

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 1333

H.P. 961

House of Representatives, March 21, 2019

**An Act To Authorize a General Fund Bond Issue To Establish a
Maine County Correctional Facilities Revolving Construction and
Improvement Fund**

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

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

ROBERT B. HUNT
Clerk

Presented by Representative STANLEY of Medway.

Cosponsored by Representatives: CAMPBELL of Orrington, HANLEY of Pittston, RILEY of Jay, VEROW of Brewer, WHITE of Waterville.

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 **PART A**

7 **Sec. A-1. Authorization of bonds.** The Treasurer of State is authorized, under
8 the direction of the Governor, to issue bonds in the name and on behalf of the State in an
9 amount not exceeding \$100,000,000 for the purposes described in section 5 of this Part.
10 The bonds are a pledge of the full faith and credit of the State. The bonds may not run for
11 a period longer than 10 years from the date of the original issue of the bonds.

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

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

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

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

31 **MAINE COUNTY CORRECTIONAL**
32 **FACILITIES CONSTRUCTION AND**
33 **IMPROVEMENT BOARD**

34 Provides funds to fund the construction, repair and upgrading of county correctional
35 facilities.

36 Total \$100,000,000

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

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

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

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

20 "Do you favor a \$100,000,000 bond issue to provide funds for the
21 construction, repair and upgrading of county correctional facilities?"

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

30 The Secretary of State shall prepare and furnish to each city, town and plantation all
31 ballots, returns and copies of this Part necessary to carry out the purposes of this
32 referendum.

33 **PART B**

34 **Sec. B-1. 30-A MRSA c. 13, sub-c. 6** is enacted to read:

35 **SUBCHAPTER 6**

1 **MAINE COUNTY CORRECTIONAL FACILITIES REVOLVING**
2 **CONSTRUCTION AND IMPROVEMENT FUND**

3 **§1681. Definitions**

4 As used in this subchapter, unless the context otherwise indicates, the following
5 terms have the following meanings.

6 **1. Board.** "Board" means the Maine County Correctional Facilities Construction
7 and Improvement Board established under section 1683.

8 **2. Fund.** "Fund" means the Maine County Correctional Facilities Revolving
9 Construction and Improvement Fund established under section 1682.

10 **§1682. Maine County Correctional Facilities Revolving Construction and**
11 **Improvement Fund**

12 **1. Fund established.** The Maine County Correctional Facilities Revolving
13 Construction and Improvement Fund is established as a nonlapsing, interest-earning
14 revolving fund administered by the board under section 1683.

15 **2. Sources of fund.** Sources of the fund may include:

16 A. Money appropriated or allocated by the State for inclusion in the fund;

17 B. Money that the board receives in repayment of loans from the fund;

18 C. Interest, dividends and pecuniary gains from investment of money in the fund;

19 D. Money from any bond issues approved by the voters of the State for the purposes
20 of the fund; and

21 E. Money otherwise made available to the board for the purposes of the fund.

22 **3. Application of fund.** Money in the fund may be loaned to a county for a project
23 to construct, repair or upgrade a county correctional facility pursuant to section 1683,
24 subsection 4.

25 **§1683. Maine County Correctional Facilities Construction and Improvement Board**

26 **1. Establishment.** The Maine County Correctional Facilities Construction and
27 Improvement Board is established to administer the fund.

28 **2. Members.** The board consists of the following members:

29 A. The Treasurer of State or the treasurer's designee;

30 B. The Commissioner of Administrative and Financial Services or the
31 commissioner's designee;

32 C. Two county commissioners appointed by the Governor from a list of nominees
33 prepared by an association of county commissioners in the State; and

1 D. Two sheriffs appointed by the Governor from a list of nominees prepared by a
2 sheriffs' association in the State.

3 **3. Terms.** Members of the board who are appointed serve for a term not to exceed 3
4 years.

5 **4. Duties.** The board shall administer the fund.

6 A. The board may receive and invest on behalf of the fund money made available to
7 the board for the use of the fund in addition to money appropriated or allocated by the
8 State or from bond issues approved by the voters of the State. Loan repayments
9 under this subchapter must be invested by the board, as provided by law, with the
10 income earned to be added to the fund. The board may divide the fund into separate
11 accounts as determined necessary or convenient to accomplish the purposes of the
12 fund.

13 B. The board may approve an application for a loan to a county to accomplish the
14 purposes of the fund. A loan from the fund must be approved at a referendum of the
15 voters of the county where the project is located. The debt incurred is the obligation
16 of the county that receives the loan.

17 **Sec. B-2. Staggered terms.** Notwithstanding the Maine Revised Statutes, Title
18 30-A, section 1683, subsection 3, of the members of the Maine County Correctional
19 Facilities Construction and Improvement Board who are county commissioners, the first
20 appointed by the Governor serves for a term of 2 years and the 2nd serves for a term of 3
21 years, and of the members of the board who are sheriffs, the first appointed by the
22 Governor serves for a term of 2 years and the 2nd serves for a term of 3 years.

23 **Sec. B-3. Contingent effective date.** This Part takes effect only if the General
24 Fund bond issue proposed in Part A is approved by the voters of this State.

25 SUMMARY

26 This bill provides for a bond issue, in the amount of \$100,000,000, to fund the
27 construction, repair and upgrading of county correctional facilities. The bill establishes
28 the Maine County Correctional Facilities Revolving Construction and Improvement Fund
29 to receive the bond money and the Maine County Correctional Facilities Construction and
30 Improvement Board to administer the fund. The bill allows money in the fund to be
31 loaned to a county for a project to construct, repair or upgrade a county correctional
32 facility and requires a loan from the fund to be approved at a referendum of the voters of
33 the county where the project is located.