

# MAINE STATE LEGISLATURE

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# 128th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2017

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Legislative Document

No. 1613

S.P. 568

In Senate, May 17, 2017

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**An Act To Authorize a General Fund Bond Issue To Assist in the  
Commercialization of Maine Products and Services**

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

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Secretary of the Senate

Presented by Senator VOLK of Cumberland. (GOVERNOR'S BILL)  
Cosponsored by Representative MASTRACCIO of Sanford.

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 \$50,000,000 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           **SMALL ENTERPRISE GROWTH**  
31           **FUND**

32  
33           **The Chamberlain Fund**

34           Provides funds to the Small Enterprise Growth Board to establish or participate in a  
35 new equity capital fund, the Chamberlain Fund. Investments from the fund will be  
36 leveraged by private sector capital. The fund will provide patient capital to rapidly  
37 growing businesses in the State with strong potential for job growth and return on  
38 investment.

39

1 Total \$10,000,000

2

3 **FINANCE AUTHORITY OF MAINE**

4

5 **Economic Recovery Loan Program**

6 Provides funds to expand the Finance Authority of Maine's subordinated debt  
7 capability by providing additional funding for the Economic Recovery Loan  
8 Program, enabling the Finance Authority of Maine to increase its current maximum  
9 direct business loan limit to any one borrower and leverage additional private capital.

10

11 Total \$10,000,000

12

13 **ECONOMIC AND COMMUNITY**  
14 **DEVELOPMENT, DEPARTMENT OF**

15

16 **Maine Technology Institute**

17 Provides funds to create a new fund, the Baxter Innovation Challenge Fund,  
18 administered by the Department of Economic and Community Development in  
19 consultation with the Maine Technology Institute. The fund will focus on technology  
20 sectors with a particular emphasis on identifying and addressing challenges facing  
21 traditional industries in the State. Additionally, the fund will leverage at least  
22 \$30,000,000 in other funds to repurpose and utilize existing infrastructure to facilitate  
23 the continued growth of businesses and commercial enterprises that grow the State's  
24 economy and create new jobs.

25

26 Total \$30,000,000

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

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

35 **Sec. 8. Bonds authorized but not issued.** Any bonds authorized but not issued  
36 within 5 years of ratification of this Act are deauthorized and may not be issued, except  
37 that the Legislature may, within 2 years after the expiration of that 5-year period, extend

1 the period for issuing any remaining unissued bonds for an additional amount of time not  
2 to exceed 5 years.

3 **Sec. 9. Referendum for ratification; submission at election; form of**  
4 **question; effective date.** This Act must be submitted to the legal voters of the State at  
5 a statewide election held in June of 2017. The municipal officers of this State shall notify  
6 the inhabitants of their respective cities, towns and plantations to meet, in the manner  
7 prescribed by law for holding a statewide election, to vote on the acceptance or rejection  
8 of this Act by voting on the following question:

9 "Do you favor a \$50,000,000 bond issue to further accelerate growth and  
10 capital investment in Maine businesses by leveraging private investment  
11 for the purpose of generating new revenue and providing new jobs?"

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

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

23 **SUMMARY**

24 The funds provided by this bond issue, in the amount of \$50,000,000, will be used to  
25 further accelerate growth and capital investment in businesses in the State by leveraging  
26 private investment for the purpose of generating new revenue and providing new jobs.