

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 405

S.P. 142

In Senate, January 30, 2003

**An Act To Authorize a General Fund Bond Issue in the Amount of
\$50,000,000 for Research and Development and Capital
Improvements for the University of Maine System and the Maine
Technical College System**

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

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator BRENNAN of Cumberland.
Cosponsored by Representative FAIRCLOTH of Bangor and
Senators: CATHCART of Penobscot, DOUGLASS of Androscoggin, EDMONDS of
Cumberland, MAYO of Sagadahoc, ROTUNDO of Androscoggin, STANLEY of Penobscot,
TREAT of Kennebec, Representative: KANE of Saco.

2 **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
4 on behalf of the State of Maine to provide funds as described in
this Act,
6

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

10 **Sec. 1. Authorization of bonds.** The Treasurer of State is
authorized, under the direction of the Governor, to issue bonds
12 in the name and on behalf of the State in an amount not exceeding
\$50,000,000 to raise funds for research and development and
14 capital improvements for the University of Maine System and the
Maine Technical College System as authorized by this Act. The
bonds are a pledge of the full faith and credit of the State.
16 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
18 the Treasurer of State, with the approval of the Governor, any
issuance of bonds may contain a call feature.
20

22 **Sec. 2. Records of bonds issued kept by Treasurer of State.** The
Treasurer of State shall keep an account of each bond showing the
24 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.
26

28 **Sec. 3. Sale; how negotiated; proceeds appropriated.** The
Treasurer of State may negotiate the sale of the bonds by
30 direction of the Governor, but no bond may be loaned, pledged or
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
32 by the Treasurer of State upon warrants drawn by the State
Controller, are appropriated solely for the purposes set forth in
34 this Act. Any unencumbered balances remaining at the completion
of the project in this Act lapse to the debt service account
36 established for the retirement of these bonds.

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

42 **Sec. 5. Disbursement of bond proceeds.** The proceeds of the
bonds must be expended as set out in this Act under the direction
44 and supervision of the Board of Trustees of the University of
Maine System and the Board of Trustees of the Maine Technical
46 College System.

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

4 **University of Maine System**

6 For research and development \$35,000,000
8 and capital improvements.

10 **Maine Technical College System**

12 For research and development \$15,000,000
14 and capital improvements.

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

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

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

34 **Sec. 10. Referendum for ratification; submission at statewide
election; form of question; effective date.** This Act must be submitted
36 to the legal voters of the State at a statewide election held on
the Tuesday following the first Monday of November following
38 passage of this Act. The municipal officers of this State shall
notify the inhabitants of their respective cities, towns and
40 plantations to meet, in the manner prescribed by law for holding
a statewide election, to vote on the acceptance or rejection of
42 this Act by voting on the following question:

44 "Do you favor a \$50,000,000 bond issue for research and
development and capital improvements for the University of
46 Maine System and the Maine Technical College System?"

48 The legal voters of each city, town and plantation shall
vote by ballot on this question and designate their choice by a

2 cross or check mark placed within a corresponding square below
the word "Yes" or "No." The ballots must be received, sorted,
4 counted and declared in open ward, town and plantation meetings
and returns made to the Secretary of State in the same manner as
6 votes for members of the Legislature. The Governor shall review
the returns and, if a majority of the legal votes are cast in
8 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.

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

16 **SUMMARY**

18 The funds provided by this bond issue, in the amount of
20 \$50,000,000, will be used for research and development and
capital improvements for the University of Maine System and the
Maine Technical College System.