

MAINE STATE LEGISLATURE

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Reported by: Minority

Date: 5-24-06

(Filing No. S-706)

Appropriations and Financial Affairs

Reproduced and distributed under the direction of the Secretary of the Senate.

**STATE OF MAINE
SENATE
122ND LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "B" to S.P. 865, L.D. 2120, Bill, "An Act To Provide Funding for Infrastructure for a New Downtown in the Town of Canton"

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

'An Act To Authorize a General Fund Bond Issue in the Amount of \$4,000,000 for Flood Damage Relief'

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:

Sec. 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 Act. 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. 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.

R. 07/13

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

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

11 **Sec. 5. Disbursement of bond proceeds.** The proceeds of the bonds must be
12 expended as set out in this Act under the direction and supervision of the Department of
13 Defense, Veterans and Emergency Management, Maine Emergency Management
14 Agency.

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

18 **DEFENSE, VETERANS AND EMERGENCY MANAGEMENT, DEPARTMENT**
19 **OF**

20 **Maine Emergency Management Agency**

21	Provides funds for the State's share of costs	\$4,000,000
22	associated with the flood damage that occurred	
23	in spring 2005 and spring 2006 and for the	
24	relocation of the downtown area of the Town of	
25	Canton outside of the flood zone, including, but	
26	not limited to, such infrastructure as water and	
27	sewer lines.	

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

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

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

A. 818

1 **Sec. 10. Referendum for ratification; submission at general election;**
2 **form of question; effective date.** This Act must be submitted to the legal voters of
3 the State at the next general election in the month of November following passage of this
4 Act. The municipal officers of this State shall notify the inhabitants of their respective
5 cities, towns and plantations to meet, in the manner prescribed by law for holding a
6 general election, to vote on the acceptance or rejection of this Act by voting on the
7 following question:

8 "Do you favor a \$4,000,000 bond issue for the State's share of costs
9 associated with the flood damage that occurred in spring 2005 and spring
10 2006 and for the relocation of the downtown area of the Town of Canton
11 outside of the flood zone, including, but not limited to, such
12 infrastructure as water and sewer lines?"

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

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

24

SUMMARY

25 This amendment is the minority report of the Joint Standing Committee on
26 Appropriations and Financial Affairs. This amendment replaces the bill with a General
27 Fund bond issue in the amount of \$4,000,000 to provide funding for the State's share of
28 costs associated with the flood damage that occurred in spring 2005 and spring 2006 and
29 for the relocation of the downtown area of the Town of Canton outside of the flood zone,
30 including, but not limited to, such infrastructure as water and sewer lines.

FISCAL NOTE REQUIRED
(See attached)



122nd MAINE LEGISLATURE

LD 2120

LR 3300(03)

An Act to Provide Funding for Infrastructure for a New Downtown in the Town of Canton

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	Term(years)	Principal	Rate (%)	Interest	Total Cost
General Fund - Non-taxable	10	\$4,000,000	5.0%	\$1,100,000	\$5,100,000

Referendum Costs	Month/Year	Election Type	Question Type	Question Length
	Nov-06	General	Referendum	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.