



127th MAINE LEGISLATURE

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Legislative Document

No. 68

H.P. 62

House of Representatives, January 16, 2015

An Act To Authorize a General Fund Bond Issue To Attract Business by Investing in High-speed Broadband Infrastructure

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

R(+ B. Hunt

ROBERT B. HUNT Clerk

Presented by Representative CAMPBELL of Newfield.

Cosponsored by Representative SAUCIER of Presque Isle, Senator WOODSOME of York and Representatives: BEAVERS of South Berwick, GILBERT of Jay, MARTIN of Eagle Lake, MARTIN of Sinclair, MASTRACCIO of Sanford, O'CONNOR of Berwick, SHORT of Pittsfield, Senator: DUTREMBLE of York. **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 \$10,000,000 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 21 forth in this Part. Any unencumbered balances remaining at the completion of the project 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 **CONNECTME AUTHORITY**

- 32 Provides funds to be used for grants on a 2-to-one match basis to municipalities for 33 high-speed broadband infrastructure development and improvement.
- 34 Total

\$10,000,000

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

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

9 Sec. A-8. Bonds authorized but not issued. Any bonds authorized but not 10 issued within 5 years of ratification of this Part are deauthorized and may not be issued, 11 except that the Legislature may, within 2 years after the expiration of that 5-year period, 12 extend the period for issuing any remaining unissued bonds for an additional amount of 13 time not to exceed 5 years.

14 Sec. A-9. Referendum for ratification; submission at election; form of 15 question; effective date. This Part must be submitted to the legal voters of the State at 16 a statewide election held in the month of November following passage of this Act. The 17 municipal officers of this State shall notify the inhabitants of their respective cities, towns 18 and plantations to meet, in the manner prescribed by law for holding a statewide election, 19 to vote on the acceptance or rejection of this Part by voting on the following question:

20 "Do you favor a \$10,000,000 bond issue for development and
21 improvements to high-speed municipal broadband infrastructure?"

22 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 23 below the word "Yes" or "No." The ballots must be received, sorted, counted and 24 25 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 26 27 review the returns. If a majority of the legal votes are cast in favor of this Part, the 28 Governor shall proclaim the result without delay and this Part becomes effective 30 days 29 after the date of the proclamation.

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.

PART B
 Sec. B-1. 35-A MRSA §9217 is enacted to read:
 <u>\$9217. High-speed broadband infrastructure assistance to municipalities</u>
 <u>1. High-speed Municipal Broadband Infrastructure Fund; established.</u> The authority shall establish the High-speed Municipal Broadband Infrastructure Fund, referred to in this section as "the fund," to help municipalities develop and improve high-speed broadband infrastructure for use in accordance with this section. All funds

deposited in the fund are deemed to be encumbered for purposes of this section at the
 time the funds are deposited in the fund. For the purpose of this section, an Internet
 connection that is capable of uploading and downloading data at speeds no lower than
 100 megabytes per second is considered to be high-speed.

5 **2.** Grants to municipalities. The authority shall award grants from the fund to 6 municipalities for the development and improvement of high-speed municipal broadband 7 infrastructure in accordance with this subsection.

 A. The authority shall award grants to eligible applicant municipalities on a 2-to-one matching basis. A municipality may not receive more than \$100,000 in matching funds per application.

11 B. To apply for a grant, a municipality must file with the authority a request for funds together with a certification indicating that the funds requested will be used to 12 deploy high-speed broadband infrastructure within the municipality. 13 The certification must include the projected cost of developing or improving high-speed 14 broadband infrastructure in the municipality and the scope of such work, and must 15 indicate how the funds will be spent. Upon receipt of a municipal application, the 16 authority shall disburse an amount in accordance with procedures specified pursuant 17 18 to paragraph C.

19C. The authority shall adopt a procedure whereby applicant municipalities are20selected to receive grants and criteria by which the authority determines the amounts21to award to municipal applicants.

Sec. B-2. Contingent effective date. This Part takes effect only if the General
 Fund Bond issue proposed in Part A is approved by the voters of this State.

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SUMMARY

This bill provides for a bond issue in the amount of \$10,000,000 to be used to expand high-speed municipal broadband infrastructure. The bill also establishes the High-speed Municipal Broadband Infrastructure Fund to assist municipalities in developing and improving their broadband infrastructure, contingent upon passage of the bond issue.