

MAINE STATE LEGISLATURE

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ELECTIONS-1998

(NOV.)

MAINE CITIZEN'S GUIDE TO THE REFERENDUM ELECTION

Tuesday, November 3, 1998



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**In Accordance with the Acts Passed
by the 118th Legislature at the
Second Regular Session**

**Dan A. Gwadosky
Secretary of State**

Appropriation 010-29A-3213-012



**State of Maine
Office of the Secretary of State
Augusta, Maine 04333**

Dear Fellow Citizen,

All eligible Maine residents may vote in the referendum election on November 3, 1998. The information in this booklet is intended to help you learn about the issues so that you can make your own, well-informed decisions about how to vote. Referendum elections are an important part of the heritage of public participation in Maine, so I hope you will help keep our democracy strong by voting.

For information about how or where you vote, you may contact your local municipal clerk or call Maine's Division of Elections at 287-4186.

Now, enclosed in this booklet you will find:

- Each of the two referendum questions.
- The legislation each question represents.
- A summary of the intent and content of the legislation.
- An explanation of the significance of a "yes" or "no" vote.
- An analysis of the debt service on each bond issue.

The Department of the Secretary of State, the State Treasurer and the Attorney General have worked together to prepare this booklet for you. We hope you find it helpful and that you will vote in the November 3, 1998, referendum election.

Sincerely,

A handwritten signature in black ink, reading "Dan A. Gwadosky".

Dan A. Gwadosky
Secretary of State

STATE OF MAINE
Referendum Election, November 3, 1998
LISTING OF REFERENDUM QUESTIONS

Question 1: Bond Issue

Do you favor a \$20,000,000 bond issue to improve the Maine economy by supporting innovative research and development by businesses and nonprofit and educational institutions in the fields of biotechnology, computers and other information technology, aquaculture and marine technology, forestry and agriculture and advanced materials?

Question 2: Bond Issue

Do you favor a \$7,000,000 bond issue for the following purposes:

1. \$3,350,000 to construct water pollution control facilities, providing the state match for \$10,000,000 in federal funds;
2. \$1,000,000 to protect the public health and safety and the environment by providing funds for the cleanup of tire stockpiles;
3. \$1,150,000 to investigate, abate, clean up and mitigate threats to the public health and the environment from hazardous substance discharges; and
4. \$1,500,000 to construct drinking water system improvements that address public health threats, providing the state match for \$7,100,000 in federal funds?

TREASURER'S STATEMENT

The State of Maine borrows money by issuing bonds. Bonds spread the payments for projects over their useful life so that all benefiting from the projects pay for them. Bonding is a multi-step process which can generally be described as follows: 1.The Legislature decides which projects it believes should be funded from bond proceeds (money acquired from the sale of bonds) and puts the projects out for voter approval as required by the State Constitution. 2.The voters, at a statewide election, approve or reject each proposed project. 3.The State Treasurer issues bonds to pay for those projects approved by the voters or otherwise authorized by the Constitution. A person or institution purchasing the bonds is, in effect, loaning the State of Maine money in return for interest payments during the term of the bond. 4.The Treasurer distributes the money acquired from the sale of bonds in accordance with the legislation authorizing bonds for approved projects. 5.The Treasurer pays interest twice yearly to bond purchasers until the maturity date when the Treasurer pays them principal as well.

The following is a summary of the bond debt of the State of Maine as of June 30, 1998.

**Bonds Outstanding (Issued and
Maturing Through 2008):**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Highway fund	\$139,180,000	\$ 29,472,259	\$168,652,259
General fund	\$338,865,000	\$ 69,903,425	\$408,768,425
Total	\$478,045,000	\$ 99,375,684	\$577,420,684

**Unissued Bonds Authorized
by Voters:**

\$ 90,790,316

**Unissued Bonds Authorized
by the Constitution and Laws: \$ 99,000,000**

Total Unissued Bonds: \$189,790,316

**The Total Amount That Must
Be Paid in the Present Fiscal
Year for Debt Already**

Outstanding (7/1/98 - 6/30/99) \$ 79,790,000 \$ 25,121,238 \$104,911,238

If the bonds submitted here are approved by voters and issued for the full statutory period authorized, an estimate of the total interest and principal that may reasonably be expected to be paid is **\$38,571,000** representing **\$27,000,000** in principal and **\$11,571,000** in interest.



DALE McCORMICK
TREASURER OF STATE

Question 1: Bond Issue

Do you favor a \$20,000,000 bond issue to improve the Maine economy by supporting innovative research and development by businesses and nonprofit and educational institutions in the fields of biotechnology, computers and other information technology, aquaculture and marine technology, forestry and agriculture and advanced materials?

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND NINETY-EIGHT

S.P. 819 - L.D. 2205

An Act to Authorize a General Fund Bond Issue in the Amount of \$20 Million to Stimulate the Maine Economy through Research and Development

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 the support of research and development to improve the State's economy.

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

PART A

Sec. A-1. Authorization of bonds to provide for the support of research and development to improve the State's economy. 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 \$20,000,000 to raise funds for capital expenditures to support applied research and development in biotechnology, aquaculture and marine sciences, information technologies, advanced materials and advanced technologies for forestry and agriculture, 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 20 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. A-2. Records of bonds issued to be kept by 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 Act. Proceeds may be released to the University of Maine System only upon receipt by the Treasurer of State of evidence satisfactory to the Treasurer that the University of Maine System has complied with any requirement to establish and fund a maintenance account for office, laboratory or other building space to be constructed with

the proceeds. 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 Act 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 University of Maine System, the Maine Science and Technology Foundation and the Department of Economic and Community Development.

Sec. A-6. Allocations from General Fund bond issue; to support research and development to improve the State's economy. The proceeds of the sale of bonds must be expended as designated in the following schedule.

BOARD OF TRUSTEES OF THE UNIVERSITY OF MAINE SYSTEM

For capital improvements and equipment purchases to support research and development in marine biotechnology, software engineering and development, advanced technologies for forestry and agriculture, biotechnology and advanced materials engineering and development.	\$13,500,000
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MAINE SCIENCE AND TECHNOLOGY FOUNDATION

For a Marine Technology Fund to provide funds to enhance internet connections among public and private educational institutions conducting marine research and nonprofit marine research institutions (\$1,000,000) and to provide funds to enhance research and education capability in those institutions (\$2,000,000).	\$3,000,000
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For a Research Challenge Grants Program to provide funds for research institutions in the for-profit, nonprofit and academic sectors to enhance research and development capacity and productivity.	\$1,500,000
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DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

To pay a portion of design and construction costs for the Gulf of Maine Aquarium Research Facility.	\$2,000,000
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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 Act.

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 10 years 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 5 years of ratification of this Act, 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. A-10. Referendum for ratification; submission at general election; form of question; effective date. This Act must be submitted to the legal voters of the State of Maine at the next general election 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 general election, to vote on the acceptance or rejection of this Act by voting on the following question:

"Do you favor a \$20,000,000 bond issue to improve the Maine economy by supporting innovative research and development by businesses and nonprofit and educational institutions in the fields of biotechnology, computers and other information technology, aquaculture and marine technology, forestry and agriculture and advanced materials?"

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 the Act, the Governor shall proclaim the result without delay, and the Act 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 Act necessary to carry out the purpose of this referendum.

PART B

Sec. B-1. 20-A MRSA §10904-A is enacted to read:

§10904-A. Maintenance fund

The treasurer of the university shall establish and maintain a fund for maintenance of building space constructed with proceeds of any bond issued pursuant to an Act of the Legislature that requires such an account. The trustees shall acquire sufficient private and other non-General Fund contributions to maintain the space for the expected duration of its use.

Sec. B-2. Contingent effectiveness. This Part takes effect only if Part A takes effect.

INTENT AND CONTENT

This Act would authorize the State to issue bonds in an amount not to exceed \$20,000,000 to raise funds for capital expenditures to support applied research and development in biotechnology, aquaculture and marine sciences, information technologies, advanced materials and advanced technologies for forestry and agriculture. The bonds would run for a period not longer than 20 years from the date of issue and would be backed by the full faith and credit of the State.

Proceeds of the sale of the bonds in the amount of \$13,500,000 would be expended by the University of Maine System for capital improvements and equipment purchases to support research and development in marine sciences, biotechnology, software engineering and development, advanced technologies for forestry and agriculture, and advanced materials engineering and development. Receipt of these funds by the University is contingent upon the University establishing a fund with private and non-General Fund contributions to cover the cost of maintaining any office, laboratory or other building space to be constructed with these bond monies.

Proceeds of the sale of the bonds in the amount of \$2,000,000 will be expended by the State Department of Economic and Community Development to pay a portion of the costs to design and construct the Gulf of Maine Aquarium Research Facility.

The remainder of the bond proceeds will be expended by the Maine Science and Technology Foundation to create a \$3,000,000 Marine Technology Fund to enhance research and education capability and internet connections among public, private and nonprofit marine research institutions; and to provide \$1,500,000 in research challenge grants to enhance research and development capacity and productivity in for-profit, nonprofit and academic research institutions.

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 \$20,000,000 bond issue to support research and development by businesses and nonprofit educational institutions in biotechnology, aquaculture and marine sciences, information technologies, forestry and agriculture.

A "NO" vote disapproves the bond issue.

Total estimated life time cost is \$30,710,000 representing \$20,000,000 in principal and \$10,710,000 in interest (assuming interest at 5.10% over 20 years).

Question 2: Bond Issue

Do you favor a \$7,000,000 bond issue for the following purposes:

1. \$3,350,000 to construct water pollution control facilities, providing the state match for \$10,000,000 in federal funds;
 2. \$1,000,000 to protect the public health and safety and the environment by providing funds for the cleanup of tire stockpiles;
 3. \$1,150,000 to investigate, abate, clean up and mitigate threats to the public health and the environment from hazardous substance discharges; and
 4. \$1,500,000 to construct drinking water system improvements that address public health threats, providing the state match for \$7,100,000 in federal funds?
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STATE OF MAINE

—
IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-EIGHT
—

S.P. 826 - L.D. 2224

**An Act to Authorize a General Fund Bond Issue in the Amount
of \$7,000,000 to Construct Water Pollution Control
Facilities; to Clean Up Tire Stockpiles; to Investigate,
Abate, Clean Up and Mitigate Hazardous Substance Discharges;
and to Make Drinking Water System Improvements**

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 to construct water pollution control facilities; to clean up tire stockpiles; to investigate, abate, clean up and mitigate hazardous substance discharges; and to make drinking water system improvements.

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

Sec. 1. Authorization of bonds to provide funds to construct water pollution control facilities; to clean up tire stockpiles; to investigate, abate, clean up and mitigate hazardous substance discharges; and to make drinking water system improvements. 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 to raise funds to construct water pollution control facilities; to clean up tire stockpiles; to investigate, abate, clean up and mitigate hazardous substance discharges; and to make drinking water system 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 5 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. 2. Records of bonds issued to be kept by the Treasure 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. 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 Act. 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. 4. Interest and debt retirement. The Treasurer of State shall pay interest due or accruing on any bonds issued under this Act and all sums coming due for payment of bonds at maturity.

Sec. 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 Department of Environmental Protection and the Department of Human Services.

Sec. 6. Allocations from General Fund bond issue: to construct water pollution control facilities; to clean up tire stockpiles; to investigate, abate, clean up and mitigate hazardous substance discharges; and to make drinking water system improvements. The proceeds of the sale of bonds must be expended as designated in the following schedule.

ENVIRONMENTAL PROTECTION, DEPARTMENT OF

Construction of water pollution control facilities providing the state match for \$10,000,000 in federal funds	\$3,350,000
Cleanup of tire stockpiles to protect the public health and safety and the environment	\$1,000,000
Investigation, abatement, cleanup and mitigation of threats to the public health and the environment from hazardous substance discharges	\$1,150,000

HUMAN SERVICES, DEPARTMENT OF

Construction of drinking water system improvements for public water supplies providing the state match for \$7,100,000 in federal funds	\$1,500,000
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TOTAL ALLOCATIONS	\$7,000,000
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Sec. 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 Act.

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 expended within 10 years after the date of the sale of the bonds lapse to General Fund debt service.

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 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 the issuing any

remaining unissued bonds or bond anticipation notes for an additional amount of time not to exceed 5 years.

Sec. 10. Referendum for ratification; submission at general election; form of question; effective date. This Act must be submitted to the legal voters of the State of Maine at the next general election 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 general election, to vote on the acceptance or rejection of this Act by voting on the following question:

"Do you favor a \$7,000,000 bond issue for the following purposes:

1. \$3,350,000 to construct water pollution control facilities, providing the state match for \$10,000,000 in federal funds;
2. \$1,000,000 to protect the public health and safety and the environment by providing funds for the cleanup of tire stockpiles;
3. \$1,150,000 to investigate, abate, clean up and mitigate threats to the public health and the environment from hazardous substance discharges; and
4. \$1,500,000 to construct drinking water system improvements that address public health threats, providing the state match for \$7,100,000 in federal 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 and, if a majority of the legal votes are cast in favor of the Act, the Governor shall proclaim the result without delay, and the Act 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 Act necessary to carry out the purpose of this referendum.

INTENT AND CONTENT

This Act would authorize the State to issue bonds in an amount not to exceed \$7,000,000 to raise funds to investigate, abate and mitigate hazardous substance discharges and to clean up tire stockpiles, as well as to raise funds to match available federal funds to construct water pollution control facilities and improvements for public drinking water supplies. The bonds would run for a period not longer than 5 years from the date of issue and would be backed by the full faith and credit of the State.

Proceeds of the sale of the bonds in the amount of \$1,500,000 would be expended by the State Department of Human Services to construct improvements to public water supplies, thereby qualifying the State to receive an additional \$7,100,000 in federal funds for that purpose. The remainder of the proceeds of the sale of the bonds would be expended by the State Department of Environmental Protection in the following amounts: \$3,350,000 for the construction of water pollution control facilities, qualifying the State for \$10,000,000 in matching federal funds; \$1,000,000 for the cleanup of tire stockpiles;

and \$1,150,000 to investigate, abate and mitigate threats from the discharge of hazardous substances into the environment.

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 \$7,000,000 bond issue to construct water pollution control facilities and improvements to public drinking water supplies, clean up tire stockpiles and abate hazardous substance discharges.

A "NO" vote disapproves the bond issue.

Total estimated life time cost is \$7,861,000 representing \$7,000,000 in principal and \$861,000 in interest (assuming interest at 4.10% over 5 years).