

MAINE STATE LEGISLATURE

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Minority

R.S.

L.D. 1572

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DATE: 8-19-03

(Filing No. S-318)

APPROPRIATIONS AND FINANCIAL AFFAIRS

Reported by:

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

COMMITTEE AMENDMENT "B" 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 \$88,200,000, of Which \$62,500,000 Is for a Transportation Bond Issue for Transportation Improvements and \$25,700,000 for General Fund Bond Issues for Pollution Control and Cleanup, School Renovations, Improvement of Postsecondary Education Facilities and Emergency Medical Aviation Services'

Further amend the bill by striking out 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:

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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 \$62,500,000 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.

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

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

2	Highway and Bridge Improvements	\$13,000,000
4	Highway Fund Total	<u>\$13,000,000</u>
6	General Fund	
8	Airport Improvements	\$3,600,000
10	Highway and Bridge Improvements	31,000,000
12	Port and Ferry Improvements	4,550,000
14	Rail Improvements	8,050,000
	Trail Improvements	1,100,000
	Transit and Park and Ride Improvements	1,200,000
	General Fund Total	<u>\$49,500,000</u>

16 **Sec. A-7. Contingent upon ratification of bond issue.** Sections 1
 18 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.

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

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

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

46 "Do you favor a \$62,500,000 bond issue for improvements to
 48 highways and bridges, airports, state-owned ferry vessels
 and ferry and port facilities and port and harbor
 structures; development of rail corridors and improvements

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

2 to railroad structures and intermodal facilities; investment
in the statewide public transportation fleet and public park
and ride and service facilities; and statewide trail and
4 pedestrian improvements that makes the State eligible for
\$214,000,000 in matching federal funds?"

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8 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
10 the word "Yes" or "No." The ballots must be received, sorted,
counted and declared in open ward, town and plantation meetings
12 and returns made to the Secretary of State in the same manner as
votes for members of the Legislature. The Governor shall review
14 the returns and, if a majority of the legal votes are cast in
favor of this Part, the Governor shall proclaim the result
16 without delay, and this Part becomes effective 30 days after the
date of the proclamation.

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20 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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24 **PART B**

26 **Sec. B-1. Authorization of bonds.** The Treasurer of State is
authorized, under the direction of the Governor, to issue bonds
28 in the name and on behalf of the State in an amount not exceeding
\$4,200,000 for the purposes described in section 6 of this Part.
30 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
32 from the date of the original issue of the bonds. At the
discretion of the Treasurer of State, with the approval of the
34 Governor, any issuance of bonds may contain a call feature.

36 **Sec. B-2. Records of bonds issued kept by Treasurer of State.** The
Treasurer of State shall keep an account of each bond
38 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
40 and the date when payable.

42 **Sec. B-3. Sale; how negotiated; proceeds appropriated.** The
Treasurer of State may negotiate the sale of the bonds by
44 direction of the Governor, but no bond may be loaned, pledged or
hypothecated on behalf of the State. The proceeds of the sale of
46 the bonds, which must be held by the Treasurer of State and paid
by the Treasurer of State upon warrants drawn by the State
48 Controller, are appropriated solely for the purposes set forth in
this Part. Any unencumbered balances remaining at the completion

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of the project in this Part lapse to the debt service account established for the retirement of these bonds.

Sec. B-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. B-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 Environmental Protection and the Department of Human Services.

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

**ENVIRONMENTAL PROTECTION,
DEPARTMENT OF**

Loans to construct and upgrade water pollution control facilities matched by \$12,500,000 in federal funds \$2,500,000

**HUMAN SERVICES,
DEPARTMENT OF**

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

TOTAL ALLOCATIONS \$4,200,000

Sec. B-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. B-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. B-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

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

bond anticipation notes for an additional amount of time not to exceed 5 years.

Sec. B-10. Referendum for ratification; submission at statewide election; form of question; effective date. This Part must be submitted to the legal voters of the State at a statewide election held on the Tuesday following the first Monday of November following passage of this Act. The municipal officers of this State shall 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 acceptance or rejection of this Part by voting on the following question:

"Do you favor a \$4,200,000 bond issue for the following purposes:

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

(2) 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?"

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.

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.

PART C

Sec. C-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 \$17,500,000 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

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

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. C-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. C-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. C-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. C-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 University of Maine System, the Maine Community College System, the Maine Maritime Academy and the Maine State Library.

Sec. C-6. Allocations from General Fund bond issue.

The proceeds of the sale of the bonds authorized by this Part must be expended as designated in the following schedule.

UNIVERSITY OF MAINE SYSTEM

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

MAINE COMMUNITY COLLEGE SYSTEM

Make repairs, upgrades and other facility improvements, enhance access to facilities for students with disabilities and update classroom equipment at all community college campuses \$13,000,000

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2 **MAINE MARITIME ACADEMY**

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

8 **MAINE STATE LIBRARY**

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

14 **Total Allocations** \$17,500,000

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

22 **Sec. C-8. Appropriation balances at year-end.** At the end of each
24 fiscal year, all unencumbered appropriation balances representing
26 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.

28 **Sec. C-9. Bonds authorized but not issued.** Any bonds authorized
30 but not issued, or for which bond anticipation notes are not
32 issued within 5 years of ratification of this Part, are
34 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.

36 **Sec. C-10. Referendum for ratification; submission at statewide**
38 **election; form of question; effective date.** This Part must be submitted
40 to the legal voters of the State at a statewide election held on
42 the Tuesday following the first Monday of November following
44 passage of this Act. The municipal officers of this State shall
 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 acceptance or rejection of
 this Part by voting on the following question:

46 "Do you favor a \$17,500,000 bond issue to make repairs,
48 upgrades and other facility improvements and enhance access
 for students with disabilities and upgrade classroom

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equipment at various campuses of the University of Maine System, the Maine Community College System and the Maine Maritime Academy and to provide grants to construct and renovate public libraries and to improve community access to electronic resources?"

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.

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.

PART D

Sec. D-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 \$4,000,000 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. D-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. D-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

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2 of the project in this Part lapse to the debt service account established for the retirement of these bonds.

4 **Sec. D-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.

8 **Sec. D-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 Public Safety.

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

16 **PUBLIC SAFETY, DEPARTMENT OF**

18 Provide funds to expand the \$4,000,000
20 air-medical response system
throughout Maine

22 **Sec. D-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.

26 **Sec. D-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.

32 **Sec. D-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.

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

Revised

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

2 a statewide election, to vote on the acceptance or rejection of
this Part by voting on the following question:

4 "Do you favor a \$4,000,000 bond issue to expand the
statewide air-medical response system through construction
6 of hospital helipads, building additional refueling
facilities, upgrading navigational systems and acquiring
8 training equipment to improve access to health care that
provides \$4,000,000 in private matching funds?"

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

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

28 **SUMMARY**

30 This amendment is the minority report of the committee. It
32 replaces the bill and authorizes a total transportation and
General Fund bond issue in the amount of \$88,200,000 for the
34 following purposes:

36 1. Part A authorizes the amount of \$62,500,000 to be used
for highways and bridges, airports, state-owned ferry vessels and
38 ferry and port facilities and port and harbor structures;
development of rail corridors and improvements to railroad
40 structures and intermodal facilities; investment in the statewide
public transportation fleet and public park and ride and service
42 facilities; and statewide trail and pedestrian improvements;

44 2. Part B authorizes the amount of \$4,200,000 as follows:

46 A. 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; and

COMMITTEE AMENDMENT

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

- 2 B. 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;
- 4
- 6 3. Part C authorizes the amount of \$17,500,000 as follows:
- 8 A. The sum of \$2,000,000 to improve and expand the
facilities and classrooms at the University of Maine
Lewiston-Auburn campus;
- 10 B. The sum of \$13,000,000 to make repairs, upgrades and
other facility improvements, enhance access to facilities
for students with disabilities and update classroom
equipment at all community college campuses;
- 12 C. The sum of \$1,000,000 to repair and replace classroom
and other facilities at the Maine Maritime Academy; and
- 14 D. The sum of \$1,500,000 to construct and renovate public
libraries and to improve community access to electronic
resources; and
- 16 4. Part D authorizes the amount of \$4,000,000 to be used to
expand the statewide air-medical response system through
construction of hospital helipads, building additional refueling
facilities, upgrading navigational systems and acquiring training
equipment to improve access to health care that raises \$4,000,000
in private matching funds.
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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 \$88,200,000, of Which \$62,500,000 is for a Transportation Bond Issue for Transportation Improvements and \$25,700,000 is for General Fund Bond Issues for Pollution Control and Clean-up, School Renovations, Improvement of Post-secondary Education Facilities and Emergency Medical Aviation Services.

LR 2068(04)

**Fiscal Note for Bill As Amended by Committee Amendment *B*
Committee: Appropriations and Financial Affairs**

Fiscal Note Required: Yes

Minority 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	\$49,500,000	4.1%	\$11,162,250	\$60,662,250
B General Fund - Non-taxable	10	\$4,200,000	4.1%	\$947,100	\$5,147,100
C General Fund - Non-taxable	10	\$17,500,000	4.1%	\$3,946,250	\$21,446,250
D General Fund - Non-taxable	10	\$4,000,000	4.1%	\$902,000	\$4,902,000
		\$88,200,000		\$19,889,100	\$108,089,100

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.