

# MAINE STATE LEGISLATURE

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# 129th MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2019

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Legislative Document

No. 1850

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S.P. 634

In Senate, August 26, 2019

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**An Act To Authorize a General Fund Bond Issue To Improve  
Highways, Bridges and Multimodal Facilities**

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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 DIAMOND of Cumberland. (GOVERNOR'S BILL)  
Cosponsored by Representative McLEAN of Gorham.

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 \$105,000,000 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           **TRANSPORTATION, DEPARTMENT**  
31           **OF**

32           Provides funds to construct, reconstruct, rehabilitate and preserve Priority 1, Priority  
33 2 and Priority 3 state highways under the Maine Revised Statutes, Title 23, section  
34 73, subsection 7 and associated improvements, to replace and rehabilitate bridges and  
35 to fund the municipal partnership initiative.

36  
37           Total \$85,000,000

1 Provides funds for facilities or equipment related to freight and passenger railroads,  
2 transit, ports, marine transportation, aviation and bicycle and pedestrian  
3 improvements that preserve public safety or otherwise have demonstrated high  
4 transportation value including property acquisition.

5

6 Total \$15,000,000

7

8 **ENVIRONMENTAL PROTECTION,**  
9 **DEPARTMENT OF**

10 Provides funds for a competitive grant program that matches local funding for the  
11 upgrade of municipal culverts at stream crossings in order to improve fish and  
12 wildlife habitats and increase community safety. Eligible project sponsors include  
13 local governments, municipal conservation commissions, soil and water conservation  
14 districts and private nonprofit organizations. A proposal for funding from an eligible  
15 project sponsor must include a map and summary of the proposed project, describing  
16 how it meets the following criteria:

17 1. Contribution to competitive grant program goals. The extent to which the  
18 proposed project allows communities to more effectively prepare for storm and flood  
19 events and advances the goals of restoring habitat for fish, including sea-run fish and  
20 native brook trout; and

21 2. Cost-effectiveness. The extent to which the proposed project represents an  
22 efficient and cost-effective investment, including the proportion of total project  
23 funding that will be provided from other sources and the potential avoided costs  
24 associated with the proposed project. Funds may not be used to cover all of the costs  
25 associated with a proposed project.

26

27 Total \$4,000,000

28

29 **ECONOMIC AND COMMUNITY**  
30 **DEVELOPMENT, DEPARTMENT OF**

31 Provides funds for the renovation of a wharf and bulkhead at the Gulf of Maine  
32 Research Institute in Portland to bring the wharf back into operation as secured  
33 access and berthing for commercial fishing vessels and to support vessels for marine  
34 research at sea that supports continued long-term marine job development.

35

36 Total \$1,000,000

1           **Sec. 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 Act.

4           **Sec. 7. Appropriation balances at year-end.** At the end of each fiscal year, all  
5 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. 8. Bonds authorized but not issued.** Any bonds authorized but not issued  
10 within 5 years of ratification of this Act are deauthorized and may not be issued, except  
11 that the Legislature may, within 2 years after the expiration of that 5-year period, extend  
12 the period for issuing any remaining unissued bonds for an additional amount of time not  
13 to exceed 5 years.

14           **Sec. 9. Referendum for ratification; submission at election; form of**  
15 **question; effective date.** This Act 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 Act by voting on the following question:

20                     "Do you favor a \$105,000,000 bond issue to build or improve roads,  
21 bridges, railroads, airports, transit and ports and make other  
22 transportation investments, to be used to match an estimated  
23 \$137,000,000 in federal and other funds?"

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

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

35                                     **SUMMARY**

36           The funds provided by this bond issue, in the amount of \$105,000,000, will be used  
37 to build or improve roads, bridges, railroads, airports, transit and ports and make other

1 transportation investments to match an estimated \$137,000,000 in federal and other  
2 funds.

3 **FISCAL NOTE REQUIRED**

4 **(See attached)**



# 129th MAINE LEGISLATURE

**LD 1850**

**LR 2576(01)**

## **An Act To Authorize a General Fund Bond Issue To Improve Highways, Bridges and Multimodal Facilities**

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

### **Fiscal Note**

Current biennium cost increase - General Fund

<b>Bond Issues</b>	<b>Term (years)</b>	<b>Principal</b>	<b>Rate (%)</b>	<b>Interest</b>	<b>Total Cost</b>
General Fund - Non-Taxable	10	\$89,000,000	4.25%	\$20,803,750	\$109,803,750
General Fund - Taxable	10	\$16,000,000	4.75%	\$4,180,000	\$20,180,000

<b>Referendum Costs</b>	<b>Month/Year</b>	<b>Election Type</b>	<b>Question</b>	<b>Length</b>
	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.