

MAINE STATE LEGISLATURE

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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. 1081

H. P. 763

House of Representatives, March 4, 1959

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

HARVEY R. PEASE, Clerk

Presented by Mr. Pert of Bath.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FIFTY-NINE

AN ACT Relating to Power to Incur Indebtedness by City of Bath.

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

P. & S. L., 1947, c. 82, chapter VII, § 702, repealed and replaced. Section 702 of chapter VII of chapter 82 of the private and special laws of 1947, as repealed and replaced by section 27 of chapter 3 of the private and special laws of 1949, is repealed and the following enacted in place thereof:

‘Sec. 702. Power to incur indebtedness by issuing bonds, notes and temporary financing. The city may incur indebtedness by issuing its negotiable bonds and notes in anticipation of bonds pursuant to this charter to finance any capital project which it may lawfully construct or acquire, and for any other purpose for which a city is authorized by the Revised Statutes of 1954, as amended, and as they may be amended, to raise money, provided that no bonds shall be issued to pay for current expenses. Whenever a capital expenditure shall not be in excess of \$50,000 and the city council shall determine that the amount of such expenditure can be paid out of the annual expenditures for the 5 years then next ensuing, without materially affecting the credit of the city, the city council may expend such funds for such capital project and amortize the payment over a period not to exceed 5 years, and the city shall have the right to borrow the funds necessary to pay for such capital project and issue its temporary notes for such indebtedness, bearing interest in such an amount as it may determine is in the best interests of the City of Bath, provided that such note or notes shall be fully paid within 5 years from the date of incurring such indebtedness. The city, in such event, subject to the same terms and conditions as set forth above, shall have the right to pledge its credit for the payment of any capital

indebtedness not in excess of \$50,000, to be repaid out of future revenues, provided that the city shall not pledge its credit beyond a period of 5 years from the date of incurring such indebtedness. No down payment as provided in section 627 shall be required in the event any capital project is financed by the issuance of temporary notes to mature in less than 5 years, or when the credit of the city is pledged for such period and when the amount of such capital expenditure shall not exceed \$50,000. No indebtedness for any capital project may be incurred by note or credit under the provisions of this section unless the total balances of all such prior indebtedness are less than \$100,000 and the expense of such new capital project will not create a total of such indebtedness in excess of \$100,000.'