



123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 440

S.P. 141

January 29, 2007

An Act To Authorize a General Fund Bond Issue To Revitalize Communities and Expand Maine's Innovative Economy through the New Century Program

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

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JOY J. O'BRIEN Secretary of the Senate

Presented by President EDMONDS of Cumberland. Cosponsored by Speaker CUMMINGS of Portland and Senators: BARTLETT of Cumberland, MITCHELL of Kennebec, TURNER of Cumberland, Representatives: ADAMS of Portland, PERCY of Phippsburg, PINGREE of North Haven, RECTOR of Thomaston, WEBSTER of Freeport. 1 **Preamble.** Two thirds of both Houses of the Legislature deeming it necessary in 2 accordance with the Constitution of Maine, Article IX, Section 14 to authorize the 3 issuance of bonds on behalf of the State of Maine to provide funds as described in this 4 Act,

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

6 Sec. 1. Authorization of bonds. The Treasurer of State is authorized, under the 7 direction of the Governor, to issue bonds in the name and on behalf of the State in an 8 amount not exceeding \$5,000,000 for the purposes described in section 6 of this Act. The 9 bonds are a pledge of the full faith and credit of the State. The bonds may not run for a 10 period longer than 10 years from the date of the original issue of the bonds. At the 11 discretion of the Treasurer of State, with the approval of the Governor, any issuance of 12 bonds may contain a call feature.

13 Sec. 2. Records of bonds issued kept by Treasurer of State. The Treasurer 14 of State shall keep an account of each bond showing the number of the bond, the name of 15 the successful bidder to whom sold, the amount received for the bond, the date of sale and 16 the date when payable.

17 Sec. 3. Sale; how negotiated; proceeds appropriated. The Treasurer of State 18 may negotiate the sale of the bonds by direction of the Governor, but no bond may be 19 loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the 20 bonds, which must be held by the Treasurer of State and paid by the Treasurer of State 21 upon warrants drawn by the State Controller, are appropriated solely for the purposes set 22 forth in this Act. Any unencumbered balances remaining at the completion of the project 23 in this Act lapse to the debt service account established for the retirement of these bonds.

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

Sec. 5. Disbursement of bond proceeds. The proceeds of the bonds must be
expended as set out in this Act under the direction and supervision of the Maine State
Cultural Affairs Council.

30 Sec. 6. Allocations from General Fund bond issue. The proceeds of the sale 31 of the bonds authorized under this Act must be expended as designated in the following 32 schedule.

- 33 MAINE STATE CULTURAL
- 34 AFFAIRS COUNCIL
- 35
- 36 Provides funds to the New Century

\$5,000,000

- 37 Community Program to revitalize
- 38 downtown areas, support cultural tourism,
- 39 increase access to digital resources and
- 40 expand the creative economy of the State.

2 Sec. 7. Contingent upon ratification of bond issue. Sections 1 to 6 do not 3 become effective unless the people of the State ratify the issuance of the bonds as set 4 forth in this Act.

5 Sec. 8. Appropriation balances at year-end. At the end of each fiscal year, all 6 unencumbered appropriation balances representing state money carry forward. Bond 7 proceeds that have not been expended within 10 years after the date of the sale of the 8 bonds lapse to General Fund debt service.

9 Sec. 9. Bonds authorized but not issued. Any bonds authorized but not issued, 10 or for which bond anticipation notes are not issued within 5 years of ratification of this 11 Act, are deauthorized and may not be issued, except that the Legislature may, within 2 12 years after the expiration of that 5-year period, extend the period for issuing any 13 remaining unissued bonds or bond anticipation notes for an additional amount of time not 14 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 in the month 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:

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"Do you favor a \$5,000,000 bond issue for the revitalization of
downtown areas, support of cultural tourism, increased access to digital
resources and expansion of Maine's creative economy?"

25 The legal voters of each city, town and plantation shall vote by ballot on this question 26 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 27 28 declared in open ward, town and plantation meetings and returns made to the Secretary of 29 State in the same manner as votes for members of the Legislature. The Governor shall 30 review the returns. If a majority of the legal votes are cast in favor of this Act, the 31 Governor shall proclaim the result without delay, and this Act becomes effective 30 days 32 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 Act necessary to carry out the purposes of this referendum.

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SUMMARY

The funds provided by this bond issue, in the amount of \$5,000,000, will be used to revitalize downtown areas, support cultural tourism, increase access to digital resources and expand Maine's creative economy.