

128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document	No. 382
S.P. 123	In Senate, February 2, 2017

An Act To Amend the Laws Governing the Issuance of Bonds

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

Heath & Print

HEATHER J.R. PRIEST Secretary of the Senate

Presented by Senator KATZ of Kennebec. Cosponsored by Representative GROHMAN of Biddeford and Senators: DIAMOND of Cumberland, DION of Cumberland, HILL of York, LANGLEY of Hancock, SAVIELLO of Franklin, Representative: GOLDEN of Lewiston.

1	Be it enacted by the People of the State of Maine as follows:
2	Sec. 1. 2 MRSA §11 is enacted to read:
3	<u>§11. General obligation bonds</u>
4 5	The Governor shall authorize the issuance of a general obligation bond that has been ratified by the legal voters of the State unless:
6 7	1. Debt service greater. The Treasurer of State determines that the debt service on the bond would be greater than the amount budgeted;
8 9	2. Adverse impact on credit rating. The Treasurer of State determines that the issuance of the bonds will adversely affect the credit rating of the State;
10 11 12	3. Advantageous interest rate. The Treasurer of State determines that a delay in the issuance of the bonds will likely result in a more financially advantageous interest rate:
13 14 15	<u>4. Project not proceeding.</u> The Governor receives notification that a project for which the bond was authorized is not going forward and the funding to be provided by the bond is not required; or
16 17 18	5. Alternative funding available. The Governor receives notification that alternative funding sources are available to implement, within a comparable time frame, a project and the purposes for which the bond was authorized and ratified.
19 20 21 22 23 24	Upon the occurrence of any of the circumstances set out in subsections 1 to 5, the Governor shall immediately notify the President of the Senate and the Speaker of the House of Representatives and the majority and minority leaders of the Senate and the House of Representatives of the specific bond delayed or otherwise not issued, the extent of the delay of the issuance of the bond and the effect of the delay or nonissuance on the project and purposes of the bond.
25 26	Sec. 2. 5 MRSA §145, as amended by PL 1991, c. 780, Pt. Y, §15, is further amended to read:
27	§145. Registered bonds
28 29 30 31 32 33 34	The Treasurer of State may issue registered bonds, transferable by assignment, in pieces of not less than \$1,000, and of any multiple of 1,000, in exchange for, and in place of, any coupon bonds issued under the laws of this State, bearing the same rate of interest and maturing at the same time as the bonds that the Treasurer of State may receive therefor in exchange. The place of payment prescribed therein must be the State Treasury. Said bonds must bear the facsimile of the signature of the Governor and must be signed by the Treasurer of State or the Treasurer of State's deputy and attested by the

by the Treasurer of State or the Treasurer of State's deputy and attested by the Commissioner of Administrative and Financial Services, or such agent as the commissioner may designate. Sec. 3. 5 MRSA §145-B, sub-§2, as amended by PL 1991, c. 780, Pt. Y, §17, is
 further amended to read:

2. Signatures. Registered bonds must bear the facsimile signatures of the Governor
 and signature of the Treasurer of State, or the Treasurer of State's deputy, and must be
 attested by the facsimile signature of the Commissioner of Administrative and Financial
 Services or such agents as the commissioner may designate. Whenever signatures on
 registered bonds of other state officials are required, their facsimile signatures may be
 used.

9 Sec. 4. Application. This Act applies to all general obligation bonds ratified by 10 the legal voters of this State but not yet issued as of the effective date of this Act and all 11 general obligation bonds ratified by the legal voters of this State on or after the effective 12 date of this Act.

- **SUMMARY** 13 14 This bill makes the following changes to the laws governing the issuance of bonds: 1. It requires the Governor to issue a general obligation bond that has been ratified 15 by the legal voters of the State unless one of 5 specific conditions exists, and it requires 16 the Governor to provide certain information upon delaying or forgoing issuance of a 17 18 bond: 19 2. It eliminates the requirement that registered bonds bear the facsimile signature of 20 the Governor; and
- 3. It provides that the bill applies to all general obligation bonds ratified by the voters
 but as yet unissued as well as all future general obligation bonds ratified by the voters.