



## **118th MAINE LEGISLATURE**

## **FIRST REGULAR SESSION-1997**

Legislative Document

No. 1658

S.P. 539

In Senate, March 25, 1997

An Act to Authorize a General Fund Bond Issue to Implement a Statewide Economic Improvement Strategy.

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

JOY J. O'BRIEN Secretary of the Senate

Presented by President LAWRENCE of York. Cosponsored by Speaker MITCHELL of Vassalboro and Senators: CATHCART of Penobscot, JENKINS of Androscoggin, MacKINNON of York, RAND of Cumberland, RUHLIN of Penobscot, Representatives: CAMPBELL of Holden, RICHARD of Madison, VIGUE of Winslow. **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 for major facilities improvements, construction and equipment purchases for research and development necessary to implement a statewide economic improvement strategy within the University of Maine System.

10

2

4

6

8

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

Sec. 1. Authorization of bonds to implement a statewide economic 12 improvement strategy. The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on 14 behalf of the State in an amount not exceeding \$17,000,000 to raise funds for major facilities improvements, construction and 16 equipment purchases for research and development necessary to implement a statewide economic improvement strategy whereby funds 18 are invested in 5 target areas: aquaculture and marine sciences, 20 biotechnology, composite materials engineering, environmental technologies and information technologies within the University of Maine System as authorized by section 6. The bonds are a 22 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 24 original issue of the bonds. At the discretion of the Treasurer of State, with the approval of the Governor, any issuance of 26 bonds may contain a call feature.

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.

34

46

48

Sale; how negotiated; proceeds appropriated. Sec. 3. The Treasurer of State may negotiate the sale of the bonds by 36 direction of the Governor, but no bond may be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of 38 the bonds, which must be held by the Treasurer of State and paid 40 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 42 of the project in section 6 lapse to the debt service account 44 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 Department of Education.

Sec. 6. Allocations from General Fund bond issue; authorization of bonds to implement a statewide economic improvement strategy. The proceeds of the sale of bonds must be expended as designated in the following schedule.

10 University of Maine System

\$17,000,000

 Provides funds for major facilities improvement, construction and equipment
 purchases for research and development necessary to implement a statewide economic
 improvement strategy.

18 Sec. 7. Contingent upon ratification of bond issue. Sections 1 to 6 do not become effective unless the people of the State have 20 ratified the issuance of bonds as set forth in this Act.

Sec. 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.

28 Sec. 9. Bonds authorized but not issued. Any bonds authorized but not issued, or for which bond anticipation notes are not 30 issued within 5 years of ratification of this Act, are deauthorized and may not be issued; except that the Legislature 32 may, within 2 years after the expiration of that 5-year period, extend the period for issuing any remaining unissued bonds or 34 bond anticipation notes for an additional amount of time not to exceed 5 years.

Sec. 10. 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:

46

36

2

4

6

8

48

"Do you favor a \$17,000,000 bond issue to fund major facilities improvements, construction and equipment

Page 2-LR1355(1)

purchases for research and development necessary to implement a statewide economic improvement strategy whereby funds are invested in 5 target areas: aquaculture and marine sciences, biotechnology, composite materials engineering, environmental technologies and information technologies?"

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a 8 cross or check mark placed within a corresponding square below the word "Yes" or "No." The ballots must be received, sorted, 10 counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as 12 votes for members of the Legislature. The Governor shall review the returns and, if a majority of the legal votes are cast in 14 favor of the Act, the Governor shall proclaim the result without delay, and the Act becomes effective 30 days after the date of 16 the proclamation.

2

4

б

18

20

22

24

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.

## SUMMARY

26 The funds provided by this bond issue, in the amount of \$17,000,000 will be used for major facilities improvements, construction and equipment purchases for research and development 28 necessary to implement а statewide economic improvement These funds will be used to support research and 30 strategy. development in 5 target areas: aquaculture and marine sciences, composite materials engineering, 32 biotechnology, environmental technologies and information technologies. This investment will allow for the leveraging of substantial federal and private 34 funds. Most of the money will be spent in Maine on job creation, 36 product development and for goods and services.