

MAINE STATE LEGISLATURE

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L.D. 1702

(Filing No. S-332)

**STATE OF MAINE
SENATE
114TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT " A" to S.P. 608, L.D. 1702, Bill, "An Act to Authorize a General Fund Bond Issue in the Amount of \$49,500,000 for Construction and Renovation of Correctional Facilities"

Amend the bill by striking out all of the title and inserting in its place the following:

'An Act to Authorize General Fund Bond Issues in the Amount of \$35,000,000 and \$14,500,000 for Construction and Renovation of Correctional Facilities'

Further amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

PART A

Sec. 1. Authorization of bonds to provide for construction and renovation of correctional facilities. The Treasurer of State is authorized, under the direction of the Governor, to issue from time to time registered bonds in the name and behalf of the State to an amount not exceeding \$35,000,000 for the purpose of raising funds to provide for construction and renovation of correctional facilities as authorized by section 6 of this Part, including the purchase of any residential structures that lie within 1000 feet of the maximum security prison site. 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.

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 bonds, showing the number and amount of each, the date when 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.

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Sec. 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 shall be held by the Treasurer of State and paid by the Treasurer of State upon warrants drawn by the Governor, are appropriated to be used solely for the purposes set forth in Part A of this Act. Any unencumbered balances remaining at the completion of the projects in section 6 of this Part shall lapse to the debt service account established for the retirement of these bonds.

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

Sec. 5. Disbursement of bond proceeds. The proceeds of the bonds set out in section 6 of this Part shall be expended under the direction and supervision of the Director of Public Improvements in consultation with the Commissioner of Corrections.

Sec. 6. Allocations from General Fund bond issue; correctional facilities. The proceeds of the sale of bonds shall be expended as designated in the following schedule.

CORRECTIONS, DEPARTMENT OF

Construction and Renovation -	
Maximum Security Prison, Warren	\$35,000,000

DEPARTMENT OF CORRECTIONS	
TOTAL	\$35,000,000

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

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

Sec. 9. Bonds authorized but not issued. Any bonds authorized but not issued, or for which bond anticipation notes have not been issued within 5 years of ratification of Part A of this Act, shall be deauthorized and may not be issued, provided

1 that the Legislature may, within 2 years after the expiration of
3 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.

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**Sec. 10. Referendum for ratification; submission at statewide election;
7 form of question; effective date.** Part A of this Act shall be
submitted to the legal voters of the State of Maine at a
9 statewide election to be held on the Tuesday following the first
Monday of November following passage of this Act. The city
11 aldermen, town selectmen and plantation assessors of this State
shall notify the inhabitants of their respective cities, towns
13 and plantations to meet, in the manner prescribed by law for
holding a statewide election, to vote on the acceptance or
15 rejection of Part A of this Act by voting on the following
question:

17

"Shall a bond issue be authorized in the amount of
19 \$35,000,000 to build and repair a maximum security prison at
Warren?"

21

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

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The Secretary of State shall prepare and furnish to each
35 city, town and plantation all ballots, returns and copies of Part
A of this Act necessary to carry out the purpose of this
37 referendum.

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PART B

**Sec. 1. Authorization of bonds to provide for construction and
41 renovation of correctional facilities.** The Treasurer of State is
43 authorized, under the direction of the Governor, to issue from
time to time registered bonds in the name and behalf of the State
45 to an amount not exceeding \$14,500,000 for the purpose of raising
funds to provide for construction and renovation of correctional
47 facilities as authorized by section 6 of this Part. The bonds
shall be deemed a pledge of the full faith and credit of the
49 State. The bonds shall not run for a longer period than 10 years
from the date of the original issue of the bonds. Any issuance
51 of bonds may contain a call feature at the discretion of the
Treasurer of State with the approval of the Governor.

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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 bonds, showing the number and amount of each, the date when 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.

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Sec. 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 shall be held by the Treasurer of State and paid by the Treasurer of State upon warrants drawn by the Governor, are appropriated to be used solely for the purposes set forth in Part B of this Act. Any unencumbered balances remaining at the completion of the projects in section 6 of this Part shall lapse to the debt service account established for the retirement of these bonds.

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

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Sec. 5. Disbursement of bond proceeds. The proceeds of the bonds set out in section 6 of this Part shall be expended under the direction and supervision of the Director of Public Improvements in consultation with the Commissioner of Corrections.

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Sec. 6. Allocations from General Fund bond issue; correctional facilities. The proceeds of the sale of bonds shall be expended as designated in the following schedule.

37 **CORRECTIONS, DEPARTMENT OF**

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Construction and Renovation - Maine Correctional Center	\$200,000
Construction and Renovation - Maine State Prison	4,510,000
Construction and Renovation - Charleston Correctional Facility	100,000
Construction and Renovation - Maine Youth Center	5,020,000
Construction - Juvenile Detention Facility in Northern Maine	4,500,000

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Construction and Renovation - Downeast Correctional Facility	100,000
Construction and Renovation - Prerelease Centers	70,000
DEPARTMENT OF CORRECTIONS	
TOTAL	<u>\$14,500,000</u>

11 **Sec. 7. Transfer between items.** The amounts listed after the
12 items in section 6 of this Part are to be construed as a guide.
13 Any of the amounts may be exceeded with the approval of the
14 Governor by transfer from one item to another not exceeding 10%
15 in the aggregate.

17 **Sec. 8. Contingent on ratification of bond issue.** Sections 1 to 7
18 of this Part shall not become effective unless and until the
19 people of the State have ratified the issuance of bonds as set
20 forth in Part B of this Act.

21 **Sec. 9. Appropriation balances at year end.** At the end of each
22 fiscal year, all unencumbered appropriation balances representing
23 state money shall carry forward from year to year. Bond proceeds
24 which have not been expended within 10 years after the date of
25 the sale of the bonds shall lapse to General Fund debt service.

27 **Sec. 10. Bonds authorized but not issued.** Any bonds authorized
28 but not issued, or for which bond anticipation notes have not
29 been issued within 5 years of ratification of Part B of this Act,
30 shall be deauthorized and may not be issued, provided that the
31 Legislature may, within 2 years after the expiration of that
32 5-year period, extend the period for issuing any remaining
33 unissued bonds or bond anticipation notes for an additional
34 amount of time not to exceed 5 years.

37 **Sec. 11. Referendum for ratification; submission at statewide election;**
38 **form of question; effective date.** Part B of this Act shall be
39 submitted to the legal voters of the State of Maine at a
40 statewide election to be held on the Tuesday following the first
41 Monday of November 1990 following passage of Part B of this Act.
42 The city aldermen, town selectmen and plantation assessors of
43 this State shall notify the inhabitants of their respective
44 cities, towns and plantations to meet, in the manner prescribed
45 by law for holding a statewide election, to vote on the
46 acceptance or rejection of Part B of this Act by voting on the
47 following question:

49 "Shall a bond issue be authorized in the amount of
\$14,500,000 to build and repair prisons?"

11 of 13

COMMITTEE AMENDMENT " A " to S.P. 608, L.D. 1702

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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 word "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 Part B of the Act, the Governor shall proclaim that fact without delay, and Part B of 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 Part B of this Act necessary to carry out the purpose of this referendum.

FISCAL NOTE

The cost of the bond issue authorized in Part A is estimated to be \$60,541,250 with principal payments of \$35,000,000 and interest payments of approximately \$25,541,250.

The cost of the bond issue authorized in Part B is estimated to be \$19,843,250 with principal payments of \$14,500,000 and interest payments of approximately \$5,343,250.

Also, the estimated cost of sending these questions out to referendum will vary according to the total number of referenda enacted by this session of the Legislature. The estimated cost to the Secretary of State if one to 6 referenda are presented to the voters is \$88,000. Each additional referendum costs an additional \$5,300.

Finally, the construction and renovation projects authorized in this bill will create significant operating costs to the State once these projects come on-line.

STATEMENT OF FACT

This amendment retains authorization for construction and renovation of correctional facilities totalling \$49,500,000. However, this amendment would also send a \$35,000,000 General Fund bond issue for construction and renovation of an additional 200 maximum security beds at Warren to Maine's voters in November 1989. This amendment would send a \$14,500,000 General Fund bond issue for various construction and renovation projects to Maine's voters in November 1990.

This amendment also adds a fiscal note.