MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 875

H.P. 594

House of Representatives, March 12, 2015

An Act To Authorize a General Fund Bond Issue To Improve Highways, Bridges, Ports, Railroads and Other Multimodal Facilities

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

ROBERT B. HUNT
Clerk

Presented by Representative McLEAN of Gorham. Cosponsored by Senator VALENTINO of York and

Representatives: BRYANT of Windham, GILLWAY of Searsport, HOBART of Bowdoinham, HOGAN of Old Orchard Beach, NUTTING of Oakland, POWERS of Naples, TURNER of

Burlington, Senator: COLLINS of York.

1 2 3 4	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,
5	Be it enacted by the People of the State of Maine as follows:
6	PART A
7 8 9 10	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 \$190,000,000 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.
12 13 14 15	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.
16 17 18 19 20 21 22 23	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.
24 25 26	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.
27 28 29 30	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.
31 32	TRANSPORTATION, DEPARTMENT OF
33 34 35	Provides funds to reconstruct and renovate bridges and to meet the highway and bridge capital goals set forth in the Maine Revised Statutes, Title 23, section 73, subsection 7.
36	Total \$155,000,000

Provides funds to improve or replace facilities or equipment related to ports, harbors, marine transportation, aviation, freight and passenger railroads, transit and bicycle and pedestrian facilities that preserve public safety or otherwise support substantial statewide or regional economic opportunities.

5 Total \$35,000,000

22.

 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:

"Do you favor a \$190,000,000 bond issue for reconstruction and rehabilitation of highways and bridges and for facilities or equipment related to ports, harbors, marine transportation, aviation, freight and passenger railroads, transit and bicycle and pedestrian facilities, to be used to match an estimated \$290,000,000 in federal and other funds?"

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. 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.

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

1 PART B

Sec. B-1. Transportation debt policy for capital planning purposes. Due to the capital-intensive nature of transportation investment and the long lead times necessary to plan, permit, design and deliver transportation projects, in the absence of other specific guidance, the Department of Transportation shall publish its work plans in the 10-year period from 2016 to 2026 based upon the assumption that General Fund general obligation bonding in an amount averaging \$95,000,000 per year will be provided for highway and bridge and other multimodal purposes. This section and any planning undertaken pursuant to this section cannot and may not bind future Legislatures and does not authorize the issuance of any debt. Debt may be issued only in accordance with applicable authorizing law. The department shall adjust its work plans to reflect actual bonding levels.

13 SUMMARY

The funds provided by this bond issue, in the amount of \$190,000,000, will be used for reconstruction and rehabilitation of highways and bridges and for facilities or equipment related to ports, harbors, marine transportation, aviation, freight and passenger railroads, transit and bicycle and pedestrian facilities, matching an estimated \$290,000,000 in federal and other funds.