

MAINE STATE LEGISLATURE

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NEW DRAFT

EIGHTY - SEVENTH LEGISLATURE

Legislative Document

No. 890

H. P. 1833

House of Representatives, March 30, 1935.

Reported by a majority from Committee on Judiciary and laid on table to be printed under joint rules.

HARVEY R. PEASE, Clerk.

NEW DRAFT OF H. P. 1260—L. D. 491

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
THIRTY-FIVE

AN ACT Relating to Cities and Towns Refunding Indebtedness.

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 scrip for any purpose for which the city or town can raise money or incur debt, and also for the purpose of 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~~ including money borrowed in anticipation of taxes whether overdue or not yet due. No note, bond or scrip duly authorized at a legal town meeting and issued for the purpose of refunding notes, bonds, or scrip or other purported indebtedness theretofore outstanding shall be invalid by reason of any invalidity in the original borrowing.

Provided, however, that nothing herein contained shall be construed to

validate the borrowings of a city or town beyond its constitutional debt limit.

Cities and towns 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 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 1 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 1 year may be refunded by the issue of other notes maturing within the required period from the date of issue of the original loan and the date of maturity of the refunding loan shall be not more than 1 year; and provided, further, that no notes shall be refunded under the provisions of this section except under the authority of such votes as is required for the original borrowing.'