

MAINE STATE LEGISLATURE

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7
R. 018

L.D. 1875

DATE: 4-28-04

(Filing No. S-561)

APPROPRIATIONS AND FINANCIAL AFFAIRS

Reported by: Minority

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

COMMITTEE AMENDMENT "B" to S.P. 723, L.D. 1875, Bill, "An Act To Authorize Department of Transportation Bond Issues in the Amount of \$18,250,000 To Match Available Federal Funds for Improvements to and Development of Highways and Bridges; Airports; Ferry Vessels, Port Facilities and Marine Infrastructure; Rail Corridors and Structures; Intermodal Facilities; and Trail and Pedestrian Facilities"

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

'An Act To Authorize Bond Issues for Ratification by Voters at the November 2004 Election'

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 \$10,000,000 for the purpose 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.

COMMITTEE AMENDMENT

R.O.S.

2 are not issued within 5 years of ratification of this Part, are
3 deauthorized and may not be issued, except that the Legislature
4 may, within 2 years after the expiration of that 5-year period,
5 extend the period for issuing any remaining unissued bonds or
6 bond anticipation notes for an additional amount of time not to
7 exceed 5 years.

8 **Sec. A-10. Referendum for ratification; submission at general**
9 **election; form of question; effective date.** This Part must be submitted
10 to the legal voters of the State at the next general election in
11 the month of November following passage of this Act. The
12 municipal officers of this State shall notify the inhabitants of
13 their respective cities, towns and plantations to meet, in the
14 manner prescribed by law for holding a general election, to vote
15 on the acceptance or rejection of this Part by voting on the
16 following question:

18 "Do you favor a \$10,000,000 bond issue for improvements to
19 and development of highways and bridges that makes the State
20 eligible for up to \$36,111,111 in matching federal funds?"

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

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

38 **PART B**

40 **Sec. B-1. Authorization of bonds.** The Treasurer of State is
41 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
43 \$3,000,000 for the purposes described in section 6 of this Part.
44 The bonds are a pledge of the full faith and credit of the
45 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
47 discretion of the Treasurer of State, with the approval of the
48 Governor, any issuance of bonds may contain a call feature.

50

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COMMITTEE AMENDMENT "B" to S.P. 723, L.D. 1875

2 **Sec. B-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. B-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 projects in this Part lapse to the debt service account
established for the retirement of these bonds.

18 **Sec. B-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. B-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 Department of Economic and
Community Development, the Maine State Cultural Affairs Council
26 and the Maine State Housing Authority.

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

32 **ECONOMIC AND COMMUNITY DEVELOPMENT,**
DEPARTMENT OF \$2,000,000

34 Provide funds to the Natural Resources
36 Applied Research Fund at the Maine
Technology Institute in anticipation of
38 \$2,000,000 in federal or private funding.
Eligible research includes applied forest
40 bio-products, marine fisheries and
agricultural research. Eligible institutions
42 include the State's nonprofit institutions
and state governmental and
44 quasi-governmental agencies.

46 **MAINE STATE CULTURAL AFFAIRS COUNCIL** \$500,000

48 Provide funds for the New Century Community
Program in anticipation of \$500,000 in

2023

COMMITTEE AMENDMENT "B" to S.P. 723, L.D. 1875

2 matching funds to invest in capital
improvements of cultural assets, including
4 libraries, museums, historical buildings,
theaters and other arts facilities.

6 MAINE STATE HOUSING AUTHORITY \$500,000

8 Provide funds in anticipation of \$500,000 in
matching federal funds for family and
10 elderly housing options for Native American
tribes through the Four Directions
12 Development Corporation.

14 TOTAL FUNDS ALLOCATED \$3,000,000

16 Sec. B-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
20 Part.

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

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

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

46 "Do you favor a \$3,000,000 bond issue to stimulate economic
48 growth and job creation through investments in research and
development; investments in the New Century Community

COMMITTEE AMENDMENT

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COMMITTEE AMENDMENT "B" to S.P. 723, L.D. 1875

2 Program; and family and elderly housing options for the
Native American tribes. The bonds would be used for the
4 following purposes:

6 (1) The sum of \$2,000,000 for the Maine Technology
Institute's Natural Resources Applied Research Fund to
8 support applied forest bio-products, marine fisheries
and agricultural research to retain jobs by meeting
10 existing research needs in Maine's
natural-resource-based industries. These funds
12 leverage \$2,000,000 in required matching funds;

14 (2) The sum of \$500,000 for the New Century Community
Program to fund cultural investments; and

16 (3) The sum of \$500,000 for family and elderly housing
options for Native American tribes through the Four
18 Directions Development Corporation, attracting
approximately \$500,000 in federal funds?"
20

22 The legal voters of each city, town and plantation shall
vote by ballot on this question and designate their choice by a
24 cross or check mark placed within a corresponding square below
the word "Yes" or "No." The ballots must be received, sorted,
26 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
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
36 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
\$5,000,000 for the purposes described in section 6 of this Part.
44 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.

COMMITTEE AMENDMENT

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 projects 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 Department of Environmental Protection, the Department of Human Services and the Maine State Housing Authority.

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

**ENVIRONMENTAL PROTECTION,
DEPARTMENT OF**

Grants to construct and upgrade water pollution control facilities matched by \$5,000,000 in federal funds. \$2,000,000

Funds to abate, clean up and remediate threats to public health and the environment from uncontrolled hazardous substance sites. 1,200,000

Grants to assist urban municipalities and publicly funded higher education institution generators in complying with new federal stormwater regulations. 500,000

Provides a grant to the Town of Warren to 300,000

R. 015

2 effectively deal with certain
3 combustible material to avoid the
4 possibility of an uncontrollable
5 fire in the town.

6 **HUMAN SERVICES,**
7 **DEPARTMENT OF**

8 Grants and low-interest loans to construct 1,000,000
9 and upgrade public water systems matched
10 by \$5,000,000 in federal funds.

11 **TOTAL ALLOCATIONS** \$5,000,000

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

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

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

28 **Sec. C-10. Referendum for ratification; submission at general**
29 **election; form of question; effective date.** This Part must be submitted
30 to the legal voters of the State at the next general election in
31 the month of November following passage of this Act. The
32 municipal officers of this State shall notify the inhabitants of
33 their respective cities, towns and plantations to meet, in the
34 manner prescribed by law for holding a general election, to vote
35 on the acceptance or rejection of this Part by voting on the
36 following question:

37 "Do you favor a \$5,000,000 bond issue to be used for the
38 following purposes:

- 39 (1) The sum of \$1,000,000 to the state revolving fund
40 that provides low-interest loans to municipalities and
41 others for wastewater treatment to leverage an
42 additional \$5,000,000 in federal funds;

- 2 (2) The sum of \$1,000,000 to the state pollution grant
4 program to provide water pollution control grants to
assist municipalities unable to fully finance projects;
- 6 (3) The sum of \$300,000 to provide a grant to the Town
8 of Warren to effectively deal with certain combustible
material to avoid the possibility of an uncontrollable
10 fire in the town;
- 12 (4) The sum of \$1,200,000 to the uncontrolled
hazardous substance program for site clean-up;
- 14 (5) The sum of \$500,000 to provide grants to assist
16 urban municipalities and publicly funded higher
education institution generators in complying with new
18 federal stormwater regulations; and
- 20 (6) The sum of \$1,000,000 to construct and upgrade
public water systems to address public health threats
22 to leverage an additional \$5,000,000 in federal funds?"

24 The legal voters of each city, town and plantation shall
vote by ballot on this question and designate their choice by a
26 cross or check mark placed within a corresponding square below
the word "Yes" or "No." The ballots must be received, sorted,
28 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
30 the returns and, if a majority of the legal votes are cast in
favor of this Part, the Governor shall proclaim the result
32 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
36 city, town and plantation all ballots, returns and copies of this
Part necessary to carry out the purposes of this referendum.

40 **PART D**

42 **Sec. D-1. Authorization of bonds.** The Treasurer of State is
authorized, under the direction of the Governor, to issue bonds
44 in the name and on behalf of the State in an amount not exceeding
\$12,000,000 for the purpose described in section 7 of this Part
46 and to access \$6,000,000 in matching contributions from public
and private sources. The bonds are a pledge of the full faith
48 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
50 bonds. At the discretion of the Treasurer of State, with

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2 the approval of the Governor, any issuance of bonds may contain a call feature.

4 **Sec. D-2. Records of bonds issued kept by Treasurer of State.** The
6 Treasurer of State shall keep an account of each bond showing the
8 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.

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

30 **Sec. D-4. Taxable bond option.** The Treasurer of State, at the
32 direction of the Governor, shall covenant and consent that the
34 interest on the bonds is includable under the United States
36 Internal Revenue Code in the gross income of the holders of the
bonds to the same extent and in the same manner that the interest
on bills, bonds, notes or other obligations of the United States
is includable in the gross income of the holders under the United
States Internal Revenue Code or any subsequent law. The powers
conferred by this section are not subject to any limitations or
restrictions of any law that may limit the power to so covenant
and consent.

38 **Sec. D-5. 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.

40 **Sec. D-6. Disbursement of bond proceeds allocated to Land for
42 Maine's Future Board.** The proceeds of the bonds allocated to the
44 Land for Maine's Future Board must be expended for acquisition of
46 land and interest in land for conservation, water access, outdoor
recreation, wildlife and fish habitat and farmland preservation
in accordance with the provisions for such acquisitions under the
Maine Revised Statutes, Title 5, chapter 353, including all costs
associated with such acquisitions, except that use of the
proceeds of these bonds is subject to the following conditions
and requirements.

COMMITTEE AMENDMENT "B" to S.P. 723, L.D. 1875

1. Hunting, fishing, trapping and public access may not be prohibited on land acquired with bond proceeds, except to the extent of applicable state, local or federal laws and regulations.

2. Payment from bond proceeds for acquisitions of local or regional significance, as determined by the Land for Maine's Future Board, may be made directly to cooperating entities as defined in Title 5, section 6201, subsection 2 for acquisition of land and interest in land by cooperating entities, subject to terms and conditions enforceable by the State to ensure their use for the purposes of this Part.

3. The bond funds must be matched with at least \$6,000,000 in public and private contributions. Seventy percent of that amount must be in the form of cash or other tangible assets, including the value of land and real property interest acquired by or contributed to cooperating entities when property interests have a direct relationship to the property proposed for protection, as determined by the Land for Maine's Future Board. The remaining 30% may be matching contributions and may include the value of project-related, in-kind contributions of goods and services to and by cooperating entities.

4. Ten percent of the bond proceeds allocated to the Land for Maine's Future Board must be made available to acquire public access to water in accordance with the provisions of Title 5, section 6203-A.

5. Ten percent of the bond proceeds allocated to the Land for Maine's Future Board must be made available to protect farmland in accordance with Title 5, section 6207.

6. To the extent the purposes are consistent with the disbursement provisions in this Part, 100% of the bond proceeds may be considered as state match for any federal funding to be made available to the State.

Sec. D-7. Allocations from General Fund bond issue. The proceeds of the sale of the bonds authorized under this Part must be expended as designated in the following schedule.

EXECUTIVE DEPARTMENT

Land for Maine's Future Board \$12,000,000

Provides for the use of bond proceeds to be used for the acquisition of land and interest in land for conservation, water access, outdoor recreation, wildlife and fish habitat and farmland preservation.

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2 **Sec. D-8. Contingent upon ratification of bond issue.** Sections 1
to 7 do not become effective unless the people of the State
4 ratify the issuance of the bonds as set forth in this Part.

6 **Sec. D-9. Appropriation balances at year-end.** At the end of each
fiscal year, all unencumbered appropriation balances representing
8 state money carry forward. Bond proceeds that have not been
expended within 10 years after the date of the sale of the bonds
10 lapse to General Fund debt service.

12 **Sec. D-10. Bonds authorized but not issued.** Any bonds authorized
but not issued, or for which bond anticipation notes are not
14 issued within 5 years of ratification of this Part, are
deauthorized and may not be issued, except that the Legislature
16 may, within 2 years after the expiration of that 5-year period,
extend the period for issuing any remaining unissued bonds or
18 bond anticipation notes for an additional amount of time not to
exceed 5 years.

20 **Sec. D-11. Referendum for ratification; submission at general**
22 election; form of question; effective date. This Part must be submitted
to the legal voters of the State at the next general election in
24 the month of November following passage of this Act. The
municipal officers of this State shall notify the inhabitants of
26 their respective cities, towns and plantations to meet, in the
manner prescribed by law for holding a general election, to vote
28 on the acceptance or rejection of this Part by voting on the
following question:

30 "Do you favor a \$12,000,000 bond issue to purchase public
32 land and easements statewide from willing sellers for
conservation, water access, outdoor recreation including
34 hunting and fishing, wildlife and fish habitat and farmland
preservation, to be matched by at least \$6,000,000 in
36 private and public contributions?"

38 The legal voters of each city, town and plantation shall
vote by ballot on this question and designate their choice by a
40 cross or check mark placed within a corresponding square below
the word "Yes" or "No." The ballots must be received, sorted,
42 counted and declared in open ward, town and plantation meetings
and returns made to the Secretary of State in the same manner as
44 votes for members of the Legislature. The Governor shall review
the returns and, if a majority of the legal votes are cast in
46 favor of this Part, the Governor shall proclaim the result
without delay, and this Part becomes effective 30 days after the
48 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.'

SUMMARY

Part A

The funds provided by this bond issue, in the amount of \$10,000,000, will be used for improvements to and development of highways and bridges.

Part B

This Part proposes a referendum vote on the following proposed bonds:

1. Two million dollars for Maine Technology Institute Natural Resources Applied Research Fund competitive grants for applied research in natural-resource-based industries, including forest bio-products, marine fisheries and agriculture. These funds leverage \$2,000,000 in required matching funds;

2. Five hundred thousand dollars for the New Century Community Program for capital improvements to cultural resources; and

3. Five hundred thousand dollars for family and elderly housing options for Native American tribes through the Four Directions Development Corporation. These funds would help attract \$500,000 in federal funds.

Part C

Part C provides for a bond issue in the amount of \$5,000,000 to be used for the following purposes:

1. The sum of \$2,000,000 to construct and upgrade water pollution control facilities, providing the state match for \$5,000,000 in federal funds;

2. The sum of \$1,200,000 to abate, clean up and remediate threats to public health and the environment from uncontrolled hazardous substance sites;

3. The sum of \$500,000 to provide grants to assist urban municipalities and publicly funded higher education institution generators in complying with new federal stormwater regulations;

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

**LD 1875**

An Act To Authorize Department of Transportation Bond Issues in the Amount of \$18,250,000 To Match Available Federal Funds for Improvements to and Development of Highways and Bridges; Airports; Ferry Vessels, Port Facilities and Marine Infrastructure; Rail Corridors and Structures; Intermodal Facilities; and Trail and Pedestrian Facilities

LR 2799(03)

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&D)	Term(years)	Principal	Rate (%)	Interest	Total Cost
A Highway Fund - Non-taxable	10	\$10,000,000	4.1%	\$2,255,000	\$12,255,000
B General Fund - Non-taxable	10	\$3,000,000	4.1%	\$676,500	\$3,676,500
C General Fund - Non-taxable	10	\$5,000,000	4.1%	\$1,127,500	\$6,127,500
D General Fund - Non-taxable	10	\$12,000,000	4.1%	\$2,706,000	\$14,706,000
		\$30,000,000		\$6,765,000	\$36,765,000

Referendum Costs	Month/Year	Election Type	Question	Length
	Nov-04	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.