

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 804

S.P. 305

In Senate, March 15, 1989

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator BUSTIN of Kennebec.

Cosponsored by President PRAY of Penobscot, Representative CARROLL of Gray and Representative ROLDE of York.

STATE OF MAINE

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

**An Act to Authorize a General Fund Bond Issue in the Amount of \$13,000,000
for Facilities Serving People with Mental Illness.**



1 **Preamble.** Two thirds of both Houses of the Legislature
deeming it necessary in accordance with the Constitution of
3 Maine, Article IX, Section 14, to authorize the issuance of bonds
on behalf of the State of Maine to provide funds for capital
5 improvements, major repairs, building purchase capital and other
special needs of community-based nonprofit, voluntary
7 organizations whose purpose is to provide services for people
with mental illness.

9
11 **Be it enacted by the People of the State of Maine as follows:**

13 **Sec. 1. Authorization of bonds to provide for services for people with**
mental illness. The Treasurer of State is authorized, under the
direction of the Governor, to issue from time to time registered
15 bonds in the name and behalf of the State to an amount not
exceeding \$13,000,000 for the purpose of raising funds to provide
17 for capital improvements, major repairs, building purchase
capital and other special needs of community-based nonprofit
19 service organizations serving persons with mental illness as
authorized by section 6. The bonds shall be deemed a pledge of
21 the full faith and credit of the State. The bonds shall not run
for a longer period than 5 years from the date of the original
23 issue of the bonds. Any issuance of bonds may contain a call
feature at the discretion of the Treasurer of State with the
25 approval of the Governor.

27 **Sec. 2. Records of bonds issued to be kept by the State Auditor and**
Treasurer of State. The State Auditor shall keep an account of the
29 bonds, showing the number and amount of each, the date when
payable and the date of delivery of the bonds to the Treasurer of
31 State who shall keep an account of each bond, showing the number
of the bond, the name of the successful bidder to whom sold, the
33 amount received for the same, the date of sale and the date when
payable.

35 **Sec. 3. Sale; how negotiated; proceeds appropriated.** The
37 Treasurer of State may negotiate the sale of the bonds by
direction of the Governor, but no such bond may be loaned,
39 pledged or hypothecated on behalf of the State. The proceeds of
the sale of the bonds, which shall be held by the Treasurer of
41 State and paid by the Treasurer of State upon warrants drawn by
the State Controller, are appropriated to be used solely for the
43 purposes set forth in this Act. Any unencumbered balances
remaining at the completion of the project in section 6 shall
45 lapse to the debt service account established for the retirement
of these bonds.

47 **Sec. 4. Interest and debt retirement.** Interest due or accruing
49 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
51 State.

1 **Sec. 5. Disbursement of bond proceeds.** The proceeds of the
 3 bonds set out in section 6 shall be expended under the direction
 and supervision of the Maine State Housing Authority and the
 5 Department of Mental Health and Mental Retardation which shall
 collaboratively promulgate rules under the Maine Administrative
 7 Procedure Act, Maine Revised Statutes, Title 5, chapter 375,
 dealing with eligibility, use of funds and loan payments. The
 9 Maine State Housing Authority, the Finance Authority of Maine and
 the Department of Mental Health and Mental Retardation shall
 select an advisory committee composed of members representing
 11 mental health consumers, affected family members and providers of
 community service programs.

13 **Sec. 6. Allocations from General Fund bond issue; low-interest loan
 15 funds; emergency capital needs grants.** The proceeds of the sale of
 bonds shall be expended as designated in the following schedule.

	1989-90
MAINE STATE HOUSING AUTHORITY	
Low-interest Loan Fund	
All Other	\$3,500,000
MAINE STATE HOUSING AUTHORITY TOTAL	<u>\$3,500,000</u>
FINANCE AUTHORITY OF MAINE	
Finance Authority of Maine Fund	
All Other	\$3,500,000
FINANCE AUTHORITY OF MAINE TOTAL	<u>\$3,500,000</u>
MENTAL HEALTH AND MENTAL RETARDATION, DEPARTMENT OF	
Emergency Capital Needs Grants - Bureau of Mental Health and Bureau of Children with Special Needs	
All Other	\$6,000,000
These funds are intended for community-based nonprofit agencies that are not facility-based. For example, hospitals and nursing homes	

1 would not be eligible for any
2 of these funds. The funds
3 will be primarily aimed at
4 agencies whose purpose is to
5 provide treatment, support
6 and placement of persons with
7 prolonged and severe mental
8 illness and children with
9 special needs.

11 **MENTAL HEALTH AND MENTAL RETARDATION,**
12 **DEPARTMENT OF**

13 **TOTAL** \$6,000,000
14
15 **TOTAL ALLOCATIONS**
16 **\$13,000,000**

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

23 **Sec. 8. Appropriation balances at year end.** At the end of each
24 fiscal year, all unencumbered appropriation balances representing
25 state money shall carry forward to the following year. Bond
26 proceeds which have not been expended within 10 years after the
27 date of the sale of the bonds shall lapse to General Fund debt
28 service.

31 **Sec. 9. Bonds authorized but not issued.** Any bonds authorized
32 but not issued, or for which bond anticipation notes have not
33 been issued within 5 years of ratification of this Act, shall be
34 deauthorized and may not be issued, provided that the Legislature
35 may, within 2 years after the expiration of that 5-year period,
36 extend the period for issuing any remaining unissued bonds or
37 bond anticipation notes for an additional amount of time not to
38 exceed 5 years.

39 **Sec. 10. Statutory referendum procedure; submission at statewide**
40 **election; form of question; effective date.** This Act shall be submitted
41 to the legal voters of the State of Maine at a statewide election
42 to be held on the Tuesday following the first Monday of November
43 following passage of this Act. The city aldermen, town selectmen
44 and plantation assessors of this State shall notify the
45 inhabitants of their respective cities, towns and plantations to
46 meet, in the manner prescribed by law for holding a statewide
47 election, to vote on the acceptance or rejection of this Act by
48 voting on the following question:

51 "Do you favor a \$13,000,000 bond issue to provide funds that
52 would be available, through grants and a loan fund, for
53 programs serving persons with mental illness?"

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

13 The Secretary of State shall prepare and furnish to each
14 city, town and plantation all ballots, returns and copies of this
15 Act necessary to carry out the purpose of this referendum.

17 **STATEMENT OF FACT**

19 The funds provided by this bond issue, in the amount of
20 \$13,000,000, will be used for capital improvements, major
21 repairs, building purchase capital and other special needs of
22 community-based nonprofit organizations serving persons with
23 severe mental illness.

25 It is the intent of this bill to effectively provide
26 resources for the improvement and development of community
27 residences and other programs necessary to provide an effective
28 system of community-based treatment, basic supports,
29 rehabilitation and integrating services to ameliorate the effects
30 of severe mental illness. On an individual level, such programs
31 are intended to effectively relieve the suffering of mental
32 illness while, on a community level, this initiative will reduce
33 the problems of homelessness and assure the accessibility of
34 safe, decent, affordable residential facilities and other
35 programs.