

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

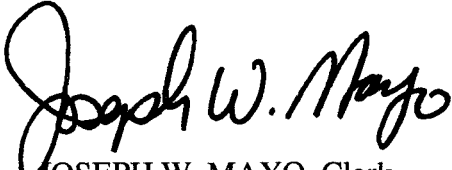
No. 2254

H.P. 1608

House of Representatives, June 4, 1999

An Act to Authorize a General Fund Bond Issue in the Amount of \$30,000,000 to Finance the Acquisition of Lands and Interests in Lands for Conservation, Water Access, Outdoor Recreation, Fish and Wildlife Habitat and Farmland Preservation and to Access \$25,000,000 in Matching Contributions from Public and Private Sources.

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


JOSEPH W. MAYO, Clerk

2 **Mandate preamble.** This measure requires one or more local
units of government to expand or modify activities so as to
4 necessitate additional expenditures from local revenues but does
not provide funding for at least 90% of those expenditures.
6 Pursuant to the Constitution of Maine, Article IX, Section 21,
two thirds of all of the members elected to each House have
determined it necessary to enact this measure.

8 **Preamble.** Two thirds of both Houses of the Legislature
10 deeming it necessary in accordance with the Constitution of
Maine, Article IX, Section 14, to authorize the issuance of bonds
12 on behalf of the State of Maine to provide funds for the
acquisition of lands and interests in lands for conservation,
14 water access, outdoor recreation, fish and wildlife habitat and
farmland preservation and to access matching contributions from
private sources.

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

20 **PART A**

22 **Sec. A-1. Authorization of bonds to provide for conservation, water
24 access, outdoor recreation, fish and wildlife habitat and farmland
preservation.** The Treasurer of State is authorized, under the
26 direction of the Governor, to issue bonds in the name and on
behalf of the State in an amount not exceeding \$30,000,000 to
28 raise funds for the acquisition of lands and interests in lands
for conservation, water access, outdoor recreation, fish and
wildlife habitat and farmland preservation and to access matching
30 contributions from private sources, as authorized in section 7 of
this Part. No more than \$10,000,000 may be issued in the first
32 year and no more than \$10,000,000 may be issued in each of the 2
subsequent years, except that any unused balance may be added to
34 the specified amount in subsequent years. The bonds are a pledge
of the full faith and credit of the State. The bonds may not run
36 for a period longer than 20 years from the date of the original
issue of the bonds. At the discretion of the Treasurer of State,
38 with the approval of the Governor, any issuance of bonds may
contain a call feature.

40 **Sec. A-2. Records of bonds issued to be kept by the Treasurer of
42 State.** The Treasurer of State shall keep an account of each bond
showing the number of the bond, the name of the successful bidder
44 to whom sold, the amount received for the bond, the date of sale
and the date when payable.

46 **Sec. A-3. Sale; how negotiated; proceeds appropriated.** The
48 Treasurer of State may negotiate the sale of the bonds by
direction of the Governor, but no bond may be loaned, pledged or

2 hypothecated on behalf of the State. The proceeds of the sale of
the bonds, which must be held by the Treasurer of the State and
4 paid by the Treasurer of State upon warrants drawn by the State
Controller, are appropriated solely for the purposes set forth in
6 this Part. Any unencumbered balances remaining at the completion
of the project in section 7 of this Part lapse to the debt
8 service account established for the retirement of these bonds.

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

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

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

34 1. Hunting, fishing, trapping and free public access may
not be prohibited on land acquired with bond proceeds, except as
36 restricted by applicable state or federal laws.

38 2. Before any bond proceeds are expended, they must be
matched with at least \$25,000,000 in private contributions.
40 Matching contributions may not include the value of
project-related in-kind contributions of goods and services.

42 3. Ten percent of the bond proceeds must be transferred to
44 the Boating Facilities Fund established in Title 12, section 1896.

46 4. Except as provided in Title 5, section 6208-A, land may
not be purchased in any community without an affirmative vote of
48 the legislative body of the municipality or municipalities in
which the land is located.

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

8 **EXECUTIVE DEPARTMENT**

10 **State Planning Office**

12 Land for Maine's Future Board

14 All Other \$30,000,000

16 Provides for the use of bond
17 proceeds to be used for the
18 acquisition of lands and
19 interests in lands for
20 conservation, water access,
21 outdoor recreation, fish and
22 wildlife habitat and farmland
23 preservation.

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

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

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

44 **Sec. A-11. Referendum for ratification; submission at statewide**
45 **election; form of question; effective date.** This Part must be submitted
46 to the legal voters of the State of Maine at a statewide election
47 held on the Tuesday following the first Monday of November
48 following passage of this Act. The municipal officers of this
49 State shall notify the inhabitants of their

2 respective cities, towns and plantations to meet, in the manner
prescribed by law for holding a statewide election, to vote on
4 the acceptance or rejection of this Part by voting on the
following question:

6 "Do you favor a \$30,000,000 bond issue to purchase public
lands and easements statewide from willing sellers for
8 conservation, water access, outdoor recreation, fish and
wildlife habitat and farmland preservation, to be matched by
10 \$25,000,000 in private contributions?"

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

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

28 PART B

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

32 §6208-A. Unorganized territory; county approval

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

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

48 FISCAL NOTE

2 The estimated cost of sending this bond issue out to
referendum will vary according to the total number of referenda
4 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
6 additional referendum costs an additional \$7,000.

8 If approved by the voters, the total cost of this bond issue
is estimated to be \$45,750,000, with principal payments of
10 \$30,000,000 and interest payments of approximately \$15,750,000.

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

20

SUMMARY

22

24 This bill is the minority report of the Joint Standing
Committee on Appropriations and Financial Affairs.

26 The funds provided by this bond issue, in the amount of
\$30,000,000, will be used by the Land for Maine's Future Board to
28 acquire lands and interests in lands for conservation, water
access, outdoor recreation, fish and wildlife habitat and
30 farmland preservation. To maximize the effectiveness of this
investment in Maine's future, the board will secure matching
32 contributions of at least \$25,000,000 from private contributions.

34 The bill requires certain Land for Maine's Future Board
purchases in the unorganized territory to be approved either by
36 the county commissioners or by referendum of the legal voters
within the county. It mirrors a provision currently in law
38 regarding municipal approval of certain purchases in the
unorganized territory.