MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

No. 1529

S.P. 505

In Senate, May 21, 1993

An Act to Authorize Department of Transportation Bond Issues in the Amount of \$39,500,000 to Match Available Federal Funds for Improvements to Highways, State and Local Bridges, Airports, Cargo Ports and the Ferry Service.

Reference to the Committee on Transportation suggested and ordered printed.

JOY J. O'BRIEN Secretary of the Senate

Presented by Senator BRANNIGAN of Cumberland. (GOVERNOR'S BILL). Cosponsored by Representative STROUT of Corinth and Senators: GOULD of Waldo, PARADIS of Aroostook, Representatives: BAILEY of Township 27, BAILEY of Farmington, DRISCOLL of Calais, HUSSEY of Milo, MELENDY of Rockland, O'GARA of Westbrook, PLOURDE of Biddeford, RICKER of Lewiston.

Preamble. Two thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14, to authorize the issuance of bonds on behalf of the State of Maine to provide funds to match available federal funds for highway, bridge, airport and cargo port improvements.

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

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- 10 Sec. 1. Authorization of bonds to provide for highway, bridge and airport improvements. The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and 12 behalf of the State in an amount not exceeding \$39,500,000 to 14 raise funds to match available federal funds for surface and air transportation improvements as authorized by section 6. 16 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 18 the Treasurer of State, with the approval of the Governor, any issuance of bonds may contain a call feature. 20
 - Sec. 2. Records of bonds issued to be kept by 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 Transportation.
 - Sec. 6. Allocations from Highway Fund and General Fund bond issues. The proceeds of the sale of bonds must be expended as designated in the following schedule.

2	Summary	of	bond	issues

Highway Fund Bond Issues

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6	Highway and bridge improvements \$30,000,000
8	Total Highway Fund \$30,000,000
10	General Fund Bond Issues
12	Airport improvements \$2,500,000 Cargo port improvements 2,000,000
14	Ferry service improvements 5,000,000 (Penobscot Bay and Casco Bay)
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	Total General Fund \$9,500,000
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20	Total Highway Fund and General Fund Bonds \$39,500,000
22	Sec. 7. Allocation of Highway Fund bond issue. For fiscal year 1993-94 and fiscal year 1994-95, receipt of the Highway Fund from
24	the proceeds of the sale of bonds must be segregated, apportioned and expended as designated in the following schedule.

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1993-94 1994-95

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Highway and Bridge Improvements \$20,000,000 \$10,000,000

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Sec. 8. 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 Act.

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Sec. 9. 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.

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Sec. 10. 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 Act, 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.

Sec. 11. Referendum for ratification; submission at statewide election; form of question; effective date. This Act must be submitted to the legal voters of the State of Maine at a statewide election held on the Tuesday following the first Monday of November following passage of this Act. 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 statewide election, to vote on the acceptance or rejection of this Act by voting on the following question:

"Do you favor a \$39,500,000 bond issue for improvements to highways, state and local bridges, airports, cargo ports and the ferry service, which make the State eligible for up to \$125,500,000 in matching federal funds?"

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 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 a majority of the legal votes are cast in favor of the Act, the Governor shall proclaim the result without delay, and the Act becomes effective 30 days after the date of the proclamation.

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

STATEMENT OF FACT

The funds provided by this bond issue, in the amount of \$39,500,000, will be used to match available federal funds for improvements to highways, state and local bridges, airports, cargo ports and the ferry service. The \$30,000,000 for highways and bridges will produce \$100,000,000 in federal matching funds; the \$2,500,000 for airports will produce \$24,000,000 and the \$2,000,000 for cargo ports will generate \$1,500,000 in federal funds. The total \$165,000,000 will be utilized to improve surface transportation in the State and generate jobs to help improve the State's economy.