

MAINE STATE LEGISLATURE

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L.D. 1709

Date: 4/17/14

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APPROPRIATIONS AND FINANCIAL AFFAIRS

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STATE OF MAINE

SENATE

126TH LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 675, L.D. 1709, Bill, "An Act To Authorize a General Fund Bond Issue To Provide Funds To Develop Lobster Processing Capacity in the State"

Amend the bill by striking out the title and substituting the following:

'An Act To Authorize a General Fund Bond Issue To Support the Growth of and To Build Infrastructure for the Marine Sector of the State's Economy'

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'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 \$7,000,000 for the purposes described in section 5 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.

Sec. A-2. Records of bonds issued; Treasurer of State. The Treasurer of State shall ensure that an account of each bond is kept 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 Office of the Treasurer of State to be used for the retirement of general obligation bonds.

COMMITTEE AMENDMENT

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 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 under the direction and supervision of the agencies and entities set forth in this section.

**ECONOMIC AND COMMUNITY
DEVELOPMENT, DEPARTMENT OF**

Maine Technology Institute

Provides funds to facilitate the growth of marine businesses and commercial enterprises that create jobs and improve the sustainability of the State's marine economy and related industries through capital investments, awarded after a competitive process administered by the Department of Economic and Community Development in consultation with the Department of Marine Resources and the Maine Technology Institute, to be matched by at least \$7,000,000 in private and other funds.

Total \$7,000,000

Sec. A-6. Contingent upon ratification of bond issue. Sections 1 to 5 do not become effective unless the people of the State ratify the issuance of the bonds as set forth in this Part.

Sec. A-7. 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 the Office of the Treasurer of State to be used for the retirement of general obligation bonds.

Sec. A-8. Bonds authorized but not issued. Any bonds authorized but 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 for an additional amount of time not to exceed 5 years.

Sec. A-9. Referendum for ratification; submission at election; form of question; effective date. This Part must be submitted to the legal voters of the State at a statewide election held in the month of November following passage of this Act. 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 statewide election, to vote on the acceptance or rejection of this Part by voting on the following question:

1 "Do you favor a \$7,000,000 bond issue to facilitate the growth of marine
2 businesses and commercial enterprises that create jobs and improve the
3 sustainability of the State's marine economy and related industries
4 through capital investments, to be matched by at least \$7,000,000 in
5 private and other funds?"

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

14 The Secretary of State shall prepare and furnish to each city, town and plantation all
15 ballots, returns and copies of this Part necessary to carry out the purposes of this
16 referendum.

17 PART B

18 **Sec. B-1. Determination of awards.** The Department of Economic and
19 Community Development, in consultation with the Department of Marine Resources and
20 the Maine Technology Institute, shall oversee the disbursement of bond proceeds and
21 matching funds authorized pursuant to Part A in accordance with this section. Awards of
22 bond proceeds and matching funds must be made on a competitive basis following a
23 request for proposal process for a single award of \$7,000,000.

24 1. A successful applicant must include the following entities:

25 A. A marine-based research program at a private or public university or a nonprofit
26 research institution;

27 B. Commercial fishing or aquaculture interests;

28 C. Community-based organizations committed to the growth of the local economy;
29 and

30 D. Private sector businesses.

31 2. A successful application must also include proposals for growth in each of the
32 following areas:

33 A. Traditional commercial fishing interests;

34 B. Aquaculture industry;

35 C. Value-added seafood processing; and

36 D. Market development for Maine-based products.

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PART C

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Sec. C-1. Report. The Department of Economic and Community Development shall report by January 15th annually, until the bond proceeds authorized by this Act have been fully expended, on the use of the bond proceeds to the joint standing committees of the Legislature having jurisdiction over appropriations and financial affairs and research and economic development matters.

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Sec. C-2. Contingent effective date. Part B and this Part take effect only if the General Fund bond issue proposed in Part A is approved by the voters of the State.'

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SUMMARY

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This amendment replaces the bill and authorizes the issuance of bonds in the amount of \$7,000,000, to be matched by at least \$7,000,000 in private and other funds, to support Maine's marine economy in order to create jobs in the State's marine economy and related industries through capital investments awarded after a competitive process.

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FISCAL NOTE REQUIRED

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(See attached)

**126th MAINE LEGISLATURE****LD 1709****LR 2347(02)****An Act To Authorize a General Fund Bond Issue To Provide Funds To Develop Lobster Processing Capacity in the State**

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-556)
Committee: Appropriations and Financial Affairs
Fiscal Note Required: Yes

Fiscal Note

Current biennium cost increase - General Fund

Bond Issues	Term (years)	Principal	Rate (%)	Interest	Total Cost
General Fund - Taxable	10	\$7,000,000	4.5%	\$1,732,500	\$8,732,500

Referendum Costs	Month/Year	Election Type	Question	Length
	Nov-14	General	Bond Issue	Standard

The Secretary of State's budget includes sufficient funds to accommodate one ballot of average length for the general election in November. If the number or size of the referendum questions requires production and delivery of a second ballot, an additional appropriation of \$107,250 may be required.