MAINE STATE LEGISLATURE

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128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document	**No. 955**
S.P. 310	In Senate, March 9, 2017

An Act To Authorize a General Fund Bond Issue To Recapitalize the Municipal Investment Trust Fund

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

Heath JR Priest

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator DESCHAMBAULT of York.
Cosponsored by Representative SPEAR of South Thomaston and
Senators: CARPENTER of Aroostook, DIAMOND of Cumberland, DION of Cumberland,
KATZ of Kennebec, MILLETT of Cumberland, VOLK of Cumberland, Representative:
BRYANT of Windham.

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 $6,000,000 for the purposes described in section 5 of this Act. The
9   bonds are a pledge of the full faith and credit of the State. The bonds may not run for a
10 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 **ECONOMIC AND COMMUNITY**
31 **DEVELOPMENT, DEPARTMENT OF**

32 Provides funds to recapitalize the Municipal Investment Trust Fund to provide grants
33 and loans to municipalities for public facilities and infrastructure.

34

35 Total $6,000,000

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

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

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

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

"Do you favor a $6,000,000 bond issue to provide funds to recapitalize the Municipal Investment Trust Fund to provide grants and loans to municipalities for public facilities and infrastructure?"

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 below the word "Yes" or "No." The ballots must be received, sorted, counted and 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 review the returns. If a majority of the legal votes are cast in favor of this Act, the Governor shall proclaim the result without delay and this Act becomes effective 30 days 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 Act necessary to carry out the purposes of this referendum.

SUMMARY

The funds provided by this bond issue, in the amount of $6,000,000, will be used to provide funds to recapitalize the Municipal Investment Trust Fund to provide grants and loans to municipalities for public facilities and infrastructure.