

# MAINE STATE LEGISLATURE

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L.D. 2130

DATE: *April 3, 2002*(Filing No. S-*563*)

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**APPROPRIATIONS AND FINANCIAL AFFAIRS**

8 Reported by:

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

14 style="text-align: center;">**STATE OF MAINE**  
**SENATE**  
**120TH LEGISLATURE**  
**SECOND REGULAR SESSION**

18 COMMITTEE AMENDMENT "*C*" to S.P. 785, L.D. 2130, Bill, "An  
20 Act to Authorize a General Fund Bond Issue in the Amount of  
22 \$31,150,000 to Stimulate Job Growth in Maine"

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

26 '**An Act to Authorize a General Fund Bond Issue in the Amount of**  
28 **\$36,430,000 to Stimulate Job Growth in Maine and to Provide a**  
**Center for Homeless Teenagers'**

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

34 '**Preamble.** Two thirds of both Houses of the Legislature  
36 deeming it necessary in accordance with the Constitution of  
Maine, Article IX, Section 14 to authorize the issuance of bonds  
38 on behalf of the State of Maine to provide funds for capitalizing  
the Maine Rural Development Authority and the Municipal  
40 Investment Trust Fund, renovation of infrastructure at the  
Schoolic Education and Research Center and the recapitalization  
42 of the Economic Recovery Loan Program and the Regional Economic  
Development Revolving Loan Program; to construct 2 facilities to  
44 support Maine businesses through product development and testing,  
to provide funds for biomedical research and development  
46 equipment and infrastructure; 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  
48 in the renovation of its flagship, the Katahdin, including  
repairs to its deck; to renovate the Center Theater, Inc. in

**COMMITTEE AMENDMENT**

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

6  
8 **Be it enacted by the People of the State of Maine as follows:**

10 **PART A**

12 **Sec. A-1. Authorization of bonds to provide for the Municipal**  
14 **Investment Trust Fund, recapitalization of the Economic Recovery Loan**  
16 **Program and the Regional Economic Development Revolving Loan**  
18 **Program; and to renovate a building in the Portland area to establish a**  
20 **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 \$15,500,000  
to raise funds for capitalizing the Municipal Investment Trust  
22 Fund, recapitalization of the Economic Recovery Loan Program and  
the Regional Economic Development Revolving Loan Program; and  
renovating a building in the Portland area to establish a center  
for homeless teens as authorized by section 6 of this Part. The  
24 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  
26 date of the original issue of the bonds. At the discretion of  
the Treasurer of State, with the approval of the Governor, any  
28 issuance of bonds may contain a call feature.

30 **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  
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. A-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 Part. Any unencumbered balances remaining at the completion  
44 of the projects in section 6 of this Part lapse to the debt  
service account established for the retirement of these bonds.

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

4       **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 the direction and supervision of the Department of Economic and Community Development, the Finance Authority of Maine and the Commissioner of Administrative and Financial Services.

6       **Sec. A-6. Allocations from General Fund bond issue; capitalizing the Municipal Investment Trust Fund and the recapitalization of the Economic Recovery Loan Program and the Regional Economic Development Revolving Loan Program; 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 expended as designated in the following schedule.

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12       **ECONOMIC AND COMMUNITY DEVELOPMENT,  
14       DEPARTMENT OF**

16                   Capitalization of the Municipal                   \$5,000,000  
18                   Investment Trust Fund to provide loans  
20                   and grants to municipalities for public  
22                   infrastructure to support economic  
24                   development and other purposes of the  
26                   fund.

28       **FINANCE AUTHORITY OF MAINE**

30                   Recapitalization of the Economic                   5,000,000  
32                   Recovery Loan Program.

34       **FINANCE AUTHORITY OF MAINE**

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

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

44                   Renovation of a building in the Portland             500,000  
                    area to establish a center for homeless  
46                   teens.

48       **TOTAL ALLOCATIONS**   \$15,500,000

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

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

11           **Sec. A-9. Bonds authorized but not issued.** Any bonds authorized  
12 but not issued, or for which bond anticipation notes are not  
13 issued within 5 years of ratification of this Part, are  
14 deauthorized and may not be issued; except that the Legislature  
15 may, within 2 years after the expiration of that 5-year period,  
16 extend the period for issuing any remaining unissued bonds or  
17 bond anticipation notes for an additional amount of time not to  
18 exceed 5 years.

19           **Sec. A-10. Referendum for ratification; submission at primary**  
20 **election; form of question; effective date.** This Part must be submitted  
21 to the legal voters of the State of Maine at the next primary  
22 election in the month of June following passage of this Part.  
23 The municipal officers of this State shall notify the inhabitants  
24 of their respective cities, towns and plantations to meet, in the  
25 manner prescribed by law for holding a general election, to vote  
26 on the acceptance or rejection of this Part by voting on the  
27 following question:

28           "Do you favor a \$15,500,000 bond issue to stimulate job  
29 growth in Maine? The bonds would be used for the following  
30 purposes:

31           1. Funds of \$5,000,000 for the Municipal Investment Trust  
32 Fund to provide loans and grants to municipalities for  
33 public infrastructure to support economic development and  
34 other purposes of the fund;

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

39           3. Funds of \$500,000 to renovate a building in the Portland  
40 area to establish a center for homeless teens."

41           The legal voters of each city, town and plantation shall  
42 vote by ballot on this question and designate their choice by a  
43 cross or check mark placed within a corresponding square below  
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2 the word "Yes" or "No." The ballots must be received, sorted,  
4 counted and declared in open ward, town and plantation meetings  
6 and returns made to the Secretary of State in the same manner as  
8 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 Part, the Governor shall proclaim the result  
without delay, and this Part becomes effective 30 days after the  
date of the proclamation.

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

14 **PART B**

16 **Sec. B-1. Authorization of bonds to provide for the capitalizing of the**  
18 **Maine Rural Development Authority; to renovate infrastructure at the**  
20 **Schoodic Education and Research Center; to construct 2 facilities to**  
22 **support Maine businesses through product development and testing; to**  
24 **provide funds for biomedical research and development equipment and**  
26 **infrastructure; to provide assistance in the planning and construction of the**  
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 \$20,930,000 to raise funds to  
capitalize of the Maine Rural Development Authority; to renovate  
infrastructure at the Schoodic Education and Research Center; to  
construct 2 facilities to support Maine businesses through  
product development and testing; to raise funds for biomedical  
research and development equipment and infrastructure; to provide  
assistance in the planning and 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 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.

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2 **Sec. B-2. Records of bonds issued to be kept by the Treasurer of**  
State. The Treasurer of State shall keep an account of each bond  
4 showing the number of the bond, the name of the successful bidder  
and the date when payable.

6 **Sec. B-3. Sale; how negotiated; proceeds appropriated.** The  
8 Treasurer of State may negotiate the sale of the bonds by  
direction of the Governor, but no bond may be loaned, pledged or  
10 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  
12 by the Treasurer of State upon warrants drawn by the State  
Controller, are appropriated solely for the purposes set forth in  
14 this Part. Any unencumbered balances remaining at the completion  
of the projects in section 6 of this Part lapse to the debt  
16 service account established for the retirement of these bonds.

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

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

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

36 **MAINE RURAL DEVELOPMENT AUTHORITY**

38 Capitalization of the Maine Rural \$7,500,000  
40 Development Authority to implement the  
Community Industrial Building Program  
42 and the Commercial Facilities Development  
and Redevelopment Program.

44 **ECONOMIC AND COMMUNITY DEVELOPMENT,**  
46 **DEPARTMENT OF**

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

6 UNIVERSITY OF MAINE SYSTEM - UNIVERSITY OF MAINE

8 Construction of a facility for product 5,000,000  
9 development and support to help solve  
10 manufacturing and engineering problems.  
11 The product development and testing  
12 centers of the university system will be  
13 utilized to assist companies in product  
14 development and product testing only.  
15 They will not compete with applied  
16 technology development centers by leasing  
17 space in their centers; rather, they will  
18 only bring a company's specific product  
19 to be developed or tested into the centers.  
20 The product development and testing  
21 centers of the university will outreach  
22 to all 7 applied technology development  
23 centers and collaborate on initiatives  
24 of mutual interest.

26 UNIVERSITY OF MAINE SYSTEM - UNIVERSITY OF  
27 SOUTHERN MAINE

28 Construction of a facility for product 4,000,000  
29 development and support to help solve  
30 manufacturing and engineering problems.  
31 The product development and testing  
32 centers of the university system will be  
33 utilized to assist companies in product  
34 development and product testing only.  
35 They will not compete with applied  
36 technology development centers by leasing  
37 space in their centers; rather, they will  
38 only bring a company's specific product  
39 to be developed or tested into the centers.  
40 The product development and testing  
41 centers of the university will outreach  
42 to all 7 applied technology development  
43 centers and collaborate on initiatives  
44 of mutual interest.

46 ECONOMIC AND COMMUNITY DEVELOPMENT,  
47 DEPARTMENT OF

48 Provides funds for the Maine 2,000,000  
49 Biomedical Research Fund, to



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COMMITTEE AMENDMENT 'C' to S.P. 785, L.D. 2130

2 support capital infrastructure and  
equipment. Eligible institutions are  
4 those delineated in the Maine Revised  
Statutes, Title 5, section 13103.

6 **ADMINISTRATIVE AND FINANCIAL SERVICES,  
DEPARTMENT OF**

8 Provides funds to provide assistance in 1,500,000  
10 the planning and construction of the  
Franco-American Heritage Center at  
12 St. Mary's in Lewiston to promote the  
academic, economic, social and cultural  
14 heritage of Franco-Americans in the State.

16 **ADMINISTRATIVE AND FINANCIAL SERVICES,  
DEPARTMENT OF**

18 Provides funds to assist the Moosehead 30,000  
20 Marine Museum in the renovation of its  
flagship, the Katahdin, including repairs  
22 to its deck.

24 **ADMINISTRATIVE AND FINANCIAL SERVICES,  
DEPARTMENT OF**

26 Provides funds to the Center Theater, Inc. 500,000  
28 to renovate the Center Theater in downtown  
Dover-Foxcroft and to promote tourism, the  
30 arts and culture and economic growth in  
Piscataquis County.  
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34 **TOTAL ALLOCATIONS** \$20,930,000

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

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

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**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.

**Sec. B-10. Referendum for ratification; submission at general election; form of question; effective date.** This Part 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 Part. 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 Part by voting on the following question:

"Do you favor a \$20,930,000 bond issue to stimulate job growth in rural Maine? The bonds would be used for the following purposes:

1. 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;
2. 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;
3. 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;
4. 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;
5. Funds of \$2,000,000 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;

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

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

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

8. Funds of \$500,000 for the renovation of the Center Theater in downtown Dover-Foxcroft."

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 Part, the Governor shall proclaim the result without delay, and this Part 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 Part 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**

This bill includes 2 referenda, one to be submitted to the voters in June 2002 and one to be submitted to the voters in November. The estimated cost of sending each of these referenda requesting approval of a General Fund bond issue 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 June and November. The estimated cost to the Secretary of State if one to 6 referenda are enacted is \$121,392 for each of the elections. Each additional referendum above the 6-question threshold costs an additional \$8,000. The length of the questions for these bond issues will reduce the number of questions at each election before the threshold is reached.

If approved by the voters, the total costs of these bond issues are estimated to be \$47,222,745 with principal payments of \$36,430,000 and interest payments of approximately \$10,792,745.

**COMMITTEE AMENDMENT**

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

8 **SUMMARY**

10 **PART A**

12 Part A of this amendment provides for a bond issue at a  
13 referendum to be held in June 2002 in the amount of \$15,500,000  
14 to be used for the following purposes:

- 16 1. For the Municipal Investment Trust Fund to provide loans  
17 and grants to municipalities for public infrastructure to support  
18 economic development and other purposes of the fund, \$5,000,000;
- 20 2. To the Finance Authority of Maine to create and retain  
21 Maine jobs through the funding of community, regional and state  
22 business financing programs, \$10,000,000; and
- 24 3. To renovate a building in the Portland area to establish  
25 a center for homeless teens, \$500,000.

26 **PART B**

28 Part B of this amendment provides for a bond issue at a  
29 referendum to be held in November 2002 in the amount of  
30 \$20,930,000 to be used for the following purposes:

- 32 1. To capitalize the Maine Rural Development Authority to  
33 facilitate job creation through the development and redevelopment  
34 of commercial and industrial buildings in Maine, \$7,500,000;
- 36 2. For renovation of buildings and associated  
37 infrastructure at the Schoodic Education and Research Center,  
38 \$400,000. State bond funds will match \$4,000,000 in federal  
39 funds;
- 42 3. For the construction of facilities for product  
43 development and support that will provide the University of Maine  
44 and the University of Southern Maine with the resources needed to  
45 help solve daily manufacturing and engineering problems for Maine  
46 companies, \$9,000,000;
- 48 4. For biomedical research and development by Maine-based  
49 nonprofit and state research institutions, \$2,000,000;

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

- 2           5. For the planning and construction of the Franco-American  
Heritage Center at St. Mary's in Lewiston, \$1,500,000;
- 4           6. To assist the Moosehead Marine Museum in the renovation  
of its flagship, the Katahdin, \$30,000; and
- 6
- 8           7. For the renovation of the Center Theater in downtown  
Dover-Foxcroft, \$500,000.
- 10           This amendment also adds a fiscal note to the bill.

**COMMITTEE AMENDMENT**