

# MAINE STATE LEGISLATURE

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EIGHTY - SEVENTH LEGISLATURE

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Legislative Document

No. 186

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S. P. 206

In Senate, January 29, 1935.

Referred to Committee on Appropriations and Financial Affairs, sent down for concurrence and 500 copies ordered printed.

ROYDEN V. BROWN, Secretary.

Presented by Senator Jackson of Sagadahoc.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
THIRTY-FIVE

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AN ACT Relating to Cities and Towns Refunding Indebtedness.

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**Emergency preamble.** Whereas, many cities and towns find it necessary to borrow money for a short period in anticipation of tax levies; and

Whereas, the present time limit on loans is too short for successful financing; and

Whereas, the present financial situation makes it necessary to obtain the most favorable terms possible; and

Whereas, in the judgment of the legislature, these facts create an emergency within the meaning of section 16 of Article XXXI of the constitution of the state of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now therefore,

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

**R. S., c. 5, § 83, amended.** Section 83 of chapter 5 of the revised statutes is hereby amended to read as follows:

**'Sec. 83. Cities and towns may refund indebtedness; temporary loan; securities, when due and payable.** Cities and towns may issue and negotiate their notes, bonds, or script for refunding or paying in whole or in part, any indebtedness thereof, which has or may hereafter become due, and for

any purpose for which the city or town can raise money or incur debt, and may issue and negotiate their notes, to an amount which shall not exceed in the aggregate the total tax levy of the preceding municipal year, for temporary loans to be paid ~~during the year in which they were made,~~ **within 1 year from the time when the same is contracted,** out of the money raised ~~during such current year~~ by taxes, provided that the vote authorizing such notes states that they are to be paid out of money so raised. If a city or town votes to issue bonds, notes, or certificates of indebtedness in accordance with the provisions of law, the officers authorized to issue the same may, in the name of such city or town, make a temporary loan for a period of not more than one year in anticipation of the money to be derived from the sale of such bonds, notes, or certificates of indebtedness and may issue notes therefor; but the time within which such securities shall become due and payable shall not be extended by reason of the making of such temporary loan beyond the time fixed in the vote authorizing the issue of such bonds, notes, or certificates of indebtedness; and notes issued under the provisions of this section for a shorter period than one year may be refunded by the issue of other notes maturing within the required period; provided, however, that the period from the date of issue of the original loan and the date of maturity of the refunding loan shall be not more than one year; and provided, further, that no notes shall be refunded under the provisions of this section except under the authority of such vote as is required for the original borrowing.'

**Emergency clause.** In view of the emergency cited in the preamble hereof, this act shall take effect when approved.