

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

SECOND REGULAR SESSION-2002

Legislative Document

No. 2191

H.P. 1692

House of Representatives, March 20, 2002

**An Act to Authorize a General Fund Bond Issue in the Amount of
\$29,400,000 for Economic Development.**

Reported by the Minority 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
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 to develop and
6 redevelop commercial facilities, to assist Maine businesses that
7 demonstrate an ability to create jobs and repay obligations but
8 do not have sufficient access to credit, to assist regional
9 economic development agencies to relend for the purpose of
10 creating or retaining jobs, to leverage federal funding to
11 redevelop the naval base in Winter Harbor and Gouldsboro into an
12 education and research center, to provide grants or loans to
13 municipalities for public infrastructure and to construct 2
14 facilities to support Maine businesses through product
15 development and testing.

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

17 **Sec. 1. Authorization of bonds to provide for funds to develop and**
18 **redevelop commercial facilities, to assist Maine businesses that demonstrate**
19 **an ability to create jobs and repay obligations but do not have sufficient**
20 **access to credit, to assist regional economic development agencies to relend**
21 **for the purpose of creating or retaining jobs, to leverage federal funding to**
22 **redevelop the naval base in Winter Harbor and Gouldsboro into an**
23 **education and research center, to provide grants or loans to municipalities**
24 **for public infrastructure and to construct 2 facilities to support Maine**
25 **businesses through product development and testing.** The Treasurer of
26 State is authorized, under the direction of the Governor, to
27 issue bonds in the name and on behalf of the State in an amount
28 not exceeding \$29,400,000 to raise funds to develop and redevelop
29 commercial facilities, to assist Maine businesses that
30 demonstrate an ability to create jobs and repay obligations but
31 do not have sufficient access to credit, to assist regional
32 economic development agencies to relend for the purpose of
33 creating or retaining jobs, to leverage federal funding to
34 redevelop the naval base in Winter Harbor and Gouldsboro into an
35 education and research center, to provide grants or loans to
36 municipalities for public infrastructure and to construct 2
37 facilities to support Maine businesses through product
38 development and testing, as authorized by section 6. The bonds
39 are a pledge of the full faith and credit of the State. The
40 bonds may not run for a period longer than 10 years from the date
41 of the original issue of the bonds. At the discretion of the
42 Treasurer of State, with the approval of the Governor, any
43 issuance of bonds may contain a call feature.

44 **Sec. 2. Records of bonds issued to be kept by the Treasurer of State.**
45 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
47 sold, the amount received for the bond, the date of sale and the
48 date when payable.
49
50

2 **Sec. 3. Sale; how negotiated; proceeds appropriated.** The
4 Treasurer of State may negotiate the sale of the bonds by
6 direction of the Governor, but no bond may be loaned, pledged or
8 hypothecated on behalf of the State. The proceeds of the sale of
10 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
14 Controller, are appropriated solely for the purposes set forth in
16 this Act. Any unencumbered balances remaining at the completion
18 of the project in section 6 lapse to the debt service account
20 established for the retirement of these bonds.

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

28 **Sec. 5. Disbursement of bond proceeds.** The proceeds of the
30 bonds must be expended as set out in section 6 under the
32 direction and supervision of the Department of Economic and
34 Community Development, the Schoodic educational and research
36 center, the University of Maine and the University of Southern
38 Maine.

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

46 **ECONOMIC AND COMMUNITY DEVELOPMENT,
48 DEPARTMENT OF - MAINE RURAL DEVELOPMENT
50 AUTHORITY**

52 Seed money for the Maine \$5,000,000
54 Rural Development Authority
56 that will provide loans to
58 develop and redevelop
60 commercial facilities.

62 **ECONOMIC AND COMMUNITY DEVELOPMENT,
64 DEPARTMENT OF - FINANCE AUTHORITY OF
66 MAINE**

68 Recapitalization of the \$5,000,000
70 Economic Recovery Loan
72 Program to provide loans up
74 to \$200,000 to assist Maine
76 businesses that do not have
78 sufficient access to credit
80 but demonstrate the ability
82 to survive, preserve and

2 create jobs and repay
obligations.

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

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

16 Maine Investment Trust Fund \$4,000,000
to provide loans and grants
18 to municipalities for public
infrastructure.

20
**22 ECONOMIC AND COMMUNITY DEVELOPMENT,
DEPARTMENT OF**

24 Provide funding to leverage \$400,000
\$4,000,000 in federal funding
26 to redevelop the naval base
in Winter Harbor and
28 Gouldsboro into an education
and research center. The
30 department must distribute
the funds to a nonprofit
32 corporation incorporated in
Maine called the Schoodic
34 education and research
corporation established to
36 develop the schoodic
education and research center.

38
UNIVERSITY OF MAINE

40 Construction of a facility \$5,600,000
42 for product development and
support to help solve
44 manufacturing and engineering
problems for Maine companies.

46
UNIVERSITY OF SOUTHERN MAINE

48 Construction of a facility \$4,400,000
50 for product development and

2 support to help solve
manufacturing and engineering
4 problems for Maine companies.

6 **TOTAL ALLOCATIONS**

\$29,400,000

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

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

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

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

36 "Do you favor a \$29,400,000 bond issue for the following
purposes:

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

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

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

6 (4) The sum of \$4,000,000 to provide loans and grants to
8 municipalities for public infrastructure improvements,
including downtowns, transportation projects, streetscapes
and sewer and water projects;

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

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

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

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

36 SUMMARY

38 This is the minority report of the Joint Standing Committee
40 on Business and Economic Development, and the funds provided by
this bond issue in the amount of \$29,400,000 will be used for the
42 following purposes:

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

48 2. The sum of \$5,000,000 to promote job creation by
providing loans of up to \$200,000 to Maine businesses that do not

2 have sufficient access to credit but demonstrate the ability to
survive, preserve and create jobs and repay obligations;

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

8
10 4. The sum of \$4,000,000 to provide loans and grants to
12 municipalities for public infrastructure improvements, including
downtowns, transportation projects, streetscapes and sewer and
water projects;

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

18 6. The sum of \$10,000,000 for the construction of 2
20 facilities for product development and support that will provide
the University of Maine and the University of Southern Maine with
22 the resources needed to help solve daily manufacturing and
engineering problems for Maine companies.