

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

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

Legislative Document

No. 221

S. P. 103

In Senate, January 28, 1959.

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

CHESTER T. WINSLOW, Secretary

Presented by Senator Weeks of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FIFTY-NINE

AN ACT Relating to Municipal Borrowing.

Emergency preamble. Whereas, acts of Legislature do not become effective until 90 days after the Legislature adjourns; and

Whereas, municipalities will need the borrowing powers contained in this legislation immediately following their annual town meetings in March; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning 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. R. S., c. 90-A, § 13, amended. Section 13 of chapter 90-A of the Revised Statutes, as enacted by section 1 of chapter 405 of the public laws of 1957, is amended to read as follows:

'Sec. 13. Borrowing in anticipation of taxes. A municipality by vote of its municipal officers may borrow money and issue notes in anticipation of taxes.

I. The amount borrowed shall not exceed the total tax levy of the preceding taxable municipal year.

II. The notes shall be paid mature within the taxable municipal year in which they are issued from made to be paid out of money raised by taxation during that year.

III. The municipal year shall be the calendar year or such other fiscal year as the municipal officers shall determine.'

Sec. 2. R. S., c. 90-A, § 14, repealed and replaced. Section 14 of chapter 90-A of the Revised Statutes, as enacted by section 1 of chapter 405 of the public laws of 1957, is repealed and the following enacted in place thereof:

‘Sec. 14. General obligation securities. A municipality may issue general obligation securities for funding or refunding all or part of its debt, and for any purpose for which it may raise money.

I. The municipal officers authorized to issue securities may borrow money in anticipation of their sale by issuing temporary notes and renewal notes, the total face amount of which does not exceed at any one time outstanding, the authorized amount of the securities, but the period of such anticipatory borrowing shall not exceed one year and the time within which such securities are to become due shall not be extended by such anticipatory borrowing beyond the time fixed in the vote authorizing their issue or, if no term is there specified, beyond the term permitted by law.

II. A security authorized and issued for the purpose of funding or refunding a debt is not invalid because of any invalidity in the original borrowing.

III. Securities may be in serial form payable in annual installments, the total amount of which shall extinguish the entire issue at maturity, the first such installment shall be made not later than 5 years, and the last such installment shall be made not later than 30 years after the date of issue of such securities.

IV. In the absence of a contrary provision in the vote authorizing the issuance of securities, discretion to fix the date, maturities, denomination, interest rate, place of payment, form and other details of the securities and of providing for the sale thereof shall be deemed to have been delegated to the municipal officers.

V. Securities may be issued for a term not to exceed 10 years.

VI. Securities may be issued which are subject to call for redemption with or without premium at the election of the municipality before the date fixed for final payment of such securities provided specific authority to issue callable securities is contained in the vote authorizing their issue and the securities contain provisions setting forth the method by which the option to call may be exercised, the procedure for payment in the event of call, and the legal effect of making the call.

VII. Securities issued by a municipality shall, in the absence of a contrary provision in a special act or in the vote authorizing such securities, be signed by the treasurer and countersigned by a majority at least of the municipal officers.

VIII. Securities issued by a municipality and coupons, if any, attached thereto shall be executed in the name of the municipality by the manual or facsimile signatures of such official or officials as may be authorized to execute such securities but at least one signature on each such bond or note shall be a manual signature, and such securities and coupons, if properly executed by the officers of a municipality in office on the date such securities are actually

executed, shall be valid and binding according to their terms notwithstanding that before the delivery of such securities and payment therefor any or all such officers shall have for any reason ceased to hold office.'

Sec. 3. R. S., c. 101, § 10-B, additional. Chapter 101 of the Revised Statutes is amended by adding a new section 10-B, as follows:

'Sec. 10-B. Indebtedness; temporary loans. Plantations may borrow money in anticipation of taxes and issue general obligation securities in the manner provided for in chapter 90-A.'

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