

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1611

H.P. 1133

House of Representatives, March 21, 2007

**An Act To Authorize a General Fund Bond Issue for Research and
Development to Create Jobs in Maine's Emerging Biobased Plastics
Industry**

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative SMITH of Monmouth.
Cosponsored by Senator SHERMAN of Aroostook and
Representatives: CAIN of Orono, CLEARY of Houlton, FISCHER of Presque Isle, JACKSON
of Allagash, Senator: MARTIN of Aroostook.

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 \$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.

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 and the University of Maine 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 to support research,
32 development and commercialization projects that support the emerging biobased plastics
33 industry and related green chemistry research consistent with the following criteria and
34 purposes. The funds will be administered by the Maine Technology Institute through a
35 biobased plastics and green chemistry fund.

36 A biobased plastics and green chemistry fund may only be used to support projects
37 that support or enhance cluster development for innovative technology; are consistent
38 with the objectives of the Maine science and technology action plan; represent a
39 collaborative effort between the public, private and nonprofit sectors; advance research
40 and development in one or more of the following priority sectors: advanced materials and

1 composites, forestry and agriculture or environmental technologies; and leverage private
2 sector investments, other state funding, federal research funding or other matching funds.

3 The types of projects eligible for competitively awarded funding from a biobased
4 plastics and green chemistry fund for equipment and capital expenditures include, but are
5 not limited to:

6 1. Research and development of processes to manufacture biobased plastics from
7 potatoes, other agricultural crops, forest products or other biomass;

8 2. Commercialization of biobased plastics production from potatoes or other
9 agricultural crops at one or more facilities to be located in Aroostook County;

10 3. Infrastructure to support the collection, storage and processing of potatoes, other
11 agricultural crops or related agricultural waste products to provide feedstock for the
12 manufacture of biobased plastics;

13 4. Research and development of agricultural crops such as potatoes and sugar beets to
14 provide a source of starch or sugar to support biobased plastics production;

15 5. Research and infrastructure development that enables biobased plastics production
16 to meet emerging sustainability guidelines that promote sustainable agriculture, energy
17 efficiency, nontoxic additives, biocomposting and recycling;

18 6. Research and development of specific applications to expand the use of biobased
19 plastics in manufacturing and services and to develop new markets for biobased plastics;

20 7. Green chemistry research that leads to the development of safer alternatives to
21 hazardous chemicals or petroleum-based plastics; and

22 8. Related research infrastructure capacity within the University of Maine System.

23 **DEPARTMENT OF ECONOMIC**
24 **AND COMMUNITY**
25 **DEVELOPMENT**

26
27 Provides funds for a biobased plastics and \$30,000,000
28 green chemistry fund to be administered
29 by the Maine Technology Institute.

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

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

