



126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 1163

S.P. 400

In Senate, March 26, 2013

An Act To Authorize a General Fund Bond Issue To Fund Main Street and Downtown Economic Development Projects

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

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DAREK M. GRANT Secretary of the Senate

Presented by Senator GOODALL of Sagadahoc. Cosponsored by Representative DeCHANT of Bath and Senators: DUTREMBLE of York, JACKSON of Aroostook, KATZ of Kennebec, LACHOWICZ of Kennebec, MAZUREK of Knox, PATRICK of Oxford, Representative: BECK of Waterville. **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,

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

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PART A

Sec. A-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 \$20,000,000 for the purposes described in section 5 of this Part.
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.

12 Sec. A-2. Records of bonds issued; Treasurer of State. The Treasurer of 13 State shall ensure that an account of each bond is kept showing the number of the bond, 14 the name of the successful bidder to whom sold, the amount received for the bond, the 15 date of sale and the date when payable.

16 Sec. A-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 17 be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the 18 19 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 20 forth in this Part. Any unencumbered balances remaining at the completion of the project 21 in this Part lapse to the Office of the Treasurer of State to be used for the retirement of 22 23 general obligation bonds.

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

Sec. A-5. Disbursement of bond proceeds from General Fund bond issue. The proceeds of the sale of the bonds authorized under this Part must be expended as designated in the following schedule under the direction and supervision of the agencies and entities set forth in this section.

- 31 ECONOMIC AND COMMUNITY
- 32 **DEVELOPMENT, DEPARTMENT OF** 33
- 34 Maine Downtown Center

Provides funds for main street and downtown economic development projects, with \$12,000,000 to be awarded to municipalities that are not automatic recipients of federal Community Development Block Grant funds and \$8,000,000 to be awarded through open competitive grants for all municipalities. Total

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2 Sec. A-6. Contingent upon ratification of bond issue. Sections 1 to 5 do not 3 become effective unless the people of the State ratify the issuance of the bonds as set 4 forth in this Part.

5 Sec. A-7. Appropriation balances at year-end. At the end of each fiscal year, 6 all 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. A-8. Bonds authorized but not issued. Any bonds authorized but not 11 issued within 5 years of ratification of this Part are deauthorized and may not be issued, 12 except that the Legislature may, within 2 years after the expiration of that 5-year period, 13 extend the period for issuing any remaining unissued bonds for an additional amount of 14 time not to exceed 5 years.

15 Sec. A-9. Referendum for ratification; submission at election; form of 16 question; effective date. This Part 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 Part by voting on the following question:

"Do you favor a \$20,000,000 bond issue to provide funds for main street
and downtown economic development projects, with \$12,000,000 to be
awarded to municipalities that are not automatic recipients of federal
Community Development Block Grant funds and \$8,000,000 to be
awarded through open competitive grants for all municipalities?"

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

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

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- 38 Sec. B-1. Program developed. The Department of Economic and Community
 39 Development shall award grants to municipalities for main street and downtown

PART B

1 economic development projects from the proceeds of any bonds issued pursuant to Part A. The department shall receive and evaluate applications for and award grants, taking 2 3 into account the extent to which the proposed developments fulfill the purposes of the Maine Downtown Center under the Maine Revised Statutes, Title 5, section 13073-B. 4 Sixty percent of the funds from the bonds issued under Part A must be awarded to 5 6 municipalities that apply and that are not automatic recipients of federal Community Development Block Grant funds, and the remaining 40% of such funds must be awarded 7 8 through competitive grants for all municipalities.

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SUMMARY

10 The funds provided by this bond issue, in the amount of \$20,000,000, will be used to 11 provide funds for main street and downtown economic development projects, with 12 \$12,000,000 to be awarded to municipalities that are not automatic recipients of federal 13 Community Development Block Grant funds and \$8,000,000 to be awarded through open 14 competitive grants for all municipalities.