

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
115TH LEGISLATURE
SECOND REGULAR SESSION

HOUSE AMENDMENT "E" to H.P. 1707, L.D. 2388, Bill, "An Act to Authorize Bond Issues for Transportation and Public Infrastructure Capital Improvements and Other Activities Designed to Create and Preserve Jobs for Maine Citizens"

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. A-1. Authorization of bonds to provide for public infrastructure capital improvements and other activities designed to create and preserve jobs for Maine citizens. The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and behalf of the State in an amount not exceeding \$37,000,000 to raise funds to stimulate the creation of jobs by accelerating the funding of immediate, short-term, labor-intensive capital construction projects to make needed improvements in the public infrastructure facilities of the State and public school buildings and grounds and to protect existing jobs through a program of financial assistance to distressed small businesses as authorized by section 6. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds. At the discretion of the Treasurer of State, with the approval of the Governor, any issuance of bonds may contain a call feature. For the purposes of this Part, the term "public school" includes private schools approved for tuition purposes that have school enrollments of at least 60% publicly funded students and the term "public infrastructure facilities" includes nonprofit community-based organizations providing comprehensive health care services that are not eligible for assistance under the Maine Health and Higher Educational Facilities Authority Act.

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Sec. A-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. The Treasurer of State 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 bond, the date of sale and the date when payable.

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

Sec. A-4. Interest and debt retirement. The Treasurer of State shall pay interest due or accruing on any bonds issued under this Part and all sums coming due for payment of bonds at maturity.

Sec. A-5. Disbursement of bond proceeds. The proceeds of the bonds must be expended as set out in section 6 under the direction and supervision of the Commissioner of Economic and Community Development for capital improvement projects for municipalities; the Chief Executive Officer of the Finance Authority of Maine for an assistance program for small businesses threatened with loan recall resulting in foreclosure; and the Commissioner of Education for public school capital improvement projects.

Sec. A-6. Allocations from General Fund bond issue; public infrastructure capital improvements and other activities designed to create and preserve jobs for Maine citizens. The proceeds of the sale of bonds must be expended as designated in the following schedule.

General Fund Bond Issues	
Department of Economic and Community Development	
Municipal Infrastructure Capital Improvements	\$28,000,000

Finance Authority of Maine

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Economic Program Recovery Fund 7,000,000

4

Department of Education

6

Public School Capital Improvements 2,000,000

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GENERAL FUND BOND ISSUES

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TOTAL \$37,000,000

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Sec. A-7. Contingent upon ratification of bond issue. Sections 1 to 6 do not become effective unless the people of the State have ratified the issuance of bonds as set forth in this Part.

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

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Sec. A-9. Bonds authorized but not issued. Any bonds authorized but not issued, or for which bond anticipation notes are not issued within one year of ratification of this Part, are deauthorized and may not be issued; except that the Legislature may, within 2 years after the expiration of that one-year period, extend the period for issuing any remaining unissued bonds or bond anticipation notes for an additional amount of time not to exceed one year.

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Sec. A-10. Referendum for ratification; submission at primary election; form of question; effective date. This Part must be submitted to the legal voters of the State of Maine at the June 1992 primary election following passage of this Part. The municipal officers 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 general election, to vote on the acceptance or rejection of this Part by voting on the following question:

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"Do you favor a \$37,000,000 bond issue for municipal and other infrastructure improvements and activities designed to create and preserve jobs?"

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

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2 and returns made to the Secretary of State in the same manner as
votes for members of the Legislature. The Governor shall review
4 the returns and, if a majority of the legal votes are cast in
favor of this Part, the Governor shall proclaim the result
6 without delay, and this Part becomes effective 30 days after the
date of the proclamation.

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

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PART B

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**16 Sec. B-1. Authorization of bonds to provide for transportation
infrastructure capital improvements.** The Treasurer of State is
authorized, under the direction of the Governor, to issue bonds
18 in the name and behalf of the State in an amount not exceeding
\$42,000,000 to raise funds for transportation infrastructure
20 capital improvements as authorized by section 6. The bonds are a
pledge of the full faith and credit of the State. The bonds may
22 not run for a period longer than 10 years from the date of the
original issue of the bonds. At the discretion of the Treasurer
24 of State, with the approval of the Governor, any issuance of
bonds may contain a call feature.

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**28 Sec. B-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
30 payable and the date of delivery of the bonds to the Treasurer of
State. The Treasurer of State shall keep an account of each bond
32 showing the number of the bond, the name of the successful bidder
to whom sold, the amount received for the bond, the date of sale
34 and the date when payable.

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38 Sec. B-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
40 hypothecated on behalf of the State. The proceeds of the sale of
the bonds, which must be held by the Treasurer of State and paid
42 by the Treasurer of State upon warrants drawn by the State
Controller, are appropriated solely for the purposes set forth in
44 this Part. Any unencumbered balances remaining at the completion
of the project in section 6 lapse to the debt service account
established for the retirement of these bonds.

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48 Sec. B-4. Interest and debt retirement. The Treasurer of State
shall pay interest due or accruing on any bonds issued under this
Part and all sums coming due for payment of bonds at maturity.

2 **Sec. B-5. Disbursement of bond proceeds.** The proceeds of the
 4 bonds must be expended as set out in section 6 under the
 direction and supervision of the Commissioner of Transportation.

6 **Sec. B-6. Allocations from General Fund bond issue; transportation**
 8 **infrastructure capital improvements.** The proceeds of the sale of
 bonds must be expended as designated in the following schedule.

10 **Highway Fund Bond Issues**

12	Highway and bridge improvements	\$19,000,000
14	Local road assistance program	10,000,000

16	HIGHWAY FUND BOND ISSUES	
	TOTAL	<hr/> \$29,000,000

18 **General Fund Bond Issues**

20	Ferry, pier and port improvements	\$8,600,000
22	Railroad and airport improvements	4,400,000

24	GENERAL FUND BOND ISSUES	
26	TOTAL	<hr/> \$13,000,000

28	HIGHWAY AND GENERAL FUND	
	BOND ISSUES	
30	TOTAL	<hr/> \$42,000,000

32 **Sec. B-7. Contingent upon ratification of bond issue.** Sections 1
 34 to 6 do not become effective unless the people of the State have
 ratified the issuance of bonds as set forth in this Part.

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

42 **Sec. B-9. Bonds authorized but not issued.** Any bonds authorized
 44 but not issued, or for which bond anticipation notes are not
 46 issued within 5 years of ratification of this Part, are
 48 deauthorized and may not be issued; except 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.

2 **Sec. B-10. Referendum for ratification; submission at primary**
3 **election; form of question; effective date.** This Part must be submitted
4 to the legal voters of the State of Maine at the June 1992
5 primary election following passage of this Part. The municipal
6 officers of this State shall notify the inhabitants of their
7 respective cities, towns and plantations to meet, in the manner
8 prescribed by law for holding a general election, to vote on the
9 acceptance or rejection of this Part by voting on the following
10 question:

12 "Do you favor a \$42,000,000 bond issue to create and protect
13 jobs through capital improvements in transportation
14 facilities?"

16 The legal voters of each city, town and plantation shall
17 vote by ballot on this question and designate their choice by a
18 cross or check mark placed within a corresponding square below
19 the word "Yes" or "No." The ballots must be received, sorted,
20 counted and declared in open ward, town and plantation meetings
21 and returns made to the Secretary of State in the same manner as
22 votes for members of the Legislature. The Governor shall review
23 the returns and, if a majority of the legal votes are cast in
24 favor of this Part, the Governor shall proclaim the result
25 without delay, and this Part becomes effective 30 days after the
26 date of the proclamation.

28 The Secretary of State shall prepare and furnish to each
29 city, town and plantation all ballots, returns and copies of this
30 Part necessary to carry out the purpose of this referendum.

32 FISCAL NOTE

34 The estimated cost of sending this bond issue out to
35 referendum will vary according to the total number of referenda
36 enacted during the Second Regular Session of the 115th
37 Legislature. The estimated cost to the Secretary of State if one
38 to 6 referenda are enacted is \$95,000. Each additional
39 referendum costs an additional \$7,000.

40 If approved by the voters, the total cost of the bond issue
41 authorized by Part A is estimated to be \$48,935,000 with
42 principal payments of \$37,000,000 and interest payments of
43 approximately \$11,935,000.

44 The total cost of the bond issue authorized by Part B is
45 estimated to be \$54,936,000 with principal payments of
46 \$42,000,000 and interest payments of \$12,936,000. The General
47 Fund share of this total cost is \$17,004,000. The Highway Fund
48 share of this total cost is \$37,932,000.

2 Debt service payments will come due in fiscal year 1992-93.
3 A General Fund appropriation of approximately \$796,950 will be
4 needed for the interest payment payable in fiscal year 1992-93.
5 A Highway Fund allocation of \$446,600 will be needed for the
6 interest payment payable in fiscal year 1992-93. These figures
7 assume the first principal payment can be structured to be
8 payable no sooner than fiscal year 1993-94 and that one interest
9 payment will be payable in fiscal year 1992-93.'

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12 **STATEMENT OF FACT**

13 This amendment replaces the bill and authorizes a
14 \$79,000,000 bond package to create and protect jobs and to make
15 necessary capital improvements in the public infrastructure of
16 the State. All funds are to be used for capital improvement
17 projects ready for initiation during this year's construction
18 season.

19
20 Part A establishes a multipart \$37,000,000 General Fund bond
21 package to be used for capital improvement projects, including
22 municipal infrastructure and public schools. Part A also
23 authorizes \$7,000,000 of these bonds to be used by the Finance
24 Authority of Maine to assist distressed but otherwise healthy
25 businesses through establishment of a revolving loan fund.

26
27 Part B authorizes a \$42,000,000 Highway Fund and General
28 Fund bond issue to fund transportation infrastructure
29 improvements, including highway and bridge improvements, the
30 local road assistance program, ferry, pier and port facilities
31 improvements and railroad and airport improvements.

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Filed by Rep. Melendy of Rockland
Reproduced and distributed under the direction of the Clerk of the
House
3/25/92 (Filing No. H-1262)