

# MAINE STATE LEGISLATURE

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# 120th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2002

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Legislative Document

No. 2060

H.P. 1558

House of Representatives, January 11, 2002

**An Act to Authorize a General Fund Bond Issue in the Amount of  
\$8,000,000 to Make Public Infrastructure Improvements.**

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Reported by Representative KOFFMAN for the Joint Study Committee to Study Growth Management pursuant to Joint Order 2001, H.P. 1330.

Reference to the Joint Standing Committee on Appropriations and Financial Affairs suggested and printing ordered under Joint Rule 218.

*Millicent M. MacFarland*

MILLICENT M. MacFARLAND, Clerk

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 to make public  
6           infrastructure improvements.

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

10           **Sec. 1. Authorization of bonds to provide funds to make public**  
**infrastructure improvements.** The Treasurer of State is authorized,  
under the direction of the Governor, to issue bonds in the name  
12           and on behalf of the State in an amount not exceeding \$8,000,000  
to raise funds to make public infrastructure improvements as  
14           authorized by section 6. The bonds are a pledge of the full  
faith and credit of the State. The bonds may not run for a  
16           period longer than 10 years from the date of the original issue  
of the bonds. At the discretion of the Treasurer of State, with  
18           the approval of the Governor, any issuance of bonds may contain a  
call feature.

20           **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  
22           the number of the bond, the name of the successful bidder to whom  
the number of the bond, the name of the successful bidder to whom  
24           sold, the amount received for the bond, the date of sale and the  
date when payable.

26           **Sec. 3. Sale; how negotiated; proceeds appropriated.** The  
Treasurer of State may negotiate the sale of the bonds by  
28           direction of the Governor, but no bond may be loaned, pledged or  
hypothecated on behalf of the State. The proceeds of the sale of  
30           the bonds, which must be held by the Treasurer of State and paid  
by the Treasurer of State upon warrants drawn by the State  
32           Controller, are appropriated solely for the purposes set forth in  
this Act. Any unencumbered balances remaining at the completion  
34           of the project in section 6 lapse to the debt service account  
established for the retirement of these bonds.

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

40           **Sec. 5. Disbursement of bond proceeds.** The proceeds of the  
bonds must be expended as set out in section 6 under the  
42           direction and supervision of the Department of Economic and  
Community Development.

44           **Sec. 6. Allocations from General Fund bond issue; to make public**  
**infrastructure improvements.** The proceeds of the sale of the bonds  
46           must be expended as designated in the following schedule.

50

2 **ECONOMIC AND COMMUNITY DEVELOPMENT,**  
3 **DEPARTMENT OF**

4 Grants and loans to municipalities \$8,000,000  
5 for public infrastructure improvements  
6 through the Municipal Investment Trust  
7 Fund.

8  
9 **Sec. 7. Contingent upon ratification of bond issue.** Sections 1 to  
10 6 do not become effective unless the people of the State have  
11 ratified the issuance of the bonds as set forth in this Act.

12  
13 **Sec. 8. Appropriation balances at year-end.** At the end of each  
14 fiscal year, all unencumbered appropriation balances representing  
15 state money carry forward. Bond proceeds that have not been  
16 expended within 10 years after the date of the sale of the bonds  
17 lapse to General Fund debt service.

18  
19 **Sec. 9. Bonds authorized but not issued.** Any bonds authorized  
20 but not issued, or for which bond anticipation notes are not  
21 issued within 5 years of ratification of this Act, are  
22 deauthorized and may not be issued; except that the Legislature  
23 may, within 2 years after the expiration of that 5-year period,  
24 extend the period for issuing any remaining unissued bonds or  
25 bond anticipation notes for an additional amount of time not to  
26 exceed 5 years.

27  
28 **Sec. 10. Referendum for ratification; submission at general election;**  
29 **form of question; effective date.** This Act must be submitted to the  
30 legal voters of the State of Maine at the next general election  
31 in the month of November following passage of this Act. The  
32 municipal officers of this State shall notify the inhabitants of  
33 their respective cities, towns and plantations to meet, in the  
34 manner prescribed by law for holding a general election, to vote  
35 on the acceptance or rejection of this Act by voting on the  
36 following question:

37 "Do you favor an \$8,000,000 bond issue to make grants and  
38 loans to municipalities for public infrastructure  
39 improvements through the Municipal Investment Trust Fund?"  
40

41  
42 The legal voters of each city, town and plantation shall  
43 vote by ballot on this question and designate their choice by a  
44 cross or check mark placed within a corresponding square below  
45 the word "Yes" or "No." The ballots must be received, sorted,  
46 counted and declared in open ward, town and plantation meetings  
47 and returns made to the Secretary of State in the same manner as  
48 votes for members of the Legislature. The Governor shall review  
49 the returns and, if a majority of the legal votes are cast in  
50 favor of this Act, the Governor shall proclaim the result without

2 delay, and this Act becomes effective 30 days after the date of  
the proclamation.

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

8

### SUMMARY

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12 This bill implements a recommendation of the Joint Study  
Committee to Study Growth Management. The funds provided by this  
14 bond issue, in the amount of \$8,000,000, will be used to make  
grants and loans to municipalities for public infrastructure  
improvements through the Municipal Investment Trust Fund.