

# MAINE STATE LEGISLATURE

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# 120th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2002

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Legislative Document

No. 2130

S.P. 785

In Senate, February 20, 2002

**An Act to Authorize a General Fund Bond Issue in the Amount of  
\$31,150,000 to Stimulate Job Growth in Rural Maine.**

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Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Pamela L. Cahill".

PAMELA L. CAHILL  
Secretary of the Senate

Presented by President Pro Tem MICHAUD of Penobscot. (GOVERNOR'S BILL).  
Cosponsored by Representative RICHARDSON of Brunswick and  
Senators: CATHCART of Penobscot, NUTTING of Androscoggin, SHOREY of Washington,  
YOUNGBLOOD of Penobscot, Representatives: BELANGER of Caribou, CARR of Lincoln,  
HATCH of Skowhegan, JONES of Greenville.

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 for capitalizing  
6           the Maine Rural Development Authority and the Municipal  
7           Investment Trust Fund, renovation of infrastructure at the  
8           Schoolic Education and Research Center and the recapitalization  
9           of the Economic Recovery Loan Program and the Regional Economic  
10          Development Revolving Loan Program.

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

12           **Sec. 1. Authorization of bonds to provide for capitalizing the Maine**  
13           **Rural Development Authority and the Municipal Investment Trust Fund,**  
14           **renovation of infrastructure at the Schoolic Education and Research**  
15           **Center and recapitalization of the Economic Recovery Loan Program and**  
16           **the Regional Economic Development Revolving Loan Program.** The  
17           Treasurer of State is authorized, under the direction of the  
18           Governor, to issue bonds in the name and on behalf of the State  
19           in an amount not exceeding \$31,150,000 to raise funds for  
20           capitalizing the Maine Rural Development Authority and the  
21           Municipal Investment Trust Fund, renovation of infrastructure at  
22           the Schoolic Education and Research Center and the  
23           recapitalization of the Economic Recovery Loan Program and the  
24           Regional Economic Development Revolving Loan Program as  
25           authorized by section 6. The bonds are a pledge of the full  
26           faith and credit of the State. The bonds may not run for a  
27           period longer than 10 years from the date of the original issue  
28           of the bonds. At the discretion of the Treasurer of State, with  
29           the approval of the Governor, any issuance of bonds may contain a  
30           call feature.

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

32           The Treasurer of State shall keep an account of each bond showing  
33           the number of the bond, the name of the successful bidder to whom  
34           sold, the amount received for the bond, the date of sale and the  
35           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  
47  
48

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

4  
6           **Sec. 5. Disbursement of bond proceeds.** The proceeds of the  
bonds must be expended as set out in section 6 under the  
direction and supervision of the Department of Economic and  
8 Community Development, the Maine Rural Development Authority and  
the Finance Authority of Maine.

10  
12           **Sec. 6. Allocations from General Fund bond issue; 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.** The  
14 proceeds of the sale of the bonds must be expended as designated  
16 in the following schedule.

18           **Maine Rural Development Authority**

20                           Capitalization of the Maine Rural Development           \$15,000,000  
22                           Authority to implement the Community  
24                           Industrial Building Program and the  
Commercial Facilities Development and  
26                           Redevelopment Program

28           **Department of Economic and Community**  
**Development**

30                           Renovation of buildings and associated           \$2,150,000  
32                           infrastructure for the development of the  
Schoodic Education and Research Center to  
34                           match \$3,000,000 in federal funding

36                           Capitalization of the Municipal Investment           \$4,000,000  
38                           Trust Fund, providing loans and grants to  
municipalities for public infrastructure to  
40                           support economic development and other  
purposes of the fund

42           **Finance Authority of Maine**

44                           Recapitalization of the Economic Recovery           \$5,000,000  
Loan Program

46                           Recapitalization of Regional Economic           \$5,000,000  
48                           Development Loan Program

**TOTAL ALLOCATIONS** \$31,150,000

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

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

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

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

30           "Do you favor a \$31,150,000 bond issue to stimulate job  
32 growth in rural Maine. The bonds would be used for the  
following purposes:

34           1. \$15,000,000 to capitalize the Maine Rural Development  
36 Authority to facilitate job creation through the development  
and redevelopment of commercial and industrial buildings in  
38 Maine;

40           2. \$4,000,000 for the Municipal Investment Trust Fund,  
providing loans and grants to municipalities for public  
42 infrastructure to support economic development and other  
purposes of the fund;

44           3. \$2,150,000 for renovation of buildings and associated  
46 infrastructure at the Schoodic Education and Research  
Center. State bond funds will match \$3,000,000 in federal  
48 funds; and

2 4. \$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?"

4  
6 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  
8 the word "Yes" or "No." The ballots must be received, sorted,  
counted and declared in open ward, town and plantation meetings  
10 and returns made to the Secretary of State in the same manner as  
votes for members of the Legislature. The Governor shall review  
12 the returns and, if a majority of the legal votes are cast in  
favor of this Act, the Governor shall proclaim the result without  
14 delay, and this Act becomes effective 30 days after the date of  
the proclamation.

16  
18 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.

## 20 SUMMARY

22  
24 The funds provided by this bond issue, in the amount of  
\$31,150,000, will be used for the following purposes:

26 1. To capitalize the Maine Rural Development Authority to  
facilitate job creation through the development and redevelopment  
28 of commercial and industrial buildings in Maine, \$15,000,000;

30 2. For the Municipal Investment Trust Fund, providing loans  
and grants to municipalities for public infrastructure to support  
32 economic development and other purposes of the fund, \$4,000,000;

34 3. For renovation of buildings and associated  
infrastructure at the Schoodic Education and Research Center,  
36 \$2,150,000. State bond funds will match \$3,000,000 in federal  
funds; and

38  
40 4. 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.