

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 1113

H.P. 801

House of Representatives, April 11, 1989

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

Ed Pert

EDWIN H. PERT, Clerk

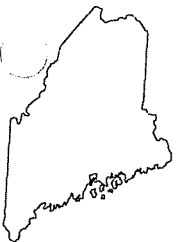
Presented by Representative FOSS of Yarmouth.

Cosponsored by Senator PEARSON of Penobscot, Senator HOLLOWAY of Lincoln and Representative RIDLEY of Shapleigh.

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
\$4,400,000 for Sewerage Facilities Construction.



1 **Preamble.** Two thirds of both Houses of the Legislature
3 deeming it necessary in accordance with the Constitution of
5 Maine, Article IX, Section 14, to authorize the issuance of bonds
 on behalf of the State of Maine to provide funds for sewerage
 facilities construction.

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

9 **Sec. 1. Authorization of bonds to provide for sewerage facilities**
11 **construction.** The Treasurer of State is authorized, under the
13 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
17 exceeding \$4,400,000 for the purpose of raising funds to provide
19 for sewerage construction as authorized by section 6. The bonds
 shall be deemed a pledge of the full faith and credit of the
 State. The bonds shall not run for a longer period than 20 years
 from the date of the original issue of the bonds. Any issuance
 of bonds may contain a call feature at the discretion of the
 Treasurer of State with the approval of the Governor.

21 **Sec. 2. Records of bonds issued to be kept by the State Auditor and**
23 **Treasurer of State.** The State Auditor shall keep an account of the
25 bonds showing the number and amount of each, the date when
27 payable and the date of delivery of the bonds to the Treasurer of
 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
 amount received for the same, the date of sale and the date when
 payable.

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

41 **Sec. 4. Interest and debt retirement.** Interest due or accruing
43 upon any bonds issued under this Act and all sums coming due for
45 payment of bonds at maturity shall be paid by the Treasurer of
 State.

47 **Sec. 5. Disbursement of bond proceeds.** The proceeds of the
49 bonds set out in section 6 shall be expended under the direction
 and supervision of the Commissioner of Environmental Protection.

1 **Sec. 6. Allocations from General Fund bond issue; sewerage facilities**
2 **construction.** The proceeds of the sale of bonds shall be expended
3 as designated in the following schedule.

5 Sewerage facilities construction \$4,400,000.

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

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

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

24 **Sec. 10. Statutory referendum procedure; submission at statewide**
25 **election; form of question; effective date.** This Act shall be submitted
26 to the legal voters of the State of Maine at a statewide election
27 to be held on the Tuesday following the first Monday of November
28 following passage of this Act. The city aldermen, town selectmen
29 and plantation assessors of this State shall notify the
30 inhabitants of their respective cities, towns and plantations to
31 meet, in the manner prescribed by law for holding a statewide
32 election, to vote on the acceptance or rejection of this Act by
33 voting on the following question:

34 "Do you favor a \$4,400,000 bond issue for sewerage
35 facilities construction?"

36 The legal voters of each city, town and plantation shall
37 vote by ballot on this question and shall designate their choice
38 by a cross or check mark placed within a corresponding square
39 below the word "Yes" or "No." The ballots shall be received,
40 sorted, counted and declared in open ward, town and plantation
41 meetings and returns made to the Secretary of State in the same
42 manner as votes for members of the Legislature. The Governor
43 shall review the returns and, if it appears that a majority of
44 the legal voters are in favor of the Act, the Governor shall
45 proclaim that fact without delay and the Act shall become
46 effective 30 days after the date of the proclamation.

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

5
6
7 **STATEMENT OF FACT**

8 The funds provided by this bond issue, in the amount of
9 \$4,400,000, will be used for sewage facilities construction. It
10 is expected that \$2,400,000 will be utilized for grants to
11 municipalities for elimination of combined sewer overflows,
12 \$1,000,000 to continue funding for the small community program,
13 and \$1,000,000 for grants for the removal of overboard discharge
systems.