

MAINE STATE LEGISLATURE

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E I G H T Y - E I G H T H L E G I S L A T U R E

Legislative Document

No. 207

S. P. 151

In Senate, Feb. 2, 1937.

Referred to Committee on Judiciary and 500 copies ordered printed. Sent down for concurrence.

ROYDEN V. BROWN, Secretary.

Presented by Senator Burns of Aroostook.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
THIRTY-SEVEN

AN ACT Relating to Indebtedness of Cities and Towns.

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. Indebtedness of cities and towns. Cities and towns may issue and negotiate their ~~notes~~, bonds or ~~scrip notes~~ 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 be come due, including ~~money borrowed loans~~ in anticipation of taxes whether overdue or not yet due. No ~~notes~~, bond or ~~scrip note~~ duly authorized ~~at a legal town meeting~~ **by appropriate proceedings** and issued for the purpose of refunding ~~notes, bonds, or scrip notes~~ or other purported indebtedness theretofore outstanding shall be invalid by reason of any invalidity in the ~~original borrowing~~ **indebtedness refunded**, provided, however, that nothing herein contained shall be construed to validate the ~~borrowings~~ **indebtedness** 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~~ **financial year**, for temporary loans **in anticipation of and to be paid out of the money raised by taxes** 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.~~ **Such notes shall be general obligations of the city or town, and shall be payable, and shall be paid, not later than 1 year from their date, and shall not be renewed or paid by the issue of new notes, except new notes issued under authority of such vote as is required for the original issue and payable not later than 1 year from the date of the original note. Such temporary loans may be made for as long as 1 year by the issue of notes as aforesaid notwithstanding that such period may extend beyond the financial year in which the loan was made and the constitutional debt limit prescribed by Article XXXIV of the Constitution shall not apply to any such loan until the expiration of 1 year after it was made.**

If a city or town votes to issue bonds ~~or 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 ~~or notes or certificates of indebtedness~~ and may issue notes therefor; but the time within which such ~~securities bonds or notes~~ 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 ~~or notes or certificates of indebtedness~~; and notes issued under the provisions of this ~~section~~ **paragraph** for a shorter period than 1 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 1 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.~~