

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST SPECIAL SESSION-2019

Legislative Document

No. 1848

S.P. 632

In Senate, August 26, 2019

**An Act To Authorize a General Fund Bond Issue To Provide
Broadband Internet Infrastructure in Unserved and Underserved
Areas of the State, Maintenance and Improvement of the Maine
National Guard Armories, Readiness Centers and Support Facilities
and Capital Improvements and Equipment Purchases for Career
and Technical Education Centers**

Reference to the Committee on Appropriations and Financial Affairs 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 HERBIG of Waldo. (GOVERNOR'S BILL)

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 \$23,000,000 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 **CONNECTME AUTHORITY**

31 Provides funds to the ConnectME Authority, as established in the Maine Revised
32 Statutes, Title 5, section 12004-G, subsection 33-F, for the provision of broadband
33 Internet infrastructure in unserved and underserved areas.

34
35 Total \$15,000,000

36
37 **EDUCATION, DEPARTMENT OF**

1 Provides funds to make capital improvements to and purchase equipment that has a
2 useful life of at least 5 years for career and technical education centers and regions.

3

4 Total \$4,000,000

5

6 **DEFENSE, VETERANS AND**
7 **EMERGENCY MANAGEMENT,**
8 **DEPARTMENT OF**

9 Provides funds for the State's share of maintenance, capital improvement,
10 modernization and energy efficiency projects for Maine Army National Guard
11 armories, readiness centers and support facilities.

12

13 Total \$4,000,000

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

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

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

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

33 "Do you favor a \$23,000,000 bond issue to invest in high-speed Internet
34 infrastructure, Maine Army National Guard armories, readiness centers
35 and support facilities, and career and technical education centers?"

36 The legal voters of each city, town and plantation shall vote by ballot on this question
37 and designate their choice by a cross or check mark placed within a corresponding square
38 below the word "Yes" or "No." The ballots must be received, sorted, counted and

1 declared in open ward, town and plantation meetings and returns made to the Secretary of
2 State in the same manner as votes for members of the Legislature. The Governor shall
3 review the returns. If a majority of the legal votes are cast in favor of this Act, the
4 Governor shall proclaim the result without delay and this Act becomes effective 30 days
5 after the date of the proclamation.

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

9

SUMMARY

10 The funds provided by this bond issue, in the amount of \$23,000,000, will be used to
11 invest in high-speed Internet infrastructure, Maine Army National Guard armories,
12 readiness centers and support facilities, and career and technical education centers.

13

FISCAL NOTE REQUIRED

14

(See attached)



129th MAINE LEGISLATURE

LD 1848

LR 2580(01)

An Act To Authorize a General Fund Bond Issue To Provide Broadband Internet Infrastructure in Unserved and Underserved Areas of the State, Maintenance and Improvement of the Maine National Guard Armories, Readiness Centers and Support Facilities and Capital Improvements and Equipment Purchases for Career and Technical Education Centers

**Fiscal Note for Original Bill
Sponsor: Sen. Herbig of Waldo
Committee: Not Referred
Fiscal Note Required: Yes**

Fiscal Note

Current biennium cost increase - General Fund

Bond Issues	Term (years)	Principal	Rate (%)	Interest	Total Cost
General Fund - Non-Taxable	10	\$23,000,000	4.25%	\$5,376,250	\$28,376,250

Referendum Costs	Month/Year	Election Type	Question	Length
	Nov-19	General	Bond Issue	Standard

The Secretary of State's budget includes sufficient funds to accommodate one ballot of average length for the general election in November. If the number or size of the referendum questions requires production and delivery of a second ballot, an additional appropriation of \$172,000 may be required.