

MAINE STATE LEGISLATURE

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ELECTIONS - 1992 (June)

**MAINE CITIZEN'S GUIDE TO
UPCOMING BOND ISSUES**
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AUGUSTA, MAINE

In Accordance with an Act Passed
by the 115th Legislature at
Second Regular Session

Bond Issues

- 1 A "Do you favor a \$37,000,000 bond issue for municipal and other infrastructure improvements and activities designed to create and preserve jobs?"
- B "Do you favor a \$42,000,000 bond issue to create and protect jobs through capital improvements in transportation facilities?"



To be voted upon at the
Referendum Election,
Tuesday, June 9, 1992

G. William Diamond
Secretary of State



State of Maine
Office of
Secretary of State
Augusta, Maine 04333-0148

G. William Diamond
Secretary of State

Dear Citizen,

Ninety years ago "referendum" was the term used by reform movement throughout the world to denote the idea of putting issues directly to the people. Today, referenda and ballot questions allow you, the voter, to directly participate in government decision-making.

Because an active and well informed citizenry is vital to any representative form of government, an important part of my job, as Maine's chief elections officer, is to provide Maine citizens with information regarding this June's ballot questions.

Toward this end, my office, the State Treasurer and Attorney General have worked together to provide you with this brochure explaining the upcoming bond issues. It is our hope that this information will enable you to become better aware of these issues prior to confronting them on June 9, 1992.

This brochure includes the legislative document pertaining to each proposal, as well as a summary of their intent and content, an explanation of the significance of a vote for or against the measure and the costs involved. I hope this material will be helpful, and that you will choose to vote in this and every election.

Sincerely,

G. William Diamond
Secretary of State

STATE OF MAINE
Referendum Election, June 9, 1992

The issuing of bonds by the State of Maine is the way in which the State borrows money for purposes designated in the legislation authorizing the issue. The following is a summary of the bonded indebtedness of the State of Maine as of March 2, 1992.

Bonds Outstanding and Unpaid to Mature	
Through 2008	\$432,010,000
Interest to be Repaid on Bonds Issues	139,616,695
Total to be Repaid on Bonds Issued	<u>571,626,695</u>
Additional Bonds Authorized But Not	
Yet Issued	\$ 82,725,600
Limit of Contingent Bonds Liability	
Authorized by Constitution and	
Laws But Unissued	101,094,293
Total Bonds Authorized But Unissued	<u>\$183,819,893</u>
Total Additional Bonds to be Authorized if	
Ratified by Voters	\$ 79,000,000
Potential New Estimate of Interest	\$ 24,983,750

When money is borrowed by issuing bonds, the State must repay not only the principal amount of the bonds but interest on the amount as well. The amount of interest to be paid will vary depending upon the rate of interest and the years of maturity at the time of issuance; an estimate of the total interest that may reasonably be expected to be paid on the issues submitted herewith for ratification is \$24,983,750 if the bonds are issued for the full statutory debt retirement period. The total principal and interest to be repaid over the life of the bonds on the issues submitted herewith if ratified is thus estimated to be \$103,983,750. The amount that must be paid in the present fiscal year (July 1, 1991 to June 30, 1992) for debt already outstanding is \$48,055,000 in principal and \$26,105,291.58 in interest, a total of \$74,160,291.58.

Samuel Shapiro
Treasurer of State

STATE OF MAINE
CHAPTER 113

PRIVATE AND SPECIAL LAWS OF 1991

An Act to Authorize Bond Issues for Transportation and Public Infrastructure Capital Improvements and Other Activities Designed to Create and Preserve Jobs for Maine Citizens

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 for transportation and public infrastructure capital improvements and other activities designed to create and preserve jobs for Maine citizens.

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

PART A

Sec. A-1. Authorization of bonds to provide for public infrastructure capital improvements and other activities designed to create and preserve jobs for Maine citizens. The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and behalf of the State in an amount not exceeding \$37,000,000 to raise funds to stimulate the creation of jobs by accelerating the funding of immediate, short-term, labor-intensive capital construction projects to make needed improvements in the public infrastructure facilities of the State and public school buildings and grounds and to protect existing jobs through a program of financial assistance to distressed small businesses as authorized by section 6. 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. For the purposes of this Part, the term "public school" includes private schools approved for tuition purposes that have school enrollments of at least 60% publicly funded students and the term "public infrastructure facilities" includes non-profit community-based organizations providing comprehensive health care services that are not eligible for assistance under the Maine Health and Higher Educational Facilities Authority Act.

Sec. A-2. Records of bonds issued to be kept by the State Auditor and Treasurer of State. The State Auditor shall keep an account of the bonds, showing the number and amount of each, the date when payable and the date of delivery of the bonds to the 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 section 6 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 section 6 under the direction and supervision of the Commissioner of Economic and Community Development for capital improve-

ment projects for municipalities; the Chief Executive Officer of the Finance Authority of Maine for an assistance program for small businesses threatened with loan recall resulting in foreclosure; and the Commissioner of Education for public school capital improvement projects.

Sec. A-6. Allocations from General Fund bond issue; public infrastructure capital improvements and other activities designed to create and preserve jobs for Maine citizens. The proceeds of the sale of bonds must be expended as designated in the following schedule.

General Fund Bond Issues	
Department of Economic and Community Development	
Municipal Infrastructure Capital Improvements	\$28,000,000
Finance Authority of Maine	
Economic Program Recovery Fund	7,000,000
Department of Education	
Public School Capital Improvements	2,000,000
GENERAL FUND BOND ISSUES TOTAL	\$37,000,000

Sec. A-7. Contingent upon ratification of bond issue. Sections 1 to 6 do not become effective unless the people of the State have ratified the issuance of 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 one year 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 one year 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 one-year period, extend the period for issuing any remaining unissued bonds or bond anticipation notes for an additional amount of time not to exceed one year.

Sec. A-10. Referendum for ratification; submission at primary election; form of question; effective date. This Part must be submitted to the legal voters of the State of Maine at the June 1992 primary election 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 \$37,000,000 bond issue for municipal and other infrastructure improvements and activities designed to create and preserve jobs?"

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.

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 purpose of this referendum.

PART B

Sec. B-1. Authorization of bonds to provide for transportation infrastructure capital improvements. The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and behalf of the State in an amount not exceeding \$42,000,000 to raise funds for transportation infrastructure capital improvements as authorized by section 6. 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. B-2. Records of bonds issued to be kept by the State Auditor and Treasurer of State. The State Auditor shall keep an account of the bonds, showing the number and amount of each, the date when payable and the date of delivery of the bonds to the 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. B-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 section 6 lapse to the debt service account established for the retirement of these bonds.

Sec. B-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. B-5. Disbursement of bond proceeds. The proceeds of the bonds must be expended as set out in section 6 under the direction and supervision of the Commissioner of Transportation.

Sec. B-6. Allocations from General Fund bond issue; transportation infrastructure capital improvements. The proceeds of the sale of bonds must be expended as designated in the following schedule.

Highway Fund Bond Issues	
Highway and bridge improvements	\$19,000,000
Local road assistance program	10,000,000
HIGHWAY FUND BOND ISSUES TOTAL	\$29,000,000
General Fund Bond Issues	
Ferry, pier and port improvements	\$ 8,600,000
Railroad and airport improvements	4,400,000
GENERAL FUND BOND ISSUES TOTAL	\$13,000,000
HIGHWAY AND GENERAL FUND BOND ISSUES TOTAL	\$42,000,000

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

Sec. B-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. B-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. B-10. Referendum for ratification; submission at primary election; form of question; effective date. This Part must be submitted to the legal voters of the State of Maine at the June 1992 primary election 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 \$42,000,000 bond issue to create and protect jobs through capital improvements in transportation facilities?”

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.

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 purpose of this referendum.

Approved April 9, 1992

INTENT AND CONTENT

PART A

This Part of the Act would authorize the State to issue bonds in an amount not to exceed \$37,000,000 to raise funds for capital construction projects and to provide financial assistance to distressed small businesses. The bonds would run for a period of not longer than 10 years from the date of issue and would be backed by the full faith and credit of the State.

The proceeds of the sale of the bonds would be expended to create jobs by accelerating the funding of immediate, short-term, labor-intensive capital construction projects involving municipal infrastructure improvements (\$28,000,000), and public school buildings and grounds (\$2,000,000), and to protect jobs through a financial assistance program to distressed small businesses (\$7,000,000). The funds for municipal infrastructure improvements will be expended under the direction and supervision of the Commissioner of Economic and Community Development, the public school funds by the Commissioner of Education, and the small business funds by the Chief Executive Officer of the Finance Authority of Maine.

If approved, the bond authorization would take effect 30 days after the Governor’s proclamation of the vote.

A statement of the Treasurer describing the financial considerations of this bond issue is published together with this statement.

A “YES” vote approves the authorization of a \$37,000,000 bond issue to raise funds for capital construction projects and to provide financial assistance to distressed small businesses.

A “NO” vote disapproves the bond issue.

Total Estimated Debt service of \$48,701,250 of which Principal is \$37,000,000, Estimated Interest at 5.75% over 10 years is \$11,701,250.

PART B

This Part of the Act would authorize the State to issue bonds in an amount not to exceed \$42,000,000 to raise funds for transportation infrastructure capital improvements. The bonds would run for a period of not longer than 10 years from the date of issue and would be backed by the full faith and credit of the State.

The proceeds of the sale of the bonds would be expended under the direction and supervision of the Commissioner of Transportation for highway and bridge improvements (\$19,000,000); the local road assistance program (\$10,000,000); ferry, pier and port improvements (\$8,600,000); and railroad and airport improvements (\$4,400,000).

If approved, the bond authorization would take effect 30 days after the Governor’s proclamation of the vote.

A statement of the Treasurer describing the financial considerations of this bond issue is published together with this statement.

A “YES” vote approves the authorization of a \$42,000,000 bond issue for transportation infrastructure capital improvements.

A “NO” vote disapproves the bond issue.

Total Estimated Debt Service of \$55,282,500 of which Principal is \$42,000,000, Estimated Interest at 5.75% over 10 years is \$13,282,500.