

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 111

H.P. 93

House of Representatives, January 17, 2019

An Act To Authorize a General Fund Bond Issue for Research and Development and Commercialization

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 Representative HUBBELL of Bar Harbor.
Cosponsored by President JACKSON of Aroostook and
Representatives: Speaker GIDEON of Freeport, STEWART of Presque Isle, Senators: DILL of
Penobscot, HERBIG of Waldo, LUCHINI of Hancock, POULIOT of Kennebec.

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 \$250,000,000 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 **ECONOMIC AND COMMUNITY**
31 **DEVELOPMENT, DEPARTMENT OF**

32 **Office of Innovation**
33

34 Provides funds over 5 years to the Maine Technology Institute for research and
35 development and commercialization as prioritized by the Maine Innovation Economy
36 Advisory Board's most recent innovation economy action plan and the Office of
37 Innovation's most recent science and technology action plan. The funds must be
38 allocated in support of technological innovation leading to commercialization in the
39 targeted sectors of life sciences and biomedical technology, environmental and
40 renewable energy technology, information technology, advanced technologies for

1 forestry and agriculture, aquaculture and marine technology, composites and
2 advanced materials and precision manufacturing. The funds must be awarded
3 through a competitive process and to Maine-based public and private institutions to
4 leverage matching private and federal funds on at least a one-to-one basis.

5

6 Total \$250,000,000

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

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

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

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

26 "Do you favor a bond issue of \$50,000,000 for each of the next 5 years
27 totaling \$250,000,000 to provide funds for research, development and
28 commercialization for Maine-based public and private institutions in
29 support of technological innovation leading to commercialization in the
30 targeted sectors of life sciences and biomedical technology,
31 environmental and renewable energy technology, information
32 technology, advanced technologies for forestry and agriculture,
33 aquaculture and marine technology, composites and advanced materials
34 and precision manufacturing to be awarded through a competitive
35 process that leverages matching private and federal funds on at least a
36 one-to-one basis?"

37 The legal voters of each city, town and plantation shall vote by ballot on this question
38 and designate their choice by a cross or check mark placed within a corresponding square
39 below the word "Yes" or "No." The ballots must be received, sorted, counted and
40 declared in open ward, town and plantation meetings and returns made to the Secretary of
41 State in the same manner as votes for members of the Legislature. The Governor shall

1 review the returns. If a majority of the legal votes are cast in favor of this Act, the
2 Governor shall proclaim the result without delay and this Act becomes effective 30 days
3 after the date of the proclamation.

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

7 **SUMMARY**

8 The funds provided by this bond issue, in the amount of \$250,000,000 issued in
9 \$50,000,000 increments over a 5-year period, will be used to provide funds for research
10 and development and commercialization as prioritized by the Maine Innovation Economy
11 Advisory Board's most recent innovation economy action plan and the Office of
12 Innovation's most recent science and technology action plan. The funds must be allocated
13 in support of technological innovation leading to commercialization in the targeted
14 sectors of life sciences and biomedical technology, environmental and renewable energy
15 technology, information technology, advanced technologies for forestry and agriculture,
16 aquaculture and marine technology, composites and advanced materials and precision
17 manufacturing. The funds must be awarded through a competitive process and to Maine-
18 based public and private institutions to leverage matching private and federal funds on at
19 least a one-to-one basis.