

MAINE STATE LEGISLATURE

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Majority

MA
H. O. O.

L.D. 1572

DATE: 8-19-03

(Filing No. S-317)

APPROPRIATIONS AND FINANCIAL AFFAIRS

Reported by:

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**STATE OF MAINE
SENATE
121ST LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to S.P. 531, L.D. 1572, Bill, "An Act To Authorize Department of Transportation Bond Issues in the Amount of \$75,000,000 for Improvements to Highways; Bridges; Airports; State-owned Ferry Vessels; Ferry and Port Facilities; Port and Harbor Structures; Development of Rail Corridors; Improvements to Railroad Structures and Intermodal Facilities; Investment in Public Transportation Fleet and Public Park and Ride and Service Facilities; and Statewide Trail and Pedestrian Improvements"

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

'An Act To Authorize Bond Issues in the Total Amount of \$93,800,000, of Which \$60,800,000 Is for a Transportation Bond Issue for Transportation Improvements and \$33,000,000 Is for General Fund Bond Issues for Pollution Control and Cleanup, School Renovations and Improvement of Postsecondary Education Facilities'

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

'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 on behalf of the State of Maine to provide funds as described in this Act,

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

COMMITTEE AMENDMENT

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PART A

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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 \$60,800,000 to raise funds to match available federal funds for the purposes described in section 6 of 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 kept 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 Transportation and the Department of Public Safety.

Sec. A-6. Allocations from Highway Fund and General Fund bond issues. The proceeds of the sale of the bonds authorized under this Part must be expended as designated in the following schedule.

TRANSPORTATION, DEPARTMENT OF

Highway Fund

Highway and Bridge Improvements \$13,000,000

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COMMITTEE AMENDMENT "A" to S.P. 531, L.D. 1572

2	Highway Fund Total	<u>\$13,000,000</u>
4	General Fund	
6	Airport Improvements	\$3,600,000
	Highway and Bridge Improvements	26,100,000
8	Port and Ferry Improvements	4,150,000
	Rail Improvements	7,750,000
10	Trail Improvements	1,250,000
	Transit and Park and Ride Improvements	1,200,000
12		
	General Fund Total	<u>\$44,050,000</u>

PUBLIC SAFETY, DEPARTMENT OF

14	General Fund	
16		
18	Provide funds to expand the	\$3,750,000
20	air-medical response system	
	throughout Maine	

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

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

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

44 **Sec. A-10. Referendum for ratification; submission at statewide**
46 **election; form of question; effective date.** This Part must be submitted
to the legal voters of the State at a statewide election held on
48 the Tuesday following the first Monday of November following
passage of this Act. The municipal officers of this State shall
50 notify the inhabitants of their respective cities, towns and
plantations to meet, in the manner prescribed by law for holding
a statewide election, to vote on the

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COMMITTEE AMENDMENT "A" to S.P. 531, L.D. 1572

2 acceptance or rejection of this Part by voting on the following question:

4 "Do you favor a \$60,800,000 bond issue for improvements to
6 highways and bridges, airports, state-owned ferry vessels
8 and ferry and port facilities and port and harbor
10 structures; development of rail corridors and improvements
12 to railroad structures and intermodal facilities; investment
14 in the statewide public transportation fleet and public park
16 and ride and service facilities; statewide trail and
18 pedestrian improvements; and expanding statewide the
20 air-medical response system through constructing hospital
22 helipads, building additional refueling facilities,
24 upgrading navigational systems and acquiring training
26 equipment to improve access to health care that makes the
28 State eligible for up to \$200,000,000 in matching federal
30 funds?"

32 The legal voters of each city, town and plantation shall
34 vote by ballot on this question and designate their choice by a
36 cross or check mark placed within a corresponding square below
38 the word "Yes" or "No." The ballots must be received, sorted,
40 counted and declared in open ward, town and plantation meetings
42 and returns made to the Secretary of State in the same manner as
44 votes for members of the Legislature. The Governor shall review
46 the returns and, if a majority of the legal votes are cast in
48 favor of this Part, the Governor shall proclaim the result
50 without delay, and this Part 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
36 Part necessary to carry out the purposes of this referendum.

36 **PART B**

38 **Sec. B-1. Authorization of bonds.** The Treasurer of State is
40 authorized, under the direction of the Governor, to issue bonds
42 in the name and on behalf of the State in an amount not exceeding
44 \$7,500,000 for the purposes described in section 6 of this Part.
46 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.

48 **Sec. B-2. Records of bonds issued kept by Treasurer of State.** The
50 Treasurer of State shall keep an account of each bond
showing the number of the bond, the name of the successful bidder

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2 to whom sold, the amount received for the bond, the date of sale
and the date when payable.

4 **Sec. B-3. Sale; how negotiated; proceeds appropriated.** The
6 Treasurer of State may negotiate the sale of the bonds by
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
the bonds, which must be held by the Treasurer of State and paid
10 by the Treasurer of State upon warrants drawn by the State
Controller, are appropriated solely for the purposes set forth in
12 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.

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

18 **Sec. B-5. Disbursement of bond proceeds.** The proceeds of the
20 bonds must be expended as set out in this Part under the
direction and supervision of the Department of Environmental
22 Protection and the Department of Human Services.

24 **Sec. B-6. Allocations from General Fund bond issue.** The proceeds
of the sale of the bonds authorized by this Part must be expended
26 as designated in the following schedule.

28 **ENVIRONMENTAL PROTECTION,
DEPARTMENT OF**

30	Loans to construct and upgrade water	\$2,500,000
32	pollution control facilities matched	
34	by \$12,500,000 in federal funds	
36	Grants to construct water pollution	\$1,500,000
	control facilities	
38	Funds to clean up uncontrolled hazardous	\$800,000
40	substance sites	
42	Fund the small community grant program,	\$500,000
44	which provides grants to rural communities	
	to solve local pollution problems	
46	Fund the overboard discharge removal	\$500,000
48	program, which provides grants to	
	municipalities and individuals to	
	eliminate licensed overboard	
	discharges to shellfish areas, great	

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2 ponds, and drainage areas of less
than 10 square miles

4 **HUMAN SERVICES,**
6 **DEPARTMENT OF**

8 Grants and loans for public drinking \$1,700,000
water system improvements matched by
10 \$5,865,000 in federal funds

12 **TOTAL ALLOCATIONS** \$7,500,000

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

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

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

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

42 "Do you favor a \$7,500,000 bond issue for the following
44 purposes:

46 (1) The sum of \$2,500,000 to construct and upgrade water
pollution control facilities, providing the state match for
48 \$12,500,000 in federal funds;

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COMMITTEE AMENDMENT "A" to S.P. 531, L.D. 1572

- 2 (2) The sum of \$1,500,000 to provide grants to construct water pollution control facilities;
- 4 (3) The sum of \$800,000 to clean up uncontrolled hazardous substance sites;
- 6 (4) The sum of \$500,000 for the small community grant program to provide grants to rural communities to solve local pollution problems;
- 8
- 10 (5) The sum of \$500,000 for the overboard discharge removal program to provide grants to municipalities and individuals to eliminate licensed overboard discharges to shellfish areas, great ponds and drainage areas of less than 10 square miles; and
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- 14
- 16 (6) The sum of \$1,700,000 to support drinking water system improvements that address public health threats, providing the state match for \$5,865,000 in federal funds?"
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- 20

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

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

38 PART C

40 **Sec. C-1. Authorization of bonds.** The Treasurer of State is authorized, under the direction of the Governor, to issue bonds 42 in the name and on behalf of the State in an amount not exceeding \$25,500,000 for the purposes described in section 6 of this 44 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 46 from the date of the original issue of the bonds. At the discretion of the Treasurer of State, with the approval of the 48 Governor, any issuance of bonds may contain a call feature.

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2 **Sec. C-2. Records of bonds issued kept by Treasurer of State.** The
Treasurer of State shall keep an account of each bond showing the
4 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
6 date when payable.

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

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

22 **Sec. C-5. Disbursement of bond proceeds.** The proceeds of the
bonds must be expended as set out in this Part under the
24 direction and supervision of the University of Maine System, the
Maine Community College System, the Maine Maritime Academy, the
26 Department of Education and the Maine State Library.

28 **Sec. C-6. Allocations from General Fund bond issue.** The proceeds
of the sale of the bonds authorized by this Part must be expended
30 as designated in the following schedule.

32 **UNIVERSITY OF MAINE SYSTEM**

34 Upgrade health and safety features in \$6,000,000
laboratory buildings at the University
36 of Maine campuses at Augusta, Farmington,
Machias, Orono and Presque Isle and the
38 University of Southern Maine campus

40 **UNIVERSITY OF MAINE SYSTEM**

42 Improve and expand the facilities and \$2,000,000
classrooms at the University of Maine
44 Lewiston-Auburn campus

46 **MAINE COMMUNITY COLLEGE SYSTEM**

48 Make repairs, upgrades and \$12,500,000
other facility improvements, enhance

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2 access to facilities for students
with disabilities and update classroom
4 equipment at all community college
campuses

6 MAINE MARITIME ACADEMY

8 Repair and replace classroom and \$1,000,000
other facilities at the Maine
10 Maritime Academy

12 MAINE STATE LIBRARY

14 Grants to construct and renovate public \$1,500,000
libraries and to improve community
16 access to electronic resources

18 EDUCATION, DEPARTMENT OF

20 Grants for renovation and capital repairs \$2,500,000
and improvements of public school
22 facilities to address health, safety
and compliance deficiencies, general
24 renovation needs and learning space
upgrades

26 TOTAL ALLOCATIONS \$25,500,000

28 Sec. C-7. Contingent upon ratification of bond issue. Sections 1
30 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
32 Part.

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

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

48 Sec. C-10. Referendum for ratification; submission at statewide
50 election; form of question; effective date. This Part

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COMMITTEE AMENDMENT "A" to S.P. 531, L.D. 1572

2 must be submitted to the legal voters of the State at a statewide
election held on the Tuesday following the first Monday of
4 November following passage of this Act. The municipal officers
of this State shall notify the inhabitants of their respective
6 cities, towns and plantations to meet, in the manner prescribed
by law for holding a statewide election, to vote on the
8 acceptance or rejection of this Part by voting on the following
question:

10 "Do you favor a \$25,500,000 bond issue to make repairs,
upgrades and other facility improvements and enhance access
12 for students with disabilities and upgrade classroom
equipment at various campuses of the University of Maine
14 System, the Maine Community College System and the Maine
Maritime Academy; to provide grants to construct and
16 renovate public libraries and to improve community access to
electronic resources; and to provide grants for renovation
18 and capital repairs and improvements of public school
facilities?"

20
22 The legal voters of each city, town and plantation shall
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 Part, the Governor shall proclaim the result
30 without delay, and this Part becomes effective 30 days after the
date of the proclamation.

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

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SUMMARY

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42 This amendment is the majority report of the committee. It
replaces the bill and authorizes a total transportation and
44 General Fund bond issue in the amount of \$93,800,000 for the
following purposes:

46 1. Part A authorizes the amount of \$60,800,000 to be used
for highways and bridges, airports, state-owned ferry vessels and
48 ferry and port facilities and port and harbor structures;
development of rail corridors and improvements to railroad
50 structures and intermodal facilities; investment in the statewide
public transportation fleet and public park and ride and service

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COMMITTEE AMENDMENT "A" to S.P. 531, L.D. 1572

2 facilities; statewide trail and pedestrian improvements; and
statewide expansion of the air-medical response system;

4 2. Part B authorizes the amount of \$7,500,000 as follows:

6 A. The sum of \$2,500,000 to construct and upgrade water
pollution control facilities, providing the state match for
8 \$12,500,000 in federal funds;

10 B. The sum of \$1,500,000 to provide grants to construct
water pollution control facilities;

12 C. The sum of \$800,000 to clean up uncontrolled hazardous
14 substance sites;

16 D. The sum of \$500,000 to provide grants to rural
communities to solve local pollution problems;

18 E. The sum of \$500,000 to provide grants to municipalities
20 and individuals to eliminate licensed overboard discharges
to shellfish areas, great ponds and drainage areas of less
22 than 10 square miles; and

24 F. The sum of \$1,700,000 to support drinking water system
improvements that address public health threats, providing
26 the state match for \$5,865,000 in federal funds; and

28 3. Part C authorizes the amount of \$25,500,000 as follows:

30 A. The sum of \$6,000,000 to address health, safety and
compliance deficiencies in the University of Maine System;

32 B. The sum of \$2,000,000 to improve and expand the
34 facilities and classrooms at the University of Maine
Lewiston-Auburn campus;

36 C. The sum of \$12,500,000 to make repairs, upgrades and
38 other facility improvements, enhance access to facilities
for students with disabilities and update classroom
40 equipment at all community college campuses;

42 D. The sum of \$1,000,000 to make repairs and replace
classroom and other facilities at the Maine Maritime Academy;

44 E. The sum of \$1,500,000 to provide grants to construct and
46 renovate public libraries and to improve community access to
electronic resources; and
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F. The sum of \$2,500,000 to provide grants for renovations and capital repairs and improvements of public school facilities.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT

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



LD 1572

An Act To Authorize Bond Issues in the Total Amount of \$93,800,000, of Which \$60,800,000 is for a Transportation Bond Issue for Transportation Improvements and \$33,000,000 is for General Fund Bond Issues for Pollution Control and Clean-up, School Renovations and Improvement of Post-secondary Education Facilities.

LR 2068(03)

**Fiscal Note for Bill As Amended by Committee Amendment "A"
Committee: Appropriations and Financial Affairs
Fiscal Note Required: Yes
Majority Report**

Fiscal Note

Current biennium cost increase - General Fund

Bond Issues (Part A,B &C)	Term(years)	Principal	Rate (%)	Interest	Total Cost
A Highway Fund - Non-taxable	10	\$13,000,000	4.1%	\$2,931,500	\$15,931,500
A General Fund - Non-taxable	10	\$47,800,000	4.1%	\$10,778,900	\$58,578,900
B General Fund - Non-taxable	10	\$7,500,000	4.1%	\$1,691,250	\$9,191,250
C General Fund - Non-taxable	10	\$25,500,000	4.1%	\$5,750,250	\$31,250,250
		\$93,800,000		\$21,151,900	\$114,951,900

Referendum Costs

Month/Year	Election Type	Question	Length
Nov-03	General	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.