

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

SECOND REGULAR SESSION-1992

Legislative Document

No. 2411

S.P. 947

In Senate, March 10, 1992

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 THERIAULT of Aroostook (GOVERNOR'S BILL).
Cosponsored by Senator COLLINS of Aroostook.

STATE OF MAINE

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

An Act to Authorize the Issuance of Bonds for Transportation and Public Infrastructure Capital Improvements and Other Activities Designed to Create and Preserve Jobs for Maine Citizens, in the Amount of \$56,000,000.



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

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Sec. 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 \$56,000,000 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 transportation facilities and municipal infrastructure. 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.

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. 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. 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 Commissioner of Economic and Community Development for capital improvement projects for municipalities and the Commissioner of Transportation for transportation facilities.

Sec. 6. Allocations from General Fund and Highway Fund bond issue; public infrastructure capital improvements and other activities designed to create and preserve

2 **jobs for Maine citizens.** The proceeds of the sale of bonds must be
expended as designated in the following schedule.

4 **CAPITAL IMPROVEMENT PROJECTS FOR**
6 **MUNICIPALITIES:**

8 **General Fund Bond Issues**

10 **Department of Economic and Community**
Development

12 Municipal infrastructure capital
14 improvements \$8,000,000

16 **TOTAL GENERAL FUND BOND ISSUES** \$8,000,000

18 **TRANSPORTATION FACILITIES:**

20 **Highway Fund Bond Issues**

22 **Department of Transportation**

24 Highway and bridge improvements \$25,000,000

26 Local road assistance program 10,000,000

28 Total Highway Fund \$35,000,000

30 **General Fund Bond Issues**

32 **Department of Transportation**

34 Ferry, pier and port improvements \$8,600,000

36 Railroad and airport improvements 4,400,000

38 Total General Fund \$13,000,000

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42 **TOTAL HIGHWAY FUND AND GENERAL FUND BOND** \$48,000,000

44 **GENERAL FUND AND HIGHWAY FUND BOND ISSUES**
46 **TOTAL** \$56,000,000

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

2 **Sec. 8. Appropriation balances at year end.** Bond proceeds that
have not been encumbered within one year after the date of the
3 sale of the bonds lapse to General Fund debt service.

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

12 **Sec. 10. Referendum for ratification; submission at special election;**
13 **form of question; effective date.** This Act must be submitted to the
14 legal voters of the State of Maine at a special election to be
15 held on April 14, 1992 following passage of this Act. The
16 municipal officers of this State shall notify the inhabitants of
17 their respective cities, towns and plantations to meet, in the
18 manner prescribed by law for holding a general election, to vote
19 on the acceptance or rejection of this Act by voting on the
20 following question:

21 "Do you favor a \$56,000,000 bond issue to create and protect
22 jobs through capital improvements in transportation
23 facilities and municipal infrastructure?"

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

35 The Secretary of State shall prepare and furnish to each
36 city, town and plantation all ballots, returns and copies of this
37 Act necessary to carry out the purpose of this referendum. All
38 costs of conducting the special election required by this Act
39 must be paid by the State. In conducting elections under this
40 Act, municipal officers shall permit twice as many voters to vote
41 per voting station as authorized in the Maine Revised Statutes,
42 Title 21-A.

43

FISCAL NOTE

44 The estimated cost of sending this bond issue out to
45 referendum is \$621,400 in fiscal year 1991-92. The Department of

2 the Secretary of State will require a General Fund appropriation
of \$121,400 in fiscal year 1991-92 for its own expenses for this
4 bond referendum. A General Fund appropriation will also be
required for the costs to municipalities of holding this special
election, currently estimated at \$500,000.

6
8 The total cost of the bond issue is estimated to be
\$73,248,000 with principal payments of \$56,000,000 and interest
10 payments of \$17,248,000. The General Fund share of this total
cost is \$27,468,000. The Highway Fund share of this total cost
is \$45,780,000.

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14 Debt service payments will come due in fiscal year 1992-93.
A General Fund appropriation of \$646,800 and a Highway Fund
16 allocation of \$1,078,000 will be required in fiscal year 1992-93
for the interest payments payable in that fiscal year. These
18 figures assume the first principal payment can be structured to
be payable no sooner than fiscal year 1993-94 and that 2 interest
payments will be payable in fiscal year 1992-93.

20 22 STATEMENT OF FACT

24 This bill authorizes a single bond package in the amount of
\$56,000,000 to create and protect jobs and to make necessary
26 capital improvements in the public infrastructure of the State.
All funds are to be used for capital improvement projects ready
28 for initiation during this year's construction season.