

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## SECOND REGULAR SESSION-1992

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Legislative Document

No. 2388

H.P. 1707

House of Representatives, February 27, 1992

Reported by Representative MELENDY for the Joint Standing Committee on Housing and Economic Development pursuant to Joint Order H.P. 1705.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

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STATE OF MAINE

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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-TWO

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**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.**

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2 by the Treasurer of State upon warrants drawn by the State  
3 Controller, are appropriated solely for the purposes set forth in  
4 this Part. Any unencumbered balances remaining at the completion  
5 of the project in section 6 lapse to the debt service account  
6 established for the retirement of these bonds.

7 **Sec. A-4. Interest and debt retirement.** The Treasurer of State  
8 shall pay interest due or accruing on any bonds issued under this  
9 Part and all sums coming due for payment of bonds at maturity.  
10

11 **Sec. A-5. Disbursement of bond proceeds.** The proceeds of the  
12 bonds must be expended as set out in section 6 under the  
13 direction and supervision of the Commissioner of Economic and  
14 Community Development for capital improvement projects for  
15 municipalities and for rural health clinics; the Chief Executive  
16 Officer of the Finance Authority of Maine for an assistance  
17 program for small businesses threatened with loan recall  
18 resulting in foreclosure; the Commissioner of Education for  
19 public school capital improvement projects; the Board of Trustees  
20 of the Maine Technical College System for capital improvement  
21 projects in the technical college system; the Board of Trustees  
22 of the University of Maine System for capital improvement  
23 projects in the university system; and the Director of the Maine  
24 State Housing Authority for capital improvement projects at group  
25 residential homes.  
26

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

31 **General Fund Bond Issues**

32 **Department of Economic and Community  
33 Development**

34 Municipal Infrastructure Capital  
35 Improvements \$30,000,000  
36

37 Rural Health Clinics Capital  
38 Improvements 700,000  
39

40 **Finance Authority of Maine**

41 Economic Program Recovery Fund 7,000,000  
42  
43  
44  
45  
46





2 Treasurer of State, with the approval of the Governor, any  
issuance of bonds may contain a call feature.

4 **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  
6 bonds, showing the number and amount of each, the date when  
payable and the date of delivery of the bonds to the Treasurer of  
8 State. The Treasurer of State shall keep an account of each bond  
showing the number of the bond, the name of the successful bidder  
10 to whom sold, the amount received for the bond, the date of sale  
and the date when payable.

12 **Sec. B-3. Sale; how negotiated; proceeds appropriated.** The  
14 Treasurer of State may negotiate the sale of the bonds by  
direction of the Governor, but no bond may be loaned, pledged or  
16 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  
18 by the Treasurer of State upon warrants drawn by the State  
Controller, are appropriated solely for the purposes set forth in  
20 this Part. Any unencumbered balances remaining at the completion  
of the project in section 6 lapse to the debt service account  
22 established for the retirement of these bonds.

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

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

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

36 **Highway Fund Bond Issues**

38 Highway and bridge improvements	\$25,000,000
40 Salt and sand shed projects	3,000,000
42 Local road assistance program	10,000,000
44 Total Highway Fund	<u>\$38,000,000</u>

46 **General Fund Bond Issues**

2	Ferry, pier and port improvements	\$13,600,000
4	Railroad and airport improvements	4,400,000
6	Total General Fund	<u>\$18,000,000</u>
8		
10	<b>TOTAL HIGHWAY FUND AND GENERAL FUND BOND</b>	<u>\$56,000,000</u>

12       **Sec. B-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.

16       **Sec. B-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 10 years after the date of the sale of the bonds  
lapse to General Fund debt service.

20       **Sec. B-9. Bonds authorized but not issued.** Any bonds authorized  
but not issued, or for which bond anticipation notes are not  
issued within 5 years 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 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.

24       **Sec. B-10. Referendum for ratification; submission at special  
election; form of question; effective date.** This Part must be submitted  
to the legal voters of the State of Maine at a special election  
to be held on April 14, 1992 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:

30       

32               "Do you favor a \$56,000,000 bond issue to create and protect  
34               jobs through capital improvements in transportation  
36               facilities?"

38       

40               The legal voters of each city, town and plantation shall  
42               vote by ballot on this question and designate their choice by a



2 cross or check mark placed within a corresponding square below  
the word "Yes" or "No." The ballots must be received, sorted,  
4 counted and declared in open ward, town and plantation meetings  
and returns made to the Secretary of State in the same manner as  
6 votes for members of the Legislature. The Governor shall review  
the returns and, if a majority of the legal votes are cast in  
8 favor of this Part, the Governor shall proclaim the result  
without delay, and this Part becomes effective 30 days after the  
date of the proclamation.

10 The Secretary of State shall prepare and furnish to each  
12 city, town and plantation all ballots, returns and copies of this  
Part necessary to carry out the purpose of this referendum. All  
14 costs of conducting the special election required by this Part  
must be paid by the State. In conducting elections under this  
16 Part, municipal officers shall permit twice as many voters to  
vote per voting station as authorized in the Maine Revised  
18 Statutes, Title 21-A.

20 **STATEMENT OF FACT**

22 This bill results from the final recommendations of the Jobs  
24 Commission. The bill authorizes a \$106,000,000 bond package to  
create and protect jobs and to make necessary capital  
26 improvements in the public infrastructure of the State. All  
funds are to be used for capital improvement projects ready for  
28 initiation during this year's construction season.

30 Part A establishes a multipart \$50,000,000 General Fund bond  
package to be used for immediate capital improvement projects,  
32 including \$30,000,000 for municipal infrastructure, \$5,300,000  
for public schools, \$4,000,000 for the Maine Technical College  
34 System, \$2,000,000 for the University of Maine System, \$1,000,000  
for residential group homes and \$700,000 for rural health clinics  
36 and centers. Part A also authorizes \$7,000,000 in bonds to be  
used by the Finance Authority of Maine to assist distressed but  
38 otherwise healthy businesses through establishment of a revolving  
loan fund.

40 Part B authorizes a \$56,000,000 bond issue to fund  
42 transportation infrastructure improvements, including \$25,000,000  
for highway bridge improvements, \$10,000,000 for the local road  
44 assistance program, \$3,000,000 for sand and salt shed projects,  
\$13,600,000 for ferry, pier and port facilities improvements and  
46 \$4,400,000 for railroad and airport improvements.