 **§11. General obligation bonds**

4 The Governor shall authorize the issuance of a general obligation bond that has been
5 ratified by the legal voters of the State unless:

6 **1. Debt service greater.** The Treasurer of State determines that the debt service on
7 the bond would be greater than the amount budgeted;

8 **2. Adverse impact on credit rating.** The Treasurer of State determines that the
9 issuance of the bonds will adversely affect the credit rating of the State;

10 **3. Advantageous interest rate.** The Treasurer of State determines that a delay in the
11 issuance of the bonds will likely result in a more financially advantageous interest rate;

12 **4. Project not proceeding.** The Governor receives notification that a project for
13 which the bond was authorized is not going forward and the funding to be provided by the
14 bond is not required; or

15 **5. Alternative funding available.** The Governor receives notification that alternative
16 funding sources are available to implement, within a comparable time frame, a project and
17 the purposes for which the bond was authorized and ratified.

18 Upon the occurrence of any of the circumstances set out in subsections 1 to 5, the
19 Governor shall immediately notify the President of the Senate and the Speaker of the House
20 of Representatives and the majority and minority leaders of the Senate and the House of
21 Representatives of the specific bond delayed or otherwise not issued, the extent of the delay
22 of the issuance of the bond and the effect of the delay or nonissuance on the project and
23 purposes of the bond.

24 **Sec. 2. 5 MRSA §145**, as amended by PL 1991, c. 780, Pt. Y, §15, is further
25 amended to read:

26 **§145. Registered bonds**

27 The Treasurer of State may issue registered bonds, transferable by assignment, in
28 pieces of not less than \$1,000, and of any multiple of 1,000, in exchange for, and in place
29 of, any coupon bonds issued under the laws of this State, bearing the same rate of interest
30 and maturing at the same time as the bonds that the Treasurer of State may receive therefor
31 in exchange. The place of payment prescribed therein must be the State Treasury. Said
32 bonds must ~~bear the facsimile of the signature of the Governor and~~ must be signed by the
33 Treasurer of State or the Treasurer of State's deputy and attested by the Commissioner of
34 Administrative and Financial Services, or such agent as the commissioner may designate.

35 **Sec. 3. 5 MRSA §145-B, sub-§2**, as amended by PL 1991, c. 780, Pt. Y, §17, is
36 further amended to read:

37 **2. Signatures.** Registered bonds must bear the facsimile ~~signatures of the Governor~~
38 ~~and~~ signature of the Treasurer of State, or the Treasurer of State's deputy, and must be
39 attested by the facsimile signature of the Commissioner of Administrative and Financial
40 Services or such agents as the commissioner may designate. Whenever signatures on
41 registered bonds of other state officials are required, their facsimile signatures may be used.

SUMMARY

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This bill makes the following changes to the laws governing the issuance of bonds:

1. It requires the Governor to issue a general obligation bond that has been ratified by the legal voters of the State unless one of 5 specific conditions exists, and it requires the Governor to provide certain information upon delaying or forgoing issuance of a bond; and
2. It eliminates the requirement that registered bonds bear the facsimile signature of the Governor.