

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 439

H.P. 327

House of Representatives, February 10, 2009

**An Act To Authorize a General Fund Bond Issue for Research and
Development To Stimulate Maine's Innovation Economy**

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative CAIN of Orono.
Cosponsored by Senator SCHNEIDER of Penobscot and
Representatives: MARTIN of Orono, Speaker PINGREE of North Haven, ROSEN of
Bucksport, SMITH of Monmouth, Senators: BARTLETT of Cumberland, RECTOR of Knox.

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 \$200,000,000 for the purposes described in section 6. No more
9 than \$50,000,000 may be issued in the first year and no more than \$50,000,000 may be
10 issued in each of the 3 subsequent years. The bonds are a pledge of the full faith and
11 credit of the State. The bonds may not run for a period longer than 20 years from the date
12 of the original issue of the bonds. At the discretion of the Treasurer of State, with the
13 approval of the Governor, any issuance of bonds may contain a call feature.

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

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

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

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

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 **Maine Technology Institute**
38

1 Provides funds to be used for capital \$200,000,000
2 infrastructure, equipment and activities as
3 prioritized by the State's innovation
4 economy action plan, pursuant to the
5 Maine Revised Statutes, Title 10, section
6 949. The funds must be allocated through
7 a competitive process to Maine-based
8 public and private institutions and current
9 and emerging targeted technology sector
10 coalitions, pursuant to Title 5, section
11 15301, subsection 2, engaged in research
12 and technology development and
13 commercialization, and must be awarded to
14 leverage matching funds on at least a one-
15 to-one basis.

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

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

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

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

36 "Do you favor a bond issue of up to \$50,000,000 for each of the next 4
37 years totaling up to \$200,000,000 for competitive grants administered by
38 the Maine Technology Institute to stimulate economic growth and job
39 creation through investments in research and development and
40 commercialization, in anticipation of an additional \$200,000,000 in
41 federal and private funding?"

