

131st MAINE LEGISLATURE

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S.P. 443

In Senate, March 9, 2023

An Act to Authorize a General Fund Bond Issue to Fund New Affordable Housing for Low-income Households

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

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DAREK M. GRANT Secretary of the Senate

Presented by Senator DAUGHTRY of Cumberland.

1 **Preamble.** Two thirds of both Houses of the Legislature deeming it necessary in 2 accordance with the Constitution of Maine, Article IX, Section 14 to authorize the issuance 3 of bonds on behalf of the State of Maine to provide funds as described in this Act,

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

5 Sec. 1. Authorization of bonds. The Treasurer of State is authorized, under the 6 direction of the Governor, to issue bonds in the name and on behalf of the State in an 7 amount not exceeding \$100,000,000 for the purposes described in section 5 of this Act. 8 The bonds are a pledge of the full faith and credit of the State. The bonds may not run for 9 a period longer than 10 years from the date of the original issue of the bonds.

10 Sec. 2. Records of bonds issued; Treasurer of State. The Treasurer of State 11 shall ensure that an account of each bond is kept showing the number of the bond, the name 12 of the successful bidder to whom sold, the amount received for the bond, the date of sale 13 and the date when payable.

14 Sec. 3. Sale; how negotiated; proceeds appropriated. The Treasurer of State may negotiate the sale of the bonds by direction of the Governor, but no bond may be 15 loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the 16 bonds, which must be held by the Treasurer of State and paid by the Treasurer of State 17 upon warrants drawn by the State Controller, are appropriated solely for the purposes set 18 19 forth in this Act. Any unencumbered balances remaining at the completion of the project in this Act lapse to the Office of the Treasurer of State to be used for the retirement of 20 general obligation bonds. 21

Sec. 4. Interest and debt retirement. The Treasurer of State shall pay interest
 due or accruing on any bonds issued under this Act and all sums coming due for payment
 of bonds at maturity.

Sec. 5. Disbursement of bond proceeds from General Fund bond issue. The proceeds of the sale of the bonds authorized under this Act must be expended as designated in the following schedule under the direction and supervision of the agencies and entities set forth in this section.

29 MAINE STATE HOUSING AUTHORITY

Provides funds to be used to build new affordable housing for low-income households
 through the construction of new structures and adaptive reuse of existing structures.

32 Total

\$100,000,000

Sec. 6. Contingent upon ratification of bond issue. Sections 1 to 5 do not
 become effective unless the people of the State ratify the issuance of the bonds as set forth
 in this Act.

36 Sec. 7. Appropriation balances at year-end. At the end of each fiscal year, all 37 unencumbered appropriation balances representing state money carry forward. Bond 38 proceeds that have not been expended within 10 years after the date of the sale of the bonds 39 lapse to the Office of the Treasurer of State to be used for the retirement of general 40 obligation bonds. 1 Sec. 8. Bonds authorized but not issued. Any bonds authorized but not issued 2 within 5 years of ratification of this Act are deauthorized and may not be issued, except 3 that the Legislature may, within 2 years after the expiration of that 5-year period, extend 4 the period for issuing any remaining unissued bonds for an additional amount of time not 5 to exceed 5 years.

6 Sec. 9. Referendum for ratification; submission at election; form of 7 question; effective date. This Act must be submitted to the legal voters of the State at 8 a statewide election held in the month of November following passage of this Act. The 9 municipal officers of this State shall notify the inhabitants of their respective cities, towns 10 and plantations to meet, in the manner prescribed by law for holding a statewide election, 11 to vote on the acceptance or rejection of this Act by voting on the following question:

"Do you favor a \$100,000,000 bond issue to build new affordable housing
for low-income households through the construction of new structures and
adaptive reuse of existing structures?"

The legal voters of each city, town and plantation shall vote by ballot on this question 15 and designate their choice by a cross or check mark placed within a corresponding square 16 below the word "Yes" or "No." The ballots must be received, sorted, counted and declared 17 in open ward, town and plantation meetings and returns made to the Secretary of State in 18 19 the same manner as votes for members of the Legislature. The Governor shall review the returns. If a majority of the legal votes are cast in favor of this Act, the Governor shall 20 proclaim the result without delay and this Act becomes effective 30 days after the date of 21 22 the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Act necessary to carry out the purposes of this referendum.

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SUMMARY

The funds provided by this bond issue, in the amount of \$100,000,000, will be used to build new affordable housing for low-income households through the construction of new structures and adaptive reuse of existing structures.