

MAINE STATE LEGISLATURE

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ROES

L.D. 636

Date: 8.26.13

(Filing No. S-371)

APPROPRIATIONS AND FINANCIAL AFFAIRS

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE

SENATE

126TH LEGISLATURE

FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S.P. 226, L.D. 636, Bill, "An Act To Authorize a General Fund Bond Issue To Support Public Higher Educational Facilities"

Amend the bill by striking out the title and substituting the following:

'An Act To Authorize a General Fund Bond Issue To Invest in the Maine Community College System'

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

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 \$15,500,000 for the purposes described in section 5 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.

Sec. 2. Records of bonds issued; Treasurer of State. The Treasurer of State shall ensure that an account of each bond is kept 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 Office of the Treasurer of State to be used for the retirement of general obligation 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.

COMMITTEE AMENDMENT

1 Provides funds to renovate and increase the energy efficiency of the Harold Howland
2 Building; to upgrade and improve existing systems and equipment and convert space
3 for use by heavy equipment programs; and to purchase classroom equipment at
4 Washington County Community College.

5 Total \$1,000,000

6 Provides funds to construct a building to include classrooms, computer laboratories
7 and associated offices and to purchase classroom equipment for the newly
8 implemented precision machining program at York County Community College.

9 Total \$3,400,000

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

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

18 **Sec. 8. Bonds authorized but not issued.** Any bonds authorized but not issued
19 within 5 years of ratification of this Act are deauthorized and may not be issued, except
20 that the Legislature may, within 2 years after the expiration of that 5-year period, extend
21 the period for issuing any remaining unissued bonds for an additional amount of time not
22 to exceed 5 years.

23 **Sec. 9. Referendum for ratification; submission at election; form of**
24 **question; effective date.** This Act must be submitted to the legal voters of the State at
25 a statewide election held in the month of November following passage of this Act. The
26 municipal officers of this State shall notify the inhabitants of their respective cities, towns
27 and plantations to meet, in the manner prescribed by law for holding a statewide election,
28 to vote on the acceptance or rejection of this Act by voting on the following question:

29 "Do you favor a \$15,500,000 bond issue to upgrade buildings,
30 classrooms and laboratories on the 7 campuses of the Maine Community
31 College System in order to increase capacity to serve more students
32 through expanded programs in health care, precision machining,
33 information technology, criminal justice and other key programs?"

34 The legal voters of each city, town and plantation shall vote by ballot on this question
35 and designate their choice by a cross or check mark placed within a corresponding square
36 below the word "Yes" or "No." The ballots must be received, sorted, counted and
37 declared in open ward, town and plantation meetings and returns made to the Secretary of
38 State in the same manner as votes for members of the Legislature. The Governor shall

COMMITTEE AMENDMENT "A" to S.P. 226, L.D. 636

1 review the returns. If a majority of the legal votes are cast in favor of this Act, the
2 Governor shall proclaim the result without delay and this Act becomes effective 30 days
3 after the date of the proclamation.

4 The Secretary of State shall prepare and furnish to each city, town and plantation all
5 ballots, returns and copies of this Act necessary to carry out the purposes of this
6 referendum.'

7 **SUMMARY**

8 This amendment strikes the bill and instead provides for a bond issue in the amount
9 of \$15,500,000 to be used for the construction, renovation and upgrade of buildings that
10 house laboratories, classrooms and related offices on the 7 campuses of the Maine
11 Community College System.

FISCAL NOTE REQUIRED
(See attached)



Approved: 08/23/13 *mac*

126th MAINE LEGISLATURE

LD 636

LR 1290(02)

An Act To Authorize a General Fund Bond Issue To Invest in the Maine Community College System

Fiscal Note for Bill as Amended by Committee Amendment 'A' (S-371)

Committee: Appropriations and Financial Affairs

Fiscal Note Required: Yes

Fiscal Note

Current biennium cost increase - General Fund

Bond Issues	Term (years)	Principal	Rate (%)	Interest	Total Cost
General Fund - Non-Taxable	10	\$9,300,000	3.5%	\$1,790,250	\$11,090,250
General Fund - Non-Taxable	10	\$6,200,000	4.0%	\$1,364,000	\$7,564,000

Referendum Costs	Month/Year	Election Type	Question	Length
	Nov-13	General	Bond Issue	Standard

The Secretary of State's budget includes sufficient funds to accommodate one ballot of average length for the general election in November. If the number or size of the referendum questions requires production and delivery of a second ballot, an additional appropriation of \$107,250 may be required.