

MAINE STATE LEGISLATURE

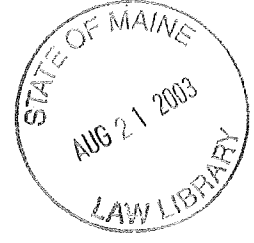
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ELECTIONS - 2003
(JUNE)



**MAINE CITIZEN'S GUIDE TO THE
REFERENDUM ELECTION**

Tuesday, June 10, 2003



**In Accordance with
the Acts Passed
by the 121st Legislature at the
First 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 June 10, 2003. 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:

- ◆ The bond question.
- ◆ The legislation the 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 connected with the bond question.

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 June 10, 2003, referendum election.

Sincerely,



Dan A. Gwadosky
Secretary of State

STATE OF MAINE
Referendum Election, June 10, 2003
LISTING OF REFERENDUM QUESTION

Question 1: Bond Issue

Do you favor a \$60,000,000 bond issue to stimulate economic growth and job creation through investments in research and development, municipal infrastructure and facilities, the Maine Farms for the Future Program and affordable housing, in anticipation of approximately \$134,150,000 in federal and private funds? The bonds would be used for the following purposes:

1. The sum of \$6,000,000 to create jobs and reduce property tax burdens by providing grants and loans to municipalities for public facilities and infrastructure;
2. The sum of \$6,000,000 to create jobs and stimulate economic growth through expanded research, development, technology commercialization and business incubation facilities at the Advanced Engineered Wood Composites Center at the University of Maine;
3. The sum of \$3,000,000 to support educational technology improvements at the University of Maine System;
4. The sum of \$3,600,000 in anticipation of \$12,000,000 in federal and private funding for University of Maine System research and development activities;
5. The sum of \$4,400,000 to expand and equip research and development facilities at the Portland campus of the University of Southern Maine;
6. The sum of \$1,000,000 in anticipation of \$1,000,000 in federal and private funding for grants to nonprofit marine institutions for research and development;
7. The sum of \$20,000,000 for medical research and development by Maine-based biomedical research institutions in anticipation of approximately \$100,000,000 in federal and private funds for health research to cure disease and to retain Maine graduates by providing quality Maine jobs;
8. The sum of \$2,000,000 to support the State's applied technology development centers;
9. The sum of \$3,000,000 to create jobs and stimulate economic growth through the design and construction of the Gulf of Maine Research Laboratory;
10. The sum of \$2,000,000 to support the Maine Farms for the Future Program;
11. The sum of \$1,000,000 to support funding for the University of Maine agricultural research farms; and
12. The sum of \$8,000,000 in anticipation of \$21,150,000 in federal and private funds for affordable housing.

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 December 31, 2002.

Bonds Outstanding

(Issued and Maturing Through 2012):	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Highway fund	\$ 76,795,000	\$11,021,416	\$ 87,816,416
General fund	<u>\$235,405,000</u>	<u>\$38,462,945</u>	<u>\$273,867,945</u>
Total	\$312,200,000	\$49,484,361	\$361,684,361

Unissued Bonds

Authorized by Voters: \$299,961,000

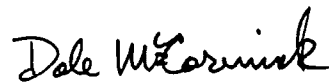
**Unissued Bonds Authorized
by the Constitution and Laws:** \$ 99,000,000

Total Unissued Bonds: \$398,961,000

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

Outstanding (for FY 2003) \$102,040,128

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 \$74,850,000 representing \$60,000,000 in principal and \$14,850,000 in interest.



DALE McCORMICK
TREASURER OF STATE

STATE OF MAINE
Chapter 50
Public Laws of 2003
Approved April 18, 2003

“An Act To Authorize a General Fund Bond Issue in the Amount of \$60,000,000 for Municipal Facilities and for Investments in Research, Development, Farming and Affordable Housing in Order To Sustain and Improve Maine’s Economy”

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,

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

PART A

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 \$60,000,000 to raise funds for recapitalizing the Municipal Investment Trust Fund; expanding research and development facilities in the University of Maine System; supporting marine research infrastructure and technology; supporting applied technology development centers; funding economic improvement; completing, expanding and equipping 2 floors of a University of Southern Maine science building; designing and constructing the Gulf of Maine Research Laboratory; funding the capital research infrastructure needs at the University of Maine agricultural research farms; supporting Maine Farms for the Future Program; funding educational technology improvements; supporting biomedical research and development; and developing affordable housing in Maine as authorized by 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. 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 kept by 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 this Part 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 this Part under the direction and supervision of the Department of Tourism, Economic and Community Development, the University of Maine System, the Department of Agriculture, Food and Rural Resources and the Maine State Housing Authority.

Sec. A-6. Allocations from General Fund bond issue. The proceeds of the sale of the bonds must be expended as designated in the following schedule.

**Tourism, Economic and Community Development,
Department of**

Recapitalize the Municipal Investment Trust Fund to provide grants and loans to municipalities for public facilities and infrastructure. \$ 6,000,000

University of Maine System – University of Maine

Provide funds for the Advanced Engineered Wood Composites Center to expand research facilities for engineered wood composite structures. \$ 6,000,000

University of Maine System

Provide funds for educational technology improvements. \$ 3,000,000

University of Maine System

Provide funds for the Maine Economic Improvement Fund, in anticipation of \$12,000,000 in federal and other funding, for research and development activities. \$ 3,600,000

University of Maine System – University of Southern Maine

Provide funds to complete, expand and equip 2 floors of the research wing of the science building on the Portland campus. \$ 4,400,000

**Tourism, Economic and Community Development,
Department of**

Provide funds to the Marine Infrastructure and Technology Fund, in anticipation of \$1,000,000 in federal and private funding. Eligible institutions include Maine's private nonprofit institutions and state governmental and quasi-governmental agencies, excluding organizations eligible to participate in the programs under the Maine Revised Statutes, Title 5, section 13103 and the University of Maine System. \$ 1,000,000

**Tourism, Economic and Community Development,
Department of**

Provide funds to the Maine Biomedical Research Fund, in anticipation of approximately \$100,000,000 in federal and private funding, to support capital infrastructure and equipment. \$20,000,000

Eligible institutions are those delineated in the Maine Revised Statutes, Title 5, section 13103. These institutions are subject to the reporting requirements in this Act related to the Maine Biomedical Research Fund.

**Tourism, Economic and Community Development,
Department of**

Provide funds to the applied technology development centers identified in section 10 of this Part for infrastructure improvements. \$ 2,000,000

These funds are subject to the allocation requirements identified in section 10 of this Part.

**Tourism, Economic and Community Development,
Department of**

Provide funds to be allocated to design and construct the Gulf of Maine Research Laboratory to partner with the fishing community on marine research to protect and enhance the commercial fishery of the Gulf of Maine; to partner with the marine biotechnology industry to undertake marine biotechnology research; and to develop and make available an innovative marine sciences education hall focused on middle and secondary school students and the general public. \$ 3,000,000

**Agriculture, Food and Rural Resources,
Department of**

Provide funds to the Maine Farms for the Future Program. \$ 2,000,000

University of Maine System – University of Maine

Provide funds for capital research infrastructure needs at the University of Maine agricultural research farms. \$ 1,000,000

Maine State Housing Authority

Provide funds for affordable housing, consistent with the Maine Revised Statutes, Title 30-A, section 4347-A, in anticipation of \$21,150,000 in federal and private funding. At least \$7,500,000 of the funds will be for workforce housing with the balance for other multifamily and single-family housing.

\$ 8,000,000

TOTAL ALLOCATIONS

\$60,000,000

Sec. A-7. Contingent upon ratification of bond issue. Sections 1 to 6 of this Part do not become effective unless the people of the State ratify the issuance of the 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 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 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. A-10. Applied Technology Development Centers; criteria for distribution of bond proceeds. The Department of Tourism, Economic and Community Development shall establish a process for distributing the bond proceeds allocated in this Part among the following applied technology development centers: the Center for Environmental Enterprise in South Portland; the Thomas M. Teague Biotechnology Park in Fairfield; the River Valley Technology Center in Rumford; and the composite technology center facility in Greenville.

Funds must be allocated based upon the following priorities:

1. Safety and structural integrity;
2. Completion of renovations currently in process;
3. Accomplishment of planned renovations; and
4. Debt relief for completed projects.

Sec. A-11. Report. The Department of Tourism, Economic and Community Development shall report to the Joint Standing Committee on Business, Research and Economic Development by November 15, 2003 on the planned distribution to date of the funds as provided in this Part.

Sec. A-12. Referendum for ratification; submission at statewide election; form of question; effective date. This Part must be submitted to the legal voters of the State at a statewide election on the Tuesday following the 2nd Monday of June 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 statewide election, to vote on the acceptance or rejection of this Part by voting on the following question:

“Do you favor a \$60,000,000 bond issue to stimulate economic growth and job creation through investments in research and development, municipal infrastructure and facilities, the Maine Farms for the Future Program and affordable housing, in anticipation of approximately \$134,150,000 in federal and private funds? The bonds would be used for the following purposes:

1. The sum of \$6,000,000 to create jobs and reduce property tax burdens by providing grants and loans to municipalities for public facilities and infrastructure;
2. The sum of \$6,000,000 to create jobs and stimulate economic growth through expanded research, development, technology commercialization and business incubation facilities at the Advanced Engineered Wood Composites Center at the University of Maine;
3. The sum of \$3,000,000 to support educational technology improvements at the University of Maine System;
4. The sum of \$3,600,000 in anticipation of \$12,000,000 in federal and private funding for University of Maine System research and development activities;
5. The sum of \$4,400,000 to expand and equip research and development facilities at the Portland campus of the University of Southern Maine;
6. The sum of \$1,000,000 in anticipation of \$1,000,000 in federal and private funding for grants to nonprofit marine institutions for research and development;
7. The sum of \$20,000,000 for medical research and development by Maine-based biomedical research institutions in anticipation of approximately \$100,000,000 in federal and private funds for health research to cure disease and to retain Maine graduates by providing quality Maine jobs;
8. The sum of \$2,000,000 to support the State’s applied technology development centers;
9. The sum of \$3,000,000 to create jobs and stimulate economic growth through the design and construction of the Gulf of Maine Research Laboratory;
10. The sum of \$2,000,000 to support the Maine Farms for the Future Program;
11. The sum of \$1,000,000 to support funding for the University of Maine agricultural research farms; and
12. The sum of \$8,000,000 in anticipation of \$21,150,000 in federal and private funds for affordable housing.

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 purposes of this referendum.

PART B

Sec. B-1. 5 MRSA §13103, sub-§2, ¶G, as amended by PL 2001, c. 196, §5, is further amended to read:

G. Submit each biennium a ~~summary~~ report to the Governor ~~and the Legislature that compiles information reported to the Maine Biomedical Research Board as required by subsection 8 by all the institutions that receive program funding,~~ the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the joint standing committee of the Legislature having jurisdiction over business, research and economic development matters. The report must include detailed information on the status of the funds in the Maine Biomedical Research Fund, a listing and explanation of each specific source of funding from grant sources for biomedical research and its use and the number of new jobs created in the State and where those jobs are located.

Sec. B-2. Contingent effective date. This Part takes effect only if the voters ratify the referendum as provided in Part A of this Act.

INTENT AND CONTENT

This Act would authorize the State to issue bonds in an amount not to exceed \$60,000,000 to raise funds for a variety of purposes as indicated in paragraphs #1 – 12 of the ballot question. 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.

The University of Maine System would expend proceeds of the sale of the bonds in the amount of \$18,000,000 for the following purposes, as referenced in paragraphs 2 through 5 and paragraph 11 of the ballot question:

\$6,000,000 (paragraph 2) to expand and equip laboratory and research facilities at the Advanced Engineered Wood Composites Center – a research and learning center located at the University of Maine in Orono and dedicated to the development and commercialization of new products using composite materials;

\$3,000,000 (paragraph 3) to upgrade the educational technology and communications infrastructure for the University of Maine System, statewide;

\$3,600,000 (paragraph 4) to be added to the Maine Economic Improvement Fund and used to provide the state match for federal grant funds to support applied scientific research and related commercial development conducted by the University of Maine System in certain targeted technology areas that are defined by statute;

\$4,400,000 (paragraph 5) to complete construction of the second and third floors of the Research Wing of the Science Building on the Portland campus of the University of Southern Maine, and to purchase laboratory and core facility equipment for use in research and development at that facility; and

\$1,000,000 (paragraph 11) to fund capital improvements and equipment purchases at the agricultural research farms operated by the University, which include Aroostook Farm in Presque Isle, Blueberry Hill Farm in Jonesboro, Highmoor Farm in Monmouth, Rogers Farm in Stillwater and the J.F. Witter Teaching and Research Center in Old Town.

The Department of Economic and Community Development (now re-named the Department of Tourism, Economic and Community Development) would expend proceeds of the sale of the bonds in the amount of \$32,000,000 for the following purposes, as referenced in paragraph 1 and paragraphs 6 through 9 of the question:

\$6,000,000 (paragraph 1) to re-capitalize the existing Municipal Investment Trust Fund, which is administered by the Maine Municipal Bond Bank and used to provide loans and grants to municipalities for public service infrastructure projects. These are defined by statute as facilities that are essential for public health, safety and welfare and include sewage treatment and solid waste facilities, water supply and treatment facilities, public safety equipment and facilities, roads, traffic control devices and other transportation facilities, sidewalks, trees, buried utility lines and other streetscape improvements, parks and other open space or recreational areas, public access to coastal and inland waters, geographic information systems and any other facility that benefits the public;

\$1,000,000 (paragraph 6) for the Marine Infrastructure and Technology Fund (formerly the Maine Marine Research Fund), which will be administered by the Maine Technology Institute through a competitive process of matching grant awards for marine research and development. Private non-profit institutions, including academic institutions, and state governmental and quasi-governmental agencies would be eligible to compete for such grants, but the University of Maine System would not. It is anticipated that these bond funds would be matched by \$1,000,000 in federal and/or private funding through the grant process;

\$20,000,000 (paragraph 7) would be placed in the Maine Biomedical Research Fund, which is administered by the Department and the Maine Biomedical Research Board with the assistance of the Maine Technology Institute and is used to support biomedical research at Maine-based private non-profit research institutions and academic medical centers deemed eligible in accordance with Title 5, section 13103 of the Maine Revised Statutes. Based upon past performance of this program, it is anticipated that the eligible institutions competing for this amount of bond funding would bring in an additional \$100,000,000 in grants from federal agencies and private foundations for biomedical research. If this bond authorization is approved by the voters, a provision of law will take effect that requires annual reports to the Legislature with detailed information on the status of the Maine Biomedical Research Fund, a

listing and explanation of each source of funding from grant sources for biomedical research and its use and the number and location of new jobs created in the state;

\$2,000,000 (paragraph 8) would be allocated among four applied technology development centers – the Center for Environmental Enterprise in South Portland, the Thomas M. Teague Biotechnology Park in Fairfield, the River Valley Technology Center in Rumford, and the composite technology center in Greenville – to address priorities of safety and structural integrity, complete renovations currently in process, accomplish planned renovations and provide debt relief for completed projects; and

\$3,000,000 (paragraph 9) would be allocated toward design and construction of the Gulf of Maine Research Laboratory in Portland, to be built and operated by the non-profit corporation, Gulf of Maine Aquarium. The laboratory will be used for marine research, including research in partnership with the fishing community to protect and enhance the commercial fishery of the Gulf of Maine, as well as marine biotechnology research, and it will include facilities to provide educational programs for middle and secondary school students and the general public.

The Department of Agriculture, Food and Rural Resources would expend proceeds of the sale of the bonds in the amount of \$2,000,000 (referenced in paragraph 10 of the question) through the existing Maine Farms for the Future Program, established pursuant to Title 7, chapter 10-B of the Maine Revised Statutes. This program provides technical assistance grants to farmers selected through a competitive process to develop and implement business plans designed to increase the vitality of farms and maintain them in agricultural use.

The Maine State Housing Authority would utilize proceeds of the sale of the bonds in the amount of \$8,000,000 (referenced in paragraph 12 of the question) to support the development of affordable housing projects. Of that amount, \$7,500,000 would be applied to the development of approximately 150 units of new multi-family rental housing, while the balance of \$500,000 would be used to assist families to purchase single family housing under the Maine State Housing Authority's first time home buyer program. It is anticipated that the use of these bond funds would support the additional investment of approximately \$21,000,000 in federal and private funding through mortgage revenue bonds and federal income tax credits.

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 \$60,000,000 bond issue to finance all of the above listed activities.

A "NO" vote disapproves the bond issue in its entirety.

Total estimated life time cost is \$74,850,000 representing \$60,000,000 in principal and \$14,850,000 in interest (assuming interest at 4.50% over 10 years).