

# MAINE STATE LEGISLATURE

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# 124th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2009

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Legislative Document

No. 10

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H.P. 5

House of Representatives, January 5, 2009

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### **An Act To Authorize a General Fund Bond Issue for Wastewater Treatment Facilities and Drinking Water Programs**

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

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative FLOOD of Winthrop.  
Cosponsored by Senator DAMON of Hancock and  
Representatives: FITTS of Pittsfield, WELSH of Rockport, Senators: BLISS of Cumberland,  
DAVIS of Cumberland, MILLS of Somerset, MITCHELL of Kennebec.

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 \$11,100,000 over 3 years for the purposes described in section 6 of  
9 this Act. The bonds are a pledge of the full faith and credit of the State. The bonds may  
10 not run for a period longer than 10 years from the date of the original issue of the bonds.  
11 At the discretion of the Treasurer of State, with the approval of the Governor, any  
12 issuance of 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 Health and Human Services and the Department of 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 HEALTH AND**  
34 **HUMAN SERVICES**

35  
36 Provides funds in the amount of \$5,100,000  
37 \$1,700,000 a year over 3 years for the  
38 drinking water program in the  
39 department.  
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DEPARTMENT OF  
ENVIRONMENTAL PROTECTION

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Provides funds in the amount of \$6,000,000  
\$2,000,000 a year over 3 years for  
wastewater treatment facilities.

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

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

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

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

27               "Do you favor an \$11,100,000 bond issue to be expended over 3 years  
28               for drinking water programs and for wastewater treatment facilities?"

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

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

**SUMMARY**

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The funds provided by this bond issue, in the amount of \$11,100,000, to be expended over 3 years, will be used to fund drinking water programs and wastewater treatment facilities.