

# MAINE STATE LEGISLATURE

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**Legislative Document**

**No. 192**

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S. P. 85

In Senate, January 28, 1953

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

CHESTER T. WINSLOW, Secretary

Presented by Senator Haskell of Penobscot.

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**STATE OF MAINE**

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
FIFTY-THREE

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**AN ACT Authorizing Towns to Issue Revenue Bonds for  
Public Improvement.**

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

**R. S., c. 80, § § 126-A - 126-I, additinoal.** Chapter 80 of the revised statutes is hereby amended by adding thereto 9 new sections, to be numbered 126-A to 126-I, inclusive, to read as follows:

**‘Revenue Bonds**

**Sec. 126-A. Power to issue revenue bonds.** Any city or town shall have the power to issue and sell revenue bonds for the purchase, acquisition, construction, improvement, extension or repair of any revenue producing public improvement.

**Sec. 126-B. Definitions.** As used in sections 126-A to 126-I, inclusive, the term “revenue producing public improvement” shall mean any water supply or distribution system, any sewerage system or sewage disposal facility, or any facility for the parking of automobiles, from which revenues are received by the city or town in connection with the operation or use thereof.

The term “revenue bonds” shall mean bonds secured solely by the pledge of the whole or part of the revenue from any rent, toll or charge for the use or services of such revenue producing public improvement.

**Sec. 126-C. Effect of bonds.** Revenue bonds issued under the authority of sections 126-A to 126-I, inclusive, shall not pledge the credit nor be a lien against any real property of the city or town nor be in charge against the general revenues of the city or town, but shall be a lien upon and be payable solely from the rentals, tolls or charges imposed for the use or services of such revenue producing public improvement.

**Sec. 126-D. Use of money.** All money received from the issue and sale of revenue bonds shall be used solely for the purchase, acquisition, construction, improvement, extension or repair of a revenue producing public improvement as defined in section 126-B.

**Sec. 126-E. Bonds negotiable and tax free.** Revenue bonds issued under the authority of sections 126-A to 126-I, inclusive, shall be negotiable and tax free in the same manner and to the same extent as any other bonds issued by any city or town in accordance with the provisions of the statutes of the state of Maine.

**Sec. 126-F. Procedure.** Any city or town providing for the issue and sale of revenue bonds shall follow the same procedure as required by law for the issue and sale of other bonds except that the order, ordinance or resolve authorizing the issue and sale of revenue bonds shall state:

- I. The purpose for which the revenue bonds are to be issued;
- II. The maximum amount of bonds to be issued;
- III. The rate or rates of interest or the maximum rate or rates of interest the bonds shall bear;
- IV. The maximum period within which the bonds shall mature;
- V. The amount of annual rentals, tolls or charges which are pledged for the payment of interest and the retirement of principal on the revenue bonds to be issued, and shall pledge such annual revenues for the payment of the principal and interest of such bonds;
- VI. That the bonds are not general obligations of the city or town and that no property or revenues of the city or town shall be pledged to the payment thereof or the interest thereon, except the rents, tolls or charges for the use or services of the revenue producing public improvement to be purchased, acquired, constructed, improved, extended or repaired from the proceeds of the revenue bonds to be issued, and that no tax shall in any event be levied for the payment of the interest or principal of such bonds;

VII. That the bonds shall constitute a lien against the rents, tolls or charges for the use or services of the revenue producing public improvement which are specifically pledged under the order, ordinance or resolve authorizing the issuance of the bonds;

VIII. The form and wording of the bonds to be issued;

IX. The conditions under which additional revenue bonds may be issued in connection with the same public improvement.

Sec. 126-G. Redemption. The order, ordinance or resolve may provide that any or all of the bonds to be issued may be called for redemption prior to maturity under conditions to be fixed in the terms of the order, ordinance or resolve.

Sec. 126-H. New revenue bonds. Any city or town may issue new revenue bonds to provide funds for the payment of any outstanding bonds which were issued for the purposes for which the issuance of revenue bonds is authorized by sections 126-A to 126-I, inclusive.

Sec. 126-I. Default. If there be any default in the payment of the principal of or the interest upon any of said revenue bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the public improvement on behalf of the city or town, under the direction of said court and by and with the approval of said court, to fix and charge rates and collect revenues sufficient to provide for the payment of any bonds or other obligations outstanding against said public improvement, and for the payment of operating expenses and to apply the revenues of said public improvement in conformity with the provisions of sections 126-A to 126-I, inclusive, and the order, ordinance or resolve providing for the issuance of said such bonds.'