

MAINE STATE LEGISLATURE

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L.D. 1827

Date: 4/17/14

(Filing No. S-555)

APPROPRIATIONS AND FINANCIAL AFFAIRS

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

**STATE OF MAINE
SENATE
126TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 732, L.D. 1827, Bill, "An Act To Authorize a General Fund Bond Issue To Support Maine Small Business and Job Creation"

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 \$12,000,000 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.

Sec. 5. Disbursement of bond proceeds from General Fund bond issue. The proceeds of the sale of the bonds authorized under this Act must be expended as

COMMITTEE AMENDMENT

1 designated in the following schedule under the direction and supervision of the agencies
2 and entities set forth in this section.

3 **FINANCE AUTHORITY OF MAINE**
4

5 Provides funds to insure portions of loans to small businesses made by a participating
6 financial institution in order to spur investment and innovation.

7 Total \$4,000,000

8 Provides funds for state, regional and local financial intermediaries to make flexible
9 loans to small businesses to create jobs, revitalize downtowns and strengthen the rural
10 economy.

11 Total \$8,000,000

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

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

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

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

31 "Do you favor a bond issue to provide \$4,000,000 in funds to insure
32 portions of loans to small businesses to spur investment and innovation
33 and to provide \$8,000,000 in funds to make flexible loans to small
34 businesses to create jobs, revitalize downtowns and strengthen the rural
35 economy?"



126th MAINE LEGISLATURE

LD 1827

LR 2837(02)

An Act To Authorize a General Fund Bond Issue To Support Maine Small Business and Job Creation

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-555)
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 - Taxable	10	\$12,000,000	4.5%	\$2,970,000	\$14,970,000

Referendum Costs	Month/Year	Election Type	Question	Length
	Nov-14	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.