## MAINE STATE LEGISLATURE

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### **MAINE CITIZEN'S**

### **GUIDE TO THE REFERENDUM ELECTION**

Tuesday, November 5, 2002



In Accordance with the Acts Passed by the 120th Legislature at the Second Regular Session

> Dan A. Gwadosky Secretary of State

Appropriation 010-29A-4213-012

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 5, 2002. 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 624-7650.

Now, enclosed in this booklet you will find:

- Each of the 2 bond questions and the proposed Constitutional Amendment.
- 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 5, 2002, referendum election.

Sincerely,

Dan A. Gwadosky Secretary of State

## STATE OF MAINE Referendum Election, November 5, 2002 LISTING OF REFERENDUM QUESTIONS

### **Question 1: Bond Issue**

Do you favor a \$25,000,000 bond issue to raise funds to build a new correctional facility in Machias and to make improvements to the Maine Correctional Center in South Windham?

### **Question 2: Bond Issue**

Do you favor a \$24,100,000 bond issue for the following purposes:

- 1. The sum of \$5,000,000 to construct and upgrade water pollution control facilities, providing the state match for \$12,500,000 in federal funds;
- 2. The sum of \$1,000,000 to protect public health, safety and the environment by providing funds to remove overboard discharges;
- 3. The sum of \$7,000,000 to make renovations and enhance wastewater treatment at the Department of Inland Fisheries and Wildlife's fish-rearing facilities;
- 4. The sum of \$1,000,000 to protect public health, safety and the environment by providing funds to remove and replace failing septic systems;
- 5. The sum of \$1,000,000 to clean up uncontrolled hazardous substance sites;
- 6. The sum of \$500,000 to remediate solid waste landfills;
- 7. The sum of \$500,000 to clean up tire stockpiles;
- 8. The sum of \$500,000 to provide funds for the Dam Repair and Reconstruction Fund and the renovation of and capital repairs and improvements to locks under the control of the Bureau of Parks and Lands;
- 9. The sum of \$1,800,000 to support drinking water system improvements that address public health threats, providing the state match for \$6,000,000 in federal funds;
- 10. The sum of \$2,300,000 to acquire the technology and services required to establish an Internet-based Maine public library of geographic data, to improve citizens' access to public geographic data, to make grants to municipalities for voluntary automation of parcel and zoning maps to uniform standards, to provide the state match for at least \$1,600,000 in federal funds

and to participate in intergovernmental data development agreements;

- 11. The sum of \$1,500,000 to support household hazardous waste collection and public recycling;
- 12. The sum of \$1,000,000 to construct new or retrofit existing pollution control structures on Maine farms to protect the environment;
- 13. The sum of \$500,000 to construct environmentally sound water sources that help avoid drought damage to crops; and
- 14. The sum of \$500,000 to recapitalize the Potato Marketing Improvement Fund?

### **Question 3: Constitutional Amendment**

Do you favor amending the Constitution of Maine to allow the State to issue short-term debt in limited amounts that must be repaid with federal transportation funds within 12 months to facilitate the development of highways, bridges and other transportation projects?

### 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, 2002.

Bonds Outstanding (Issued and Maturing Through 2012):	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Highway Fund General Fund Total	\$ 85,335,000 <u>\$260,790,000</u> \$346,125,000	\$13,171,556 \$45,312,450 \$58,484,006	\$ 98,506,556 <u>\$306,102,450</u> \$404,609,006
Unissued Bonds Authorized by Voters:	\$275,8	62,031	
Unissued Bonds Authorized by the Constitution and Laws:	\$ 99 <u>,0</u>	00,000	
Total Unissued Bonds:	\$374,862,031		
The Total Amount That Must Be Paid in the Present Fiscal Year for Debt Already Outstanding (FY03 Principal & Interest)	\$102,0	40,128	

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 \$61,657,325 representing \$49,100,000 in principal and \$12,557,325 in interest.



#### Question 1: Bond Issue

Do you favor a \$25,000,000 bond issue to raise funds to build a new correctional facility in Machias and to make improvements to the Maine Correctional Center in South Windham?

# STATE OF MAINE Chapter 72 Private & Special Laws of 2001 Approved April 11, 2002

"An Act to Authorize a General Fund Bond Issue in the Amount of \$25,000,000 to Build a New Correctional Facility in Machias and to Make Improvements to the Maine Correctional Center in South Windham"

**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 build a new correctional facility in Machias and to make improvements to the Maine Correctional Center in South Windham.

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

- Sec. 1. Authorization of bonds to build a new correctional facility in Machias and make improvements to the Maine Correctional Center in South Windham. 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 \$25,000,000 to build a new correctional facility in Machias and to make improvements to the Maine Correctional Center in South Windham 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. 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. 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 Commissioner of Corrections.
- Sec. 6. Allocations from General Fund bond issue; capital repairs and improvements in public facilities. The proceeds of the sale of the bonds must be expended as designated in the following schedule.

### CORRECTIONS, DEPARTMENT OF

Construct a new correctional facility in Machias to replace the existing Downeast Correctional Facility in Bucks Harbor in order to meet the need for minimum custody prison beds, achieve operational efficiencies and compliance with state and national environmental and building standards, and to support enhanced transition programs for prisoners reentering the community.

\$13,900,000

Construct an infirmary and extended care unit for special needs prisoners, to modernize existing buildings and to enhance security at the Maine Correctional Center in South Windham in order to met current and future medical needs of the prisoner population, support treatment programs for health care, substance abuse and sex offenders and improve intake and reception.

\$11,100,000

### **TOTAL ALLOCATIONS**

\$25,000,000

- **Sec. 7. Contingent upon ratification of bond issue.** Sections 1 to 6 of this Act do not become effective unless the people of the State have ratified the issuance of the 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 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 \$25,000,000 bond issue to raise funds to build a new correctional facility in Machias and to make improvements to the Maine Correctional Center in South Windham?"

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 Act, the Governor shall proclaim the result without delay, and this 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 \$25,000,000 to raise

funds for two correctional facility projects. The bonds would run for a period not longer than 10 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 would be expended by the Department of Corrections for the following projects in the following amounts: \$13,900,000 to construct a new minimum security correctional facility in Machias that will replace the Downeast Correctional Facility in Bucks Harbor; and \$11,100,000 to make various improvements to the correctional facility in South Windham, including modernization of existing buildings, the construction of an infirmary and extended care unit for special needs prisoners, and improvements to the intake and reception areas and to security at the facility.

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 \$25,000,000 bond issue to finance these correctional facility projects.

A "NO" vote disapproves the bond issue.

Total estimated life time cost is \$31,393,750 representing \$25,000,000 in principal and \$6,393,750 in interest (assuming interest at 4.65% over 10 years).

### **Question 2: Bond Issue**

Do you favor a \$24,100,000 bond issue for the following purposes:

- 1. The sum of \$5,000,000 to construct and upgrade water pollution control facilities, providing the state match for \$12,500,000 in federal funds;
- 2. The sum of \$1,000,000 to protect public health, safety and the environment by providing funds to remove overboard discharges;
- 3. The sum of \$7,000,000 to make renovations and enhance wastewater treatment at the Department of Inland Fisheries and Wildlife's fish-rearing facilities;
- 4. The sum of \$1,000,000 to protect public health, safety and the environment by providing funds to remove and replace failing septic systems;
- 5. The sum of \$1,000,000 to clean up uncontrolled hazardous substance sites;
- 6. The sum of \$500,000 to remediate solid waste landfills;
- 7. The sum of \$500,000 to clean up tire stockpiles;
- 8. The sum of \$500,000 to provide funds for the Dam Repair and Reconstruction Fund and the renovation of and capital repairs and improvements to locks under the control of the Bureau of Parks and Lands;
- 9. The sum of \$1,800,000 to support drinking water system improvements that address public health threats, providing the state match for \$6,000,000 in federal funds;
- 10. The sum of \$2,300,000 to acquire the technology and services required to establish an Internet-based Maine public library of geographic data, to improve citizens' access to public geographic data, to make grants to municipalities for voluntary automation of parcel and zoning maps to uniform standards, to provide the state match for at least \$1,600,000 in federal funds and to participate in intergovernmental data development agreements;
- 11. The sum of \$1,500,000 to support household hazardous waste collection and public recycling;

- 12. The sum of \$1,000,000 to construct new or retrofit existing pollution control structures on Maine farms to protect the environment;
- 13. The sum of \$500,000 to construct environmentally sound water sources that help avoid drought damage to crops; and
- 14. The sum of \$500,000 to recapitalize the Potato Marketing Improvement Fund?

#### **STATE OF MAINE**

## Chapter 71 Private & Special Laws of 2001 Approved April 11, 2002

"An Act to Authorize a General Fund Bond Issue in the Amount of \$24,100,000 for Water Pollution Control, Drinking Water, Water for Crops and Fish-rearing Facilities, to Clean up Hazardous Substances and Tire Stockpiles, Promote Public Geographic Data, Recapitalize the Potato Marketing Fund and Capitalize the Dam Repair Fund"

**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 and upgrade water pollution control facilities, to remove discharges, to clean up uncontrolled hazardous substance sites, to remediate solid waste landfills, to clean up tire stockpiles, to capitalize the Dam Repair and Reconstruction Fund, to make drinking water system improvements, to address household hazardous wastes, to promote standardization and use of public geographic data, to construct new or retrofit existing pollution control structures on Maine farms to protect the environment, to construct environmentally sound water sources that help avoid drought damage to crops, to recapitalize the Potato Marketing Improvement Fund and to make renovations and enhance wastewater treatment at the Department of Inland Fisheries and Wildlife's fish-rearing facilities.

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

Sec. 1. Authorization of bonds to provide for funds to construct and upgrade water pollution control facilities, to remove discharges, to make renovations and enhance wastewater treatment at the Department of Inland Fisheries and Wildlife's fish-rearing facilities, to clean up uncontrolled hazardous substance sites, to remediate solid waste landfills, to clean up tire stockpiles, to capitalize the Dam Repair and Reconstruction Fund, to make drinking water system improvements, to develop public recycling and household hazardous waste management infrastructure, to promote standardization and use of public geographic data, to construct new or retrofit existing pollution control structures on Maine farms to protect the environment, to construct environmentally sound water sources that help avoid drought damage to crops and to recapitalize the Potato Marketing Improvement Fund. 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 \$24,100,000, as authorized in section 6 of this Act, to raise funds to construct and upgrade water pollution control facilities, to remove discharges, to make renovations and enhance wastewater treatment at the Department of Inland Fisheries and Wildlife's fish-rearing facilities, to raise funds to clean up uncontrolled hazardous substance sites, to remediate solid waste landfills, to clean up tire stockpiles, to capitalize the Dam Repair and Reconstruction Fund, to make drinking water system improvements, to develop public recycling and household hazardous waste management infrastructure, to promote standardization and use of public geographic data, to construct new or retrofit existing pollution control structures on Maine farms to protect the environment, to construct environmentally sound water sources that help avoid drought damage to crops and to recapitalize the Potato Marketing Improvement Fund. 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. 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. 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 of this Act 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 of this Act under the direction and supervision of the Department of Environmental Protection, the Department of Inland Fisheries and Wildlife, the Department of Human Services, the Department of Administrative and Financial Services, the State Planning Office within the Executive Department and the Department of Agriculture, Food and Rural Resources.

Sec. 6. Allocations from General Fund bond issue; to construct and upgrade water pollution control facilities, to remove discharges and to make renovations and enhance wastewater treatment at the Department of Inland Fisheries and Wildlife's fish-rearing facilities, to clean up uncontrolled hazardous substance sites, to remediate solid waste landfills, to clean up tire stockpiles, to capitalize the Dam Repair and Reconstruction Fund, to make drinking water system improvements, to develop public recycling and household hazardous waste management infrastructure, to promote standardization and use of public geographic data, to construct new or retrofit existing pollution control structures on Maine farms to protect the environment, to construct environmentally sound water sources that help avoid drought damage to crops and to recapitalize the Potato Marketing Improvement Fund. The proceeds of the sale of the bonds must be expended as designated in the following schedule.

### **ENVIRONMENTAL PROTECTION, DEPARTMENT OF**

Loans to construct and upgrade water pollution control facilities matched by \$12,500,000 in federal funds.	\$5,000,000
Grants to municipalities, homeowners and businesses to remove overboard discharges.	1,000,000
Grants to municipalities through the Small Communities Grants Program.	1,000,000
Clean up uncontrolled hazardous substance sites.	1,000,000
Remediate solid waste landfills.	500,000
Clean up tire stockpiles.	500,000

### INLAND FISHERIES AND WILDLIFE, DEPARTMENT OF

Renovations and enhancement of wastewater	7,000,000
treatment at the Department of Inland Fisheries and	
Wildlife's fish-rearing facilities.	

DEFENSE, VETERANS AND EMERGENCY MANAGEMENT, DEPARTMENT OF

Provides funds for the Dam Repair and Reconstruction Fund established by the Maine Revised Statutes, Title 37-B, chapter 24 and for the renovation of and capital repairs and improvements to locks under the control of the Bureau of Parks and Lands. At least \$125,000 of the funds provided by this section must be in the form of a grant for those locks.

500,000

### **HUMAN SERVICES, DEPARTMENT OF**

Grants and loans for public drinking water system improvements matched by \$6,000,000 in federal funds.

1,800,000

### ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Establish an Internet-based Maine public library of geographic data, improve citizens' access to public geographic data, make grants to municipalities and participate in intergovernmental data development agreement matched by \$1,600,000 in federal funds.

2,300,000

### **STATE PLANNING OFFICE**

Support public recycling capital investment.

600,000

Support household hazardous wastes management infrastructure.

900,000

### AGRICULTURE, FOOD AND RURAL RESOURCES, DEPARTMENT OF

Construction of new or retrofitting of existing manure
pollution control structures on Maine farms to comply
with Maine law. These state funds will be matched with
federal and private funds.

1,000,000

Construction of environmentally sound water sources that help avoid drought damage to crops.

500,000

Recapitalize the Potato Marketing Improvement Fund. These state funds will match private funds and be used to construct potato storage facilities. 500,000

### **TOTAL ALLOCATIONS**

\$24,100,000

**Sec. 7. Contingent upon ratification of bond issue.** Sections 1 to 6 of this Act do not become effective unless the people of the State have ratified the issuance of the 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 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 primary election, to vote on the acceptance or rejection of this Act by voting on the following question:

"Do you favor a \$24,100,000 bond issue for the following purposes:

- 1. The sum of \$5,000,000 to construct and upgrade water pollution control facilities, providing the state match for \$12,500,000 in federal funds;
- 2. The sum of \$1,000,000 to protect public health, safety and the environment by providing funds to remove overboard discharges;
- 3. The sum of \$7,000,000 to make renovations and enhance wastewater treatment at the Department of Inland Fisheries and Wildlife's fish-rearing facilities;
- 4. The sum of \$1,000,000 to protect public health, safety and the environment by providing funds to remove and replace failing septic systems;
- 5. The sum of \$1,000,000 to clean up uncontrolled hazardous substance sites;
- 6. The sum of \$500,000 to remediate solid waste landfills;
- 7. The sum of \$500,000 to clean up tire stockpiles;
- 8. The sum of \$500,000 to provide funds for the Dam Repair and Reconstruction Fund and the renovation of and capital repairs and improvements to locks under the control of the Bureau of Parks and Lands;
- 9. The sum of \$1,800,000 to support drinking water system improvements that address public health threats, providing the state match for \$6,000,000 in federal funds;
- 10. The sum of \$2,300,000 to acquire the technology and services required to establish an Internet-based Maine public library of geographic data, to improve citizens' access to public geographic data, to make grants to municipalities for voluntary automation of parcel and zoning maps to uniform standards, to provide the state match for at least \$1,600,000 in federal funds and to participate in intergovernmental data development agreements;
- 11. The sum of \$1,500,000 to support household hazardous waste collection and public recycling;
- 12. The sum of \$1,000,000 to construct new or retrofit existing pollution control structures on Maine farms to protect the environment;
- 13. The sum of \$500,000 to construct environmentally sound water sources that help avoid drought damage to crops; and
- 14. The sum of \$500,000 to recapitalize the Potato Marketing Improvement Fund?"

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 Act, the Governor shall proclaim the result without delay, and this 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 \$24,100,000 to raise funds for a variety of purposes, as indicated in paragraphs #1 - 14 of the ballot question.

Proceeds of the sale of the bonds in the amount of \$9,000,000 (referenced in paragraphs 1 - 2 and 4 - 7 of the question) would be expended by the Department of Environmental Protection as follows: \$5,000,000 in loans to construct and upgrade water pollution control facilities, providing the state match for up to \$12,500,000 in available federal funds; \$1,000,000 in grants to municipalities, homeowners and businesses to remove overboard wastewater discharges; \$1,000,000 in grants to municipalities to remove and replace failing septic systems through the Small Communities Grant Program; \$1,000,000 to clean up uncontrolled hazardous substance sites; \$500,000 to remediate solid waste landfills and another \$500,000 to clean up tire stockpiles.

Proceeds of the sale of the bonds in the amount of \$7,000,000 (referenced in paragraph 3 of the question) would be expended by the Department of Inland Fisheries and Wildlife to renovate and enhance wastewater treatment at the Department's fish-rearing facilities, beginning with the Embden Fish Rearing facility, as the first phase of the Department's plan to increase production in its fish culture facilities.

Proceeds of the sale of the bonds in the amount of \$500,000 (referenced in paragraph 8 of the question) would be placed in the Dam Repair and Reconstruction Fund, administered by the Department of Defense, Veterans and Emergency Management in accordance with Title 37-B M.R.S.A. section 1130. A portion of those funds (at least \$125,000) must be used to renovate and repair locks under the control of the Bureau of Parks and Lands, including the Songo Locks between Long Lake and Sebago Lake.

Proceeds of the sale of the bonds in the amount of \$1,800,000 (referenced in paragraph 9 of the question) would be expended by the Department of Human Services in grants and loans, through the Safe Drinking Water Revolving Loan Fund, for improvements to public drinking water systems, thereby qualifying for up to \$6,000,000 in federal matching funds.

Proceeds of the sale of the bonds in the amount of \$2,300,000 (referenced in paragraph 10 of the question) would be expended by the Department of Administrative and Financial Services to improve citizens' access to public geographic information, create a user friendly Internet-based public Geolibrary, make grants to municipalities for voluntary updating of parcel and zoning maps to meet uniform standards and provide required matching funds for federal and private grants.

Proceeds of the sale of the bonds in the amount of \$1,500,000 (referenced in paragraph 11 of the question), would be expended by the State Planning Office to make available to communities funds for purchasing processing and moving equipment for the preparation of recyclable materials, construction and expansion of recycling centers and storage facilities, and development of related services and facilities to support the State's recycling program; and for construction of facilities for the safe handling, storage and collection of household hazardous materials.

Finally, proceeds from the sale of the bonds in the amount of \$2,000,000 (referenced in paragraphs 12-14 of the question) would be expended by the Department of Agriculture as follows: \$1,000,000 to construct or retrofit pollution control facilities such as manure storage and handling facilities on Maine farms, to be matched with federal and private funds; \$500,000 to construct environmentally sound water supplies for crop irrigation; and \$500,000 to recapitalize the Potato Marketing Improvement Fund in order to provide a match for private funds used to construct potato storage facilities. The bonds would run for a period not longer than 10 years from the date of issue and would be backed by the full faith and credit of the State.

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 \$24,100,000 bond issue to finance all of the above listed projects.

A "NO" vote disapproves the bond issue.

Total estimated life time cost is \$30,263,575 representing \$24,100,000 in principal and \$6,163,575 in interest (assuming interest at 4.65% over 10 years).

#### **Question 3: Constitutional Amendment**

Do you favor amending the Constitution of Maine to allow the State to issue short—term debt in limited amounts that must be repaid with federal transportation funds within 12 months to facilitate the development of highways, bridges and other transportation projects?

### STATE OF MAINE

## Chapter 1 Constitutional Resolutions of 2001 Approved April 3, 2002

"RESOLUTION, Proposing an Amendment to the Constitution of Maine to Allow for Loans to be Repaid With Federal Transportation Funds"

**Constitutional amendment. Resolved:** Two thirds of each branch of the Legislature concurring, that the following amendment to the Constitution of Maine be proposed:

Constitution, Art. IX, §14 is amended to read:

Section 14. Authority and procedure for issuance of bonds. The credit of the State shall not be directly or indirectly loaned in any case, except as provided in sections 14-A, 14-B, 14-C and 14-D. The Legislature shall not create any debt or debts, liability or liabilities, on behalf of the State, which shall singly, or in the aggregate, with previous debts and liabilities hereafter incurred at any one time, exceed \$2,000,000, except to suppress insurrection, to repel invasion, or for purposes of war, and except for temporary loans to be paid out of money raised by taxation during the fiscal year in which they are made, and except for loans to be repaid within 12 months with federal transportation funds in amounts not to exceed 50% of transportation funds appropriated by the Federal Government in the prior federal fiscal year; and excepting also that whenever 2/3 of both Houses shall deem it necessary, by proper enactment ratified by a majority of the electors voting thereon at a general or special election, the Legislature may authorize the issuance of bonds on behalf of the State at such times and in such amounts and for such purposes as approved by such action; but this shall not be construed to refer to any money that has been, or may be deposited with this State by the Government of the United States, or to any fund which the State shall hold in trust for any Indian tribe. Whenever ratification by the electors is essential to the validity of bonds to be issued on behalf of the State, the question submitted to the electors shall be accompanied by a statement setting forth the total amount of bonds of the State outstanding and unpaid, the total amount of bonds of the State authorized and unissued, and the total amount of bonds of the State contemplated to be issued if the enactment submitted to the electors be ratified. For any bond authorization requiring ratification of the electors pursuant to this section, if any bonds have not been issued within 5 years of the date of ratification, then those bonds may not be issued after that date. Within 2 years after expiration of that 5-year period, the Legislature may extend, by a majority vote, the 5-year period for an additional 5 years or may deauthorize the bonds. If the Legislature fails to take action within those 2 years, the bond issue shall be considered to be deauthorized and no further bonds may be issued. For any bond authorization in existence on November 6, 1984, and for which the 5-year period following ratification has expired, no further bonds may be issued unless the Legislature, by November 6, 1986, reauthorizes those bonds by a majority vote, for an additional 5-year period, failing which all bonds unissued under those authorizations shall be considered to be deauthorized. Temporary loans to be paid out of moneys raised by taxation during any fiscal year shall not exceed in the aggregate during the fiscal year in question an amount greater than 10% of all the moneys appropriated, authorized and allocated by the Legislature from undedicated revenues to the General Fund and dedicated revenues to the Highway Fund for that fiscal year, exclusive of proceeds or expenditures from the sale of bonds, or greater than 1% of the total valuation of the State of Maine, whichever is the lesser.

; and be it further

Constitutional referendum procedure; form of question; effective date. Resolved: That 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, at the next general election in the month of November following passage of this resolution, to vote upon the ratification of the amendment proposed in this resolution by voting upon the following question:

"Do you favor amending the Constitution of Maine to allow the State to issue short-term debt in limited amounts that must be repaid with federal transportation funds within 12 months to facilitate the development of highways, bridges and other transportation projects?"

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 the 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 it appears that a majority of the legal votes are cast in favor of the amendment, the Governor shall proclaim that fact without delay and the amendment becomes part of the Constitution on the date of the proclamation; and be it further

**Secretary of State shall prepare ballots. Resolved:** That the Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this resolution necessary to carry out the purpose of this referendum.

### **INTENT AND CONTENT**

This proposal would authorize an amendment to the Constitution of Maine to exempt from the current \$2 million debt limit certain short-term loans that must be repaid within 12 months by the federal government out of federal transportation funds.

A "YES" vote approves the constitutional amendment.

A "NO" vote disapproves the constitutional amendment.

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