

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)



# 115th MAINE LEGISLATURE

## SECOND REGULAR SESSION-1992

Legislative Document

No. 2391

S.P. 933

In Senate, March 2, 1992

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26. Reference to the Committee on Housing and Economic Development suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator CONLEY of Cumberland

Cosponsored by Representative LIPMAN of Augusta, Representative VIGUE of Winslow and Representative OLIVER of Portland.

STATE OF MAINE

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

**An Act to Authorize a General Fund Bond Issue in the Amount of \$20,000,000 to Provide Funds to Initiate Economic Development Activities.**



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

2  
4  
6  
8  
10  
12  
14  
16  
18  
20  
22  
24  
26  
28  
30  
32  
34  
36  
38  
40  
42  
44  
46  
48

**Sec. 1. Authorization of bonds to provide for the Maine Street Investment Program.** 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 \$30,000,000 to raise funds for economic development activities 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 20 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. The bonds must be issued from time to time so as to meet the needs of the Maine Street Investment Program, the Natural Resources Capital Investment Fund, the Economic Opportunity Fund and other programs of the Finance Authority of Maine and the Maine State Housing Authority. The bonds, when paid at maturity or otherwise retired, may not be reissued, but may be refunded on terms more favorable to the State than those in the original issue.

**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. 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. 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 Act.

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

**Sec. 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 Finance Authority of Maine.

**Sec. 6. Allocations from General Fund bond issue; downtown and business district revitalization.** The proceeds of the sale of bonds must be expended as designated in the following schedule.

2	<b>FINANCE AUTHORITY OF MAINE</b>	
4	<b>Maine Street Investment Program</b>	\$3,500,000
6	Provides funds for the capitalization of the	
8	Maine Street Investment Program. The	
10	program may provide loans to businesses for	
12	investments in downtown and business	
	districts. The fund and the program are	
	administered by the Finance Authority of	
	Maine.	
14	<b>Maine Indigenous Industries Program</b>	
16	<b>Fund</b>	\$5,500,000
18	Provides funds for the capitalization of the	
20	Maine Indigenous Industries Program. The	
22	program provides funds for job retention and	
	job creation in Maine's natural resource and	
	other industries.	
24	<b>Business Preservation Assistance Program</b>	\$4,500,000
26	Provides funds to capitalize the Business	
28	Preservation Assistance Program. The	
	program assists businesses to remain in the	
	State and to retain workers in the State.	
30	<b>FINANCE AUTHORITY OF MAINE</b>	
32	<b>TOTAL</b>	<u>\$13,500,000</u>
34	<b>ECONOMIC AND COMMUNITY DEVELOPMENT,</b>	
	<b>DEPARTMENT OF</b>	
36	<b>Economic Opportunity Fund</b>	\$6,500,000
38	<b>DEPARTMENT OF ECONOMIC AND COMMUNITY</b>	
40	<b>DEVELOPMENT</b>	
	<b>TOTAL</b>	<u>\$6,500,000</u>
42	<b>TOTAL ALLOCATIONS</b>	<u>\$20,000,000</u>

44           **Sec. 7. Contingent upon ratification of bond issue.** Sections 1 to  
46 6 do not become effective unless the people of the State have  
48 ratified the issuance of bonds as set forth in this Act.

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

7           **Sec. 9. Taxable bond option.** The Treasurer of State, at the  
8 direction of the Governor, may covenant and consent that the  
9 interest on some or all of the bonds is includable, under the  
10 United States Internal Revenue Code, in the gross income of the  
11 holders of the bonds to the same extent and in the same manner  
12 that the interest on bills, bonds, notes and other obligations of  
13 the United States is includable in the gross income of the  
14 holders under the United States Internal Revenue Code or any  
15 subsequent law. The powers conferred by this section may not be  
16 subject to any limitations or restrictions of any law that may  
17 limit the power to so covenant and consent.

18           **Sec. 10. Bonds authorized but not issued.** Any bonds authorized  
19 but not issued, or for which bond anticipation notes are not  
20 issued within 5 years of ratification of this Act, are  
21 deauthorized and may not be issued; except that the Legislature  
22 may, within 2 years after the expiration of that 5-year period,  
23 extend the period for issuing any remaining unissued bonds or  
24 bond anticipation notes for an additional amount of time not to  
25 exceed 5 years.

26           **Sec. 11. Referendum for ratification; submission at statewide  
27 election; form of question; effective date.** This Act must be submitted  
28 to the legal voters of the State of Maine at the next general  
29 election in the month of November following passage of this Act.  
30 The municipal officers of this State shall notify the inhabitants  
31 of their respective cities, towns and plantations to meet, in the  
32 manner prescribed by law for holding a general election, to vote  
33 on the acceptance or rejection of this Act by voting on the  
34 following question:  
35

36           "Do you favor a \$20,000,000 bond issue for use in providing  
37 financing assistance to Maine's traditional resource based  
38 industries and other industries for job retention and job  
39 creation?"  
40

41           The legal voters of each city, town and plantation shall  
42 vote by ballot on this question and designate their choice by a  
43 cross or check mark placed within a corresponding square below  
44 the word "Yes" or "No." The ballots must be received, sorted,  
45 counted and declared in open ward, town and plantation meetings  
46 and returns made to the Secretary of State in the same manner as  
47 votes for members of the Legislature. The Governor shall review  
48 the returns and, if a majority of the legal votes are cast in  
49  
50

2 favor of the Act, the Governor shall proclaim the result without  
delay, and the Act becomes effective 30 days after the date of  
4 the proclamation.

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

#### 10 STATEMENT OF FACT

12 The funds provided by this bond issue, in the amount of  
\$20,000,000, will be used to provide funds to initiate economic  
14 development activities. This bond issue is a companion measure  
to "An Act to Promote Economic Recovery," LR 3178.