

# MAINE STATE LEGISLATURE

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SPECIAL SESSION  
NEW DRAFT OF S. P. 730—L. D. 1230

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

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**Legislative Document**

**No. 1243**

S. P. 749

In Senate, June 7, 1940.

Reported by Senator Marden from Committee on Military Affairs and laid on table to be printed under joint rules.

ROYDEN V. BROWN, Secretary.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
FORTY

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**AN ACT Authorizing the Issue of Bonds and Notes to Defray Military Expenses.**

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**Emergency preamble.** Whereas, the present crisis in world affairs has shown the immediate need of adequate military defense; and

Whereas, the present condition of the national guard within the state is far from adequate, and must be improved immediately to be of real value for military purposes; 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 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:

**Sec. 1. Bond issue for military expenses.** The governor with the advice and consent of his council may draw his warrant upon any money in the treasury available and not otherwise appropriated for the purpose of suppressing insurrection, repelling invasion, or for purposes of war, especially for the building and improvement of armories, for the building and improvement of airports for military purposes, for expenses incurred on behalf of the state or in cooperation with the federal government in

improving military efficiency, and procuring military equipment, and obtaining grounds and buildings for military purposes, up to an amount not exceeding \$2,000,000, and the treasurer of state may, under the direction of the governor and council, borrow upon the credit of the state such sums, not exceeding \$2,000,000 as may be necessary to carry out the provisions of this act.

**Sec. 2. Issue of "war bonds."** The treasurer of state is hereby authorized, under the direction of the governor and council, to issue from time to time serial coupon bonds in the name and behalf of the state to an amount not exceeding \$2,000,000, at any one time outstanding, payable serially at the state treasury within 20 years from date of issue, at a rate of interest not exceeding 3% per year, interest payable semi-annually, and signed by the treasurer of state, countersigned by the governor and attested by the state auditor, with the seal of the state affixed. After 5 years after issue, these bonds shall be redeemable by the state on any interest date in such amounts as may be determined by the governor and council at 101 and accrued interest. The coupons attached to said bonds shall bear the facsimile of the signature of the treasurer of state instead of his original signature; and such bonds and coupons shall be of such denominations and form and upon such terms and conditions not inconsistent herewith as the governor and council shall direct. Said bonds, together with the proceeds thereof, shall be designated as State of Maine war bonds for the purposes set forth in this act, and shall be deemed a pledge of the faith and credit of the state.

**Sec. 3. Records of bonds issued to be kept by state auditor and treasurer.** The state auditor shall keep an account of such bonds, showing the number and amount of each, the date of countersigning, the date when payable and the date of delivery thereof to the treasurer of state, who shall keep an account of each bond, showing the number thereof, the name of the person to whom sold, the amount received for the same, the date of sale and the date when payable.

**Sec. 4. Sale how negotiated; \$2,000,000 appropriated.** The treasurer of state may negotiate the sale of such bonds by direction of the governor and council, but no such bond shall be loaned, pledged or hypothecated in behalf of the state. The proceeds of the sales of such bonds, which shall be held by the treasurer of state and paid by him upon warrants drawn by the governor and council, are hereby appropriated to be used solely for the purposes set forth in this act. The proceeds of said bonds may be expended during the fiscal year ending June 30, 1941, and the fiscal year ending June

30, 1942, but any balance unexpended shall not lapse but shall be carried forward to the same account to be used only for the purposes set forth herein.

**Sec. 5. Proceeds of bonds not available for other purposes; must be kept separate from other funds; accruing interest on deposits applied to pay interest on bonds.** The proceeds of all bonds issued under the authority of this act shall at all times be kept distinct from other moneys of the state, and shall not be drawn upon or be available for any other purpose. So much of the same as from time to time may not be needed for current expenditures shall be placed at interest, and the income derived therefrom shall be devoted to the payment of accruing interest on said bonds, and the treasurer of state shall include in his annual report a statement of all moneys so placed at interest, and of all interest collected and disbursed as herein provided.

**Sec. 6. Interest, how met.** Interest due or accruing upon any bonds issued under the provisions of this act shall be paid by the treasurer of state from any money in the state treasury not otherwise appropriated, upon warrants drawn by the governor and council therefor.

**Sec. 7. Disbursement of war bond proceeds.** The governor and his council, together with the armory commission, shall constitute a committee which is hereby charged with the duty of supervising the carrying out of the provisions of this act and directing the expenditures of the proceeds derived from the war bond issue.

The committee is hereby directed to begin at once the carrying out of the provisions of this act with special attention to an adequate armory program.

**Sec. 8. Bid requirements modified.** Notwithstanding any provision of law to the contrary, or any rule or regulation of the department of finances, it shall not be necessary to advertise for bids for construction or supplies required under this act for a period of more than 10 days.

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