

MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 1205

H.P. 823

House of Representatives, April 2, 2015

**An Act To Authorize a General Fund Bond Issue To Support the
Independence of Maine's Seniors**

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

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Speaker EVES of North Berwick.

Cosponsored by Senator BURNS of Washington and

Representatives: BABBIDGE of Kennebunk, BATES of Westbrook, BEAVERS of South Berwick, BROOKS of Lewiston, BRYANT of Windham, BUCKLAND of Farmington, BURSTEIN of Lincolnville, CAMPBELL of Newfield, CAMPBELL of Orrington, CHENETTE of Saco, CHIPMAN of Portland, COOPER of Yarmouth, DAVITT of Hampden, DEVIN of Newcastle, DOORE of Augusta, DUNPHY of Old Town, EVANGELOS of Friendship, FARNSWORTH of Portland, FARRIN of Norridgewock, FOLEY of Wells, FOWLE of Vassalboro, FREY of Bangor, GATTINE of Westbrook, GILBERT of Jay, GOLDEN of Lewiston, GRANT of Gardiner, GROHMAN of Biddeford, HICKMAN of Winthrop, HOBART of Bowdoinham, HOBBS of Saco, HOGAN of Old Orchard Beach, HUBBELL of Bar Harbor, HYMANSON of York, JORGENSEN of Portland, KUMIEGA of Deer Isle, LAJOIE of Lewiston, LONGSTAFF of Waterville, MARTIN of Eagle Lake, MASTRACCIO of Sanford, McCREIGHT of Harpswell, McELWEE of Caribou, MELARAGNO of Auburn, MONAGHAN of Cape Elizabeth, NADEAU of Winslow, PICCHIOTTI of Fairfield, PICKETT of Dixfield, PIERCE of Falmouth, ROTUNDO of Lewiston, SANBORN of Gorham, SAUCIER of Presque Isle, SCHNECK of Bangor, STUCKEY of Portland, TEPLER of Topsham, TIPPING-SPITZ of Orono, TUELL of East Machias, VEROW of Brewer, Senators: JOHNSON of Lincoln, KATZ of Kennebec, LANGLEY of Hancock, MILLETT of Cumberland, MIRAMANT of Knox, SAVIELLO of Franklin, VOLK of Cumberland.

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 \$65,000,000 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 from General Fund bond issue.**
27 The proceeds of the sale of the bonds authorized under this Act must be expended as
28 designated in the following schedule under the direction and supervision of the agencies
29 and entities set forth in this section.

30 **MAINE STATE HOUSING**
31 **AUTHORITY**

32 Provides funds to be used to leverage an estimated \$100,000,000 in private and other
33 funds for low-income households headed by a person 55 years of age or older for the
34 construction of new energy-efficient affordable homes and the adaptive reuse of
35 structures or homes. At least one project must be located in each county, and
36 preference must be given to homes in locations that have access to health care
37 services, other essential goods and services and public transportation.

38
39 Total \$64,000,000

1 Provides funds to be used to match private and other funds for home repair and
2 weatherization programs that assist low-income seniors.
3 Total \$1,000,000

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

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

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

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

23 "Do you favor a \$65,000,000 bond issue for the construction of new
24 energy-efficient affordable homes for low-income seniors, the adaptive
25 reuse of structures for homes for low-income seniors and the repair and
26 weatherization of existing homes for low-income seniors, which will
27 create jobs and will be matched by an estimated \$100,000,000 in private
28 and other funds?"

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

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

1 **SUMMARY**

2 The funds provided by this bond issue, in the amount of \$65,000,000, will be used to
3 assist in the provision of energy-efficient affordable homes to low-income Maine seniors.
4 The bulk of the bond proceeds will be used to construct new homes for seniors and to
5 adaptively reuse existing structures to provide homes for seniors. At least one project
6 will be located in each of Maine's 16 counties. Preference will be given to home
7 locations that have access to health care services, other essential goods and services and
8 public transportation. A portion of the bond proceeds will provide for home repair and
9 weatherization of the existing homes of low-income seniors. The bond proceeds will
10 leverage an estimated \$100,000,000 in private and other funds.