

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

SECOND SPECIAL SESSION-2004

Legislative Document

No. 1877

S.P. 725

In Senate, February 25, 2004

**An Act To Authorize a General Fund Bond Issue in the Amount of
\$20,000,000 To Sustain and Improve Maine's Economy**

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator CATHCART of Penobscot. (GOVERNOR'S BILL)
Cosponsored by Senator BROMLEY of Cumberland and
Senators: DAMON of Hancock, TURNER of Cumberland, Representatives: COWGER of
Hallowell, CUMMINGS of Portland, RICHARDSON of Brunswick, SULLIVAN of
Biddeford.

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

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

10 **Sec. 1. Authorization of bonds.** The Treasurer of State is
authorized, under the direction of the Governor, to issue bonds
12 in the name and on behalf of the State in an amount not exceeding
\$20,000,000 for the purposes described in section 6 of this Act.
14 The bonds are a pledge of the full faith and credit of the
State. The bonds may not run for a period longer than 10 years
16 from the date of the original issue of the bonds. At the
discretion of the Treasurer of State, with the approval of the
Governor, any issuance of bonds may contain a call feature.

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

24 **Sec. 3. Sale; how negotiated; proceeds appropriated.** The
26 Treasurer of State may negotiate the sale of the bonds by
direction of the Governor, but no bond may be loaned, pledged or
28 hypothecated on behalf of the State. The proceeds of the sale of
the bonds, which must be held by the Treasurer of State and paid
30 by the Treasurer of State upon warrants drawn by the State
Controller, are appropriated solely for the purposes set forth in
32 this Act. Any unencumbered balances remaining at the completion
of the project in this Act lapse to the debt service account
34 established for the retirement of these bonds.

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

40 **Sec. 5. Disbursement of bond proceeds.** The proceeds of the
bonds must be expended as set out in this Act under the direction
42 and supervision of the Department of Economic and Community
Development, the Small Enterprise Growth Board, the Department of
44 Education, the University of Maine, the Maine State Cultural
Affairs Council and the Maine State Housing Authority.

46 **Sec. 6. Allocations from General Fund bond issue.** The proceeds
48 of the sale of the bonds authorized under this Act must be
expended as designated in the following schedule.

2	ECONOMIC AND COMMUNITY DEVELOPMENT,	
	DEPARTMENT OF	\$5,000,000
4		
	Provide funds to the Natural Resources	
6	Applied Research Fund at the Maine	
	Technology Institute in anticipation of	
8	\$5,000,000 in federal or private funding.	
	Eligible research includes applied forest	
10	bio-products, marine fisheries and	
	agricultural research. Eligible institutions	
12	include the State's nonprofit institutions	
	and state governmental and	
14	quasi-governmental agencies.	
16	SMALL ENTERPRISE GROWTH BOARD	\$2,000,000
18		
	Provide funds for the Small Enterprise	
20	Growth Fund to make equity investments in	
	small companies in the State with the	
22	potential for high growth and public	
	benefit.	
24	MAINE STATE CULTURAL AFFAIRS COUNCIL	\$1,000,000
26		
	Provide funds for the New Century Community	
28	Program in anticipation of \$1,000,000 in	
	matching funds to invest in capital	
30	improvements of cultural assets, including	
	libraries, museums, historical buildings,	
32	theaters and other arts facilities in	
	designated Pine Tree Development Zone	
34	communities.	
36	MAINE STATE HOUSING AUTHORITY	\$2,000,000
38		
	Provide funds for weatherization of single	
40	and multifamily homes occupied by low-income	
	persons.	
42	MAINE STATE HOUSING AUTHORITY	\$2,000,000
44		
	Provide funds in anticipation of \$2,000,000	
46	in matching federal funds for family and	
	elderly housing options for Native American	
48	tribes through the Four Directions	
	Development Corporation.	
50	EDUCATION, DEPARTMENT OF	\$6,000,000

2 Provide funds in anticipation of \$3,000,000
in matching local funds to recapitalize the
4 School Revolving Renovation Fund.

6 **UNIVERSITY OF MAINE**

\$2,000,000

8 Provide funds for critical storage and
upgrades at the Raymond H. Fogler Library,
10 the state research library for business,
science and technology at the University of
12 Maine.

14 **TOTAL FUNDS ALLOCATED**

\$20,000,000

16 **Sec. 7. Contingent upon ratification of bond issue.** Sections 1 to
6 of this Act do not become effective unless the people of the
18 State ratify the issuance of the bonds as set forth in this Act.

20 **Sec. 8. Appropriation balances at year-end.** At the end of each
fiscal year, all unencumbered appropriation balances representing
22 state money carry forward. Bond proceeds that have not been
expended within 10 years after the date of the sale of the bonds
24 lapse to General Fund debt service.

26 **Sec. 9. Bonds authorized but not issued.** Any bonds authorized
but not issued, or for which bond anticipation notes are not
28 issued within 5 years of ratification of this Act, are
deauthorized and may not be issued, except that the Legislature
30 may, within 2 years after the expiration of that 5-year period,
extend the period for issuing any remaining unissued bonds or
32 bond anticipation notes for an additional amount of time not to
exceed 5 years.

34 **Sec. 10. Referendum for ratification; submission at statewide
election; form of question; effective date.** This Act must be submitted
36 to the legal voters of the State at a statewide election on the
Tuesday following the 2nd Monday in the month of June following
38 passage of this Act. The municipal officers of this State shall
notify the inhabitants of their respective cities, towns and
40 plantations to meet, in the manner prescribed by law for holding
a statewide election, to vote on the acceptance or rejection of
42 this Act by voting on the following question:

44 "Do you favor a \$20,000,000 bond issue to stimulate economic
growth and job creation through investments in research and
46 development; equity investments in small Maine companies;
investments in the New Century Community Program;
48 weatherization of low-income housing; family and elderly

2 housing options for the Native American tribes; repairs,
improvements and renovations to public schools; and
4 improvements to the Raymond H. Fogler Library at the
University of Maine, in anticipation of approximately
\$10,000,000 in federal and private matching funds. The
6 bonds would be used for the following purposes:

8 (1) The sum of \$5,000,000 for the Maine Technology
Institute's Natural Resources Applied Research Fund to
10 support applied forest bio-products, marine fisheries
and agricultural research to retain jobs by meeting
12 existing research needs in Maine's
natural-resource-based industries. These funds
14 leverage \$5,000,000 in required matching funds;

16 (2) The sum of \$2,000,000 for the Small Enterprise
Growth Fund for equity investments in small Maine
18 companies with potential for high growth;

20 (3) The sum of \$1,000,000 for the New Century
Community Program to fund cultural investments in Pine
22 Tree Development Zone communities;

24 (4) The sum of \$2,000,000 for weatherization of single
and multifamily homes occupied by low-income persons;

26 (5) The sum of \$2,000,000 for family and elderly
28 housing options for Native American tribes through the
Four Directions Development Corporation, attracting
30 approximately \$2,000,000 in federal funds;

32 (6) The sum of \$6,000,000 for repairs, improvements
and renovations to public schools in anticipation of
34 \$3,000,000 in matching local funds; and

36 (7) The sum of \$2,000,000 for critical improvements
and expansion plans for the Raymond H. Fogler Library
38 at the University of Maine, the state research library
for business, science and technology?"
40

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

2 delay, and this Act becomes effective 30 days after the date of
the proclamation.

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

8
SUMMARY

10
12 This bill proposes a June referendum vote on the proposed
bonds.

14 The funds provided by this bond issue, in the amount of
16 \$20,000,000, will be used to support applied research and to
provide for equity investments in promising Maine companies,
18 public improvements in cultural buildings, weatherization and
family and elderly housing, school renovations and improvements
20 at the Raymond H. Fogler Library. Under this bond, the funds
provided by this bond issue, in the amount of \$20,000,000, will
be used for the following purposes:

22 1. Five million dollars for Maine Technology Institute
24 Natural Resources Applied Research Fund competitive grants for
applied research in natural-resource-based industries, including
26 forest bio-products, marine fisheries and agriculture. These
funds leverage \$5,000,000 in required matching funds;

28 2. Two million dollars for the Small Enterprise Growth Fund
30 for equity investments in small Maine companies with potential
for high growth. These funds leverage private equity investments;

32 3. One million dollars for the New Century Community
34 Program for communities with a Pine Tree Development Zone
designation for capital improvements to cultural resources;

36 4. Two million dollars for weatherization of single and
38 multifamily homes occupied by low-income persons;

40 5. Two million dollars for family and elderly housing
options for Native American tribes through the Four Directions
42 Development Corporation. These funds would help attract
\$2,000,000 in federal funds;

44 6. Six million dollars for repairs, improvements and
46 renovations to public schools. The funds leverage \$3,000,000 in
matching local funds; and

48 7. Two million dollars for critical improvements and
50 expansion plans for the Raymond H. Fogler Library at the

2 University of Maine, the state research library for business,
science and technology.