

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 969

H.P. 679

House of Representatives, February 24, 2005

An Act To Authorize a General Fund Bond Issue To Provide Funds To Support Economic Development

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative PIOTTI of Unity.
Cosponsored by Senator ROSEN of Hancock and
Representatives: PERCY of Phippsburg, RECTOR of Thomaston, WATSON of Bath,
Senators: COWGER of Kennebec, MILLS of Somerset.

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

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

8 **Sec. 1. Authorization of bonds.** The Treasurer of State is
9 authorized, under the direction of the Governor, to issue bonds
10 in the name and on behalf of the State in an amount not exceeding
11 \$5,000,000 for the purposes described in section 6 of this Act.
12 The bonds are a pledge of the full faith and credit of the
13 State. The bonds may not run for a period longer than 10 years
14 from the date of the original issue of the bonds. At the
15 discretion of the Treasurer of State, with the approval of the
16 Governor, any issuance of bonds may contain a call feature.

17 **Sec. 2. Records of bonds issued kept by Treasurer of State.** The
18 Treasurer of State shall keep an account of each bond showing the
19 number of the bond, the name of the successful bidder to whom
20 sold, the amount received for the bond, the date of sale and the
21 date when payable.

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

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

35 **Sec. 5. Disbursement of bond proceeds.** The proceeds of the
36 bonds must be expended as set out in this Act under the direction
37 and supervision of the Small Enterprise Growth Board administered
38 by the Finance Authority of Maine.

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

42 **Finance Authority of Maine**

2 Small Enterprise Growth Fund

\$5,000,000

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

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

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

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

32 "Do you favor a \$5,000,000 bond issue to create and retain
34 Maine jobs through investment in small Maine enterprises
showing potential for high growth and public benefit?"

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

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

6 **SUMMARY**

8 The funds provided by this bond issue, in the amount of
\$5,000,000, will be used to provide additional capital for the
10 Small Enterprise Growth Fund administered by the Finance
Authority of Maine, which provides access to capital for small
12 businesses that demonstrate potential for high growth and public
benefit.

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