

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 615

H. P. 496

House of Representatives, February 23, 1977

Referred to Committee on Natural Resources. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Hall of Sangerville.
Cosponsor: Miss Brown of Bethel.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

**AN ACT to Authorize General Fund Bond Issue in the Amount of \$30,000,000
for Planning, Construction and Equipment of Pollution Abatement Facilities.**

Preamble. Two-thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution, Article IX, Section 14, to authorize the issuance of bonds on behalf of the State to provide planning, construction and equipment for pollution abatement facilities.

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

Sec. 1. Issue of bonds to provide for planning, construction and equipment of pollution abatement facilities. The Treasurer of State is authorized, under the direction of the Governor, to issue from time to time bonds in the name and behalf of the State to an amount not exceeding \$30,000,000 for the purpose of raising funds to provide for the planning, construction and equipment of pollution abatement facilities authorized under the Revised Statutes and Acts amendatory thereof. Such bonds shall be general obligations of the State of Maine and the full faith and credit of the State shall be pledged to the payment of interest and redemption of the bonds.

The bonds shall be dated, shall mature at such time or times not exceeding 20 years from their date and may be made redeemable before maturity, at the option of the Treasurer of State, at such price or prices and under such terms and conditions as may be approved by the Governor prior to the issuance of the bonds.

The Treasurer of State, with the approval of the Governor, shall determine the form of bonds, including any interest coupons to be attached thereto, and

shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest, which may include any bank or trust company within or without the State.

The bonds shall be signed by the Treasurer of State and any interest coupons attached thereto shall be executed with the facsimile signature of the Treasurer of State. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until such delivery. The bonds may be issued in coupon or registered form, or both, and may be interchangeable as the Treasurer of State may determine.

Sec. 2. Records of bonds issued to be kept by State Auditor and Treasurer of State. The State Auditor shall keep an account of such bonds, showing the number and amount of each, the date of countersigning, the date when payable and the date of delivery thereof to the Treasurer of State, who shall keep an account of each bond showing the number thereof, the name of the person to whom sold, the amount received for the same, 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 such bonds by direction of the Commissioner of Environmental Protection with the approval of the Governor. The proceeds of the sales of such bonds, which shall be held by the Treasurer of State and paid by him upon warrants drawn by the State Controller at the order of the Commissioner of Environmental Protection are hereby appropriated to be used solely for the purposes set forth in this Act. Any balance unexpended shall not lapse, but shall be carried forward to the same account to be used only for the purposes set forth herein.

Sec. 4. Proceeds of bonds not available for other purposes; must be kept separate from other funds. The proceeds of all bonds issued under the authority of this Act, and the funds made available for interest and debt retirement thereunder, shall at all times be kept distinct from all other moneys of the State and shall not be drawn upon or be available for any other purpose.

Sec. 5. Interest and debt retirement. Interest due or accruing upon any bonds issued under this Act and all sums coming due for payment of bonds at maturity shall be paid by the Treasurer of State.

Sec. 6. Disbursement of bond proceeds. The proceeds of such bonds shall be expended under the direction and supervision of the Department of Environmental Protection.

Sec. 7. Contingent upon ratification of bond issue. Sections 1 to 6 of this Act shall not become effective unless and until the electors of the State of Maine shall have ratified the issuance of bonds as set forth in this Act.

Statutory referendum procedure; form of question; effective date. This Act shall be submitted to the legal voters of the State of Maine at a special statewide election to be held on the Tuesday following the first Monday of

November following passage of this Act. The city aldermen, town selectmen and plantation assessors 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 Act by voting on the following question :

“Shall a bond issue be ratified for the purposes set forth in ‘An Act to Authorize General Fund Bond Issue in the Amount of \$30,000,000 for the Planning, Construction and Equipment of Pollution Abatement Facilities,’ passed by the First Regular Session of the 108th Legislature?”

The legal voters of each city, town and plantation shall vote by ballot on this question, and shall designate their choice by a cross or check mark placed within a corresponding square below the words “Yes” or “No.” The ballots shall 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 voters are in favor of the Act, the Governor shall proclaim that fact without delay, and the Act shall become 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.

STATEMENT OF FACT

This bond issue will enable the State of Maine to continue, beyond fiscal year 1979, to assist communities to meet their obligations under federal and state water pollution abatement statutes. This program has been in existence in one form or another since 1957. Bonding has been used as the source of state funds since 1964. Two bond issues for this purpose have been approved by Maine voters, one, for \$25,000,000 in 1964 and the other for \$50,000,000 in 1969.

Municipal water pollution abatement facilities, interceptor sewers, waste water treatment plants and outfall sewers are presently financed by utilizing 75% Federal grants; 15% State of Maine grants and 10% local funds. This mix usually permits a reasonable annual user fee to be assessed homeowners. Failure to continue the 15% State grant would mean that the moneys would have to be generated at the local level.

To date there have been over 89 communities that have received financial assistance through the municipal construction grant program. There remain another 100 communities that should receive similar assistance. This program has received over \$195,000,000 in federal grants over the years. It is expected that this \$30,000,000 bond issue will be coupled with at least \$150,000,000 of Federal grants in future years.

It should be carefully noted that this bond issue is only for the continuation of the existing State of Maine grant program. It does not increase nor does it decrease the on-going program.