

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1582

S.P. 493

In Senate, March 13, 2001

An Act to Authorize a General Fund Bond Issue in the Amount of \$4,250,000 to Construct New or Retrofit Existing Pollution Control Structures on Maine Farms to Protect the Environment, to Construct Environmentally Sound Water Sources that Help Avoid Drought Damage to Crops, and to Recapitalize the Potato Market Improvement Fund.

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 KNEELAND of Aroostook. (GOVERNOR'S BILL).
Cosponsored by Representative McKEE of Wayne and
Senators: GOLDTHWAIT of Hancock, KILKELLY of Lincoln, MILLS of Somerset,
Representatives: BERRY of Livermore, DUGAY of Cherryfield, GOOLEY of Farmington,
LANDRY of Patten, LUNDEEN of Mars Hill.

2 **Preamble.** Two thirds of both Houses of the Legislature
3 deeming it necessary in accordance with the Constitution of
4 Maine, Article IX, Section 14 to authorize the issuance of bonds
5 on behalf of the State of Maine to provide funds to construct new
6 or retrofit existing pollution control structures on Maine farms
7 to protect the environment, to construct environmentally sound
8 water sources that help avoid drought damage to crops, and to
9 recapitalize the Potato Market Improvement Fund.

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

12 **Sec. 1. Authorization of bonds to provide for funds to construct new**
13 **or retrofit existing pollution control structures on Maine farms to protect**
14 **the environment, to construct environmentally sound water sources and to**
15 **prevent drought damage to crops, and to recapitalize the Potato Market**
16 **Improvement Fund.** The Treasurer of State is authorized, under
17 the direction of the Governor, to issue bonds in the name and on
18 behalf of the State in an amount not exceeding \$4,250,000 to
19 raise funds to construct new or retrofit existing pollution
20 control structures on Maine farms to protect the environment, to
21 construct environmentally sound water sources that help avoid
22 drought damage to crops, and to recapitalize the Potato Market
23 Improvement Fund as authorized by section 6. The bonds are a
24 pledge of the full faith and credit of the State. The bonds may
25 not run for a period longer than 10 years from the date of the
26 original issue of the bonds. At the discretion of the Treasurer
27 of State, with the approval of the Governor, any issuance of
28 bonds may contain a call feature.

30 **Sec. 2. Records of bonds issued to be kept by the Treasurer of State.**
31 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
33 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
37 Treasurer of State may negotiate the sale of the bonds by
38 direction of the Governor, but no bond may be loaned, pledged or
39 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
41 by the Treasurer of State upon warrants drawn by the State
42 Controller, are appropriated solely for the purposes set forth in
43 this Act. Any unencumbered balances remaining at the completion
44 of the project in section 6 lapse to the debt service account
45 established for the retirement of these bonds.

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

2 **Sec. 5. Disbursement of bond proceeds.** The proceeds of the
4 bonds must be expended as set out in section 6 under the
6 direction and supervision of the Department of Agriculture, Food
and Rural Resources.

8 **Sec. 6. Allocations from General Fund bond issue; construct new or**
10 **retrofit existing pollution control structures on Maine farms to protect the**
12 **environment, to construct environmentally sound water sources that help**
14 **avoid drought damage to crops, and to recapitalize the Potato Market**
16 **Improvement Fund.** The proceeds of the sale of bonds must be
expended as designated in the following schedule.

14 **AGRICULTURE, FOOD AND RURAL**
16 **RESOURCES, DEPARTMENT OF**

16	Construction of new or retrofitting	\$1,250,000
18	of existing pollution control	
20	structures on Maine farms to comply	
22	with Maine law. These state funds	
	will be matched with federal and	
	private funds.	
24	Construction of environmentally	\$1,000,000
26	sound water sources that help	
	avoid drought damage to crops.	
28	Recapitalize the Potato Market	\$2,000,000
30	Improvement Fund. These state	
32	funds will match private funds	
	and be used to construct potato	
	storage facilities.	
34	TOTAL ALLOCATIONS	<u>\$4,250,000</u>

36 **Sec. 7. Contingent upon ratification of bond issue.** Sections 1 to
38 6 do not become effective unless the people of the State have
40 ratified the issuance of bonds as set forth in this Act.

42 **Sec. 8. Appropriation balances at year-end.** At the end of each
44 fiscal year, all unencumbered appropriation balances representing
46 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.

48 **Sec. 9. Bonds authorized but not issued.** Any bonds authorized
but not issued, or for which bond anticipation notes are not
issued

2 within 5 years of ratification of this Act, are deauthorized and
3 may not be issued; except that the Legislature may, within 2
4 years after the expiration of that 5-year period, extend the
5 period for issuing any remaining unissued bonds or bond
6 anticipation notes for an additional amount of time not to exceed
7 5 years.

8 **Sec. 10. Referendum for ratification; submission at statewide**
9 **election; form of question; effective date.** This Act must be submitted
10 to the legal voters of the State of Maine at a statewide election
11 held on the Tuesday following the first Monday of November
12 following passage of this Act. The municipal officers of this
13 State shall notify the inhabitants of their respective cities,
14 towns and plantations to meet, in the manner prescribed by law
15 for holding a statewide election, to vote on the acceptance or
16 rejection of this Act by voting on the following question:

17 "Do you favor a \$4,250,000 bond issue for the following
18 purposes:

19 1. \$1,250,000 to construct new or retrofit existing
20 pollution control structures on Maine farms to protect the
21 environment;

22 2. \$1,000,000 to construct environmentally sound water
23 sources that help avoid drought damage to crops; and

24 3. \$2,000,000 to recapitalize the Potato Market Improvement
25 Fund?"

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

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

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48 **SUMMARY**

49 The funds provided by this bond issue, in the amount of

2 \$4,250,000, will be used for the following purposes:

4 1. \$1,250,000 to construct new or retrofit existing
6 pollution control structures on Maine farms to protect the
8 environment;

10 2. \$1,000,000 to construct environmentally sound water
12 sources that help avoid drought damage to crops; and

3. \$2,000,000 to recapitalize the Potato Market Improvement
Fund.