

MAINE STATE LEGISLATURE

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L.D. 2130

DATE: *April 3, 2002* (Filing No. S-*561*)

APPROPRIATIONS AND FINANCIAL AFFAIRS

Reported by:

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STATE OF MAINE
SENATE
120TH LEGISLATURE
SECOND REGULAR SESSIONCOMMITTEE AMENDMENT *A* to S.P. 785, L.D. 2130, Bill, "An Act to Authorize a General Fund Bond Issue in the Amount of \$31,150,000 to Stimulate Job Growth in Maine"

Amend the bill by striking out the title and substituting the following:

'An Act to Authorize a General Fund Bond Issue in the Amount of \$55,730,000 to Stimulate Job Growth in Maine, to Renovate Certain State Facilities, to Promote Homeland Security and to Provide a Center for Homeless Teenagers'

Further amend the bill by striking out everything after the title and before the summary and inserting in its place the following:

'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 capitalizing the Maine Rural Development Authority and the Municipal Investment Trust Fund, renovation of infrastructure at the Schoodic Education and Research Center and the recapitalization of the Economic Recovery Loan Program and the Regional Economic Development Revolving Loan Program; to construct 2 facilities to support Maine businesses through product development and testing, to provide funds for biomedical research and development equipment and infrastructure; to renovate the Harlow Office Building; to provide assistance in the planning the construction of the Franco-American Heritage Center at St. Mary's in Lewiston; to assist the Moosehead Marine Museum in the renovation of its flagship, the Katahdin, including repairs to its deck; to

renovate the Center Theater, Inc. in downtown Dover-Foxcroft and promote tourism in Piscataquis County; to match a federal grant to plan and construct the Downeast Heritage Center on the St. Croix River in Calais and promote tourism in Washington County; to improve homeland security in Maine; and to renovate a building in the Portland area to establish a center for homeless teens.

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

PART A

Sec. A-1. Authorization of bonds to provide for the Municipal Investment Trust Fund, recapitalization of the Economic Recovery Loan Program and the Regional Economic Development Revolving Loan Program; to renovate the Harlow Office Building; to provide funds for the protection of the lives and property of Maine citizens; and to renovate a building in the Portland area to establish a center for homeless teens. The 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 \$27,100,000 to raise funds for capitalizing the Municipal Investment Trust Fund, recapitalization of the Economic Recovery Loan Program and the Regional Economic Development Revolving Loan Program; renovating the Harlow Office Building; providing funds for the protection of the lives and property of Maine citizens; and renovating a building in the Portland area to establish a center for homeless teens as authorized by section 6 of this Part. The bonds are a 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 original issue of the bonds. At the discretion of the Treasurer of State, with the approval of the Governor, any issuance of bonds may contain a call feature.

Sec. A-2. Records of bonds issued to be kept by 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.

Sec. A-3. Sale; how negotiated; proceeds appropriated.

The 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 Part. Any unencumbered balances remaining at the completion of the projects in section 6 of this Part lapse to the debt service account established for the retirement of these bonds.

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

6 **Sec. A-5. Disbursement of bond proceeds.** The proceeds of the
bonds must be expended as set out in section 6 of this Part under
8 the direction and supervision of the Department of Economic and
Community Development, the Finance Authority of Maine, the
10 Commissioner of Defense, Veterans and Emergency Management and
the Commissioner of Administrative and Financial Services.

12 **Sec. A-6. Allocations from General Fund bond issue; to capitalize the
14 Municipal Investment Trust Fund and to recapitalize the Economic
16 Recovery Loan Program and the Regional Economic Development
18 Revolving Loan Program; to renovate the Harlow Office Building; to
provide funds for the protection of the lives and property of Maine citizens;
and to renovate a building in the Portland area to establish a center for
homeless teens.** The proceeds of the sale of the bonds must be
20 expended as designated in the following schedule.

22 **ECONOMIC AND COMMUNITY DEVELOPMENT,
DEPARTMENT OF**

24 Capitalization of the Municipal Investment Trust Fund to provide loans
26 and grants to municipalities for public infrastructure to support economic
28 development and other purposes of the fund. \$4,000,000

32 **FINANCE AUTHORITY OF MAINE**

34 Recapitalization of the Economic Recovery Loan Program. 5,000,000

36 **FINANCE AUTHORITY OF MAINE**

38 Recapitalization of the Regional Economic Development Revolving Loan
40 Program. 5,000,000

42 **ADMINISTRATIVE AND FINANCIAL SERVICES,
44 DEPARTMENT OF**

46 To renovate the Augusta East Campus Harlow Office Building, including all
48 electrical, water and mechanical 8,000,000

2 systems, roof replacement and
3 asbestos and mold abatement, and
4 other necessary improvements and
5 equipment related to the occupation
6 of the building by employees.

8 **DEFENSE, VETERANS AND EMERGENCY MANAGEMENT,
9 DEPARTMENT OF**

10 To protect the lives and property of 4,600,000
11 Maine's citizens by improving response
12 capability, improving workplace security
13 at government and other public sites and
14 by conducting vulnerability surveys and
15 security audits at other critical
16 locations.

18 **ADMINISTRATIVE AND FINANCIAL SERVICES,
19 DEPARTMENT OF**

20 Renovation of a building in the Portland 500,000
21 area to establish a center for homeless
22 teens.
23

26 **TOTAL ALLOCATIONS** \$27,100,000

28 **Sec. A-7. Contingent upon ratification of bond issue.** Sections 1
29 to 6 of this Part do not become effective unless the people of
30 the State have ratified the issuance of the bonds as set forth in
31 this Part.

34 **Sec. A-8. Appropriation balances at year-end.** At the end of each
35 fiscal year, all unencumbered appropriation balances representing
36 state money carry forward. Bond proceeds that have not been
37 expended within 10 years after the date of the sale of the bonds
38 lapse to General Fund debt service.

40 **Sec. A-9. Bonds authorized but not issued.** Any bonds authorized
41 but not issued, or for which bond anticipation notes are not
42 issued within 5 years of ratification of this Part, are
43 deauthorized and may not be issued; except that the Legislature
44 may, within 2 years after the expiration of that 5-year period,
45 extend the period for issuing any remaining unissued bonds or
46 bond anticipation notes for an additional amount of time not to
47 exceed 5 years.

48 **Sec. A-10. Referendum for ratification; submission at primary**
49 **election; form of question; effective date. This Part**

2 must be submitted to the legal voters of the State of Maine at
the next primary election in the month of June following passage
of this Part. The municipal officers of this State shall notify
4 the inhabitants of their respective cities, towns and plantations
to meet, in the manner prescribed by law for holding a general
6 election, to vote on the acceptance or rejection of this Part by
voting on the following question:

8 "Do you favor a \$27,100,000 bond issue to stimulate job
10 growth, renovate buildings and defend against terrorism in
Maine. The bonds would be used for the following purposes:

12 1. Funds of \$4,000,000 for the Municipal Investment Trust
14 Fund to provide loans and grants to municipalities for
public infrastructure to support economic development and
16 other purposes of the fund;

18 2. Funds of \$10,000,000 to the Finance Authority of Maine
to create and retain Maine jobs through the funding of
20 community, regional and state business financing programs;

22 3. Funds of \$8,000,000 for the renovation of the Harlow
Office Building;

24 4. Funds of \$4,600,000 for the protection of the lives and
26 property of Maine citizens;

28 5. Funds of \$500,000 to renovate a building in the Portland
area to establish a center for homeless teens?"

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

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

48 **PART B**

2 **Sec. B-1. Authorization of bonds to provide for the capitalizing of the**
3 **Maine Rural Development Authority; to renovate infrastructure at the**
4 **Schoodic Education and Research Center; to construct 2 facilities to**
5 **support Maine businesses through product development and testing; to**
6 **provide funds for biomedical research and development equipment and**
7 **infrastructure; to provide assistance in the planning and construction of the**
8 **Franco-American Heritage Center at St. Mary's in Lewiston; to assist the**
9 **Moosehead Marine Museum in the renovation of its flagship, the Katahdin,**
10 **including repairs to its deck; to renovate the Center Theater, Inc. in**
11 **downtown Dover-Foxcroft and promote tourism in Piscataquis County; to**
12 **match a federal grant to plan and construct the Downeast Heritage Center**
13 **on the St. Croix River in Calais; and to promote tourism in Washington**
14 **County. The Treasurer of State is authorized, under the**
15 **direction of the Governor, to issue bonds in the name and on**
16 **behalf of the State in an amount not exceeding \$28,630,000 to**
17 **raise funds to capitalize of the Maine Rural Development**
18 **Authority; to renovate infrastructure at the Schoodic Education**
19 **and Research Center; to construct 2 facilities to support Maine**
20 **businesses through product development and testing; to raise**
21 **funds for biomedical research and development equipment and**
22 **infrastructure; to provide assistance in the planning and**
23 **construction of the Franco-American Heritage Center at St. Mary's**
24 **in Lewiston; to assist the Moosehead Marine Museum in the**
25 **renovation of its flagship, the Katahdin, including repairs to**
26 **its deck; to renovate the Center Theater, Inc. in downtown**
27 **Dover-Foxcroft and promote tourism in Piscataquis County; to**
28 **match a federal grant to plan and construct the Downeast Heritage**
29 **Center on the St. Croix River in Calais; and to promote tourism**
30 **in Washington County as authorized by section 6 of this Part.**
31 **The bonds are a pledge of the full faith and credit of the**
32 **State. The bonds may not run for a period longer than 10 years**
33 **from the date of the original issue of the bonds. At the**
34 **discretion of the Treasurer of State, with the approval of the**
35 **Governor, any issuance of bonds may contain a call feature.**

36 **Sec. B-2. Records of bonds issued to be kept by the Treasurer of**
37 **State. The Treasurer of State shall keep an account of each bond**
38 **showing the number of the bond, the name of the successful bidder**
39 **to whom sold, the amount received for the bond, the date of sale**
40 **and the date when payable.**

42 **Sec. B-3. Sale; how negotiated; proceeds appropriated. The**
43 **Treasurer of State may negotiate the sale of the bonds by**
44 **direction of the Governor, but no bond may be loaned, pledged or**
45 **hypothecated on behalf of the State. The proceeds of the sale of**
46 **the bonds, which must be held by the Treasurer of State and paid**
47 **by the Treasurer of State upon warrants drawn by the State**
48 **Controller, are appropriated solely for the purposes set forth in**

2 this Part. Any unencumbered balances remaining at the completion
of the projects in section 6 of this Part lapse to the debt
3 service account established for the retirement of these bonds.

4
5 **Sec. B-4. Interest and debt retirement.** The Treasurer of State
6 shall pay interest due or accruing on any bonds issued under this
Part and all sums coming due for payment of bonds at maturity.

7
8 **Sec. B-5. Disbursement of bond proceeds.** The proceeds of the
9 bonds must be expended as set out in section 6 of this Part under
10 the direction and supervision of the Department of Economic and
11 Community Development, the Maine Rural Development Authority, the
12 University of Maine System and the Commissioner of Administrative
13 and Financial Services.

14
15 **Sec. B-6. Allocations from General Fund bond issue; capitalizing the
16 Maine Rural Development Authority and the Municipal Investment Trust
17 Fund; renovating infrastructure at the Schoodic Education and Research
18 Center; constructing product development and testing facilities; supporting
19 biomedical research; supporting culture and promoting tourism.** The
20 proceeds of the sale of the bonds must be expended as designated
21 in the following schedule.

22
23 **MAINE RURAL DEVELOPMENT AUTHORITY**

24
25 Capitalization of the Maine Rural \$10,000,000
26 Development Authority to implement the
27 Community Industrial Building Program
28 and the Commercial Facilities Development
29 and Redevelopment Program.

30
31 **ECONOMIC AND COMMUNITY DEVELOPMENT,
32 DEPARTMENT OF**

33 Renovation of buildings and associated 1,100,000
34 infrastructure for the development of the
35 Schoodic Education and Research Center to
36 match \$4,000,000 in federal funding.

37
38 **UNIVERSITY OF MAINE SYSTEM - UNIVERSITY OF MAINE**

39 Construction of a facility for product 5,000,000
40 development and support to help solve
41 manufacturing and engineering problems.
42 The product development and testing centers
43 of the university system will be utilized
44 to assist companies in product development
45 and product testing only. They will not

2 compete with applied technology development
3 centers by leasing space in their centers;
4 rather, they will only bring a company's
5 specific product to be developed or tested
6 into the centers. The product development
7 and testing centers of the university will
8 outreach to all 7 applied technology
9 development centers and collaborate on
10 initiatives of mutual interest.

11 **UNIVERSITY OF MAINE SYSTEM - UNIVERSITY OF**
12 **SOUTHERN MAINE**

13 Construction of a facility for product 4,000,000
14 development and support to help solve
15 manufacturing and engineering problems.
16 The product development and testing centers
17 of the university system will be utilized
18 to assist companies in product development
19 and product testing only. They will not
20 compete with applied technology development
21 centers by leasing space in their centers;
22 rather, they will only bring a company's
23 specific product to be developed or tested
24 into the centers. The product development
25 and testing centers of the university will
26 outreach to all 7 applied technology
27 development centers and collaborate on
28 initiatives of mutual interest.

29 **ECONOMIC AND COMMUNITY DEVELOPMENT,**
30 **DEPARTMENT OF**

31 Provides funds for the Maine 6,000,000
32 Biomedical Research Fund, to
33 support capital infrastructure and
34 equipment. Eligible institutions are
35 those delineated in the Maine Revised
36 Statutes, Title 5, section 13103.

37 **ADMINISTRATIVE AND FINANCIAL SERVICES,**
38 **DEPARTMENT OF**

39 Provides funds to provide assistance in 1,500,000
40 the planning and construction of the
41 Franco-American Heritage Center at
42 St. Mary's in Lewiston to promote the
43 academic, economic, social and cultural
44 heritage of Franco-Americans in the State.

**ADMINISTRATIVE AND FINANCIAL SERVICES,
DEPARTMENT OF**

2

4

Provides funds to assist the Moosehead
Marine Museum in the renovation of its
flagship, the Katahdin, including repairs
to its deck.

30,000

6

8

**ADMINISTRATIVE AND FINANCIAL SERVICES,
DEPARTMENT OF**

10

12

Provides funds to the Center Theater, Inc.
to renovate the Center Theater in downtown
Dover-Foxcroft and to promote tourism, the
arts and culture and economic growth in
Piscataquis County.

500,000

14

16

18

**ADMINISTRATIVE AND FINANCIAL SERVICES,
DEPARTMENT OF**

20

Provides funds to match a federal grant to
plan and construct the Downeast Heritage
Center on the St. Croix River in Calais and
to promote tourism and economic growth in
Washington County.

500,000

22

24

26

TOTAL ALLOCATIONS

\$28,630,000

28

30

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

32

34

Sec. B-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.

36

38

40

Sec. B-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 Part, 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.

42

44

46

48

2 **Sec. B-10. Referendum for ratification; submission at general**
3 **election; form of question; effective date.** This Part must be submitted
4 to the legal voters of the State of Maine at the next general
5 election in the month of November following passage of this
6 Part. The municipal officers of this State shall notify the
7 inhabitants of their respective cities, towns and plantations to
8 meet, in the manner prescribed by law for holding a general
9 election, to vote on the acceptance or rejection of this Part by
10 voting on the following question:

11 "Do you favor a \$28,630,000 bond issue to stimulate job
12 growth in Maine. The bonds would be used for the following
13 purposes:

14 1. Funds of \$10,000,000 to capitalize the Maine Rural
15 Development Authority to facilitate job creation through the
16 development and redevelopment of commercial and industrial
17 buildings in Maine;

18 2. Funds of \$1,100,000 for renovation of buildings and
19 associated infrastructure at the Schoodic Education and
20 Research Center. State bond funds will match \$4,000,000 in
21 federal funds;

22 3. Funds of \$5,000,000 for the construction of a facility
23 for product development and support that will provide the
24 University of Maine with the resources needed to help solve
25 daily manufacturing and engineering problems;

26 4. Funds of \$4,000,000 for the construction of a facility
27 for product development and support that will provide the
28 University of Southern Maine with the resources needed to
29 help solve daily manufacturing and engineering problems;

30 5. Funds of \$6,000,000 for medical research and development
31 by Maine-based biomedical research institutions in order to
32 obtain matching federal funds for health research to cure
33 disease and to retain Maine graduates by providing quality
34 Maine jobs;

35 6. Funds of \$1,500,000 for the planning and construction of
36 the Franco-American Heritage Center at St. Mary's in
37 Lewiston;

38 7. Funds of \$30,000 to assist the Moosehead Marine Museum
39 in the renovation of its flagship, the Katahdin;

40 8. Funds of \$500,000 for the renovation of the Center
41 Theater in downtown Dover-Foxcroft; and
42
43
44
45
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2 9. Funds of \$500,000 to plan and construct the Downeast
Heritage Center on the St. Croix River in Calais and promote
4 tourism in Washington County?"

6 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 this Part, the Governor shall proclaim the result
without delay, and this Part becomes effective 30 days after the
16 date of the proclamation.

18 The Secretary of State shall prepare and furnish to each
city, town and plantation all ballots, returns and copies of this
20 Part necessary to carry out the purpose of this referendum.'

22 Further amend the bill by inserting at the end before the
summary the following:

24
26 **'FISCAL NOTE**

28 This bill includes 2 referenda, one to be submitted to the
voters in June 2002 and one to be submitted to the voters in
30 November. The estimated cost of sending each of these referenda
requesting approval of a General Fund bond issue will vary
32 according to the total number of referenda enacted during the
Second Regular Session of the 120th Legislature to be submitted
to the voters in June and November. The estimated cost to the
34 Secretary of State if one to 6 referenda are enacted is \$121,392
for each of the elections. Each additional referendum above the
36 6 question threshold costs an additional \$8,000. The length of
the questions for these bond issues will reduce the number of
38 questions at each election before the threshold is reached.

40 If approved by the voters, the total costs of these bond
issues are estimated to be \$72,276,075 with principal payments of
42 \$55,730,000 and interest payments of approximately \$16,546,075.

44 The additional costs associated with administering the funds
associated with the bond proceeds can be absorbed by the Maine
46 Rural Development Authority, the Department of Economic and
Community Development, the Department of Administrative and
48 Financial Services, the Department of Defense, Veterans and
Emergency Management, the University of Maine System and the
50 Finance Authority of Maine utilizing existing budgeted resources.'

2 **SUMMARY**

4 **PART A**

6 Part A of this amendment provides for a bond issue at a
8 referendum to be held in June 2002 in the amount of \$27,100,000
to be used for the following purposes:

10 1. For the Municipal Investment Trust Fund to provide loans
12 and grants to municipalities for public infrastructure to support
economic development and other purposes of the fund, \$4,000,000;

14 2. To the Finance Authority of Maine to create and retain
16 Maine jobs through the funding of community, regional and state
business financing programs, \$10,000,000;

18 3. To renovate the Augusta East Campus Harlow Office
20 Building, including all electrical, water and mechanical systems,
roof replacement and asbestos and mold abatement, \$8,000,000;

22 4. To raise funds for the protection of the lives and
24 property of Maine citizens, \$4,600,000; and

26 5. To renovate a building in the Portland area to establish
a center for homeless teens, \$500,000.

28 **PART B**

30 Part B of this amendment provides for a bond issue at a
32 referendum to be held in November 2002 in the amount of
\$28,630,000 to be used for the following purposes:

34 1. To capitalize the Maine Rural Development Authority to
36 facilitate job creation through the development and redevelopment
of commercial and industrial buildings in Maine, \$10,000,000;

38 2. For renovation of buildings and associated
40 infrastructure at the Schoodic Education and Research Center,
\$1,100,000. State bond funds will match \$4,000,000 in federal
42 funds;

44 3. For the construction of 2 facilities for product
46 development and support that will provide the University of Maine
and the University of Southern Maine with the resources needed to
48 help solve daily manufacturing and engineering problems for Maine
companies, \$9,000,000;

50 4. For biomedical research and development by Maine-based
nonprofit and state research institutions, \$6,000,000;

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2 5. For the planning and construction of the Franco-American
Heritage Center at St. Mary's in Lewiston, \$1,500,00;

4
6 6. To assist the Moosehead Marine Museum in the renovation
of its flagship, the Katahdin, \$30,000;

8 7. For the renovation of the Center Theater in downtown
Dover-Foxcroft, \$500,000; and

10
12 8. To plan and construct the Downeast Heritage Center on
the St. Croix River in Calais and to promote tourism in
Washington County, \$500,000.

14 This amendment also adds a fiscal note to the bill.