

MAINE STATE LEGISLATURE

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ONE HUNDRED AND TENTH LEGISLATURE

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Reported by Representative Kiesman from the Committee on Energy and Natural Resources. Printed under Joint Rules No. 2.

EDWIN H. PERT, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Authorize a General Fund Bond Issue in the Amount of \$2,500,000 to Assist Municipalities with Resource Recovery of Solid Waste.

Preamble. Whereas, the Legislature deems it necessary to alleviate the threat to ground and surface waters to prevent environmental damage, to conserve valuable land and other resources and to reduce the hazard to the health, safety or welfare of the State caused by prevailing solid waste management practices.

Whereas 2/3 of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14, to authorize the issuance of bonds on behalf of the State to provide funds for the evaluation and implementation of municipal solid waste resource recovery systems or components thereof, and any system, program or facility for resource conservation.

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

Sec. 1. 38 MRSA § 1303, sub-§§ 3-A and 10-A are enacted to read:

3-A. Final implementation of resource conservation or resource recovery. "Final implementation of resource conservation or resource recovery" means negotiating and obtaining the contracts, agreements, financing, permits and administrative framework necessary to construct or procure a resource conservation or resource recovery facility. The Board of Environmental Protection is authorized to pay an amount not in excess of 50% of the total eligible

expenses incurred by a municipality or quasi-municipal entity for the final implementation of solid waste resource conservation or resource recovery or programs determined to be feasible by the Board of Environmental Protection. Grants under this subsection can be used to cover development costs or other reasonable one-time eligible costs. In addition, grants under this subsection can be used to assist municipal and quasi-municipal recycling programs with capital and one-time equipment costs.

A. The board after public hearing shall adopt criteria for the purpose of establishing eligible costs.

B. The board may adopt, amend and repeal reasonable rules necessary for the proper administration of the grant program authorized by this subsection and subsection 10-A.

C. In the event that there is a combination of federal and state grants that exceeds the total costs of the projects eligible for state assistance under this subsection or subsection 10-A the Board of Environmental Protection may reduce the state's share by an amount equivalent to the amount in excess of the total costs of the project.

10-A. Solid waste resource recovery or resource conservation feasibility and design evaluation. "Solid waste resource recovery or resource conservation feasibility and design evaluation" means the detailed technical, economic, organizational, transportation, market and design analysis necessary for the implementation of successful solid waste resource conservation or resource recovery.

The Board of Environmental Protection is authorized to pay an amount not in excess of 50% of the total eligible expenses incurred by a municipality or quasi-municipal entity for feasibility and design evaluation.

Sec. 2. Authorization of bond issue to assist municipalities with solid waste management resource recovery or resource conservation systems.

1. Issue of bonds to provide for the evaluation and implementation of municipal or quasi-municipal solid waste resource recovery or resource conservation. The Treasurer of State is authorized, under the direction of the Governor, to issue from time to time bonds in the name and behalf of the State to an amount not exceeding \$2,500,000 for the purpose of raising funds to provide for the evaluation and implementation of solid waste for resource recovery systems or components thereof and any system, program or facility for resource conservation. These bonds shall be general obligations of the State and the full faith and credit of the State shall be pledged to the payment of interest and redemption of the bonds.

The bonds shall be dated, shall mature at such time or times not exceeding 20 years from their date and may be made redeemable before maturity, at the option of the Treasurer of State, at such price or prices and under such terms and conditions as may be approved by the Governor prior to the issuance of bonds.

The Treasurer of State, with the approval of the Governor, shall determine the form of the bonds, including any interest coupons to be attached thereto and shall fix the denomination or denominations of the bonds and the place or places of payment or principal and interest, which may include any bank or trust company within or without the State.

The bonds shall be signed by the Treasurer of State and any interest coupons attached thereto shall be executed with facsimile signature of the Treasurer of State. In case any officer whose signature appears on any bonds or coupons ceases to be the officer before the delivery of the bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until the delivery. The bonds may be issued in coupon or registered form, or both, and may be interchangeable as the Treasurer of State may determine.

2. Records of bonds issued to be kept by State Auditor and Treasurer of State. The State Auditor shall keep an account of the bonds, showing the number and amount of each, the date of countersigning, the date when payable and the date of delivery thereof to the Treasurer of State, who shall keep an account of each bond showing the number thereof, the name of the person to whom sold, the amount received for the same, the date of sale and the date when payable.

3. Sale, how negotiated, proceeds appropriated. The Treasurer of State may negotiate the sale of the bonds by direction of the Board of Environmental Protection with the approval of the Governor. The proceeds of the sales of the bonds, which shall be held by the Treasurer of State and paid by him upon warrants drawn by the State Controller at the order of the Board of Environmental Protection or its authorized representative, are hereby appropriated to be used solely for the purposes set forth in this Act. Any balance unexpended shall not lapse, but shall be carried forward to the same account to be used only for the purpose set forth in this Act.

4. Proceeds of bonds not available for other purposes; must be separate from other funds. The proceeds of all bonds issued under the authority of this Act, and the funds made available for interest and debt retirement thereunder shall at all times be kept distinct from all other moneys of the State and shall not be drawn upon or be available for any other purpose.

5. Interest and debt retirement. Interest due or accruing upon any bonds issued under this Act and all sums coming due for payment of bonds at maturity shall be paid by the Treasurer of State.

6. Disbursement of bond proceeds. The proceeds of these bonds shall be expended under the direction and supervision of the Board of Environmental Protection.

7. Contingent upon ratification of bond issue. Subsections 1 to 6 and section 1 shall not become effective unless and until the electors of the State have ratified the issuance of bonds as set forth in this Act.

8. Statutory referendum procedure; submission at statewide election; effective date. This Act shall be submitted to the legal voters of the State of Maine at a statewide election to be held on the Tuesday following the first Monday of November following passage of this Act. The city aldermen, town selectmen and plantation assessors of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Act by voting on the following question:

“Shall a bond issue be ratified in the amount of \$2,500,000 to assist municipalities with solid waste for resource conservation and recovery systems?”

The legal voters of each city, town and plantation shall vote by ballot on this question, and shall designate their choice by a cross or check mark placed within a corresponding square below the word “Yes” or “No.” The ballots shall be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns and, if it appears that a majority of the legal votes are in favor of the Act, the Governor shall proclaim that fact without delay, and the Act shall become effective 30 days after the date of 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.

FISCAL NOTE

There are funds in the Legislative Document 267, the Part II Budget proposal for solid waste activities, sufficient to employ the 2 people needed to administer this bond issue program. It is the intent of the Energy and Natural Resources Committee that the Appropriation Committee make the necessary adjustments in the appropriation for solid waste activities in the Part II Budget to administer the bond issue program. This adjustment will be to reduce the amount budgeted for consulting services by \$100,000 for the biennium to allow redistribution of this amount for personal services, all other and capital. This adjustment within the Part II Budget request will not increase the original total amount requested.

STATEMENT OF FACT

The bond issue is intended to assist communities with the costs of evaluating, designing and implementing solid waste for resource conservation and recovery systems.

Solid waste systems that protect the public health, safety or welfare and prevent or abate air and water pollution benefit the people of Maine as a whole, as well as the people of the immediate local area. Resource recovery and

conservation could provide solid waste management solutions for 60% of Maine's municipal waste and reduce petroleum needs by 600,000 barrels each year. Many resource recovery projects fail to reach construction even though they are proven to be financially and environmentally advantageous. It is often impossible for communities to receive the expert management, financial and technical guidance essential for the implementation of the facility. The statewide sharing of the benefits of recovery and conservation programs makes it desirable that these programs be helped in obtaining the necessary professional assistance. The bond issue and its accompanying program authorization proposes that some of the development costs be shared on a statewide basis.

This new draft proposes to assist communities with the implementation of solid waste energy and material recovery facilities through a bond issue mechanism. This bond issue would provide \$1,575,000 to help implement resource recovery programs and \$925,000 to assist material conservation and recycling programs. This will allow communities to develop efficient energy and resource saving solid waste systems which protect the natural environment of the State and its groundwater resources.