

MAINE STATE LEGISLATURE

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Report B

3/16/20

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Date: 3/16/20 Report B

L.D. 2134
(Filing No. H- 770)

APPROPRIATIONS AND FINANCIAL AFFAIRS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "B" to H.P. 1524, L.D. 2134, Bill, "An Act To Authorize a General Fund Bond Issue for Infrastructure To Improve Transportation and Internet Connections"

Amend the bill by striking out the title and substituting the following:

'An Act To Authorize a General Fund Bond Issue for Infrastructure To Improve Transportation'

Amend the bill by striking out everything after the enacting clause and inserting the following:

Sec. 1. Authorization of bonds. The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$105,000,000 for the purposes described in section 5 of this Act. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds.

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

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

Sec. 4. Interest and debt retirement. The Treasurer of State shall pay interest due or accruing on any bonds issued under this Act and all sums coming due for payment of bonds at maturity.

COMMITTEE AMENDMENT

Sec. 5. Disbursement of bond proceeds from General Fund bond issue.
The proceeds of the sale of the bonds authorized under this Act must be expended as designated in the following schedule under the direction and supervision of the agencies and entities set forth in this section.

TRANSPORTATION, DEPARTMENT OF

Provides funds to improve highways and bridges statewide, including the Madawaska International Bridge replacement project and associated utility relocation costs, and for the department's municipal partnership initiative and associated activities.

Total \$90,000,000

Provides funds for multimodal facilities or equipment related to transit, freight and passenger railroads, aviation, ports, harbors, marine transportation and active transportation projects and associated activities.

Total \$15,000,000

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

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

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

Sec. 9. Referendum for ratification; submission at election; form of question; effective date. This Act must be submitted to the legal voters of the State at a statewide election held in November 2020. The municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Act by voting on the following question:

"Do you favor a \$105,000,000 bond issue for improvement of highways and bridges statewide and for multimodal facilities or equipment related to transit, freight and passenger railroads, aviation, ports, harbors, marine

1 transportation and active transportation projects, to be used to match an
2 estimated \$275,000,000 in federal and other funds?"

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

11 The Secretary of State shall prepare and furnish to each city, town and plantation all
12 ballots, returns and copies of this Act necessary to carry out the purposes of this
13 referendum.'

14 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
15 section number to read consecutively.

16 **SUMMARY**

17 This amendment eliminates from the bill the proposed \$15,000,000 bond issue to
18 invest in high-speed internet infrastructure.

19 **FISCAL NOTE REQUIRED**

20 (See attached)



129th MAINE LEGISLATURE

LD 2134

LR 3225(03)

An Act To Authorize a General Fund Bond Issue for Infrastructure To Improve Transportation and Internet Connections

Fiscal Note for Bill as Amended by Committee Amendment

B (H-770)

Committee: Appropriations and Financial Affairs

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	\$105,000,000	3.75%	\$21,656,250	\$126,656,250

Referendum Costs	Month/Year	Election Type	Question	Length
	Nov-20	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 \$266,000 may be required.