

MAINE STATE LEGISLATURE

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Department of the Secretary of State

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2008 Maine Citizen's Guide to the Referendum Election

Tuesday, June 10, 2008



**In Accordance with the Acts Passed by
the 123rd Legislature at the First Regular
Session**

**Matthew Dunlap
Secretary of State**

Appropriation 010-29A-4213-012

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

Dear Fellow Citizen,

The information that follows has been compiled to help voters learn about the questions that will appear on the June 10, 2008 Referendum Election ballot. Referendum elections are an important part of the heritage of public participation in Maine. I hope you will help keep our democracy strong by reviewing this information and then casting your ballot.

For information about how or where to vote, please contact your local municipal clerk or call Maine's Division of Elections at 624-7650.

- the referendum 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 on the bond issue; and
- an estimate of the fiscal impact of the referendum question on state revenues, appropriations and allocation.

The Department of the Secretary of State, the Attorney General, the State Treasurer and the Office of Fiscal and Program Review have worked together to compile this information. We hope you find it helpful and we encourage you to vote.

Sincerely,



Matthew Dunlap
Secretary of State

Features in this Guide

Chapter 316 of the Public Laws of 2005, passed by the First Special Session of the 122nd Legislature, added several features to the Guide.

In addition to the Intent and Content summaries prepared by the Office of the Attorney General, and the Treasurer's Statement and analysis of the debt service on the bond issue, this Guide also includes an estimate of the fiscal impact of the statewide referendum on state revenues, appropriations and allocations. The fiscal impact estimate must summarize the aggregate impact that the ballot measure will have on the General Fund, the Highway Fund, Other Special Revenue Funds and the amounts distributed by the state to local units of government.

The Guide may also include public comments in support for or in opposition to each ballot measure. As required by this law, a person filing a public comment for publication must pay a fee of \$500 to the Secretary of State. Fees filed with public comments will be deposited in the Public Comment Publication Fund. The money in this fund must be used for the purpose of publishing the Secretary of State's Guide to the Referendum Election.

Pursuant to Chapter 316 of the Public Laws of 2005, the Secretary of State adopted rules regarding the publication of public comment by proponents and opponents of ballot measures. Chapter 520, Rules Regarding Publication of Public Comments on Statewide Referenda, are available on the Secretary of State's web site at:

[Upcoming Elections Information](#)

STATE OF MAINE **Referendum Election, June 10, 2008** **LISTED OF REFERENDUM QUESTIONS**

Question 1: Bond Issue

Do you favor a \$29,725,000 bond issue for natural resource, agricultural and transportation infrastructure that will leverage \$29,780,000 in other funds?

Treasurer's Statement

The State of Maine borrows money by issuing bonds. Bonding is a multi-step process which can generally be described as follows:

1. The Legislature decides what it believes should be funded from bond proceeds (money acquired from the sale of bonds) and puts the bonds out for voter approval as required by the State Constitution.
2. The voters, at a statewide election, approve or reject each bond proposal.
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 general obligation bond debt of the State of Maine as of **April 1, 2008**.

Bonds Outstanding (Issued and Maturing through 2017):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Highway Fund	\$ 49,020,000	\$ 7,296,433	\$ 56,316,433
General Fund	\$369,945,000	\$50,893,692	\$420,838,692
Total	\$418,965,000	\$58,190,125	\$477,155,125
?			
Unissued Bonds Authorized by Voters:			\$300,265,571
Unissued Bonds Authorized by the Constitution and Laws:			<u>\$ 99,000,000</u>
Total Unissued Bonds:			\$399,265,571
Less Bond Anticipation Note Issued this Fiscal Year:			<u>\$(89,083,571)</u>
Total Available from Authorized but Unissued:			\$310,182,000
Total Amount that must be paid in the present fiscal year for Debt already Outstanding (for FY2008):			\$ 95,109,173

If the bond 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 **\$38,308,094** representing **\$29,725,000** in principal and **\$8,583,094** in interest.



David Lemoine, Treasurer of State

The bond issue to be voted on at the June 10, 2008 Referendum Election was part of a single legislative Act. Chapter 39 of the Public Laws of 2007, "An Act to Authorize Bond Issues for Ratification by the Voters for the June and November 2007 Elections and the June 2008 Election and To Transfer Certain Funds" was passed at the First Regular Session of the 123rd Legislature and signed by the Governor on April 10, 2007. The bond issue designated for the June 2008 Election, **Question 1**, relates to Part G of the legislation.

Question 1: Bond Issue

Do you favor a \$29,725,000 bond issue for natural resource, agricultural and transportation infrastructure that will leverage \$29,780,000 in other funds?

STATE OF MAINE Chapter 39 Public Laws of 2007 Approved April 10, 2007

An Act to Authorize Bond Issues for Ratification by the Voters for the June and November 2007 Elections and the June 2008 Election and To Transfer Certain Funds

PART G

Sec. G-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 \$29,725,000 for the purposes described in section 6 of 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. G 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. G 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. G 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. G-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 Environmental Protection, Department of Inland Fisheries and Wildlife and the Department of Transportation.

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

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DEPARTMENT OF INLAND FISHERIES AND WILDLIFE

Dam repair

Provides funds for major rehabilitation of dams.

\$300,000

Hatchery rehabilitation

Provides funds for upgrades to fish hatcheries to meet water quality requirements.

\$2,000,000

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Small community grants

Provides funds to fund the small community grant program, which provides grants to rural communities to address specific water pollution problems.

\$1,000,000

Uncontrolled hazardous waste

Provides funds to investigate and clean up uncontrolled hazardous substance contamination at sites posing unacceptable threats to public health and water quality.

\$2,000,000

Municipal landfills

Provides funds to identify and address pollution problems at closed landfills under a statutory mandate to monitor and inspect closed municipal facilities. Bonds will repay municipalities that conducted remedial actions such as waterline extensions or landfill gas collection to protect nearby residential property.

\$800,000

Industrial landfills

Provides funds to address public health and environmental threats by preventing pollution from abandoned landfills left behind by corporations that went bankrupt.

\$300,000

Air quality monitoring

Provides funds to replace aging or obsolete equipment used to monitor air quality for public health concerns. The State can no longer rely on federal funding to support this effort.

\$300,000

DEPARTMENT OF TRANSPORTATION

Highway and Bridge Improvements

\$10,000,000

Ferry and Port Improvements

\$500,000

Airports

\$200,000

Transit and Bus Improvements

\$1,000,000

Pedestrian and Bicycle Trails

\$950,000

Passenger and Freight Rail Improvements

\$9,675,000

Provides funds for reconstruction of a bulkhead and wharf at the former United States Coast Guard facility in Portland.

\$700,000

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

Sec. G-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. G-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. G-10. Referendum for ratification; submission at election; form of question; effective date. This Part must be submitted to the legal voters of the State at a

statewide election held in the month of June 2008. 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 \$29,725,000 bond issue for natural resource, agricultural and transportation infrastructure that will leverage \$29,780,000 in other 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. 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.

Intent and Content

Prepared by the Office of the Attorney General

This Act would authorize the State to issue bonds in an amount not to exceed \$29,725,000 to raise funds for a variety of projects, as described below. 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 Department of Inland Fisheries and Wildlife would expend \$2,000,000 of the proceeds of the sale of bonds to upgrade fish hatcheries to meet water quality requirements, and \$300,000 for major rehabilitation work at existing dams owned by the state.

The Department of Environmental Protection would expend \$4,400,000 of the bond proceeds as follows:

? \$2,000,000 would be allocated to support the investigation and clean-up of uncontrolled hazardous substance sites where contamination by hazardous substances poses a threat to public health and water quality;

? \$1,000,000 would go into the Small Community Grant Program to provide grants to towns in rural areas to help replace malfunctioning septic systems that are polluting a water body or causing a public nuisance;

? \$800,000 would provide funds, in accordance with an existing statutory mandate, to reimburse eligible municipalities for up to 90% of planning and implementation costs to remediate pollution problems at closed municipal landfills, such as by extending waterlines and installing landfill gas collection systems to protect nearby residential property;

? \$300,000 would provide funds to address pollution problems at industrial landfills abandoned by corporations that have gone bankrupt; and

? \$300,000 would be used to replace aging or obsolete equipment that is used to monitor air quality at sites located around the state.

The Department of Transportation would expend \$23,025,000 of the bond proceeds for the following categories of projects:

- \$10,000,000 for highway and bridge improvement projects;
- \$9,675,000 for passenger and freight rail improvements;
- \$1,000,000 on transit and bus facilities;
- \$950,000 to support bicycle and pedestrian trails;
- \$700,000 for reconstruction of a bulkhead and wharf at the former United States Coast Guard facility in Portland;
- \$500,000 for ferry and port facility improvements; and
- \$200,000 for airports.

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 authorization of a \$29,725,000 bond issue to finance all of the above activities.

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

Debt Service

Prepared by the Office of the Treasurer

Total estimated life time cost is \$38,308,094 representing \$29,725,000 in principal and \$8,583,094 in interest (assuming interest at 5.25% over 10 years).

Fiscal Impact Statement

Prepared by the Office of Fiscal and Program Review

This bond issue has no significant fiscal impact other than the debt service costs identified above.

Public Comments

No public comments were filed in support or in opposition to Question 1.

Credits

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