

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

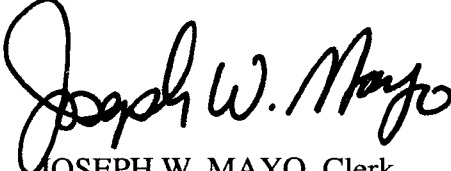
No. 2253

H.P. 1607

House of Representatives, June 4, 1999

An Act to Authorize a General Fund Bond Issue in the Amount of \$50,000,000 to Finance the Acquisition of Lands and Interests in Lands for Conservation, Water Access, Outdoor Recreation, Wildlife and Fish Habitat and Farmland Preservation and to Access \$25,000,000 in Matching Contributions from Public and Private Sources.

Reported by the Majority from the Joint Standing Committee on Appropriations and Financial Affairs pursuant to Joint Order H.P. 1540.


JOSEPH W. MAYO, Clerk

2 **Sec. A-3. Sale; how negotiated; proceeds appropriated.** The
3 Treasurer of State may negotiate the sale of the bonds by
4 direction of the Governor, but no bond may be loaned, pledged or
5 hypothecated on behalf of the State. The proceeds of the sale of
6 the bonds, which must be held by the Treasurer of the State and
7 paid by the Treasurer of State upon warrants drawn by the State
8 Controller, are appropriated solely for the purposes set forth in
9 this Part. Any unencumbered balances remaining at the completion
10 of the project in section 7 of this Part lapse to the debt
11 service account established for the retirement of these bonds.

12 **Sec. A-4. Taxable bond option.** The Treasurer of State, at the
13 direction of the Governor, shall covenant and consent that the
14 interest on the bonds is includable under the United States
15 Internal Revenue Code in the gross income of the holders of the
16 bonds to the same extent and in the same manner that the interest
17 on bills, bonds, notes or other obligations of the United States
18 is includable in the gross income of the holders under the United
19 States Internal Revenue Code or any subsequent law. The powers
20 conferred by this section are not subject to any limitations or
21 restrictions of any law that may limit the power to so covenant
22 and consent.

24 **Sec. A-5. Interest and debt retirement.** The Treasurer of State
25 shall pay interest due or accruing on any bonds issued under this
26 Part and all sums coming due for payment of bonds at maturity.

28 **Sec. A-6. Disbursement of bond proceeds.** The proceeds of the
29 bonds must be expended for acquisition of lands and interests in
30 lands for conservation, water access, outdoor recreation,
31 wildlife and fish habitat and farmland preservation in accordance
32 with the provisions for such acquisitions under the Maine Revised
33 Statutes, Title 5, chapter 353, except that use of the proceeds
34 of these bonds is subject to the following conditions and
35 requirements.

36
37 1. Hunting, fishing, trapping and public access may not be
38 prohibited on land acquired with bond proceeds, except to the
39 extent of applicable state, local or federal laws and regulations.
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41 2. Payment from bond proceeds for acquisitions of local or
42 regional significance, as determined by the Land for Maine's
43 Future Board, may be made directly to cooperating entities as
44 defined in Title 5, section 6201, subsection 2, for acquisition
45 of lands and interests in lands by cooperating entities, subject
46 to terms and conditions enforceable by the State to ensure their
47 use for the purposes of this Part.
48

2 3. The bond funds must be matched with at least \$25,000,000
3 in public and private contributions. Seventy percent of that
4 amount must be in the form of land, cash or other tangible
5 assets. The remaining 30% may be matching contributions and
6 include the value of project-related, in-kind contributions of
7 goods and services to and by cooperating entities and the value
8 of real property interests acquired by or contributed to
9 cooperating entities when property interests have a relationship
10 to the property proposed for protection, as determined by the
11 Land for Maine's Future Board.

12 4. Ten percent of the bond proceeds must be made available
13 to acquire public access to water, in accordance with the
14 provisions of Title 5, section 6203-A.

16 5. Up to 10% of the bond proceeds must be made available to
17 protect farmland in accordance with the Maine Revised Statutes,
18 Title 5, section 6207.

20 6. To the extent the purposes are consistent with the
21 disbursement provisions in this Part, 10% of the bond proceeds
22 may be considered as state match for any federal funding to be
23 made available to the State.

24 **Sec. A-7. Allocations from General Fund bond issue; acquisition of**
25 **lands; interests in lands for conservation; water access; outdoor recreation;**
26 **wildlife and fish habitat; farmland preservation.** The proceeds of the
27 sale of bonds must be expended as designated in the following
28 schedule.

30 **EXECUTIVE DEPARTMENT**

32 **State Planning Office**

34 Land for Maine's Future Board

36 All Other	\$50,000,000
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38 Provides for the use of bond
40 proceeds to be used for the
41 acquisition of lands and
42 interests in lands for
43 conservation, water access,
44 outdoor recreation, wildlife
45 and fish habitat and farmland
46 preservation.

48 **Sec. A-8. Contingent upon ratification of bond issue.** Sections 1
49 to 7 of this Part do not become effective unless the people of
50 the State have ratified the issuance of bonds as set forth in
this Part.

2 **Sec. A-9. Appropriation balances at year end.** At the end of each
fiscal year, all unencumbered appropriation balances representing
4 state money carry forward. Bond proceeds that have not been
expended within 25 years after the date of the sale of the bonds
6 lapse to General Fund debt service.

8 **Sec. A-10. Bonds authorized but not issued.** Any bonds authorized
but not issued, or for which bond anticipation notes are not
10 issued within 10 years of ratification of this Part, are
deauthorized and may not be issued; except that the Legislature
12 may, within 2 years after the expiration of that 10-year period,
extend the period for issuing any remaining unissued bonds or
14 bond anticipation notes for an additional amount of time not to
exceed 5 years.

16 **Sec. A-11. Referendum for ratification; submission at statewide**
18 election; form of question; effective date. This Part must be submitted
to the legal voters of the State of Maine at a statewide election
20 held on the Tuesday following the first Monday of November
following passage of this Act. The municipal officers of this
22 State shall notify the inhabitants of their respective cities,
towns and plantations to meet, in the manner prescribed by law
24 for holding a statewide election, to vote on the acceptance or
rejection of this Part by voting on the following question:

26 "Do you favor a \$50,000,000 bond issue to purchase public
28 lands and easements statewide from willing sellers for
conservation, water access, outdoor recreation, including
30 hunting and fishing, wildlife and fish habitat and farmland
preservation, to be matched by \$25,000,000 in private and
32 public contributions?"

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

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

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PART B

Sec. B-1. 5 MRSA §6208-A is enacted to read:

§6208-A. Unorganized territory; county approval

1. Approval. Approval by the county commissioners is required if land proposed to be acquired under a bond issue within the unorganized territory in a county constitutes more than 1% of the state valuation within the county.

2. Transactions. Any acquisition of land within an unorganized territory by eminent domain funded by the board, when the land exceeds either 50 acres or \$100,000 in assessed value, must be approved by the county in which the land is located. That approval may be obtained either from the county commissioners or, if they do not approve, by referendum of the legal voters within the county.

FISCAL NOTE

The estimated cost of sending this bond issue out to referendum will vary according to the total number of referenda enacted during the 119th First Regular Session to be submitted to the voters in November 1999. The estimated cost to the Secretary of State if one to 6 referenda are enacted is \$95,000. Each additional referendum costs an additional \$7,000.

If approved by the voters, the total cost of this bond issue is estimated to be \$76,250,000, with principal payments of \$50,000,000 and interest payments of approximately \$26,250,000

This bill requires that certain Land for Maine's Future Board acquisitions in the unorganized territories be approved by the affected county. The additional costs of this state mandate are expected to be minor. Pursuant to the Mandate Preamble, the two-thirds vote of all members elected to each House exempts the State from the constitutional requirement to fund 90% of the additional local costs.

SUMMARY

This bill is the majority report of the Joint Standing Committee on Appropriations and Financial Affairs. The funds provided by this bond issue, in the amount of \$50,000,000, will be used by the Land for Maine's Future Board to acquire lands and interests in lands for conservation, water access, outdoor

recreation, wildlife and fish habitat and farmland preservation.
2 Up to 10% of the principal is to be used to preserve farmland.
To maximize the effectiveness of this investment in Maine's
4 future, the board will secure matching contributions greater than
or equal to \$25,000,000. Seventy percent of the \$25,000,000
6 matching contribution, or \$17,500,000, must be in the form of
land, cash or other tangible assets. The remaining 30%, or
8 \$7,500,000, may be project-related, in-kind contributions.

10 This bill also states that the bond proceeds may be
considered as state match for any forthcoming federal grants.

12
14 This bill requires that, prior to certain land acquisitions
in the unorganized territories by the Land for Maine's Future
Board, the acquisitions must be approved by the affected county.
16 This requirement mirrors a provision currently in law requiring
similar approval by a municipality of lands proposed to be
18 acquired in the municipality.