

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 531

H.P. 397 House of Representatives, February 24, 1987  
Reference to the Committee on Appropriations and  
Financial Affairs suggested and ordered printed.

EDWIN H. PERT, Clerk  
Presented by Representative MICHAUD of East Millinocket.  
Cosponsored by Representatives CHONKO of Topsham,  
MITCHELL of Freeport and DAVIS of Monmouth.

STATE OF MAINE

IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND EIGHTY-SEVEN

1 AN ACT to Authorize a General Fund Bond Issue  
2 in the Amount of \$13,750,000 for Sewage  
3 Treatment and Water Quality  
4 Improvement Facilities.  
5

6 Preamble. Two thirds of both Houses of the Leg-  
7 islature deeming it necessary in accordance with the  
8 Constitution of Maine, Article IX, Section 14, to au-  
9 thorize the issuance of bonds on behalf of the State  
10 to provide funds for sewage treatment and water qual-  
11 ity improvement facilities.

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

14 Sec. 1. Authorization of bonds to provide for  
15 sewage treatment and sand-salt storage facilities.  
16 The Treasurer of State is authorized, under the di-

1 rection of the Governor, to issue from time to time  
2 registered bonds in the name and behalf of the State  
3 to an amount not exceeding \$13,750,000 for the pur-  
4 pose of raising funds to provide for sewage treatment  
5 and sand-salt storage facilities as authorized by  
6 section 6. The bonds shall be deemed a pledge of the  
7 full faith and credit of the State. The bonds shall  
8 not run for a longer period than 20 years from the  
9 date of the original issue of the bonds. Any issu-  
10 ance of bonds may contain a call feature at the dis-  
11 cretion of the Treasurer of State with the approval  
12 of the Governor.

13       **Sec. 2. Records of bonds issued to be kept by**  
14 **the State Auditor and Treasurer of State. The State**  
15 **Auditor shall keep an account of the bonds, showing**  
16 **the number and amount of each, the date when payable**  
17 **and the date of delivery of the bonds to the Treasur-**  
18 **er of State who shall keep an account of each bond**  
19 **showing the number of the bond, the name of the suc-**  
20 **cessful bidder to whom sold, the amount received for**  
21 **the same, the date of sale and the date when payable.**

22       **Sec. 3. Sale; how negotiated; proceeds appropri-**  
23 **ated. The Treasurer of State may negotiate the sale**  
24 **of the bonds by direction of the Governor, but no**  
25 **such bond may be loaned, pledged or hypothecated in**  
26 **behalf of the State. The proceeds of the sale of the**  
27 **bonds, which shall be held by the Treasurer of State**  
28 **and paid by him upon warrants drawn by the State Con-**  
29 **troller, are appropriated to be used solely for the**  
30 **purposes set forth in this Act. Any unencumbered**  
31 **balances remaining at the completion of the project**  
32 **in section 6 shall lapse to the debt service account**  
33 **established for the retirement of these bonds.**

34       **Sec. 4. Interest and debt retirement. Interest**  
35 **due or accruing upon any bonds issued under this Act**  
36 **and all sums coming due for payment of bonds at matu-**  
37 **rity shall be paid by the Treasurer of State.**

38       **Sec. 5. Disbursement of bonds proceeds. The**  
39 **proceeds of the bonds set out in section 6 shall be**  
40 **expended under the direction and supervision of the**  
41 **Commissioner of Environmental Protection.**

1           Sec. 6. Allocations from General Fund bond issue  
2 - sewage treatment and sand-salt storage facilities.  
3 The proceeds of the sale of bonds shall be expended  
4 as designated in the following schedule:

5	Sewage treatment	\$10,000,000
6	Sand-salt storage facilities	\$ 3,750,000

7           Sec. 7. Contingent upon ratification of bond is-  
8 sue. Sections 1 to 6 shall not become effective un-  
9 less and until the people of the State have ratified  
10 the issuance of bonds as set forth in this Act.

11           Sec. 8. Appropriation balances at year end. At  
12 the end of each fiscal year, all unencumbered appro-  
13 priation balances representing state money shall car-  
14 ry forward from year to year. Bond proceeds which  
15 have not been expended within 10 years after the date  
16 of the sale of the bonds shall lapse to General Fund  
17 debt service.

18           Sec. 9. Bonds authorized but not issued. Any  
19 bonds authorized, but not issued, or for which bond  
20 anticipation notes have not been issued within 5  
21 years of ratification of this Act, shall be  
22 deauthorized and may not be issued, provided that the  
23 Legislature may, within 2 years after the expiration  
24 of that 5-year period, extend the period for issuing  
25 any remaining unissued bonds or bond anticipation  
26 notes for an additional amount of time not to exceed  
27 5 years.

28           Sec. 10. Statutory referendum procedure; submis-  
29 sion at statewide election; form of question; effec-  
30 tive date. This Act shall be submitted to the legal  
31 voters of the State of Maine at a statewide election  
32 to be held on the Tuesday following the first Monday  
33 of November following passage of this Act. The city  
34 aldermen, town selectmen and plantation assessors of  
35 this State shall notify the inhabitants of their re-  
36 spective cities, towns and plantations to meet, in  
37 the manner prescribed by law for holding a statewide  
38 election, to vote on the acceptance or rejection of  
39 this Act by voting on the following question:

40           "Shall a bond issue be authorized in the amount  
41 of \$13,750,000 for construction of sewage treatment

1 and sand-salt storage facilities in communities  
2 throughout the State?"

3 The legal voters of each city, town and planta-  
4 tion shall vote by ballot on this question, and shall  
5 designate their choice by a cross or check mark  
6 placed within a corresponding square below the word  
7 "Yes" or "No." The ballots shall be received,  
8 sorted, counted and declared in open ward, town and  
9 plantation meetings and returns made to the Secretary  
10 of State in the same manner as votes for members of  
11 the Legislature. The Governor shall review the re-  
12 turns and, if it appears that a majority of the legal  
13 voters are in favor of the Act, the Governor shall  
14 proclaim that fact without delay, and the Act shall  
15 become effective 30 days after the date of the proc-  
16 lamation.

17 The Secretary of State shall prepare and furnish  
18 to each city, town and plantation all ballots, re-  
19 turns and copies of this Act necessary to carry out  
20 the purpose of this referendum.

21 STATEMENT OF FACT

22 The funds provided by this bond issue, in the  
23 amount of \$9,000,000 will be used in conjunction with  
24 the required local participation to match federal  
25 funds in order to continue construction of sewage  
26 treatment facilities throughout the State in accord-  
27 ance with the Department of Environmental Protection  
28 rating system. Another \$1,000,000 is to be used for  
29 the "Small Community Facilities Program" to match lo-  
30 cal funds for small wastewater treatment projects.  
31 Additionally, \$3,750,000 will be used to share the  
32 cost of constructing municipal sand-salt storage fa-  
33 cilities in accordance with the priority system used  
34 by the Department of Environmental Protection to rank  
35 sand-salt storage areas. Separate legislation has  
36 been offered to increase the cost-sharing fraction  
37 from 50% to 75%.

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