

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
114TH LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "B" to S.P. 673, L.D. 1794, Bill, "An Act to Authorize General Fund Bond Issues in the Amounts of \$35,000,000 and \$14,500,000 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 a General Fund Bond Issue in the Amount of \$49,500,000 for Construction and Renovation of Correctional Facilities'

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

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, this Act requires ratification by referendum of the issuance of bonds on behalf of the State to provide funds for construction and renovation of correctional facilities; and

Whereas, this Act would not otherwise become effective until after the November elections; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

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

4 **Sec. 1. Authorization of bonds to provide for construction and**
6 **renovation of correctional facilities.** The Treasurer of State is
8 authorized, under the direction of the Governor, to issue from
10 time to time registered bonds in the name and behalf of the State
12 to an amount not exceeding \$49,500,000 for the purpose of raising
14 funds to provide for construction and renovation of correctional
16 facilities 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.

18 **Sec. 2. Records of bonds issued to be kept by the State Auditor and**
19 **Treasurer of State.** The State Auditor shall keep an account of the
20 bonds, showing the number and amount of each, the date when
22 payable and the date of delivery of the bonds to the Treasurer of
24 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.

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

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

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

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

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COMMITTEE AMENDMENT "B" to S.P. 673, L.D. 1794

CORRECTIONS, DEPARTMENT OF

2		
4	Construction and Renovation - Maine Correctional Center	\$200,000
6	Construction and Renovation - Maine State Prison	4,510,000
8		
10	Construction and Renovation - Charleston Correctional Facility	100,000
12	Construction and Renovation - Maine Youth Center	5,020,000
14		
16	Construction - Juvenile Detention Facility in Northern Maine	4,500,000
18	Construction and Renovation - Maximum Security Prison, Warren	35,000,000
20		
22	Construction and Renovation - Downeast Correctional Facility	100,000
24	Construction and Renovation - Prerelease Centers	70,000
26		

DEPARTMENT OF CORRECTIONS
TOTAL

\$49,500,000

30 **Sec. 7. Transfer between items.** The amounts listed after the
32 items in section 6 are to be construed as a guide. Any of the
34 amounts may be exceeded, with the approval of the Governor by
transfer from one item to another not exceeding 10% in the
aggregate.

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

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

48 **Sec. 10. Bonds authorized but not issued.** Any bonds authorized
50 but not issued, or for which bond anticipation notes have not
been issued within 5 years of ratification of this Act, shall be
deauthorized and may not be issued, provided that the Legislature
may, within 2 years after the expiration of 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.

Sec. 11. Referendum for ratification; submission at statewide election; form of question; effective date. This Act shall be submitted to the legal voters of the State of Maine at a 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 authorized in the amount of \$49,500,000 to build and repair correctional facilities?"

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 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.

FISCAL NOTE

The cost of this bond issue is estimated to be \$85,622,625 with principal payments of \$49,500,000 and interest payments of approximately \$36,122,625.

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.

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COMMITTEE AMENDMENT "B" to S.P. 673, L.D. 1794

STATEMENT OF FACT

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4 The purpose of this amendment is to authorize a General Fund
6 bond issue in the amount of \$49,500,000 for the construction and
8 renovation of correctional facilities. Section 6 of this
amendment designates which facilities will receive which portion
of the bond.

This amendment also adds a fiscal note.

Reported by the Minority of the Committee on Appropriations
and Financial Affairs.
Reproduced and distributed pursuant to Senate Rule 12.
(8/22/89) (Filing Number S-455)