# MAINE STATE LEGISLATURE

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## 118th MAINE LEGISLATURE

## **SECOND REGULAR SESSION-1998**

Legislative Document

No. 2205

S.P. 819

In Senate, February 10, 1998

An Act to Authorize a General Fund Bond Issue in the Amount of \$20 Million to Stimulate the Maine Economy through Research and Development.

Reported by Senator BENNETT of Oxford for the Joint Select Committee on Research and Development. Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed pursuant to Joint Order S. P. 669 under Joint Rule 401.

JOY J. O'BRIEN Secretary of the Senate **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 the support of research and development to improve the State's economy.

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

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### 10 PART A

Sec. A-1. Authorization of bonds to provide for the support of research and development to improve the State's economy. Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$20,000,000 to raise funds for capital expenditures to support applied research and development in biotechnology, aquaculture and marine sciences, information technologies, advanced materials and advanced technologies for forestry and agriculture, as authorized by section 6. are a pledge of the full faith and credit of the State. 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, issuance of bonds may contain a call feature.

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Sec. A-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.

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Sec. A-3. Sale; how negotiated; proceeds appropriated. 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. Proceeds may be released to the University of Maine System only upon receipt by the Treasurer of State of evidence satisfactory to the Treasurer that the University of Maine System has complied with any requirement to establish and fund a maintenance account for office, laboratory or other building space to be constructed with the proceeds. 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. A-4. Interest and debt retirement. The Treasu	urer of State
2	shall pay interest due or accruing on any bonds issu Act and all sums coming due for payment of bonds at m	
4	Sec. A-5. Disbursement of bond proceeds. The pro-	oceeds of the
6	bonds must be expended as set out in section direction and supervision of the University of Main	6 under the
8	Maine Science and Technology Foundation and the	
10	Economic and Community Development.	
4.0	Sec. A-6. Allocations from General Fund bond iss	
12	research and development to improve the State's economy.	
2.4	of the sale of bonds must be expended as desig	nated in the
14	following schedule.	
16	BOARD OF TRUSTEES OF THE UNIVERSITY OF MAINE SYSTEM	
18	For capital improvements and equipment purchases to support research and	\$13,500,000
20	development in marine biotechnology,	
	software engineering and development,	
22	advanced technologies for forestry and	
	agriculture, biotechnology and advanced	
24	materials engineering and development.	
26	MAINE SCIENCE AND TECHNOLOGY FOUNDATION	14
28	For a Marine Technology Fund to provide funds to enhance internet connections	\$3,000,000
30	among public and private educational	
30	institutions conducting marine research	
32	and nonprofit marine research institutions	
Ü.	(\$1,000,000) and to provide funds to enhance	
34	research and education capability in those	
	institutions (\$2,000,000).	
36	***************************************	
	For a Research Challenge Grants Program to	\$1,500,000
38	provide funds for research institutions in	<i>4,</i> 2, 3
	the for-profit, nonprofit and academic sectors	
40	to enhance research and development capacity	
	and productivity.	
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	DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT	
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	To pay a portion of design and construction	\$2,000,000
46	costs for the Gulf of Maine Aquarium	
4.0	Research Facility.	
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Sec. A-7. 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.

Sec. A-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.

Sec. A-9. 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, are 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. A-10. Referendum for ratification; submission at general election; form of question; effective date. This Act must be submitted to the legal voters of the State of Maine at the next general election in the month 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 general election, to vote on the acceptance or rejection of this Act by voting on the following question:

"Do you favor a \$20,000,000 bond issue to improve the Maine economy by supporting innovative research and development by businesses and nonprofit and educational institutions in the fields of biotechnology, computers and other information technology, aquaculture and marine technology, forestry and agriculture and advanced materials?"

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.

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#### PART B

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#### Sec. B-1. 20-A MRSA §10904-A is enacted to read:

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#### \$10904-A. Maintenance fund

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The treasurer of the university shall establish and maintain a fund for maintenance of building space constructed with proceeds of any bond issued pursuant to an Act of the Legislature that requires such an account. The trustees shall acquire sufficient private and other non-General Fund contributions to maintain the space for the expected duration of its use.

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Sec. B-2. Contingent effectiveness. This Part takes effect only if Part A takes effect.

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**SUMMARY** 

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The funds provided by this bond issue, in the amount of \$20,000,000, will be used to fund a variety of programs designed to improve the Maine economy through research and development relevant to biotechnology, aquaculture and marine sciences, information technologies, advanced materials engineering advanced technologies for forestry and agriculture. Thirteen and one-half million dollars of the bond proceeds are allocated to the Board of Trustees of the University of Maine System for capital improvements and equipment. Three million dollars are allocated to the Marine Technology Fund to provide matching grants to educational and nonprofit marine research institutions; \$1,500,000 is allocated to the Research Challenge Grants Program to provide matching funds for all research institutions involved in the 5 target technologies. The Maine Technology Fund and the Research Challenge Grants programs will be administered by the Maine Science and Technology Foundation. Two million dollars are allocated to the Department of Economic and Community Development to be used to pay a portion of the costs of designing and building the Gulf of Maine Aquarium Research Facility to provide space for collaborative research by academic, nonprofit private fisheries and marine biotechnology researchers. proposes to require the University of Maine System to establish, fund and maintain an account for maintenance of building space constructed with the proceeds of the bond. It also prohibits the Treasurer of State from releasing bond proceeds to the University of Maine System until it provides evidence of sufficient funds in the account.