

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

L.D. 2130

DATE: April 3, 2002

(Filing No. S-562)

APPROPRIATIONS AND FINANCIAL AFFAIRS

Reported by:

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE
SENATE
120TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "B" 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 \$31,400,000 to Stimulate Job Growth in Rural Maine'

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, 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.

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

2018

2 **Sec. 1. Authorization of bonds to provide for the recapitalization of**
4 **the Economic Recovery Loan Program and of the Regional Economic**
6 **Development Revolving Loan Program and the capitalization of the Maine**
8 **Rural Development Authority; to renovate infrastructure at the Schoodic**
10 **Education and Research Center; to construct 2 facilities to support Maine**
12 **businesses through product development and testing; and to provide funds**
14 **for biomedical research and development equipment and infrastructure.**

16 The Treasurer of State is authorized, under the direction of the
18 Governor, to issue bonds in the name and on behalf of the State
20 in an amount not exceeding \$31,400,000 to raise funds to
22 recapitalize the Economic Recovery Loan Program and the Regional
24 Economic Development Revolving Loan Program; to capitalize the
26 Maine Rural Development Authority; to renovate infrastructure at
28 the Schoodic Education and Research Center; to construct 2
30 facilities to support Maine businesses through product
32 development and testing; and to raise funds for biomedical
34 research and development equipment and infrastructure as
36 authorized by section 6 of this Act. The bonds are a pledge of
38 the full faith and credit of the State. The bonds may not run
40 for a period longer than 10 years from the date of the original
42 issue of the bonds. At the discretion of the Treasurer of State,
44 with the approval of the Governor, any issuance of bonds may
 contain a call feature.

26 **Sec. 2. Records of bonds issued to be kept by Treasurer of State.**

28 The Treasurer of State shall keep an account of each bond showing
30 the number of the bond, the name of the successful bidder to whom
32 sold, the amount received for the bond, the date of sale and the
34 date when payable.

32 **Sec. 3. Sale; how negotiated; proceeds appropriated.**

34 The Treasurer of State may negotiate the sale of the bonds by
36 direction of the Governor, but no bond may be loaned, pledged or
38 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
42 by the Treasurer of State upon warrants drawn by the State
44 Controller, are appropriated solely for the purposes set forth in
 this Act. Any unencumbered balances remaining at the completion
 of the projects in section 6 of this Act lapse to the debt
 service account established for the retirement of these bonds.

42 **Sec. 4. Interest and debt retirement.**

44 The Treasurer of State shall pay interest due or accruing on any bonds issued under this
 Act and all sums coming due for payment of bonds at maturity.

PL 018

2 **Sec. 5. Disbursement of bond proceeds.** The proceeds of the
3 bonds must be expended as set out in section 6 of this Act under
4 the direction and supervision of the Finance Authority of Maine,
5 the Commissioner of Administrative and Financial Services, the
6 Department of Economic and Community Development, the Maine Rural
7 Development Authority and the University of Maine System.

8 **Sec. 6. Allocations from General Fund bond issue; recapitalizing the**
9 **Economic Recovery Loan Program and the Regional Economic**
10 **Development Revolving Loan Program; capitalizing the Maine Rural**
11 **Development Authority; renovating infrastructure at the Schoodic**
12 **Education and Research Center; constructing product development and**
13 **testing facilities; and supporting biomedical research.** The proceeds of
14 the sale of the bonds must be expended as designated in the
15 following schedule.

16 **FINANCE AUTHORITY OF MAINE**

17 Recapitalization of the Economic \$5,000,000
18 Recovery Loan Program.

19 **FINANCE AUTHORITY OF MAINE**

20 Recapitalization of the Regional 5,000,000
21 Economic Development Revolving Loan
22 Program.

23 **MAINE RURAL DEVELOPMENT AUTHORITY**

24 Capitalization of the Maine Rural 7,500,000
25 Development Authority to implement the
26 Community Industrial Building Program
27 and the Commercial Facilities Development
28 and Redevelopment Program.

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

31 Renovation of buildings and associated 400,000
32 infrastructure for the development of the
33 Schoodic Education and Research Center to
34 match \$4,000,000 in federal funding.

35 **UNIVERSITY OF MAINE SYSTEM - UNIVERSITY OF MAINE**

36 Construction of a facility for product 5,000,000
37 development and support to help solve
38 manufacturing and engineering problems for
39 Maine companies. The product development
40 and testing centers of the university system

SAFE

COMMITTEE AMENDMENT "B" to S.P. 785, L.D. 2130

2 will be utilized to assist companies in product
development and product testing only. They
4 will not compete with applied technology
development centers by leasing space in their
6 centers; rather they will only bring a company's
specific product to be developed or tested into
8 the centers. The product development and
testing centers of the university will outreach
10 to all 7 applied technology development centers
and collaborate on initiatives of
mutual interest.

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

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

32
34 **ECONOMIC AND COMMUNITY DEVELOPMENT,
DEPARTMENT OF**

36 Provides funds for the Maine 4,500,000
Biomedical Research Fund, to
38 support capital infrastructure and
equipment. Eligible institutions are
40 those delineated in the Maine Revised
Statutes, Title 5, section 13103.

42 **TOTAL ALLOCATIONS** \$31,400,000

44 **Sec. 7. Contingent upon ratification of bond issue.** Sections 1 to
46 6 of this Act do not become effective unless the people of the
State have ratified the issuance of the bonds as set forth in
48 this Act.

COMMITTEE AMENDMENT

Sec. 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. 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. 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 \$31,400,000 bond issue to stimulate job growth in Maine? The bonds would be used for the following purposes:

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

2. Funds of \$7,500,000 to capitalize the Maine Rural Development Authority to facilitate job creation through the development and redevelopment of commercial and industrial buildings in Maine;

3. Funds of \$400,000 for renovation of buildings and associated infrastructure at the Schoodic Education and Research Center. State bond funds will match \$4,000,000 in federal funds;

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

5. Funds of \$4,000,000 for the construction of a facility for product development and support that will provide the

University of Southern Maine with the resources needed to help solve daily manufacturing and engineering problems; and

6. Funds of \$4,500,000 for medical research and development by Maine-based biomedical research institutions in order to obtain matching federal funds for health research to cure disease and to retain Maine graduates by providing quality Maine jobs."

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 this Act, the Governor shall proclaim the result without delay, and this 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.'

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

FISCAL NOTE

The estimated cost of sending this bond issue out to referendum will vary according to the total number of referenda enacted during the Second Regular Session of the 120th Legislature to be submitted to the voters in November. The estimated cost to the Secretary of State if one to 6 referenda are enacted is \$121,392. Each additional referendum above the 6-question threshold costs an additional \$8,000. The length of the question for this bond issue will reduce the number of questions before the threshold is reached.

If approved by the voters, the total costs of these bond issues are estimated to be \$40,880,680 with principal payments of \$31,400,000 and interest payments of approximately \$9,480,680.

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

2002

2
4
6
8
10
12
14
16
18
20
22
24
26
28
30
32

SUMMARY

This amendment provides for a bond issue at a referendum to be held in November 2002 in the amount of \$31,400,000 to be used for the following purposes:

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

2. To capitalize the Maine Rural Development Authority to facilitate job creation through the development and redevelopment of commercial and industrial buildings in Maine, \$7,500,000;

3. For renovation of buildings and associated infrastructure at the Schoodic Education and Research Center, \$400,000. State bond funds will match \$3,000,000 in federal funds;

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

5. For biomedical research and development by Maine-based nonprofit and state research institutions, \$4,500,000.

The amendment also adds a fiscal note to the bill.