

MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 894

S.P. 282

In Senate, March 8, 2011

**An Act To Authorize a General Fund Bond Issue To Invest in
Highway and Bridge Infrastructure To Meet the Needs of the
Business Sector and To Create Jobs**

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

Joseph G. Carleton Jr.

JOSEPH G. CARLETON, JR.
Secretary of the Senate

Presented by Senator DIAMOND of Cumberland.
Cosponsored by Representative CEBRA of Naples and
Senators: ALFOND of Cumberland, BRANNIGAN of Cumberland, GERZOFSKY of
Cumberland, GOODALL of Sagadahoc, HILL of York, HOBBS of York, JACKSON of
Aroostook, PATRICK of Oxford, SCHNEIDER of Penobscot.

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 \$62,000,000 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; allocations from General Fund**
27 **bond issue.** The proceeds of the sale of the bonds authorized under this Act must be
28 expended as designated in the following schedule under the direction and supervision of
29 the agencies and entities set forth in this section.

30 **TRANSPORTATION, DEPARTMENT**
31 **OF**

32 Provides funds to repair and reconstruct highways and bridges that are considered to
33 be vital to the expansion of business interests by the business and economic
34 development sector and essential to public safety.

35
36 Total \$62,000,000

37 **Sec. 6. Consultation with business and economic development sector.** The
38 Department of Transportation shall consult with the business and economic development

1 sector to determine projects of highest priority to the business and economic development
2 sector and create a stakeholder group consisting of municipal officials, highway safety
3 officials and members of the general public to develop a list of highway and bridge
4 projects by level of priority relating to the safety of the general public.

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

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

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

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

24 "Do you favor a \$62,000,000 bond issue to provide funds to repair and
25 reconstruct highways and bridges that are considered vital both to the
26 expansion of business interests by the business and economic
27 development sector and essential to public safety?"

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

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

1 **SUMMARY**

2 The funds provided by this bond issue, in the amount of \$62,000,000, will be used to
3 repair and reconstruct highways and bridges that are considered vital to the expansion of
4 business interests by the business and economic development sector and essential to
5 public safety. It requires that the Department of Transportation consult with the business
6 and economic development sector to determine projects of highest priority to the business
7 and economic development sector and establish a stakeholder group, if the bond passes,
8 consisting of municipal officials, highway safety officials and members of the general
9 public to develop a list of highway and bridge projects by level of priority relating to the
10 safety of the general public.