

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 732

S.P. 282

In Senate, February 24, 2009

**An Act To Authorize a General Fund Bond Issue To Support Small
Businesses' Access to Capital**

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 President MITCHELL of Kennebec.
Cosponsored by Senators: DAMON of Hancock, SCHNEIDER of Penobscot and
Senator: RECTOR of Knox, Representatives: GILES of Belfast, MacDONALD of Boothbay,
SMITH of Monmouth, TARDY of Newport, WRIGHT of Berwick.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39

Preamble. Two thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14 to authorize the issuance of bonds on behalf of the State of Maine to provide funds as described in this Act,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. Authorization of bonds. The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$30,000,000 for the purposes described in section 6 of this Act. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds. At the discretion of the Treasurer of State, with the approval of the Governor, any issuance of bonds may contain a call feature.

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

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

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

Sec. 5. Disbursement of bond proceeds. The proceeds of the bonds must be expended as set out in this Act under the direction and supervision of the Small Enterprise Growth Board and the Finance Authority of Maine.

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

**SMALL ENTERPRISE GROWTH
BOARD**

Provides funds for disbursements to \$10,000,000
qualifying small businesses in the State
seeking to pursue eligible projects.

1 **FINANCE AUTHORITY OF MAINE**

2		
3	Provides funds for the Regional Economic	\$20,000,000
4	Development Revolving Loan Program	
5	Fund and the economic recovery loan	
6	program.	

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

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

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

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

26 "Do you favor a \$30,000,000 bond issue to be used to provide for
27 disbursements to qualifying small businesses in the State seeking to
28 pursue eligible projects and for funds for the Regional Economic
29 Development Revolving Loan Program Fund and the economic recovery
30 loan program?"

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

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

4 **SUMMARY**

5 The funds provided by this bond issue, in the amount of \$30,000,000, will be used to
6 provide for disbursements to qualifying small businesses in the State seeking to pursue
7 eligible projects and for funds for the Regional Economic Development Revolving Loan
8 Program Fund and the economic recovery loan program administered by the Finance
9 Authority of Maine.