

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 786

H.P. 563

House of Representatives, February 15, 2005

An Act To Authorize a General Fund Bond Issue for Maine Resident College Graduates Employed in Maine

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative CUMMINGS of Portland.
Cosponsored by Representatives: CAIN of Orono, FARRINGTON of Gorham, GOLDMAN of Cape Elizabeth, NORTON of Bangor, RECTOR of Thomaston, Senator: BRENNAN of Cumberland.

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
6 this Act,

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

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
\$50,000,000 for the purposes described in section 6 of this Act.
14 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
16 from the date of the original issue of the bonds. At the
discretion of the Treasurer of State, with the approval of the
18 Governor, any issuance of bonds may contain a call feature.

20 **Sec. 2. Records of bonds issued kept by Treasurer of State.** The
Treasurer of State shall keep an account of each bond showing the
22 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
24 date when payable.

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

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

40 **Sec. 5. Disbursement of bond proceeds.** The proceeds of the
bonds must be expended as set out in this Act under the direction
42 and supervision of the Finance Authority of Maine.

44 **Sec. 6. Allocations from General Fund bond issue.** The proceeds
of the sale of the bonds authorized under this Act must be
46 expended as designated in the following schedule.

48 **FINANCE AUTHORITY OF MAINE**

Provides funds to be used to defray \$50,000,000
a portion of the cost of a Maine
resident's college education at
either an in-state or out-of-state
postsecondary school if, after
graduation, the individual is
employed in Maine.

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

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

Sec. 10. Referendum for ratification; submission at statewide election; form of question; effective date. This Act 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 Act by voting on the following question:

"Do you favor a \$50,000,000 bond issue to be used to defray a portion of the cost of a Maine resident's college education at either an in-state or out-of-state postsecondary school if, after graduation, the individual is employed in Maine?"

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

2 the returns and, if a majority of the legal votes are cast in
4 favor of this Act, the Governor shall proclaim the result without
6 delay, and this Act becomes effective 30 days after the date of
8 the proclamation.

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

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12 SUMMARY

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14 The funds provided by this bond issue, in the amount of
16 \$50,000,000, will be used to defray a portion of the cost of a
Maine resident's college education at either an in-state or
out-of-state postsecondary school if, after graduation, the
individual is employed in Maine.