

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)

ACTS AND RESOLVES

AS PASSED BY THE

One Hundred and Fifth Legislature

OF THE

STATE OF MAINE

Published by the Director of Legislative Research in accordance with
the Revised Statutes of 1964, Title 3 Section 164, Subsection 6.

THE KNOWLTON AND MCLEARY COMPANY
FARMINGTON, MAINE
1971

PUBLIC LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
One Hundred and Fourth Legislature

AT THE
SPECIAL SESSION

January 6, 1970
to
February 7, 1970

Chapter 529

AN ACT to Authorize the Insurance of the Payment of Revenue Bonds of the Maine School Building Authority.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, there is an immediate and pressing need for the provision and construction of safe and adequate public school buildings in many cities, towns and plantations in the State to replace existing unsafe and overcrowded facilities; and

Whereas, the Maine School Building Authority through the issuance and sale of its revenue bonds finances a substantial part of the new school building needs in the State; and

Whereas, the municipal bond market is experiencing record high interest rates with concomitant adverse effects on the marketability of many municipal obligations; and

Whereas, a pledge of the faith and credit of the State to insure the payment of the revenue bonds of said authority would greatly enhance the marketability of said bonds and reduce the interest cost thereon; 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 R. S., T. 20, § 3503, repealed and replaced. Section 3503 of Title 20 of the Revised Statutes is repealed and the following enacted in place thereof:

§ 3503. State credit not pledged

Except as hereinafter provided in this chapter, revenue bonds issued under sections 3501 to 3517 shall not be deemed to constitute a debt of the State of Maine nor a pledge of the credit of the State, but such bonds shall be payable solely from the funds provided therefor, and a statement to that effect shall be recited on the face of the bonds.

Sec. 2. R. S., T. 20, § 3506, sub-§ 6, repealed and replaced. Subsection 6 of section 3506 of Title 20 of the Revised Statutes is repealed and the following enacted in place thereof:

6. Revenue bonds. To issue revenue bonds of the authority for any of its corporate purposes payable, except as hereinafter provided in this chapter, solely from the rentals and revenues pledged for their payment, and to refund its bonds, all as provided in sections 3501 to 3517; and to secure any issue of such bonds by a trust agreement by and between the authority and a cor-

porate trustee, which may be any trust company or bank having the powers of a trust company within or without the State;

Sec. 3. R. S., T. 20, § 3508, amended. The 2nd sentence of section 3508 of Title 20 of the Revised Statutes is repealed and the following enacted in place thereof:

Except as hereinafter provided in this chapter, the principal of and the interest on such bonds shall be payable solely from the funds provided for such payment.

Sec. 4. R. S., T. 20, § 3508-A, additional. Title 20 of the Revised Statutes is amended by adding a new section 3508-A, to read as follows:

§ 3508-A. Payment issued by State

The authority, acting on behalf of the State, is authorized to insure the payment of its revenue bonds, and to this end the faith and credit of the State is pledged, consistent with the terms and limitations of the State Constitution, Article IX, section 14-C. The authority shall, in the resolution authorizing the issuance of such revenue bonds, provide that the payment of such revenue bonds shall be insured by the State. Upon the adoption of such resolution the payment of the revenue bonds authorized thereunder shall be deemed to have been insured by the State and the faith and credit of the State to have been pledged to such payment. Such insurance shall take effect without obtaining the consent of any department, division, commission, board, bureau or agency of the State and without any other proceedings or the happening of any conditions or things other than those proceedings, conditions or things which are specifically required by this section.

If moneys, at any time, shall be required to pay the revenue bonds so insured, the authority shall in writing request the Governor and Council to provide moneys in such amounts as shall be necessary for such purpose. The Governor and Council shall thereupon transfer to the authority from the State Contingent Account or from the proceeds of bonds to be issued as provided in this section sufficient moneys for such purpose. If bonds are to be issued, the Governor and Council shall order the Treasurer of State to issue bonds in the amount requested, but not exceeding in the aggregate at any one time outstanding the amount set forth in the Constitution, Article IX, section 14-C, as it may be amended from time to time, to mature at such time or times not exceeding 20 years from the date thereof, to bear interest at such rate or rates and to be issued on such terms and conditions as the Governor and Council shall determine. The bonds so issued shall constitute a pledge of the faith and credit of the State.

Sec. 5. R. S., T. 20, § 3511, amended. Section 3511 of Title 20 of the Revised Statutes is amended by adding a new paragraph at the end, to read as follows:

The provisions of section 3508-A concerning insurance of payment of revenue bonds of the authority shall be equally applicable to revenue refunding bonds issued pursuant to the provisions of this section.

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