

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

STATE OF MAINE
ONE HUNDRED AND TWELFTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE ON
STATE GOVERNMENT
BILL SUMMARY



JULY, 1985

Prepared by:

Ted Potter, Legislative Assistant
Office of Legislative Assistants
State House, Station 13 Augusta, Maine 04333
(207) 289-1670



STATE LAW LIBRARY
1000 STATE HOUSE STATION
AUGUSTA, MAINE 04333

HELEN T. GINDER, DIRECTOR
HAVEN WHITESIDE, ASST. DIRECTOR
GILBERT W. BREWER
DAVID ELLIOTT
MARTHA FREEMAN
CHRISTOS GIANOPOULOS
WILLIAM T. GLIDDEN, JR.

STATE OF MAINE
OFFICE OF LEGISLATIVE ASSISTANTS
ROOM 101
STATE HOUSE, STATION 13
AUGUSTA, MAINE 04333
TEL.: (207) 289-2486

SARAH HOOKE
JULIE S. JONES
JOHN B. KNOX
EDWARD POTTER
MARGARET J. REINSCH
LARS RYDELL
JOHN SELSER
ANDREA COLNES, RES. ASST.

ONE HUNDRED AND TWELFTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE
BILL SUMMARIES
JULY 1985

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees of the Maine Legislature, covering the First Regular Session of the 112th Legislature. The summaries are arranged by LD number and indexed separately by committee.

LD: 235 AN ACT TO DESIGNATE THE 3RD WEEK IN OCTOBER AS MAINE BUSINESS WOMEN'S WEEK NELSON JOSEPH STEVENS P CLARK N

OTP-AM HOUSE Enacted SENATE Enacted GOV SIGNED PUBLIC CH # 31

H-10 CA H S

SUMMARY:

LD 235 establishes the 3rd week in October as the time of recognition of Maine business women. The purpose of the bill is to give young women, particularly students, a role model to follow.

The bill, as amended by Committee Amendment "A" makes a technical change (change in the citation) and authorizes but does not require the Department of Education and the Maine Commission for Women to make appropriate information available to the schools.

LD: 236 AN ACT PROHIBITING BOND ISSUES OF LESS THAN \$2,000,000 SPROUL HICHBORN WENTWORTH DILLENBACK

OTP HOUSE Other SENATE Other GOV

SUMMARY:

LD 236 proposed a minimum amount of \$2,000,000, for any single bond issue which pledges the credit of the State of Maine. This limitation applied to bond questions approved by the Legislature and sent to the general public for approval at public referendum. The limit proposed by the bill was statutory, and did not require an amendment to the Maine Constitution.

LD 236 placed the restriction on General Obligation (GO) bonds of the State which includes (but not limited to)

- A. highway/bridge bonds,
- B. economic development projects funded with GO bonds,
- C. building construction projects (e.g., court houses, prisons, etc.)

LD 236 did not place the \$2,000,000 minimum bond issue on bonds issued by the

- A. Finance Authority of Maine,

B. Maine School Building Authority, the

C. State of Maine for the acquisition, construction, or repair of housing on Maine's Indian tribal reservations, or the

D. The Maine State Housing Authority.

The purpose of the bill, according to proponents, is to fund "smaller" capital projects from the General Fund and thereby eliminate the interest costs incurred with bonds that can nearly double the cost of a project. In addition, the proponents argued that the higher the debt, the more adverse the effect on the bond ruling of the State.

The opponents in the Senate argued that the voters should be allowed to make the decision whether a project, no matter what the cost, should be financed by bonds or the General Fund.

Between 1978 and 1983, the public approved 3 bond questions at referendum, each of which cost less than \$2,000,000. These 3 questions were approved by the voters in November 1981. The questions represent 27.2% of the total number (11) of approved questions, and represents 4.4% (\$4,100,000) of the total amount of all the bond questions (\$93,010,000) approved since 1978. While there have only been 3 bond questions of less than \$2,000,000 approved in that 5 year period, the total number (11) of the questions included a total of 21 bond projects. These projects included highway, town way, and bridge improvements; improvements to airports and piers; state part facilities, and energy-conservation improvements in state owned buildings.

Between 1973 and 1983, there were 6 bond questions, each of which cost less than \$2,000,000 (includes the 3 questions in 1981).

The effect of this bill would not increase or decrease Maine's bond rating according to bond analyst, Chris Irwin of Standard and Poor. According to Mr. Irwin, Maine has a comparatively low debt and has been retiring debt at a rate more rapid than any other state in the nation.

According to the Office of the Attorney General, LD 236, like LD 331 (Prohibition against combining more than 1 bond financed project into a single question) would attempt to bind future legislatures of the State of Maine. In order to avoid this problem, the Attorney General's office suggested redrafting the proposal into a Constitutional Resolution.