

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

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Legislative Document

No. 1513

S.P. 536

March 20, 2007

An Act To Authorize a General Fund Bond Issue To Fund Water and Wastewater Infrastructure

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator RAYE of Washington.
Cosponsored by Representative KOFFMAN of Bar Harbor and Senators: BARTLETT of Cumberland, MARTIN of Aroostook, ROSEN of Hancock, SMITH of Piscataquis,
Representatives: EMERY of Cutler, FAIRCLOTH of Bangor, FLOOD of Winthrop, HAMPER of Oxford.

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 \$40,000,000 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 Environmental Protection.

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 **DEPARTMENT OF**
34 **ENVIRONMENTAL PROTECTION**

35		
36	Provides funds to construct wastewater	\$5,000,000
37	pollution control facilities and to match	
38	federal funding for a revolving loan	
39	match.	
40		

1	Provides funds for drinking water	\$5,000,000
2	facilities to match federal funding for a	
3	revolving loan match.	
4		
5	Provides funds for combined sewer	\$26,000,000
6	overflow issues and for repair, upgrade	
7	and new construction of wastewater	
8	pollution control facilities for	
9	municipalities that need supplementation	
10	to existing loans.	
11		
12	Provides funds for removing and	\$4,000,000
13	replacing some of the 1,500 existing	
14	overboard discharge systems in the State	
15	and for offering small community grants	
16	to repair failing septic systems that are	
17	polluting surface waters in areas where	
18	there is no centralized sewage collection.	

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

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

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

32 **Sec. 10. Referendum for ratification; submission at election; form of**
33 **question; effective date.** This Act must be submitted to the legal voters of the State at
34 a statewide election held in the month of November following the passage of this Act.
35 The municipal officers of this State shall notify the inhabitants of their respective cities,
36 towns and plantations to meet, in the manner prescribed by law for holding a statewide
37 election, to vote on the acceptance or rejection of this Act by voting on the following
38 question:

39 "Do you favor a \$40,000,000 bond issue to match federal funds for the
40 construction of wastewater pollution control facilities, to match federal
41 funds for a revolving loan match for drinking water facilities, for funds to

1 repair, upgrade and complete new wastewater control facilities, for
2 combined sewage overflow and for removing and replacing some of the
3 1,500 overboard discharge systems in the State, as well as to help repair
4 failing septic systems that are polluting surface waters?"

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

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

16 **SUMMARY**

17 The funds provided by this bond issue, in the amount of \$40,000,000, will be used to
18 match federal funds for the construction of wastewater pollution control facilities, to
19 match federal funds for a revolving loan match for drinking water facilities, for funds to
20 repair, upgrade and complete new wastewater control facilities, for combined sewage
21 overflow and for removing and replacing some of the 1,500 overboard discharge systems
22 in the State, as well as to help repair failing septic systems that are polluting surface
23 waters.