

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

SECOND SPECIAL SESSION-2004

Legislative Document

No. 1878

H.P. 1395

House of Representatives, February 25, 2004

An Act To Authorize a General Fund Bond Issue in the Amount of \$65,000,000 To Finance the Acquisition of Land and Interest in Land for Conservation, Water Access, Outdoor Recreation, Wildlife and Fish Habitat and Farmland Preservation; To Fund Capital Improvements to State Parks and Other Historic Public Areas; and To Access \$30,250,000 in Matching Contributions from Public and Private Sources

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative RICHARDSON of Brunswick. (GOVERNOR'S BILL)
Cosponsored by Senator TREAT of Kennebec and
Representatives: Speaker COLWELL of Gardiner, DUPLESSIE of Westbrook, McKEE of
Wayne, PINGREE of North Haven, SMITH of Monmouth, WATSON of Bath, Senators:
SAWYER of Penobscot, TURNER of Cumberland.

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

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

8 **Sec. 1. Authorization of bonds.** The Treasurer of State is
9 authorized, under the direction of the Governor, to issue bonds
10 in the name and on behalf of the State in an amount not exceeding
11 \$65,000,000 for the purposes described in section 8 of this Act
12 and to access \$30,250,000 in matching contributions from public
13 and private sources. No more than \$25,000,000 may be issued in
14 the first year and no more than \$20,000,000 may be issued in each
15 of the 2 subsequent years, except that any unused balance may be
16 added to the specified amount in subsequent years. The bonds are
17 a pledge of the full faith and credit of the State. The bonds
18 may not run for a period longer than 10 years from the date of
19 the original issue of the bonds. At the discretion of the
20 Treasurer of State, with the approval of the Governor, any
21 issuance of bonds may contain a call feature.

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

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

37 **Sec. 4. Taxable bond option.** The Treasurer of State, at the
38 direction of the Governor, shall covenant and consent that the
39 interest on the bonds is includable under the United States
40 Internal Revenue Code in the gross income of the holders of the
41 bonds to the same extent and in the same manner that the interest
42 on bills, bonds, notes or other obligations of the United States
43 is includable in the gross income of the holders under the United
44 States Internal Revenue Code or any subsequent law. The powers
45 conferred by this section are not subject to any limitations or

2 restrictions of any law that may limit the power to so covenant
and consent.

4 **Sec. 5. Interest and debt retirement.** The Treasurer of State
shall pay interest due or accruing on any bonds issued under this
6 Act and all sums coming due for payment of bonds at maturity.

8 **Sec. 6. Disbursement of bond proceeds allocated to Land for Maine's
Future Board.** The proceeds of the bonds allocated to the Land
10 for Maine's Future Board must be expended for acquisition of land
and interest in land for conservation, water access, outdoor
12 recreation, wildlife and fish habitat and farmland preservation
in accordance with the provisions for such acquisitions under the
14 Maine Revised Statutes, Title 5, chapter 353, including all costs
associated with such acquisitions, except that use of the
16 proceeds of these bonds is subject to the following conditions
and requirements.

18 1. Hunting, fishing, trapping and public access may not be
20 prohibited on land acquired with bond proceeds, except to the
extent of applicable state, local or federal laws and regulations.

22 2. Payment from bond proceeds for acquisitions of local or
24 regional significance, as determined by the Land for Maine's
Future Board, may be made directly to cooperating entities as
26 defined in Title 5, section 6201, subsection 2 for acquisition of
land and interest in land by cooperating entities, subject to
28 terms and conditions enforceable by the State to ensure their use
for the purposes of this Act.

30 3. The bond funds must be matched with at least \$30,000,000
32 in public and private contributions. Seventy percent of that
amount must be in the form of cash or other tangible assets,
34 including the value of land and real property interest acquired
by or contributed to cooperating entities when property interests
36 have a direct relationship to the property proposed for
protection, as determined by the Land for Maine's Future Board.
38 The remaining 30% may be matching contributions and may include
the value of project-related, in-kind contributions of goods and
40 services to and by cooperating entities.

42 4. Ten percent of the bond proceeds allocated to the Land
for Maine's Future Board must be made available to acquire public
44 access to water in accordance with the provisions of Title 5,
section 6203-A.

46 5. Ten percent of the bond proceeds allocated to the Land
48 for Maine's Future Board must be made available to protect
farmland in accordance with Title 5, section 6207.

2 6. To the extent the purposes are consistent with the
4 disbursement provisions in this Act, 100% of the bond proceeds
6 may be considered as state match for any federal funding to be
made available to the State.

8 **Sec. 7. Disbursement of bond proceeds allocated to Bureau of Parks
and Lands, Department of Conservation.** The proceeds of the bonds
10 allocated to the Bureau of Parks and Lands, Department of
Conservation must be expended for capital improvements in state
12 parks, historic sites and in other state-owned parks. These bond
funds must be matched with at least \$250,000 in public and
14 private contributions. To the extent the purposes are consistent
with disbursement provisions in this Act, 100% of these bond
16 proceeds may be considered as state match for any federal funding
to be made available to the State.

18 **Sec. 8. Allocations from General Fund bond issue.** The proceeds
of the sale of the bonds authorized under this Act must be
20 expended as designated in the following schedule.

22 **EXECUTIVE DEPARTMENT**

24 **State Planning Office**

26 **Land for Maine's Future Board**

28 All Other \$60,000,000

30 Provides for the use of bond proceeds to be
used for the acquisition of land and
32 interest in land for conservation, water
access, outdoor recreation, wildlife and
34 fish habitat and farmland preservation.

36 **Department of Conservation**

38 **Bureau of Parks and Lands**

40 All Other \$5,000,000

42 Provides for the use of bond proceeds to
make capital improvements and conduct major
44 maintenance at state parks and historic
sites and other state-owned parks.

46 **Sec. 9. Contingent upon ratification of bond issue.** Sections 1 to
48 8 do not become effective unless the people of the State ratify
the issuance of the bonds as set forth in this Act.

50

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

7 **Sec. 11. Bonds authorized but not issued.** Any bonds authorized
8 but not issued, or for which bond anticipation notes are not
9 issued within 5 years of ratification of this Act, are
10 deauthorized and may not be issued, except that the Legislature
11 may, within 2 years after the expiration of that 5-year period,
12 extend the period for issuing any remaining unissued bonds or
13 bond anticipation notes for an additional amount of time not to
14 exceed 5 years.

15 **Sec. 12. Referendum for ratification; submission at general election;
16 form of question; effective date.** This Act must be submitted to the
17 legal voters of the State at the next general election in the
18 month of November following passage of this Act. The municipal
19 officers of this State shall notify the inhabitants of their
20 respective cities, towns and plantations to meet, in the manner
21 prescribed by law for holding a general election, to vote on the
22 acceptance or rejection of this Act by voting on the following
23 question:
24

25 "Do you favor a \$65,000,000 bond issue, including
26 \$60,000,000 to purchase public land and easements statewide
27 from willing sellers for conservation, water access, outdoor
28 recreation including hunting and fishing, wildlife and fish
29 habitat and farmland preservation, and \$5,000,000 for
30 necessary capital improvements to state parks, historic
31 sites and other state-owned parks, all to be matched by at
32 least \$30,250,000 in private and public contributions?"
33

34 The legal voters of each city, town and plantation shall
35 vote by ballot on this question and designate their choice by a
36 cross or check mark placed within a corresponding square below
37 the word "Yes" or "No." The ballots must be received, sorted,
38 counted and declared in open ward, town and plantation meetings
39 and returns made to the Secretary of State in the same manner as
40 votes for members of the Legislature. The Governor shall review
41 the returns and, if a majority of the legal votes are cast in
42 favor of this Act, the Governor shall proclaim the result without
43 delay, and this Act becomes effective 30 days after the date of
44 the proclamation.
45

46 The Secretary of State shall prepare and furnish to each
47 city, town and plantation all ballots, returns and copies of this
48 Act necessary to carry out the purposes of this referendum.
49
50

SUMMARY

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4 The purpose of this legislation is to recapitalize the Land
for Maine's Future program with \$60,000,000 over 3 years to
6 continue Maine's land conservation efforts, leveraging a minimum
of \$30,000,000 in required matching funds. The funding
priorities include:

8

10 1. Conservation properties in the rapidly developing areas
of southern and coastal Maine;

12 2. Public access to outdoor recreational opportunities
statewide;

14

16 3. Protection via easement of traditional public access and
uses in the North Woods and support for sustainable forestry and
strategically targeted fee acquisitions in areas of very high
18 public value;

20 4. Farmland protection to support an economically viable
agricultural sector;

22

24 5. Public access to coastal and inland waters; and

26

6. Highly significant wildlife habitat and ecological areas.

28

30 This bond issue also provides additional funds of \$5,000,000
for capital improvements to state parks, historic sites and other
state-owned parks, including \$1,000,000 for Capitol Park in
Augusta. This bond anticipates a total of an additional
\$30,250,000 in matching funds from federal and other sources.