

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 149

S.P. 36

In Senate, January 17, 2019

**An Act To Authorize a General Fund Bond Issue To Provide
Student Debt Forgiveness To Support Workforce Attraction and
Retention**

Reference to the Committee on Innovation, Development, Economic Advancement and Business suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator LIBBY of Androscoggin.
Cosponsored by Representative DAUGHTRY of Brunswick and
Senators: BELLOWS of Kennebec, CHENETTE of York, President JACKSON of Aroostook,
VITELLI of Sagadahoc, Representatives: FECTEAU of Biddeford, Speaker GIDEON of
Freeport, MOONEN of Portland, O'NEIL of Saco.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **PART A**

3 **Sec. A-1. Authorization of bonds.** The Treasurer of State is authorized, under
4 the direction of the Governor, to issue bonds in the name and on behalf of the State in an
5 amount not exceeding \$250,000,000 for the purposes described in section 5 of this Part.
6 The bonds are a pledge of the full faith and credit of the State. The bonds may not run for
7 a period longer than 10 years from the date of the original issue of the bonds.

8 **Sec. A-2. Records of bonds issued; Treasurer of State.** The Treasurer of
9 State shall ensure that an account of each bond is kept showing the number of the bond,
10 the name of the successful bidder to whom sold, the amount received for the bond, the
11 date of sale and the date when payable.

12 **Sec. A-3. Sale; how negotiated; proceeds appropriated.** The Treasurer of
13 State may negotiate the sale of the bonds by direction of the Governor, but no bond may
14 be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the
15 bonds, which must be held by the Treasurer of State and paid by the Treasurer of State
16 upon warrants drawn by the State Controller, are appropriated solely for the purposes set
17 forth in this Part. Any unencumbered balances remaining at the completion of the project
18 in this Part lapse to the Office of the Treasurer of State to be used for the retirement of
19 general obligation bonds.

20 **Sec. A-4. Interest and debt retirement.** The Treasurer of State shall pay
21 interest due or accruing on any bonds issued under this Part and all sums coming due for
22 payment of bonds at maturity.

23 **Sec. A-5. Disbursement of bond proceeds from General Fund bond issue.**
24 The proceeds of the sale of the bonds authorized under this Part must be expended as
25 designated in the following schedule under the direction and supervision of the agencies
26 and entities set forth in this section.

27 **FINANCE AUTHORITY OF MAINE**

28
29 **Maine Student Loan Debt Relief Fund**

30 Provides funds to provide payments for student loan debt cancellation for individuals
31 who agree to work and reside in this State for 5 years and to reimburse employers in
32 this State that make student loan debt payments on behalf of their employees who
33 agree to work and reside in this State for 5 years.

34 Total \$250,000,000

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

1 **SUMMARY**

2 This bill:

3 1. Requires a General Fund bond obligation in the amount of \$250,000,000 for a
4 program administered by the Finance Authority of Maine to provide funds for payment of
5 student loan debt for individuals who agree to live and work in Maine for 5 years and to
6 reimburse employers that make student loan debt payments on behalf of their employees
7 who agree to live and work in Maine for 5 years; and

8 2. Establishes the Maine Student Loan Debt Relief Program and the Maine Student
9 Loan Debt Relief Fund and requires the Finance Authority of Maine to adopt major
10 substantive rules to implement the program and submit the rules to the Second Regular
11 Session of the 129th Legislature.