

MAINE STATE LEGISLATURE

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STATE OF MAINE
ONE HUNDRED AND ELEVENTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE ON
STATE GOVERNMENT
BILL SUMMARY



JULY, 1983

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337 AN ACT PROHIBITING BOND ISSUES OF Jackson ONTP
LESS THAN \$2,000,000

SUMMARY: ID 337 proposed a statutory minimum of \$2,000,000 for any single bond issue which pledges the credit of the State. This limitation would apply to bond questions approved by the Legislature and sent to the General Public for approval at public referendum. The purpose of this bill was to finance "small" capital projects from General Fund monies and reserve bond financing to "substantive" projects.

In the last 10 years, there have been 6 bond questions, each of which cost less than \$2,000,000. In the past 5 years, the public approved 3 bond questions at referendum, each of which was for less than \$2,000,000. The 3 questions represent 27% of the total number (11) of bond questions and 4.4% (\$4,100,000) of the total amount of all bond issues (\$93,010,000) approved since 1978.

According to Mr. Lou Meli of the Bond Buyer, no state has established minimum amounts for single bond projects or issues.

338 AN ACT TO PREVENT COMBINING MORE Jackson
THAN ONE BOND ISSUE ITEM IN A
SINGLE BOND ISSUE BILL AND TO COR-
RECT STATUTORY PROVISIONS RELATING
TO SHOWING BOND INTEREST ON BALLOTS

SUMMARY: ID 338 proposed that every bond question requiring ratification at public referendum represent a single project. If projects are very closely related, the projects could be combined into a single question. The purpose of the bill was to require each proposed project to stand on its own merit and to prevent "park-barrel" projects. One result of this proposal may have been a reduction in the amount of bonds issued that pledge the credit of the State.

In the past 5 years, there have been 11 bond questions which included 21 projects proposed at public referendum.

In 7 states, public approval of bond questions is required for individual projects prior to the issuance of state bonds.

The arguments posed against the bill included the failure of a procedure to determine whether projects are closely related and the possibility that only the bond projects for the more populated areas would be approved at referendum.

342 RESOLVE, AUTHORIZING THE CONVEN- Wentworth OIP
IENCE OF A CERTAIN UNUSED BUILDING
AND LAND OWNED BY THE STATE TO THE
TOWN OF WELLS FOR \$10,000

SUMMARY: ID 342 proposed to convey a former state police building and property located on route 2 in Wells to the town of Wells for \$10,000. The land and buildings were valued at roughly \$80,000.