

# MAINE STATE LEGISLATURE

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H. 018

L.D. 1566

DATE: 4-16-03

(Filing No. H-140)

MAJORITY  
APPROPRIATIONS AND FINANCIAL AFFAIRS

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
121ST LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1148, L.D. 1566, Bill, "An Act To Authorize a General Fund Bond Issue in the Amount of \$70,000,000 for Municipal Facilities and for Investments in Research, Development, Farming and Affordable Housing in Order To Sustain and Improve Maine's Economy"

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

'An Act To Authorize a General Fund Bond Issue in the Amount of \$60,000,000 for Municipal Facilities and for Investments in Research, Development, Farming and Affordable Housing in Order To Sustain and Improve Maine's Economy'

Further amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

PART A

Sec. A-1. Authorization of bonds. 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 \$60,000,000 to raise funds for recapitalizing the Municipal Investment Trust Fund; expanding research and development facilities in the University of Maine System; supporting marine research infrastructure and technology; supporting applied technology development centers; funding economic improvement; completing, expanding and equipping 2 floors of a University of Southern Maine science building; designing and constructing the Gulf of Maine Research Laboratory; funding the capital research infrastructure needs at the University of Maine agricultural

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research farms; supporting Maine Farms for the Future Program; funding educational technology improvements; supporting biomedical research and development; and developing affordable housing in Maine as authorized by 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.

**Sec. A-2. Records of bonds issued by Treasurer of State.** The Treasurer of State shall keep an account of each bond showing 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.

**Sec. A-3. Sale; how negotiated; proceeds appropriated.** The Treasurer of State may negotiate the sale of the bonds by 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 by the Treasurer of State upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Part. Any unencumbered balances remaining at the completion of the project in this Part lapse to the debt service account established for the retirement of these bonds.

**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.

**Sec. A-5. Disbursement of bond proceeds.** The proceeds of the bonds must be expended as set out in this Part under the direction and supervision of the Department of Tourism, Economic and Community Development, the University of Maine System, the Department of Agriculture, Food and Rural Resources and the Maine State Housing Authority.

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

**Tourism, Economic and Community Development,  
Department of**

Recapitalize the Municipal Investment Trust Fund to provide grants and loans to municipalities for public facilities and infrastructure.	\$6,000,000
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A. of S.

COMMITTEE AMENDMENT "A" to H.P. 1148, L.D. 1566

**University of Maine System - University of Maine**

2 Provide funds for the Advanced Engineered \$6,000,000  
4 Wood Composites Center to expand research  
6 facilities for engineered wood composite  
structures.

**University of Maine System**

10 Provide funds for educational technology \$3,000,000  
improvements.

**University of Maine System**

14 Provide funds for the Maine Economic Improvement \$3,600,000  
16 Fund, in anticipation of \$12,000,000 in federal  
and other funding, for research and development  
18 activities.

**University of Maine System - University of  
Southern Maine**

22 Provide funds to complete, expand and equip 2 \$4,400,000  
24 floors of the research wing of the science  
building on the Portland campus.

**Tourism, Economic and Community Development,  
Department of**

30 Provide funds to the Marine Infrastructure and \$1,000,000  
32 Technology Fund, in anticipation of \$1,000,000  
in federal and private funding. Eligible  
34 institutions include Maine's private nonprofit  
36 institutions and state governmental and  
quasi-governmental agencies, excluding  
38 organizations eligible to participate in  
the programs under the Maine Revised  
Statutes, Title 5, section 13103 and the  
University of Maine System.

**Tourism, Economic and Community Development,  
Department of**

44 Provide funds to the Maine Biomedical Research \$20,000,000  
46 Fund, in anticipation of approximately  
\$80,000,000 in federal and private funding,  
to support capital infrastructure and equipment.

48 Eligible institutions are those delineated in  
50 the Maine Revised Statutes, Title 5, section

**COMMITTEE AMENDMENT**

13103. These institutions are subject to the reporting requirements in this Act related to the Maine Biomedical Research Fund.

**Tourism, Economic and Community Development,  
Department of**

Provide funds to the applied technology development centers identified in section 10 of this Part for infrastructure improvements. \$2,000,000

These funds are subject to the allocation requirements identified in section 10 of this Part.

**Tourism, Economic and Community Development,  
Department of**

Provide funds to be allocated to design and construct the Gulf of Maine Research Laboratory to partner with the fishing community on marine research to protect and enhance the commercial fishery of the Gulf of Maine; to partner with the marine biotechnology industry to undertake marine biotechnology research; and to develop and make available an innovative marine sciences education hall focused on middle and secondary school students and the general public. \$3,000,000

**Agriculture, Food and Rural Resources,  
Department of**

Provide funds to the Maine Farms for the Future Program. \$2,000,000

**University of Maine System - University of Maine**

Provide funds for capital research infrastructure needs at the University of Maine agricultural research farms. \$1,000,000

**Maine State Housing Authority**

Provide funds for affordable housing, consistent with the Maine Revised Statutes, Title 30-A, section 4347-A, in anticipation of \$21,150,000 in federal and private funding. At least \$7,500,000 of the funds will be for workforce \$8,000,000

housing with the balance for other  
multifamily and single-family housing.

**TOTAL ALLOCATIONS**

\$60,000,000

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

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

**Sec. A-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. A-10. Applied Technology Development Centers; criteria for distribution of bond proceeds.** The Department of Tourism, Economic and Community Development shall establish a process for distributing the bond proceeds allocated in this Part among the following applied technology development centers: the Center for Environmental Enterprise in South Portland; the Thomas M. Teague Biotechnology Park in Fairfield; the River Valley Technology Center in Rumford; and the composite technology center facility in Greenville.

Funds must be allocated based upon the following priorities:

1. Safety and structural integrity;
2. Completion of renovations currently in process;
3. Accomplishment of planned renovations; and
4. Debt relief for completed projects.

**Sec. A-11. Report.** The Department of Tourism, Economic and Community Development shall report to the Joint Standing Committee on Business, Research and Economic Development by November 15, 2003 on the planned distribution to date of the funds as provided in this Part.

2           **Sec. A-12. Referendum for ratification; submission at statewide**  
3 **election; form of question; effective date.** This Part must be submitted  
4 to the legal voters of the State at a statewide election on the  
5 Tuesday following the 2nd Monday of June following passage of  
6 this Part. The municipal officers of this State shall notify the  
7 inhabitants of their respective cities, towns and plantations to  
8 meet, in the manner prescribed by law for holding a statewide  
9 election, to vote on the acceptance or rejection of this Part by  
10 voting on the following question:

12           "Do you favor a \$60,000,000 bond issue to stimulate economic  
13 growth and job creation through investments in research and  
14 development, municipal infrastructure and facilities, the  
15 Maine Farms for the Future Program and affordable housing,  
16 in anticipation of approximately \$114,000,000 in federal and  
17 private funds? The bonds would be used for the following  
18 purposes:

20           1. The sum of \$6,000,000 to create jobs and reduce property  
21 tax burdens by providing grants and loans to municipalities  
22 for public facilities and infrastructure;

24           2. The sum of \$6,000,000 to create jobs and stimulate  
25 economic growth through expanded research, development,  
26 technology commercialization and business incubation  
27 facilities at the Advanced Engineered Wood Composites Center  
28 at the University of Maine;

30           3. The sum of \$3,000,000 to support educational technology  
31 improvements at the University of Maine System;

34           4. The sum of \$3,600,000 in anticipation of \$12,000,000 in  
35 federal and private funding for University of Maine System  
36 research and development activities;

38           5. The sum of \$4,400,000 to expand and equip research and  
39 development facilities at the Portland campus of the  
40 University of Southern Maine;

42           6. The sum of \$1,000,000 in anticipation of \$1,000,000 in  
43 federal and private funding for grants to nonprofit marine  
44 institutions for research and development;

46           7. The sum of \$20,000,000 for medical research and  
47 development by Maine-based biomedical research institutions  
48 in order to obtain \$80,000,000 in matching federal and  
private funds for health research to cure disease and to  
retain Maine graduates by providing quality Maine jobs;

2 8. The sum of \$2,000,000 to support the State's applied  
4 technology development centers;

6 9. The sum of \$3,000,000 to create jobs and stimulate  
8 economic growth through the design and construction of the  
10 Gulf of Maine Research Laboratory;

12 10. The sum of \$2,000,000 to support the Maine Farms for  
14 the Future Program;

16 11. The sum of \$1,000,000 to support funding for the  
18 University of Maine agricultural research farms; and

20 12. The sum of \$8,000,000 in anticipation of \$21,150,000 in  
22 federal and private funds for affordable housing.

24 The legal voters of each city, town and plantation shall  
26 vote by ballot on this question and designate their choice by a  
28 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.

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

**PART B**

36 **Sec. B-1. 5 MRSA §13103, sub-§2, ¶G,** as amended by PL 2001, c.  
38 196, §5, is further amended to read:

40 G. Submit each biennium a summary report to the Governor  
42 and ~~the Legislature that compiles information reported to~~  
44 ~~the Maine Biomedical Research Board as required by~~  
46 subsection 8 by all the institutions that receive program  
48 funding, the joint standing committee of the Legislature  
50 having jurisdiction over appropriations and financial  
affairs and the joint standing committee of the Legislature  
having jurisdiction over business, research and economic  
development matters. The report must include detailed  
information on the status of the funds in the Maine  
Biomedical Research Fund, a listing and explanation of each



specific source of funding from grant sources for biomedical research and its use and the number of new jobs created in the State and where those jobs are located.

**Sec. B-2. Contingent effective date.** This Part takes effect only if the voters ratify the referendum as provided in Part A of this Act.'

## SUMMARY

This amendment reduces the amount of bonds authorized from \$70,000,000 to \$60,000,000 and expands the purposes of the bonds authorized to include funding economic improvement; completing, expanding and equipping 2 floors of a University of Southern Maine science building; designing and constructing the Gulf of Maine Research Laboratory; and funding the capital research infrastructure needs at the University of Maine agricultural research farms. Under this amendment, the funds provided by this bond issue, in the amount of \$60,000,000, will be used for the following purposes:

1. The sum of \$6,000,000 to create jobs and reduce property tax burdens by providing grants and loans to municipalities for public facilities and infrastructure;

2. The sum of \$6,000,000 to create jobs and stimulate economic growth through expanded research, development, technology commercialization and business incubation facilities at the Advanced Engineered Wood Composites Center at the University of Maine;

3. The sum of \$3,000,000 to support educational technology improvements at the University of Maine System;

4. The sum of \$3,600,000 in anticipation of \$12,000,000 in federal and private funding for University of Maine System research and development activities;

5. The sum of \$4,400,000 to expand and equip research and development facilities at the Portland campus of the University of Southern Maine;

6. The sum of \$1,000,000 in anticipation of \$1,000,000 in federal and private funding for grants to nonprofit marine institutions for research and development;

7. The sum of \$20,000,000 for medical research and development by Maine-based biomedical research institutions in order to obtain matching federal funds for health research to

COMMITTEE AMENDMENT "A" to H.P. 1148, L.D. 1566

2 cure disease and to retain Maine graduates by providing quality  
Maine jobs;

4 8. The sum of \$2,000,000 to support the State's applied  
technology development centers;

6 9. The sum of \$3,000,000 to create jobs and stimulate  
8 economic growth through the design and construction of the Gulf  
of Maine Research Laboratory;

10 10. The sum of \$2,000,000 to support the Maine Farms for  
12 the Future Program;

14 11. The sum of \$1,000,000 to support funding for the  
University of Maine agricultural research farms; and

16 12. The sum of \$8,000,000 in anticipation of \$21,150,000 in  
18 federal and private funds for affordable housing.

20 The amendment also requires the Maine Biomedical Research  
Board to report each biennium to the joint standing committees of  
22 the Legislature having jurisdiction over appropriations and  
financial affairs and business, research and economic development  
24 matters on the status of the Maine Biomedical Research Fund,  
detailed information on the distribution of the funds to eligible  
26 institutions, including the amount of funds each institution  
receives and a breakdown and explanation of all funding from  
28 specified grant sources for biomedical research, listing each  
specific source of funding and its use and the number of new jobs  
30 created in the State and the location of those jobs.

32 **FISCAL NOTE REQUIRED**  
34 **(See attached)**

**COMMITTEE AMENDMENT**



**121st Maine Legislature  
Office of Fiscal and Program Review**

**LD 1566**

**An Act To Authorize a General Fund Bond Issue in the Amount of  
\$60,000,000 for Municipal Facilities and for Investments in Research,  
Development, Farming and Affordable Housing in Order To Sustain and  
Improve Maine's Economy**

**LR 2044(02)**

**Fiscal Note for Bill as Amended by Committee Amendment " "**

**Committee: Appropriations and Financial Affairs**

**Fiscal Note Required: Yes**

**Fiscal Note**

Current biennium cost increase - General Fund

<b>Bond Issues</b>	<b>Term(years)</b>	<b>Principal</b>	<b>Rate (%)</b>	<b>Interest</b>	<b>Total Cost</b>
General Fund - Non-taxable	10	\$44,000,000	4.1%	\$9,922,000	\$53,922,000
General Fund - Taxable	10	\$16,000,000	5.2%	\$4,576,000	\$20,576,000
		<b>\$60,000,000</b>		<b>\$14,498,000</b>	<b>\$74,498,000</b>

<b>Referendum Costs</b>	<b>Month/Year</b>	<b>Election Type</b>	<b>Question</b>	<b>Length</b>
	Jun-03	Special	Bond Issue	Standard

The Secretary of State's budget includes sufficient funds to accommodate one ballot of average length for the general election in November. If the number or size of the referendum questions increases the ballot length, an additional appropriation of \$8,000 or more may be required. A special election in June of 2003 would require an additional appropriation of \$121,392 in fiscal year 2003-04. No appropriation is provided for this purpose at this time.