

MAINE STATE LEGISLATURE

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No. 718

H.P. 539

House of Representatives, February 13, 2007

An Act To Authorize a General Fund Bond Issue To Stimulate the Midcoast Economy

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative GERZOFKY of Brunswick.
Cosponsored by President EDMONDS of Cumberland and
Representatives: BERRY of Bowdoinham, BERUBE of Lisbon, PERCY of Phippsburg,
PRESCOTT of Topsham, PRIEST of Brunswick, RINES of Wiscasset, WATSON of Bath,
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 \$20,000,000 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.

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.

24 **Sec. 4. Interest and debt retirement.** The Treasurer of State shall pay interest
25 due or accruing on any bonds issued under this Act and all sums coming due for payment
26 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 Department of
29 Economic and Community Development, the Finance Authority of Maine and the
30 Department of Transportation.

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

34 **Department of Economic and**
35 **Community Development**

36		
37	Provides competitive funds for	\$10,000,000
38	infrastructure improvements and property	
39	acquisitions directly related to economic	
40	development and job growth.	

1		
2	Provides funds to the Small Enterprise	\$2,000,000
3	Growth Fund for venture capital.	
4		
5	Provides funds to the Maine Technology	\$1,000,000
6	Institute for research and development	
7	projects in the midcoast area.	
8		
9	Finance Authority of Maine	
10		
11	Provides funds to the economic recovery	\$3,000,000
12	loan program at the Finance Authority of	
13	Maine designated for the midcoast area to	
14	assist businesses and landlords through	
15	the transition period of the	
16	decommissioning of Brunswick Naval Air	
17	Station and to help existing businesses	
18	expand.	
19		
20	Department of Transportation	
21		
22	Provides funds for rail and highway	\$4,000,000
23	infrastructure improvements in the	
24	midcoast area.	

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

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

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

38 **Sec. 10. Referendum for ratification; submission at election; form of**
39 **question; effective date.** This Act must be submitted to the legal voters of the State at
40 a statewide election held in the month of November following the passage of this Act.
41 The municipal officers of this State shall notify the inhabitants of their respective cities,
42 towns and plantations to meet, in the manner prescribed by law for holding a statewide

1 election, to vote on the acceptance or rejection of this Act by voting on the following
2 question:

3 "Do you favor a \$20,000,000 bond issue to be used for the following purposes:

4 1. The sum of \$10,000,000 for infrastructure improvements and property acquisitions
5 directly related to economic development and job growth;

6 2. The sum of \$2,000,000 for the Small Enterprise Growth Fund to provide venture
7 capital specifically to the midcoast area for start-ups and expansion of existing
8 businesses;

9 3. The sum of \$1,000,000 to the Maine Technology Institute for research and
10 development in the midcoast area;

11 4. The sum of \$3,000,000 for the economic recovery loan program designated to the
12 midcoast area to help businesses and landlords through the transition period of the
13 decommissioning of Brunswick Naval Air Station; and

14 5. The sum of \$4,000,000 for rail and highway infrastructure improvements in the
15 midcoast area?"

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

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

27 SUMMARY

28 The funds provided by this bond issue, in the amount of \$20,000,000, are to be used
29 for economic stimulation to the midcoast area of Maine for infrastructure improvement
30 and property acquisition directly related to economic development and job growth, to
31 help businesses and landlords through the transition period of the decommissioning of
32 Brunswick Naval Air Station, to provide funding for the expansion of existing business,
33 to provide venture capital for start-ups and expansion of existing businesses, to fund
34 research and development projects in the midcoast area by the Maine Technology
35 Institute and to improve the rail and highway infrastructures.