

# MAINE STATE LEGISLATURE

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# 124th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2010

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Legislative Document

No. 1826

H.P. 1313

House of Representatives, March 25, 2010

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### **An Act To Authorize Bond Issues for Ratification by the Voters for the June 2010 Election**

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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 CAIN of Orono. (GOVERNOR'S BILL)  
Cosponsored by Senator DIAMOND of Cumberland and  
Representatives: ADAMS of Portland, AYOTTE of Caswell, BEAUDETTE of Biddeford,  
BECK of Waterville, BERRY of Bowdoinham, BLANCHARD of Old Town, BRIGGS of  
Mexico, CAMPBELL of Newfield, CAREY of Lewiston, CLARK of Millinocket, CLEARY  
of Houlton, COHEN of Portland, CONNOR of Kennebunk, CORNELL du HOUX of  
Brunswick, DILL of Cape Elizabeth, DOSTIE of Sabattus, EVES of North Berwick,  
FLAHERTY of Scarborough, FLEMINGS of Bar Harbor, HANLEY of Gardiner, HASKELL  
of Portland, HOGAN of Old Orchard Beach, WALSH INNES of Yarmouth, LAJOIE of  
Lewiston, MacDONALD of Boothbay, MARTIN of Orono, MARTIN of Eagle Lake,  
MAZUREK of Rockland, McCABE of Skowhegan, MILLER of Somerville, MITCHELL of  
the Penobscot Nation, PEOPLES of Westbrook, PERCY of Phippsburg, PERRY of Calais,  
PETERSON of Rumford, PIEH of Bremen, PILON of Saco, Speaker PINGREE of North  
Haven, PIOTTI of Unity, PRATT of Eddington, PRIEST of Brunswick, ROTUNDO of  
Lewiston, RUSSELL of Portland, SCHATZ of Blue Hill, SMITH of Monmouth, STUCKEY of  
Portland, SUTHERLAND of Chapman, THERIAULT of Madawaska, TREAT of Hallowell,  
TRINWARD of Waterville, VAN WIE of New Gloucester, WATSON of Bath, WEBSTER of  
Freeport, WELSH of Rockport, WILLETTE of Presque Isle, Senators: ALFOND of  
Cumberland, BARTLETT of Cumberland, BLISS of Cumberland, BOWMAN of York,  
BRANNIGAN of Cumberland, BRYANT of Oxford, CRAVEN of Androscoggin, DAMON of  
Hancock, GERZOFKY of Cumberland, GOOLEY of Franklin, HOBBS of York,  
JACKSON of Aroostook, MARRACHÉ of Kennebec, President MITCHELL of Kennebec,  
NUTTING of Androscoggin, PERRY of Penobscot, SCHNEIDER of Penobscot, SHERMAN  
of Aroostook, SIMPSON of Androscoggin, SULLIVAN of York.

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 **PART A**

7 **Sec. A-1. Authorization of bonds.** The Treasurer of State is authorized, under  
8 the direction of the Governor, to issue bonds in the name and on behalf of the State in an  
9 amount not exceeding \$62,000,000 for the purposes described in section 6 of this Part.  
10 The bonds are a pledge of the full faith and credit of the State. The bonds may not run for  
11 a period longer than 10 years from the date of the original issue of the bonds. At the  
12 discretion of the Treasurer of State, with the approval of the Governor, any issuance of  
13 bonds may contain a call feature.

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

18 **Sec. A-3. Sale; how negotiated; proceeds appropriated.** The Treasurer of  
19 State may negotiate the sale of the bonds by direction of the Governor, but no bond may  
20 be 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 Part. Any unencumbered balances remaining at the completion of the project  
24 in this Part lapse to the debt service account established for the retirement of these bonds.

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

28 **Sec. A-5. Disbursement of bond proceeds.** The proceeds of the bonds must be  
29 expended as set out in this Part under the direction and supervision of the Department of  
30 Transportation.

31 **Sec. A-6. Allocations from General Fund bond issue.** The proceeds of the  
32 sale of the bonds authorized under this Part must be expended as designated in the  
33 following schedule.

34 **DEPARTMENT OF**  
35 **TRANSPORTATION**

36  
37 **General Fund**  
38

1 Provides funds for highway improvements, \$31,000,000  
2 including \$28,000,000 for state highway  
3 reconstruction and paving and \$3,000,000  
4 for a municipal highway challenge grant  
5 program.

6  
7 Provides funds for railroads, including \$22,000,000  
8 \$17,000,000 to purchase and preserve  
9 approximately 240 miles of railroad track  
10 in Aroostook County currently owned and  
11 operated by the Montreal, Maine and  
12 Atlantic Railway and \$5,000,000 to  
13 purchase a portion of rail line and to make  
14 other improvements related to improved  
15 freight rail service and preparation for  
16 future passenger rail service to Lewiston  
17 and Auburn.

18  
19 Provides funds for marine-related \$9,000,000  
20 improvements, including \$8,000,000 for  
21 the Ocean Gateway deep water pier and  
22 \$1,000,000 for challenge grants from the  
23 Small Harbor Improvement Program.

24 **Sec. A-7. Contingent upon ratification of bond issue.** Sections 1 to 6 do not  
25 become effective unless the people of the State ratify the issuance of the bonds as set  
26 forth in this Part.

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

31 **Sec. A-9. Bonds authorized but not issued.** Any bonds authorized but not  
32 issued, or for which bond anticipation notes are not issued within 5 years of ratification of  
33 this Part, are deauthorized and may not be issued, except that the Legislature may, within  
34 2 years after the expiration of that 5-year period, extend the period for issuing any  
35 remaining unissued bonds or bond anticipation notes for an additional amount of time not  
36 to exceed 5 years.

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

1 "Do you favor a \$62,000,000 bond issue for improvements to highways,  
2 railroads and marine facilities, including port and harbor structures,  
3 which will create jobs in Maine?"

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

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

15 **PART B**

16 **Sec. B-1. PL 2009, c. 414, Pt. C, §1** is amended to read:

17 **Sec. C-1. Authorization of bonds.** The Treasurer of State is authorized, under  
18 the direction of the Governor, to issue bonds in the name and on behalf of the State in an  
19 amount not exceeding ~~\$10,250,000~~ \$17,250,000 for the purposes described in section 6 of  
20 this Part. The bonds are a pledge of the full faith and credit of the State. The bonds may  
21 not run for a period longer than 10 years from the date of the original issue of the bonds.  
22 At the discretion of the Treasurer of State, with the approval of the Governor, any  
23 issuance of bonds may contain a call feature.

24 **Sec. B-2. PL 2009, c. 414, Pt. C, §6** is amended to read:

25 **Sec. C-6. Allocations from General Fund bond issue.** The proceeds of the  
26 sale of the bonds authorized under this Part must be expended as designated in the  
27 following schedule.

28 **DEPARTMENT OF HEALTH AND**  
29 **HUMAN SERVICES**

30  
31 **Safe Drinking Water Revolving Loan**  
32 **Fund**

33  
34 Provides funds for a drinking water ~~\$3,400,000~~ \$5,400,000  
35 revolving loan fund to acquire, design,  
36 plan, construct, enlarge, repair, protect or  
37 improve drinking water supplies or  
38 treatment systems to be matched by  
39 ~~\$17,000,000~~ \$27,000,000 in other funds.  
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**DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**Small Community Grant Program**

Provides funding for grants to towns to help replace malfunctioning septic systems that are polluting a water body or causing a public nuisance. \$1,000,000 \$2,800,000

**Wastewater Treatment Facility State Revolving Loan Fund**

Provides funds for a wastewater treatment facility state revolving loan fund to be matched by ~~\$15,000,000~~ \$31,000,000 in other funds. \$3,000,000 \$6,200,000

**Uncontrolled Sites**

Provides funds to investigate and clean up uncontrolled hazardous substance contamination at sites posing unacceptable threats to public health and water quality. \$750,000

**Wastewater Treatment Facility Construction Grants**

Provides funds for wastewater treatment facility construction grants to be matched by \$900,000 in other funds. \$600,000

**Overboard Discharge**

1 Provides funds to assist homeowners \$500,000  
2 whose homes are serviced by substandard  
3 or malfunctioning waste water treatment  
4 systems, including straight pipe discharges,  
5 individual overboard discharge systems,  
6 subsurface waste water disposal systems,  
7 septic tanks, leach fields and cesspools,  
8 which systems result in direct discharges of  
9 domestic pollutants to the surface waters of  
10 the State.

11  
12 **DEPARTMENT OF AGRICULTURE,**  
13 **FOOD AND RURAL RESOURCES**

14  
15 **Agriculture Water Source Development**  
16 **Program**

17  
18 Provides funds to assist farmers in the \$1,000,000  
19 development of environmentally sound  
20 water sources to manage weather-related  
21 risk and to comply with in-stream flow  
22 rules that will leverage \$350,000 in other  
23 funds.

24 **Sec. B-3. PL 2009, c. 414, Pt. C, §10** is amended to read:

25 **Sec. C-10. Referendum for ratification; submission at election; form of**  
26 **question; effective date.** This Part must be submitted to the legal voters of the State at  
27 a statewide election held in June 2010 following passage of this Act. The municipal  
28 officers of this State shall notify the inhabitants of their respective cities, towns and  
29 plantations to meet, in the manner prescribed by law for holding a statewide election, to  
30 vote on the acceptance or rejection of this Part by voting on the following question:

31 "Do you favor a ~~\$10,250,000~~ \$17,250,000 bond issue to improve water  
32 quality, support drinking water programs and the construction of  
33 wastewater treatment facilities and to assist farmers in the development  
34 of environmentally sound water sources that will leverage ~~\$33,250,000~~  
35 \$59,250,000 in federal and other funds?"

36 The legal voters of each city, town and plantation shall vote by ballot on this question  
37 and designate their choice by a cross or check mark placed within a corresponding square  
38 below the word "Yes" or "No." The ballots must be received, sorted, counted and  
39 declared in open ward, town and plantation meetings and returns made to the Secretary of  
40 State in the same manner as votes for members of the Legislature. The Governor shall  
41 review the returns. If a majority of the legal votes are cast in favor of this Part, the  
42 Governor shall proclaim the result without delay and this Part becomes effective 30 days  
43 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 Part necessary to carry out the purposes of this  
3 referendum.

4 **PART C**

5 **Sec. C-1. PL 2009, c. 414, Pt. D, §1** is amended to read:

6 **Sec. D-1. Authorization of bonds.** The Treasurer of State is authorized, under  
7 the direction of the Governor, to issue bonds in the name and on behalf of the State in an  
8 amount not exceeding ~~\$33,500,000~~ \$43,500,000 for the purposes described in section 6 of  
9 this Part. 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. C-2. PL 2009, c. 414, Pt. D, §6** is amended to read:

14 **Sec. D-6. Allocations from General Fund bond issue.** The proceeds of the  
15 sale of the bonds authorized under this Part must be expended as designated in the  
16 following schedule.

17 **PUBLIC UTILITIES COMMISSION**

18 **Public Utilities Commission**

19 Provides funds for weatherization and \$12,000,000  
20 energy efficiency programs for low and  
21 middle income households and small  
22 businesses. If the energy efficiency  
23 programs of the commission are transferred  
24 to another entity established by the  
25 Legislature, the commission shall transfer  
26 all unexpended funds to that entity.

27 Provides funds for large energy efficiency \$5,000,000  
28 and conservation projects focusing on the  
29 industrial and commercial sectors in Maine.  
30 The Efficiency Maine Trust will manage  
31 the funds in coordination with ongoing  
32 programs and in a manner consistent with  
33 long-term state goals and will leverage an  
34 anticipated \$25,000,000 in other funds.

35 **UNIVERSITY OF MAINE SYSTEM**

36 **University of Maine System**



1 Provides funds for energy and \$9,500,000  
2 infrastructure upgrades at all campuses of  
3 the University of Maine System.  
4

5 **MAINE COMMUNITY COLLEGE**  
6 **SYSTEM**

7  
8 **Maine Community College System**

9  
10 Provides funds for energy and \$5,000,000  
11 infrastructure upgrades at all campuses of  
12 the Maine Community College System.  
13

14 **MAINE MARITIME ACADEMY**

15  
16 **Maine Maritime Academy**

17  
18 Provides funds for energy and \$1,000,000  
19 infrastructure upgrades at the Maine  
20 Maritime Academy.  
21

22 **DEPARTMENT OF**  
23 **ADMINISTRATIVE AND FINANCIAL**  
24 **SERVICES**

25  
26 **Maine Marine Wind Energy**  
27 **Demonstration Site Fund**

28  
29 Provides funds for research, development \$6,000,000 \$11,000,000  
30 and product innovation associated with  
31 developing one or more ocean wind energy  
32 demonstration sites. It will also provide  
33 funding for robotics equipment to  
34 accelerate wind energy components  
35 manufacturing in Maine. The funds will  
36 leverage \$24,500,000 in other funds.  
37

38 **Sec. C-3. PL 2009, c. 414, Pt. D, §10** is amended to read:

39 **Sec. D-10. Referendum for ratification; submission at election; form of**  
40 **question; effective date.** This Part must be submitted to the legal voters of the State at  
41 a statewide election held in June 2010 following passage of this Act. The municipal  
42 officers of this State shall notify the inhabitants of their respective cities, towns and  
43 plantations to meet, in the manner prescribed by law for holding a statewide election, to  
44 vote on the acceptance or rejection of this Part by voting on the following question:

1 "Do you favor a ~~\$33,500,000~~ \$43,500,000 bond issue to provide for  
2 investments in ~~weatherization~~ residential and industrial energy efficiency  
3 projects; for infrastructure and energy efficiency upgrades at campuses of  
4 the University of Maine System, the Maine Community College System  
5 and the Maine Maritime Academy; and for the creation of a fund to  
6 develop one or more ocean wind energy demonstration sites and for  
7 robotics equipment to accelerate wind energy components manufacturing  
8 in Maine that will leverage \$49,500,000 in federal and other funds?"

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

17 The Secretary of State shall prepare and furnish to each city, town and plantation all  
18 ballots, returns and copies of this Part necessary to carry out the purposes of this  
19 referendum.

#### 20 SUMMARY

21 Part A authorizes a \$62,000,000 bond issue for improvements to highways, railroads  
22 and marine facilities, including port and harbor structures. Part A requires a June 2010  
23 referendum.

24 Part B increases the amount of the bond request in Public Law 2009, chapter 414,  
25 Part C for the Safe Drinking Water Revolving Loan Fund, the Small Community Grant  
26 Program and the Wastewater Treatment Facility State Revolving Loan Fund.

27 Part C amends Public Law 2009, chapter 414, Part D to authorize a \$5,000,000 bond  
28 issue for large energy efficiency and conservation projects that focus on the industrial and  
29 commercial sectors in Maine and to increase the amount of the bond request for the  
30 Maine Marine Wind Energy Demonstration Site Fund in order that the program can  
31 accelerate wind energy components manufacturing in Maine.