# MAINE STATE LEGISLATURE

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## 121st MAINE LEGISLATURE

## SECOND SPECIAL SESSION-2004

Legislative Document

No. 1894

S.P. 740

In Senate, March 2, 2004

An Act To Authorize a General Fund Bond Issue in the Amount of \$2,000,000 for Disaster Relief and To Provide Further Relief Measures

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

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

JOY J. O'BRIEN Secretary of the Senate

Presented by Senator BRYANT of Oxford.
Cosponsored by Representative PATRICK of Rumford and
Senators: BRENNAN of Cumberland, EDMONDS of Cumberland, GAGNON of Kennebec,
HALL of Lincoln, Representatives: CANAVAN of Waterville, EARLE of Damariscotta,
PINGREE of North Haven, WALCOTT of Lewiston.

**Preamble.** Two thirds 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 of Maine to provide funds as described in this Act.

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

### PART A

**Sec. A-1. Authorization of bonds.** The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$2,000,000 for the purposes described in section 6 of this Part. 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 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.

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

Sec. A-3. Sale; how negotiated; proceeds appropriated. The Treasurer of State may negotiate the sale of the bonds by direction of the Governor, but no bond may be loaned, pledged or 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 by the Treasurer of State upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Part. Any unencumbered balances remaining at the completion of the project in this Part lapse to the debt service account established for the retirement of these bonds.

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

Sec. A-5. Disbursement of bond proceeds. The proceeds of the bonds must be expended as set out in this Part under the direction and supervision of the Departnment of Defense, Veterans and Emergency Management, Maine Emergency Management Agency.

Sec. A-6. Allocations from General Fund bond issue. The proceeds of the sale of the bonds authorized under this Part must be expended as designated in the following schedule.

#### MAINE EMERGENCY MANAGEMENT AGENCY

2		
	Provides funds for grants and loans	\$2,000,000
4	for disaster relief through the	
	Emergency Management Preparedness	
6	and Assistance Trust Fund.	

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

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

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

Sec. A-10. Referendum for ratification; submission at general election; form of question; effective date. This Part must be submitted to the legal voters of the State at the next general election in the month of November following passage of this Part. The municipal officers 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 general election, to vote on the acceptance or rejection of this Part by voting on the following question:

"Do you favor a \$2,000,000 bond issue for grants and loans for disaster relief?"

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within a corresponding square below the word "Yes" or "No." The ballots must 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 a majority of the legal votes are cast in favor of this Part, the Governor shall proclaim the result without delay, and this Part becomes effective 30 days after the date of the proclamation.

4	city, town and plantation all ballots, returns and copies of this Part necessary to carry out the purposes of this referendum.		
6	PART B		
8	Sec. B-1. 37-B MRSA §708 is enacted to read:		
10	§708. Emergency Management Preparedness and Assistance Trust Fund		
12	1. Creation of fund. The Emergency Management Preparedness and Assistance Trust Fund, referred to in this section as "the		
14	fund," is established as a nonlapsing, revolving fund to provide loans and grants to assist persons or municipalities suffering		
16	loss from disaster.		
18 20	2. Fund sources. The following money must be paid into the fund:		
22	A. All money appropriated for inclusion in the fund;		
24	B. Subject to any pledge, contract or other obligation, all interest, dividends or other pecuniary gains from investment of money from the fund;		
26	C. Subject to any pledge, contract or other obligation, any		
28	money that the agency receives in repayment of grants or loans from the fund;		
30	D. Any sums designated for deposit into the fund from any		
32	source, public or private; and		
34	E. Any other money available to the agency and directed by the agency to be paid into the fund.		
36	3. Administration. The director shall administer the fund.		
38	The director shall develop an application process and criteria for distribution of grants and loans under this section. Money		
40	in the fund not immediately required pursuant to this section must be invested by the Treasurer of State as authorized by Title		
42	5, section 138. Interest on these investments must be credited to the fund.		
44	Sec. B-2. Appropriations and allocations. The following		
46	appropriations and allocations are made.		
48	DEFENSE, VETERANS AND EMERGENCY MANAGEMENT, DEPARTMENT OF		

50

	Administration - Maine Emergency Manag	rement Agency 02	14		
2					
4	Initiative: Appropriates funds to federal planning assistance for states				
	developing a flood mitigation progra				
6	Oxford County and Franklin County.				
8	General Fund	2003-04	2004-05		
10	All Other	\$0	\$50,000		
	General Fund Total	\$0	\$50,000		
12	Administration - Maine Emergency Manag	ment Agency 02	14		
14		_			
16	Initiative: Appropriates funds to be used as immediate assistance to the Town of Canton to help private property owners to mitigate				
10	damage from flooding in late 2003	or to relocate b	-		
18	amount of damage precludes mitigation.				
20	General Fund All Other	<b>2003-04</b> \$0	<b>2004-05</b> \$150,000		
22	All Other		<b>\$130,000</b>		
24	General Fund Total	\$0	\$150,000		
2.1	DEFENSE, VETERANS AND EMERGENCY MANAGE	MENT,			
26	DEPARTMENT OF DEPARTMENT TOTALS	2003-04	2004-05		
28					
30	GENERAL FUND	\$0	\$200,000		
	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$200,000		
32					
34	SUMMARY	•			
36	Part A of this bill authorizes a				
38	the amount of \$2,000,000 to provide Management Preparedness and Assistance				
	loans for disaster relief.	e II age I and I of	granes and		
40	Part B establishes the Emergency	Management Prenar	edness and		
42	Part B establishes the Emergency Management Preparedness and Assistance Trust Fund to provide grants and loans to persons or				
44	municipalities that suffer loss as a r	esult of disaster.	,		
16	Part B of this bill also makes appropriations to the Maine				
46	Emergency Management Agency to:				
48	1. Serve as a match for federal planning assistance to develop a flood mitigation program for Androscoggin, Oxford and				
50	Franklin counties; and	or Androscoggin,	Oxford and		

2 2. Provide immediate assistance to private property owners in the Town of Canton who suffered damages from the flooding in late 2003.