

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

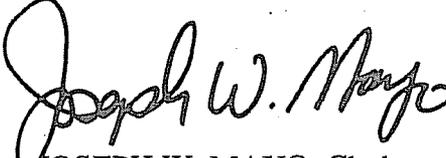
No. 1547

H.P. 1148

House of Representatives, June 3, 1993

**An Act to Authorize a General Fund Bond Issue in the Amount of
\$20,000,000 to Provide Funds for Assistance to Maine Businesses.**

Reported by Representative MELENDY for the Joint Standing Committee on Housing and
Economic Development pursuant to Joint Order H.P. 1146.


JOSEPH W. MAYO, Clerk

2 **Preamble.** Two thirds of both Houses of the Legislature
4 deeming it necessary in accordance with the Constitution of
6 Maine, Article IX, Section 14, to authorize the issuance of bonds
8 on behalf of the State of Maine to provide funds for the Maine
 Job Growth Fund and the Capital Access Program.

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

10 **Sec. 1. Authorization of bonds to provide for the Maine Job Growth**
12 **Fund and the Capital Access Program.** The Treasurer of State is
14 authorized, under the direction of the Governor, to issue bonds
16 in the name and behalf of the State in an amount not exceeding
18 \$20,000,000 to raise funds for economic development activities as
20 authorized by section 6. The bonds are a pledge of the full
22 faith and credit of the State. The bonds may not run for a
24 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 Job Growth Fund and the Capital
 Access Program of the Finance Authority of Maine, provided that
 not more than \$10,000,000 in bonds are issued prior to January 1,
 1995. 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.

26 **Sec. 2. Records of bonds issued to be kept by the Treasurer of State.**
28 The Treasurer of State shall keep an account of each bond showing
30 the number of the bond, the name of the successful bidder to whom
32 sold, the amount received for the bond, the date of sale and the
 date when payable.

34 **Sec. 3. Sale; how negotiated; proceeds appropriated.** The
36 Treasurer of State may negotiate the sale of the bonds by
38 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
42 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.

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

2 that the interest on bills, bonds, notes and other obligations of
the United States is includable in the gross income of the
4 holders under the United States Internal Revenue Code or any
subsequent law. The powers conveyed by this section may not be
6 subject to any limitations or restrictions of any law that may
limit the power to so covenant and consent.

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

16 **Sec. 11. Referendum for ratification; submission at statewide
18 election; form of question; effective date.** This Act must be submitted
to the legal voters of the State of Maine at a statewide election
20 held on the Tuesday following the first Monday of November
following passage of this Act. The municipal officers of this
22 State shall notify the inhabitants of their respective cities,
towns and plantations to meet, in the manner prescribed by law
24 for holding a statewide election, to vote on the acceptance or
rejection of this Act by voting on the following question:

26 "Do you favor a \$20,000,000 bond issue for use in providing
28 financing assistance to Maine's businesses for job retention
and job creation?"

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

42 The Secretary of State shall prepare and furnish to each
44 city, town and plantation all ballots, returns and copies of this
Act necessary to carry out the purpose of this referendum.
46

48 **FISCAL NOTE**

2 The estimated cost of sending this bond issue out to
referendum will vary according to the total number of referenda
4 enacted during the First Regular Session of the 116th
Legislature. The estimated cost to the Secretary of State if one
to 6 referenda are enacted is \$95,000. Each additional
6 referendum costs an additional \$7,000.

8 If approved by the voters, the total cost of this bond issue
is estimated to be \$32,810,000 with principal payments of
10 \$20,000,000 and interest payments of approximately \$12,810,000.

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14 STATEMENT OF FACT

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16 The funds provided by this bond issue, in the amount of
\$20,000,000, will be used to provide funds to initiate economic
development activities. This bond issue is a companion measure
18 to "An Act to Establish the Maine Job Growth Fund" and "An Act to
Establish a Capital Access Program."