

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

SECOND REGULAR SESSION-1998

Legislative Document

No. 2253

S.P. 847

In Senate, March 4, 1998

An Act to Authorize a General Fund Bond Issue in the Amount of \$10,000,000 to Finance the Acquisition of Land for Conservation, Outdoor Recreation and Wildlife Habitat Protection and Farmland Preservation and to Access \$5,000,000 in Matching Contributions From Public and Private Sources.

Reference to the Committee on Appropriations and Financial Affairs 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 PINGREE of Knox. (GOVERNOR'S BILL).
Cosponsored by Speaker MITCHELL of Vassalboro and
Senators: BENOIT of Franklin, HARRIMAN of Cumberland, KILKELLY of Lincoln,
Representatives: CIANCHETTE of South Portland, OTT of York, SAXL of Portland, SPEAR
of Nobleboro.

2 **Preamble.** Two thirds of both Houses of the Legislature
deeming it necessary in accordance with the Constitution of
4 Maine, Article IX, Section 14, to authorize the issuance of bonds
on behalf of the State of Maine to provide funds for the
6 acquisition of land and interest in land for conservation,
outdoor recreation and wildlife habitat protection and farmland
8 preservation, and to access matching contributions from public
and private sources.

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

12 **Sec. 1. Authorization of bonds to provide for conservation, outdoor
recreation, wildlife habitat protection and farmland preservation.** The
14 Treasurer of State is authorized, under the direction of the
Governor, to issue bonds in the name and on behalf of the State
16 in an amount not exceeding \$10,000,000 to provide funds for the
acquisition of land and interest in land for conservation,
18 outdoor recreation and wildlife habitat protection and farmland
preservation and to access matching contributions from public and
20 private sources, as authorized in section 8. No more than
\$5,000,000 may be issued in the first year and no more than
22 \$5,000,000 may be issued in the 2nd year, except that any unused
balance in the first year may be added to the specified amount in
24 the 2nd year. The bonds are a pledge of the full faith and
credit of the State. The bonds may not run for a period longer
26 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
28 the Governor, any issuance of bonds may contain a call feature.

30 **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
32 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
34 date when payable.

36 **Sec. 3. Sale; how negotiated; proceeds appropriated.** The
Treasurer of State may negotiate the sale of the bonds by
38 direction of the Governor, but no bond may be loaned, pledged or
hypothecated on behalf of the State. The proceeds of the sale of
40 the bonds, which must be held by the Treasurer of State and paid
by the Treasurer of State upon warrants drawn by the State
42 Controller, are appropriated solely for the purposes set forth in
this Act. Any unencumbered balances remaining at the completion
44 of the project in section 8 lapse to the debt service account
established for the retirement of these bonds.

46 **Sec. 4. Taxable bond option.** The Treasurer of State, at the
48 direction of the Governor, shall covenant and consent that the
interest on the bonds is includable, under the United States

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

10 **Sec. 5. Interest and debt retirement.** The Treasurer of State
11 shall pay interest due or accruing on any bonds issued under this
12 Act and all sums coming due for payment of bonds at maturity.

14 **Sec. 6. Disbursement of bond proceeds.** The proceeds of the
15 bonds must be expended as set out in section 8 under the
16 direction and supervision of, and in accordance with the land
17 acquisition policies and criteria of, the Land for Maine's Future
18 Board, established by the Maine Revised Statutes, Title 5,
19 chapter 379.

20 **Sec. 7. Use of bonds.** Use of bond proceeds are for the
21 acquisition of land and interest in land with outstanding
22 recreational, scenic, natural wildlife habitat or farmland values
23 in accordance with the provisions for those acquisitions under
24 the Maine Revised Statutes, Title 5, chapter 353, Land for
25 Maine's Future, except that use of the proceeds of this bond are
26 subject to the following conditions and requirements.

28 1. Hunting, fishing and trapping may not be prohibited on
29 land acquired with bond proceeds, except to the extent of
30 applicable state, local or federal laws and regulations.

32 2. At least 10% of the bond proceeds available must be
33 expended for acquisitions of local or regional significance, as
34 determined by the Land for Maine's Future Board.

36 3. Payment from bond proceeds for acquisitions of local or
37 regional significance may be paid directly to cooperating
38 entities as defined in Title 5, section 6201, subsection 2, for
39 acquisition of land and interests in land by cooperating
40 entities, subject to covenants held by the State to ensure their
41 use for the purposes of this Act.

44 4. The bond funds will be matched with at least \$5,000,000
45 in public and private contributions.

46 5. Matching funds may include the value of project-related
47 in-kind contributions of goods and services to, and by,
48 cooperating entities and the value of real property interests

2 acquired by, or contributed to, cooperating entities no earlier
than 2 years prior to the date a proposal is submitted. The
4 property interests must have relationship and geographic
proximity to the property proposed for protection as determined
by the Land for Maine's Future Board.

6
8 **Sec. 8. Allocations from General Fund bond issue; acquisition of
land.** The proceeds of the sale of bonds must be expended as
designated in the following schedule.

10 **EXECUTIVE DEPARTMENT**

12 **State Planning Office**

14 Land for Maine's Future Board

16 All Other \$10,000,000

18 Acquisitions will be targeted
20 to sites with outstanding
recreational, scenic, natural
22 or wildlife values in
accordance with the policies
24 and criteria developed by the
Land for Maine's Future
26 Board. These funds will be
matched with at least
28 \$5,000,000 in public and
private funding.

30 **Sec. 9. Contingent upon ratification of bond issue.** Sections 1 to
32 8 do not become effective unless the people of the State have
ratified the issuance of bonds as set forth in this Act.

34 **Sec. 10. Appropriation balances at year end.** At the end of each
36 fiscal year, all unencumbered appropriation balances representing
state money carry forward. Bond proceeds that have not been
38 expended within 10 years after the date of the sale of the bonds
lapse to General Fund debt service.

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

