

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

SECOND REGULAR SESSION-2002

Legislative Document

No. 2190

H.P. 1691

House of Representatives, March 20, 2002

**An Act to Authorize a General Fund Bond Issue in the Amount of
\$25,400,000 for Economic Development.**

Reported by the Majority from the Joint Standing Committee on Business and Economic
Development pursuant to Joint Order 2001, H.P. 1610.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

2 **Preamble.** Two thirds of both Houses of the Legislature
4 deeming it necessary in accordance with the Constitution of
6 Maine, Article IX, Section 14 to authorize the issuance of bonds
8 on behalf of the State of Maine to provide funds to develop and
10 redevelop commercial facilities, to assist Maine businesses that
12 demonstrate an ability to create jobs and repay obligations but
 do not have sufficient access to credit, to assist regional
 economic development agencies to relend for the purpose of
 creating or retaining jobs, to leverage federal funding to
 redevelop the naval base in Winter Harbor and Gouldsboro into an
 education and research center and to construct 2 facilities to
 support Maine businesses through product development and testing.

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

16 **Sec. 1. Authorization of bonds to provide for funds to develop and**
18 **redevelop commercial facilities, to assist Maine businesses that demonstrate**
20 **an ability to create jobs and repay obligations but do not have sufficient**
22 **access to credit, to assist regional economic development agencies to relend**
24 **for the purpose of creating or retaining jobs, to leverage federal funding to**
26 **redevelop the naval base in Winter Harbor and Gouldsboro into an**
28 **education and research center and to construct 2 facilities to support Maine**
30 **businesses through product development and testing.** The Treasurer of
32 State is authorized, under the direction of the Governor, to
34 issue bonds in the name of and on behalf of the State in an
36 amount not exceeding \$25,400,000 to raise funds to develop and
38 redevelop commercial facilities, to assist Maine businesses that
40 demonstrate an ability to create jobs and repay obligations but
 do not have sufficient access to credit, to assist regional
 economic development agencies to relend for the purpose of
 creating or retaining jobs, to leverage federal funding to
 redevelop the naval base in Winter Harbor and Gouldsboro into an
 education and research center and to construct 2 facilities to
 support Maine businesses through product development and testing,
 as 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
 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.

42 **Sec. 2. Records of bonds issued to be kept by the Treasurer of State.**
44 The Treasurer of State shall keep an account of each bond showing
46 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.

48 **Sec. 3. Sale; how negotiated; proceeds appropriated.** The
 Treasurer of State may negotiate the sale of the bonds by

2 direction of the Governor, but no bond may be loaned, pledged or
3 hypothecated on behalf of the State. The proceeds of the sale of
4 the bonds, which must be held by the Treasurer of State and paid
5 by the Treasurer of State upon warrants drawn by the State
6 Controller, are appropriated solely for the purposes set forth in
7 this Act. Any unencumbered balances remaining at the completion
8 of the project in section 6 lapse to the debt service account
9 established for the retirement of these bonds.

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

14 **Sec. 5. Disbursement of bond proceeds.** The proceeds of the
15 bonds must be expended as set out in section 6 under the
16 direction and supervision of the Department of Economic and
17 Community Development, the Schoodic educational and research
18 center, the University of Maine and the University of Southern
19 Maine.

20 **Sec. 6. Allocations from General Fund bond issue; economic**
21 **development.** The proceeds of the sale of the bonds must be
22 expended as designated in the following schedule.

24 **ECONOMIC AND COMMUNITY DEVELOPMENT,**
25 **DEPARTMENT OF - MAINE RURAL DEVELOPMENT**
26 **AUTHORITY**

27 Seed money for the Maine Rural Development Authority
28 that will provide loans to develop and redevelop
29 commercial facilities. \$5,000,000

34 **ECONOMIC AND COMMUNITY DEVELOPMENT,**
35 **DEPARTMENT OF - FINANCE AUTHORITY OF**
36 **MAINE**

37 Recapitalization of the Economic Recovery Loan
38 Program to provide loans up to \$200,000 to assist Maine
39 businesses that do not have sufficient access to credit
40 but demonstrate the ability to survive, preserve and
41 create jobs and repay obligations. \$5,000,000

2 Regional Economic Development \$5,000,000
 3 Revolving Loan Program to
 4 recapitalize the revolving
 5 loan fund that provides
 6 funding to regional economic
 7 development agencies to
 8 relend for the purpose of
 creating and retaining jobs.

10
 11 **ECONOMIC AND COMMUNITY DEVELOPMENT,**
 12 **DEPARTMENT OF**

14 Provide funding to leverage \$400,000
 15 \$4,000,000 in federal funding
 16 to redevelop the naval base
 17 in Winter Harbor and
 18 Gouldsboro into an education
 19 and research center. The
 20 department must distribute
 21 the funds to a nonprofit
 22 corporation incorporated in
 23 Maine called the Schoodic
 24 Education and Research
 25 Corporation established to
 26 develop the Schoodic
 27 Education and Research Center.

28 **UNIVERSITY OF MAINE**

30 Construction of a facility \$6,400,000
 31 for product development and
 32 support to help solve
 33 manufacturing and engineering
 34 problems for Maine companies.

36 **UNIVERSITY OF SOUTHERN MAINE**

38 Construction of a facility \$4,400,000
 39 for product development and
 40 support to help solve
 41 manufacturing and engineering
 42 problems for Maine companies.

44 **TOTAL ALLOCATIONS** \$25,400,000

46 **Sec. 7. Contingent upon ratification of bond issue.** Sections 1 to
 48 6 do not become effective unless the people of the

2 State have ratified the issuance of the bonds as set forth in
this Act.

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

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

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

28 "Do you favor a \$25,400,000 bond issue for the following
30 purposes:

32 (1) The sum of \$5,000,000 to encourage economic investment
34 by businesses by providing low-interest loans to develop and
redevelop commercial facilities;

36 (2) The sum of \$5,000,000 to promote job creation by
38 providing loans of up to \$200,000 to Maine businesses that
do not have sufficient access to credit but demonstrate the
40 ability to survive, preserve and create jobs and repay
obligations;

42 (3) The sum of \$5,000,000 to recapitalize a revolving loan
44 fund that provides funding to regional economic development
agencies to relend for the purpose of creating and retaining
46 jobs locally;

48 (4) The sum of \$400,000 to leverage \$4,000,000 in federal
50 funding to redevelop the naval base in Winter Harbor and
Gouldsboro into an education and research center; and

2 (5) The sum of \$10,000,000 for the construction of 2
3 facilities for product development and support that will
4 provide the University of Maine and the University of
5 Southern Maine with the resources needed to help solve daily
6 manufacturing and engineering problems for Maine companies?"

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

18 The Secretary of State shall prepare and furnish to each
19 city, town and plantation all ballots, returns and copies of this
20 Act necessary to carry out the purpose of this referendum.
21

24 SUMMARY

26 This is the majority report of the Joint Standing Committee
27 on Business and Economic Development, and the funds provided by
28 this bond issue in the amount of \$25,400,000 will be used for the
29 following purposes:

30 1. The sum of \$5,000,000 to encourage economic investment
31 by businesses by providing low-interest loans to develop and
32 redevelop commercial facilities;

33 2. The sum of \$5,000,000 to promote job creation by
34 providing loans of up to \$200,000 to Maine businesses that do not
35 have sufficient access to credit but demonstrate the ability to
36 survive, preserve and create jobs and repay obligations;

37 3. The sum of \$5,000,000 to recapitalize a revolving loan
38 fund that provides funding to regional economic development
39 agencies to relend for the purpose of creating and retaining jobs
40 locally;

41 4. The sum of \$400,000 to leverage \$4,000,000 in federal
42 funding to redevelop the naval base in Winter Harbor and
43 Gouldsboro into an education and research center; and

44 5. The sum of \$10,000,000 for the construction of 2
45 facilities for product development and support that will provide
46 the University of Maine and the University of Southern Maine with
47
48

2 the resources needed to help solve daily manufacturing and engineering problems for Maine companies.