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Legislative Document

No. 612

H.P. 461

House of Representatives, February 8, 2007

An Act To Authorize a General Fund Bond Issue for Capital Improvements for the Maine Community College System

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

Millicent M. Mac Jailand

MILLICENT M. MacFARLAND Clerk

Presented by Representative FINCH of Fairfield. Cosponsored by Senator BOWMAN of York and Representatives: FLETCHER of Winslow, NORTON of Bangor, RECTOR of Thomaston, SAVIELLO of Wilton, SUTHERLAND of Chapman, Senators: McCORMICK of Kennebec, MITCHELL of Kennebec, RAYE of Washington. **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,

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 \$30,000,000 for the purposes described in section 6 of this Act. 9 The bonds are a pledge of the full faith and credit of the State. The bonds may not run for 10 a 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.

Sec. 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 Act. Any unencumbered balances remaining at the completion of the project 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.

27 Sec. 5. Disbursement of bond proceeds. The proceeds of the bonds must be
28 expended as set out in this Act under the direction and supervision of the Maine
29 Community College System.

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 COMMUNITY COLLEGE

- 34 SYSTEM
- 35
- 36 Provides funds to the Maine Community

\$30,000,000

- 37 College System for capital improvements.
- 38

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

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

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

14 Sec. 10. Referendum for ratification; submission at election; form of 15 question; effective date. This Act must be submitted to the legal voters of the State at 16 a statewide election held on the Tuesday following the first Monday of November 17 following passage of this Act. The municipal officers of this State shall notify the 18 inhabitants of their respective cities, towns and plantations to meet, in the manner 19 prescribed by law for holding a statewide election, to vote on the acceptance or rejection 20 of this Act by voting on the following question:

"Do you favor a \$30,000,000 bond issue to provide funds for capital
improvements to the Maine Community College System?"

23 The legal voters of each city, town and plantation shall vote by ballot on this question 24 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 25 declared in open ward, town and plantation meetings and returns made to the Secretary of 26 27 State in the same manner as votes for members of the Legislature. The Governor shall review the returns. If a majority of the legal votes are cast in favor of this Act, the 28 Governor shall proclaim the result without delay and this Act becomes effective 30 days 29 30 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 \$30,000,000, will be used for capital improvements to the Maine Community College System.