

MAINE STATE LEGISLATURE

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No. 806

H.P. 606

House of Representatives, February 16, 2007

**An Act To Authorize a General Fund Bond Issue for the Maine
Biomedical Research Fund to Create Jobs and Strengthen Maine's
Economy**

Received by the Clerk of the House on February 15, 2007. Referred to the Committee on Appropriations and Financial Affairs pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative TARDY of Newport.
Cosponsored by Senator DAMON of Hancock and
Representatives: CROSTHWAITE of Ellsworth, Speaker CUMMINGS of Portland, FISCHER
of Presque Isle, Senators: ROSEN of Hancock, TURNER of Cumberland.

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 \$75,000,000 for the purposes described in section 6 of this Act.
9 No more than \$15,000,000 may be issued in the first year and no more than \$15,000,000
10 may be issued in each of the 4 subsequent years, except that any unused balance may be
11 added to the specified amount in any subsequent years. The bonds are a pledge of the full
12 faith and credit of the State. The bonds may not run for a period longer than 10 years
13 from the date of the original issue of the bonds. At the discretion of the Treasurer of
14 State, with the approval of the Governor, any issuance of bonds may contain a call
15 feature.

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

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

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

30 **Sec. 5. Disbursement of bond proceeds.** The proceeds of the bonds must be
31 expended as set out in this Act under the direction and supervision of the Department of
32 Economic and Community Development.

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

36 **DEPARTMENT OF ECONOMIC**
37 **AND COMMUNITY**
38 **DEVELOPMENT**

39

1 Provides funds for the Maine Biomedical \$75,000,000
2 Research Fund to stimulate economic
3 growth and job creation through
4 investments to support capital
5 infrastructure and equipment in
6 anticipation of approximately
7 \$150,000,000 in federal and private
8 funds. Eligible institutions are those
9 delineated in the Maine Revised Statutes,
10 Title 5, section 13103 for medical
11 research and development.

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

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

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

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

32 "Do you favor a \$75,000,000 bond issue to stimulate economic growth
33 and job creation through investments to support capital infrastructure and
34 equipment in anticipation of approximately \$150,000,000 in federal and
35 private funds for medical research and development?"

36 The legal voters of each city, town and plantation shall vote by ballot on this question
37 and designate their choice by a cross or check mark placed within a corresponding square
38 below the word "Yes" or "No." The ballots must be received, sorted, counted and
39 declared in open ward, town and plantation meetings and returns made to the Secretary of

1 State in the same manner as votes for members of the Legislature. The Governor shall
2 review the returns. If a majority of the legal votes are cast in favor of this Act, the
3 Governor shall proclaim the result without delay and this Act becomes effective 30 days
4 after the date of the proclamation.

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

8 **SUMMARY**

9 The funds provided by this bond issue, in the amount of \$75,000,000 to stimulate
10 economic growth and job creation through investments to support capital infrastructure
11 and equipment for medical research and development, will be used to provide funds for
12 the Maine Biomedical Research Fund. The bonds will be issued in 5 increments of
13 \$15,000,000 each during the next 5 years in anticipation of approximately \$150,000,000
14 in federal and private funds.