

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

SECOND REGULAR SESSION - 1990

Legislative Document

No. 1836

S.P. 698

In Senate, December 8, 1989

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.

Received by the Secretary of the Senate on December 8, 1989. Referred to the Committee on Appropriations and Financial Affairs and 1,600 ordered printed pursuant to Joint Rule 14.

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

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator BRANNIGAN of Cumberland.

Cosponsored by Representative CARTER of Winslow, Representative FOSS of Yarmouth and Senator PERKINS of Hancock.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY

An Act to Authorize a General Fund Bond Issue in the Amount of \$20,000,000 to Provide Funds to Help Municipalities with the Costs of Capital Construction to Correct Combined Sewer Overflows.



2 Preamble. Two thirds of both Houses of the Legislature
deeming it necessary in accordance with the Constitution of
4 Maine, Article IX, Section 14, to authorize the issuance of bonds
on behalf of the State of Maine to provide funds to help
6 municipalities with the costs of capital construction to correct
combined sewer overflows.

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

10 Sec. 1. Authorization of bonds to provide for costs of capital
construction to correct combined sewer overflows. The Treasurer of
12 State is authorized, under the direction of the Governor, to
issue from time to time registered bonds in the name and behalf
14 of the State to an amount not exceeding \$20,000,000 for the
purpose of raising funds to help municipalities with the costs of
16 capital construction to correct combined sewer overflows as
authorized by section 6. The bonds shall be deemed a pledge of
18 the full faith and credit of the State. The bonds shall not run
for a longer period than 10 years from the date of the original
20 issue of the bonds. Any issuance of bonds may contain a call
feature at the discretion of the Treasurer of State with the
22 approval of the Governor.

24 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
26 bonds, showing the number and amount of each, the date when
payable and the date of delivery of the bonds to the Treasurer of
28 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
30 amount received for the same, the date of sale and the date when
payable.

32 Sec. 3. Sale; how negotiated; proceeds appropriated. The
34 Treasurer of State may negotiate the sale of the bonds by
direction of the Governor, but no bond may be loaned, pledged or
36 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
38 by the Treasurer of State upon warrants drawn by the State
Controller, are appropriated to be used solely for the purposes
40 set forth in this Act. Any unencumbered balances remaining at
the completion of the project in section 6 shall lapse to the
42 debt service account established for the retirement of these
bonds.

44 Sec. 4. Interest and debt retirement. Interest due or accruing
46 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
48 State.

50 Sec. 5. Disbursement of bond proceeds. The proceeds of the
bonds set out in section 6 shall be expended under the direction
52 and supervision of the Department of Environmental Protection to

2 provide funds to help municipalities with the costs of capital
3 construction to correct combined sewer overflows.

4 **Sec. 6. Allocations from General Fund bond issue; costs of capital**
5 **construction to correct combined sewer overflows.** The proceeds of the
6 sale of bonds shall be expended as follows.

8 1990-91
10 \$20,000,000

12 These funds will be used to help
13 municipalities with the costs of capital
14 construction to correct combined sewer
15 overflows through grants and loans.

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

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

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

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

48 "Shall a bond issue to provide funds to help municipalities
49 with the costs of capital construction to correct combined
50 sewer overflows in the amount of \$20,000,000 be approved?"

2 The legal voters of each city, town and plantation shall
4 vote by ballot on this question and shall designate their choice
6 by a cross or check mark placed within a corresponding square
8 below the word "Yes" or "No." The ballots shall be received,
10 sorted, counted and declared in open ward, town and plantation
12 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.

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

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STATEMENT OF FACT

22 This bill authorizes a bond issue in the amount of
24 \$20,000,000 to provide funds to help municipalities with the
 costs of capital construction to correct combined sewer overflows.