

# MAINE STATE LEGISLATURE

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# 125th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2011

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Legislative Document

No. 842

H.P. 639

House of Representatives, March 3, 2011

**An Act To Authorize a General Fund Bond Issue To Support  
Research and Sustainable Development of Maine's Natural  
Resources**

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

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Clerk

Presented by Representative HUNT of Buxton.  
Cosponsored by Senator JACKSON of Aroostook and  
Representatives: DOW of Waldoboro, EVES of North Berwick, FLEMINGS of Bar Harbor,  
McCABE of Skowhegan, PRESCOTT of Topsham.

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 \$50,000,000 for the purposes described in section 5 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.

11           **Sec. 2. Records of bonds issued; Treasurer of State.** The Treasurer of State  
12 shall ensure that an account of each bond is kept showing the number of the bond, the  
13 name of the successful bidder to whom sold, the amount received for the bond, the date of  
14 sale and the date when payable.

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

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

26           **Sec. 5. Disbursement of bond proceeds.** The proceeds of the bonds must be  
27 expended as set out in this Act under the direction and supervision of the Department of  
28 Economic and Community Development, Maine Technology Institute.

29           **1. Maine Technology Capacity Fund.** A portion of the proceeds of the sale of  
30 bonds must be deposited in the existing Maine Technology Capacity Fund, established in  
31 the Maine Revised Statutes, Title 5, section 15303-A, and used to support research,  
32 development and commercialization of innovative advanced technology based on  
33 sustainable use of natural resources, including, but not limited to, forest products,  
34 agricultural products, tidal energy and wind energy. The funds must be competitively  
35 awarded for equipment and other capital expenditures. This fund may support only  
36 projects that:

37           A. Are consistent with the objectives of the State's science and technology action  
38 plan, established pursuant to the Maine Revised Statutes, Title 10, chapter 107-D, and  
39 fall within one of the State's targeted technology sectors;

- 1 B. Strengthen cluster development among companies and supporting organizations
- 2 within the relevant technology sector;
- 3 C. Represent a collaborative effort between public, private and nonprofit entities;
- 4 D. Leverage private sector investments, other state funding, federal research funding
- 5 or other matching funds; and
- 6 E. Demonstrate sustainability of benefits to the economy, community and
- 7 environment.

8 **2. Sustainable local economy fund.** A portion of the proceeds of the sale of bonds  
 9 must be deposited in a sustainable local economy fund to be established within the  
 10 Department of Economic and Community Development and administered by the Maine  
 11 Technology Institute to support economic development projects that benefit local food  
 12 production or local recycling. The funds must be competitively awarded for equipment  
 13 and other capital expenditures for projects in 2 areas:

- 14 A. Infrastructure that supports the processing, storage and local distribution of food
- 15 products grown or harvested in the State; and
- 16 B. Infrastructure that supports the collection, storage and local distribution for reuse
- 17 or recycling of consumer products.

18 In making awards from the sustainable local economy fund, the Maine Technology  
 19 Institute shall consider any information that assesses needs, establishes priorities or  
 20 makes recommendations as provided by the Department of Agriculture, Food and Rural  
 21 Resources and the Department of Environmental Protection or other relevant state  
 22 agency.

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

26 **ECONOMIC AND COMMUNITY**  
 27 **DEVELOPMENT, DEPARTMENT OF**  
 28  
 29 **Maine Technology Institute**

30 Provides funds to support natural resource-based research, development and  
 31 commercialization to be administered through the Maine Technology Capacity Fund  
 32 by the Maine Technology Institute.

33  
 34 Total \$45,000,000

35 Provides funds for infrastructure to support processing, storage and local distribution  
 36 of food products grown or harvested in Maine or for the collection, storage and local  
 37 distribution for reuse or recycling of consumer products, through a sustainable local  
 38 economy fund administered by the Maine Technology Institute.

39

1 Total \$5,000,000

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

5 **Sec. 8. Appropriation balances at year-end.** At the end of each fiscal year, all  
6 unencumbered appropriation balances representing state money carry forward. Bond  
7 proceeds that have not been expended within 10 years after the date of the sale of the  
8 bonds lapse to the Office of the Treasurer of State to be used for the retirement of general  
9 obligation bonds.

10 **Sec. 9. Bonds authorized but not issued.** Any bonds authorized but not issued  
11 within 5 years of ratification of this Act are deauthorized and may not be issued, except  
12 that the Legislature may, within 2 years after the expiration of that 5-year period, extend  
13 the period for issuing any remaining unissued bonds for an additional amount of time not  
14 to exceed 5 years.

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

21 "Do you favor a \$50,000,000 bond issue to provide funds to support  
22 natural resource-based research, development and commercialization and  
23 for infrastructure to support processing, storage and local distribution of  
24 food products grown or harvested in Maine or for the collection, storage  
25 and local distribution for reuse or recycling of consumer products?"

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

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

37 **SUMMARY**

38 The major portion of the funds provided by this bond issue, in the amount  
39 \$45,000,000, are to fund research, development and commercialization of innovative

1 technology that relies on the sustainable use of Maine's natural resources such as forest  
2 and agricultural products and tidal and wind energy. The remaining \$5,000,000 support  
3 sustainable local economic development projects that enhance the economic benefits of  
4 increased reliance on local foods and recycling of consumer products. The funds must be  
5 administered by the Maine Technology Institute and competitively awarded.