

MAINE STATE LEGISLATURE

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SEVENTY-FOURTH LEGISLATURE

SENATE.

No. 78

STATE OF MAINE.

IN THE YEAR OF OUR LORD ONE THOUSAND NINE
HUNDRED AND NINE.

State of Maine Municipal Bond Act, 1909.

*Be it enacted by the Senate and House of Representatives
in Legislature assembled, as follows:*

Section 1. This act may be referred to as the “Municipal
2 Bond Act, 1909.” In this act the term “municipal corpo-
3 ration” shall mean, city, town, village corporation, school
4 district, water district, or any other municipal corporation;
5 the term “governing board” shall mean the selectmen of a
6 town, the commissioners of a village corporation, the school
7 board of a school district, and the trustees of a water dis-
8 trict.

Sect. 2. Every municipal corporation, for any purpose
2 for which it can raise money, may issue bonds or notes,
3 which shall be payable within thirty years from the time of
4 their issue, and bear interest at a rate not exceeding six per
5 cent. per annum. Such bonds or notes may be made pay-
6 able in gold.

Sect. 3. Subject to the provisions of Article XXII of the
2 Constitution of this State, the issue of any bonds or notes of
3 any municipal corporation, except a city, shall be authorized
4 by a vote of two-thirds of all the voters present and voting
5 at an annual or special meeting of such corporation called
6 for the purpose. Such bonds or notes shall be signed by
7 the governing board or a majority thereof and by the treas-
8 urer. All matters in relation to any such loan not deter-
9 mined by the vote of the corporation shall be determined by
10 the governing board, or by such other official or committee
11 as said vote may designate for that purpose.

Sect. 4. The issue of bonds or notes of a city shall be
2 authorized by a resolution of the City Council, passed by a
3 two-thirds vote of each branch thereof, and such bonds or
4 notes shall be signed by the Mayor and by the City Treas-
5 urer. All matters in relation to any such loan not deter-
6 mined by the City Council shall be determined by the City
7 Treasurer, or by such other official or committee as the City
8 Council may designate for that purpose.

Sect. 5. Such bonds or notes may be so issued as to mature in annual installments beginning not more than one year from their date, each annual installment except the last to amount to not less than one-thirtieth of the entire issue. So much of any year's installment of any loan so issued as is in excess of one-thirtieth of the entire issue, and the whole or any part of any loan not so issued, may be refunded by the issue of bonds or notes under the provisions of this act, payable within thirty years of the date of the original issue. Unless the loan is payable in annual installments as above provided, provisions shall be made for a sinking fund to which annual payments shall be made, sufficient, with the income accruing therefrom, to retire the whole of said loan within thirty years from the date of the original issue. All sums required for payments to such sinking fund shall be included in the annual tax levy without further vote. The establishing of a sinking fund shall not be a condition precedent to the validity of any bonds or notes.

Sect. 6. Bonds or notes may be payable to bearer, or may be registered either as to principal or as to both principal and interest. The treasurer of the corporation, or such other agent as the governing board or the city council may appoint, shall record in a book kept for the purpose the amount, number, date and time of payment of all such bonds or notes. In the case of registered bonds or notes, the treasurer or said agent shall also record the name and address of each

9 registered owner, and shall state in said record whether said
10 bond or note is registered as to principal alone, or as to both
11 principal and interest. Bonds or notes in either of the
12 forms prescribed may be exchanged for bonds or notes in
13 either of the other prescribed forms, at face value, under
14 such rules and conditions as the governing board or the city
15 council, as the case may be, may from time to time deter-
16 mine; and all bonds or notes so exchanged shall be at once
17 cancelled and destroyed and proper record of that fact noted
18 in the record book provided for above.

Sect. 7. All bonds or notes executed as hereinbefore pro-
2 vided shall in favor of *bona fide* holders conclusively be pre-
3 sumed to have been duly and regularly authorized and issued
4 in accordance with the provisions herein contained, and no
5 holder thereof shall be obliged to see to the existence of the
6 purposes of the issue or to the application of the proceeds.

Sect. 8. Any limitations existing by virtue of any general
2 or special law of this State or in the charter of any munici-
3 pal corporation as to the amount of property which any
4 municipal corporation may hold are hereby repealed and
5 abolished.

Sect. 9. This act shall not affect bonds or notes payable
2 within one year from the date of issue, but such temporary
3 bonds or notes shall not be renewable except by the issue of
4 bonds or notes payable within thirty years from the date of
5 the original temporary issue and issued in accordance with
6 the provisions of this act.

Sect. 10. The word "may" in this act shall be construed
2 as directory and not mandatory. The provisions of chap-
3 ter seventy-one of the public laws of nineteen hundred and
4 seven shall not be deemed to prevent any county, city, town
5 or water district, or corporation organized under the laws of
6 this State from issuing bonds and making them payable in
7 the same manner as they might do if the said chapter were
8 not enacted. And no bonds heretofore issued, if valid in
9 other respects, shall be deemed invalid on account of any
10 failure to comply with the provisions of the said chapter.-

(Note: This act does not provide for counties or planta-
tions. Special provision can be added for them, if desired.)



STATE OF MAINE.

IN SENATE,

January 28, 1909.

Reported by Mr. LOONEY from the Committee on Judiciary
and ordered printed and recommitted.

F. G. FARRINGTON, *Secretary*.