

# MAINE STATE LEGISLATURE

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**February 23, 2005**  
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# 122nd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2005

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**Legislative Document**

**No. 844**

S.P. 283

In Senate, February 23, 2005

### **An Act To Authorize a General Fund Bond Issue to Stimulate Maine's Economy**

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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 BROMLEY of Cumberland.  
Cosponsored by Representative RECTOR of Thomaston and  
Senators: BRENNAN of Cumberland, BRYANT of Oxford, DOW of Lincoln, President  
EDMONDS of Cumberland, MARTIN of Aroostook, Representatives: LERMAN of Augusta,  
MOODY of Manchester, Speaker RICHARDSON of Brunswick.

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

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

14           **Sec. 1. Authorization of bonds.** The Treasurer of State is  
16           authorized, under the direction of the Governor, to issue bonds  
18           in the name and on behalf of the State in an amount not exceeding  
20           \$120,000,000 for the purposes described in section 6 of this  
22           Act. The bonds are a pledge of the full faith and credit of the  
24           State. The bonds may not run for a period longer than 10 years  
26           from the date of the original issue of the bonds. At the  
28           discretion of the Treasurer of State, with the approval of the  
30           Governor, any issuance of bonds may contain a call feature.

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

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

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

68           **Sec. 5. Disbursement of bond proceeds.** The proceeds of the  
70           bonds must be expended as set out in this Act under the direction  
72           and supervision of the Department of Economic and Community  
74           Development, the Finance Authority of Maine, the Maine State  
76           Housing Authority and the University of Maine System.

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

2	<b>ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF</b>	
4	Capitalization of the Municipal	\$15,000,000
6	Investment Trust Fund to provide	
8	loans and grants to municipalities	
	for public facilities and infrastructure.	
10	<b>ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF</b>	
12	Provides funds to the Maine	\$10,000,000
14	Biomedical Research Fund.	
16	<b>ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF</b>	
18	Provides funds to applied technology	\$5,000,000
20	development centers.	
22	<b>ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF</b>	
24	Provides funds to partner with the	\$22,000,000
26	marine biotechnology industry to	
28	undertake marine biotechnology	
	research.	
30	<b>FINANCE AUTHORITY OF MAINE</b>	
32	Provides funds to the Small Enterprise	\$6,000,000
34	Growth Fund.	
36	<b>FINANCE AUTHORITY OF MAINE</b>	
38	Provides funds for direct business	\$25,000,000
	support.	
40	<b>MAINE STATE HOUSING AUTHORITY</b>	
42	Provides funds for affordable	\$12,000,000
44	workforce housing.	
46	<b>UNIVERSITY OF MAINE SYSTEM</b>	
48	Provides funds for the Maine	\$25,000,000
	Economic Improvement Fund for	
	research and development activities.	

2           **Sec. 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 Act.

4  
6           **Sec. 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  
8 expended within 10 years after the date of the sale of the bonds  
lapse to General Fund debt service.

10  
12           **Sec. 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 Act, are  
14 deauthorized and may not be issued, except that the Legislature  
may, within 2 years after the expiration of that 5-year period,  
16 extend the period for issuing any remaining unissued bonds or  
bond anticipation notes for an additional amount of time not to  
18 exceed 5 years.

20           **Sec. 10. Referendum for ratification; submission at statewide**  
**election; form of question; effective date.** This Act must be submitted  
22 to the legal voters of the State at a statewide election held on  
the Tuesday following the first Monday of November following  
24 passage of this Act. The municipal officers of this State shall  
notify the inhabitants of their respective cities, towns and  
26 plantations to meet, in the manner prescribed by law for holding  
a statewide election, to vote on the acceptance or rejection of  
28 this Act by voting on the following question:

30           "Do you favor a \$120,000,000 bond issue to stimulate  
economic development in the State through investments in  
32 research and development, municipal infrastructure and  
affordable housing and direct business support? The bonds,  
34 in the following amounts, would be used for the following  
purposes:

36           1. The sum of \$15,000,000 to create jobs and reduce  
38 property taxes by providing grants and loans to  
municipalities for public facilities and infrastructure;

40           2. The sum of \$10,000,000 for medical research and  
42 development by Maine-based biomedical research institutions;

44           3. The sum of \$5,000,000 to support the State's applied  
development technology centers;

46           4. The sum of \$22,000,000 to partner with the marine  
48 biotechnology industry to undertake marine biotechnology  
research;

2           5. The sum of \$6,000,000 to provide access to capital for  
4           small businesses that demonstrate potential for high growth  
            and public benefit;

6           6. The sum of \$25,000,000 to provide direct support to  
8           businesses in the State;

10          7. The sum of \$12,000,000 for affordable housing; and

12          8. The sum of \$25,000,000 for University of Maine research  
            and development activities."

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

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

30

### SUMMARY

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                  The funds provided by this bond issue, in the amount of  
34                 \$120,000,000, will be used to stimulate economic development in  
                  the state through investments in research and development,  
36                 municipal infrastructure and affordable housing and direct  
                  business support in the State as follows:

38

40                 1. The sum of \$15,000,000 to create jobs and reduce  
                  property taxes by providing grants and loans to municipalities  
42                 for public facilities and infrastructure;

44                 2. The sum of \$10,000,000 for medical research and  
                  development by Maine-based biomedical research institutions;

46                 3. The sum of \$5,000,000 to support the State's applied  
                  development technology centers;

48

50                 4. The sum of \$22,000,000 to partner with the marine  
                  biotechnology industry to undertake marine biotechnology research;

2           5. The sum of \$6,000,000 to provide access to capital for  
small businesses that demonstrate potential for high growth and  
4 public benefit;

6           6. The sum of \$25,000,000 to provide direct support to  
businesses in the State;

8           7. The sum of \$12,000,000 for affordable housing; and  
10

12           8. The sum of \$25,000,000 for University of Maine research  
and development activities.