

MAINE STATE LEGISLATURE

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SPECIAL SESSION

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

Legislative Document

No. 1237

S. P. 728

House of Representatives, May 29, 1940.

Read and on motion of Mr. Stilphen of Dresden, tabled pending consideration. 500 copies ordered printed.

HARVEY R. PEASE, Clerk.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FORTY

May 24, 1940

To the President and Members of the Senate:

To the Speaker and Members of the House:

I herewith transmit a memorandum delivered to me Friday afternoon, May twenty-fourth, from the State Budget Officer, in reference to our Federal Aid Highway program.

If, in the judgment of the Legislature, it seems expedient to take maximum advantage of Federal Aid provisions, it would appear advisable to give consideration at this session to the information contained in the enclosed memorandum.

Respectfully submitted,

LEWIS O. BARROWS,

Governor.

S. P. 729

May 24, 1940.

Memo to: His Excellency

Governor Lewis O. Barrows

The State Highway Commission has informed me that there are available Federal highway funds amounting to approximately \$1,326,000.00 already allotted to Maine for Federal highway construction. In order to take advantage of this allotment it will be necessary to provide approximately \$1,700,000.00 of State money. The difference between these two is due to the fact that the Federal Government does not share in the cost of engineering land damages and like costs. On these the State pays the entire amount.

Under authorization of Chapter 96 of the Resolves of 1935, a bond issue of \$6,000,000.00 for highways was authorized of which to date \$4,500,000.00 has been issued, leaving \$1,500,000.00 available for issue. The entire issue, because of statutory and possible constitutional limitation is fixed at \$1,000,000.00 for each fiscal year. This annual \$1,000,000.00 limit makes it impossible for the State to take full advantage of Federal highway aid for the next two fiscal years.

From 1925 to date all authorizations for bond issues have been made with a non-reissuance constitutional limitation. Authorizations prior to 1925 carried no such limitations.

In 1929 the Legislature authorized reissuance of \$1,775,000.00 of bonds from these early issues. On September 3, 1929, \$900,000.00 in bonds were so reissued and, on November 1, 1929, \$556,000.00 more were reissued. This \$1,456,000.00 represented all retirements available under the 1929 authorization to November 1, 1929.

From November 1929 to date the maturity and retirement of bonds from unlimited issues has been \$2,746,500.00.

The following tabulation shows the dates and amounts issued, the maturities and retirements:

BOND ISSUES PRIOR TO 1925 and MATURITIES TO MAY 1, 1940

Date Issued	Amount	Matured to May 1, 1940
September 1, 1913	\$300,000.00	\$195,000.00
July 1, 1914	500,000.00	327,500.00
April 1, 1915	500,000.00	500,000.00
March 1, 1916	500,000.00	500,000.00
May 1, 1917	200,000.00	80,000.00
April 1, 1920	2,500,000.00	1,100,000.00
August 1, 1921	1,750,000.00	1,500,000.00
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	\$6,250,000.00	\$4,202,500.00
Reissued Sept. 3, 1929	\$900,000.00	
Nov. 1, 1929	556,000.00	1,456,000.00
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Available for reissue by Legislative Authorization		\$2,746,500.00

With proper legislative authorization it would be possible to reissue bonds from the unrestricted issues in sufficient amounts to provide the \$400,000.00 needed for Federal Aid matchings for the fiscal year beginning July 1, 1940. Furthermore, such amounts as are necessary could be authorized to supplement the \$500,000.00 remaining unissued from the present authorization, thus providing for the matching of the Federal Aid for the fiscal year beginning July 1, 1941.

Respectfully submitted,

W. H. DEERING,
State Budget Officer.