

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

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Legislative Document

No. 1566

H.P. 1148

House of Representatives, April 14, 2003

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**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**

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

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative RICHARDSON of Brunswick. (GOVERNOR'S BILL)  
Cosponsored by Senator TURNER of Cumberland and  
Representatives: BRANNIGAN of Portland, Speaker COLWELL of Gardiner, ROSEN of  
Bucksport, Senators: BROMLEY of Cumberland, CATHCART of Penobscot, President  
DAGGETT of Kennebec.

2           **Preamble.** Two thirds of both Houses of the Legislature  
deeming it necessary in accordance with the Constitution of  
4           Maine, Article IX, Section 14 to authorize the issuance of bonds  
on behalf of the State of Maine to provide funds as described in  
this Act,

6

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

8

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  
\$70,000,000 to raise funds for recapitalizing the Municipal  
14           Investment Trust Fund; expanding research and development  
facilities in the University of Maine System; supporting marine  
16           research infrastructure and technology; supporting Applied  
Technology Development Centers; supporting Maine Farms for the  
18           Future Program; funding educational technology improvements;  
supporting biomedical research and development; and developing  
20           affordable housing in Maine as authorized by this Act. The bonds  
are a pledge of the full faith and credit of the State. The  
22           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  
24           Treasurer of State, with the approval of the Governor, any  
issuance of bonds may contain a call feature.

26

**Sec. 2. Records of bonds issued kept by Treasurer of State.** The  
Treasurer of State shall keep an account of each bond showing the  
28           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  
30           date when payable.

32

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

42

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

46

**Sec. 5. Disbursement of bond proceeds.** The proceeds of the  
48           bonds must be expended as set out in this Act under the direction  
and supervision of the Department of Economic and Community

2 Development, the University of Maine System, the Department of  
3 Agriculture, Food and Rural Resources and the Maine State Housing  
4 Authority.

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

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

9  
10 Recapitalize the Municipal Investment Trust \$6,000,000  
11 Fund to provide grants and loans to  
12 municipalities for public facilities  
13 and infrastructure.

14  
15 **University of Maine System - University of Maine**

16  
17 Provide funds for the Technology Innovation \$7,500,000  
18 Center and Advanced Engineered Wood  
19 Composites Center to expand research  
20 facilities for engineered wood composite  
21 structures, including an innovation center  
22 and business incubation space.

23  
24 **University of Maine System**

25  
26 Provide funds for educational technology \$3,000,000  
27 improvements.

28  
29 **University of Maine System**

30  
31 Provide funds for the Maine Economic Improvement \$3,600,000  
32 Fund, in anticipation of \$12,000,000 in federal  
33 and other funding, for research and development  
34 activities.

35  
36  
37 **University of Maine System - University of  
38 Southern Maine**

39  
40 Provide funds to complete, expand and equip 2 \$4,900,000  
41 floors of the research wing of the science  
42 building on the Portland campus.

43  
44 **Economic and Community Development, Department of**

45  
46 Provide funds to the Marine Infrastructure and \$4,000,000  
47 Technology Fund, in anticipation of \$4,000,000  
48 in federal and private funding. Eligible  
49 institutions include Maine's private nonprofit  
50 institutions and state governmental and

2 quasi-governmental agencies, excluding  
3 organizations eligible to participate in  
4 the programs under the Maine Revised  
5 Statutes, Title 5, section 13103 and the  
6 University of Maine System.

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

10 Provide funds to the Maine Biomedical Research \$25,000,000  
11 Fund, in anticipation of approximately  
12 \$100,000,000 in federal and private funding,  
13 to support capital infrastructure and equipment.

14 Eligible institutions are those delineated in  
15 the Maine Revised Statutes, Title 5, section  
16 13103.

18

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

20

21 Provide funds to the Applied Technology \$1,000,000  
22 Development Centers for infrastructure  
23 improvements.

24

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

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

30

31 **Maine State Housing Authority**

32

33 Provide funds for affordable housing, \$13,000,000  
34 consistent with the Maine Revised Statutes,  
35 Title 30-A, section 4347-A, in  
36 anticipation of \$30,000,000 in federal  
37 and private funding. At least \$9,000,000  
38 of the funds will be for workforce  
39 housing with the balance for other  
40 multifamily and single-family housing.

41 **TOTAL ALLOCATIONS**

\$70,000,000

42 **Sec. 7. Contingent upon ratification of bond issue.** Sections 1 to  
43 6 do not become effective unless the people of the State ratify  
44 the issuance of the bonds as set forth in this Act.

45 **Sec. 8. Appropriation balances at year-end.** At the end of each  
46 fiscal year, all unencumbered appropriation balances representing  
47 state money carry forward. Bond proceeds that have not been  
48 expended within 10 years after the date of the sale of the bonds  
49 lapse to General Fund debt service.  
50  
51  
52

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

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

20           "Do you favor a \$70,000,000 bond issue to stimulate economic  
22 growth and job creation through investments in research and  
the development, municipal infrastructure and facilities,  
24 the Maine Farms for the Future Program and affordable  
housing, in anticipation of approximately \$150,000,000 in  
26 federal and private funds? The bonds would be used for the  
following purposes:

28           1. \$6,000,000 to create jobs and reduce property tax  
30 burdens by providing grants and loans to municipalities for  
public facilities and infrastructure;

32           2. \$7,500,000 to create jobs and stimulate economic growth  
34 through expanded research, development, technology  
commercialization and business incubation facilities at the  
36 Advanced Engineered Wood Composites Center at the University  
of Maine;

38           3. \$3,000,000 to support educational technology improvements  
40 at the University of Maine System;

42           4. \$3,600,000 in anticipation of \$12,000,000 in federal and  
private funding for University of Maine System research and  
44 development capital activities;

46           5. \$4,900,000 to expand and equip research and development  
facilities at the Portland campus of the University of  
48 Southern Maine;

- 2           6.   \$4,000,000 in anticipation of \$4,000,000 in federal and  
private funding for grants to nonprofit marine institutions  
for research and development;
- 4
- 6           7.   \$25,000,000 for medical research and development by  
Maine-based biomedical research institutions in order to  
obtain matching federal funds for health research to cure  
8           disease and to retain Maine graduates by providing quality  
Maine jobs;
- 10
- 12           8.   \$1,000,000 to support the State's Applied Technology  
Development Centers;
- 14           9.   \$2,000,000 to support Maine Farms for the Future  
Program; and
- 16
- 18           10.  \$13,000,000 in anticipation of \$30,000,000 in federal  
and private funds for affordable housing.

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

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

36  
38

### SUMMARY

40           The funds provided by this bond issue, in the amount of  
\$70,000,000, will be used for the following purposes:

42           1.   \$6,000,000 to create jobs and reduce property tax  
burdens by providing grants and loans to municipalities for  
44           public facilities and infrastructure;

46           2.   \$7,500,000 to create jobs and stimulate economic growth  
through expanded research, development, technology  
48           commercialization and business incubation facilities at the  
Advanced Engineered Wood Composites Center at the University of  
50           Maine;

- 2           3.     \$3,000,000     to     support     educational     technology  
improvements at the University of Maine System;
- 4
- 6           4.     \$3,600,000 in anticipation of \$12,000,000 in federal and  
private funding for University of Maine System research and  
development capital activities;
- 8
- 10          5.     \$4,900,000 to expand and equip research and development  
facilities at the Portland campus of the University of Southern  
Maine;
- 12
- 14          6.     \$4,000,000 in anticipation of \$4,000,000 in federal and  
private funding for grants to nonprofit marine institutions for  
research and development;
- 16
- 18          7.     \$25,000,000 for medical research and development by  
Maine-based biomedical research institutions in order to obtain  
matching federal funds for health research to cure disease and to  
20 retain Maine graduates by providing quality Maine jobs;
- 22          8.     \$1,000,000 to support the State's Applied Technology  
Development Centers;
- 24
- 26          9.     \$2,000,000 to support Maine Farms for the Future  
Program; and
- 28          10.    \$13,000,000 in anticipation of \$30,000,000 in federal  
and private funds for affordable housing.
- 30