

129th MAINE LEGISLATURE

FIRST SPECIAL SESSION-2019

Legislative Document		No. 1850

S.P. 634

In Senate, August 26, 2019

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

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

h GT

DAREK M. GRANT Secretary of the Senate

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

Preamble. Two thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14 to authorize the issuance of bonds on behalf of the State of Maine to provide funds as described in this 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 may negotiate the sale of the bonds by direction of the Governor, but no bond may be 16 loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the 17 bonds, which must be held by the Treasurer of State and paid by the Treasurer of State 18 upon warrants drawn by the State Controller, are appropriated solely for the purposes set 19 forth in this Act. Any unencumbered balances remaining at the completion of the project 20 in this Act lapse to the Office of the Treasurer of State to be used for the retirement of 21 general obligation bonds. 22

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.

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**
- Provides funds to construct, reconstruct, rehabilitate and preserve Priority 1, Priority and Priority 3 state highways under the Maine Revised Statutes, Title 23, section row, subsection 7 and associated improvements, to replace and rehabilitate bridges and to fund the municipal partnership initiative.
- 36 37

Total

\$85,000,000

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

Total

1

2

3

4 5

6

7

\$15,000,000

8 ENVIRONMENTAL PROTECTION,9 DEPARTMENT OF

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

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.

Total

\$4,000,000

28

26

27

29 ECONOMIC AND COMMUNITY 30 DEVELOPMENT, DEPARTMENT OF

Provides funds for the renovation of a wharf and bulkhead at the Gulf of Maine Research Institute in Portland to bring the wharf back into operation as secured access and berthing for commercial fishing vessels and to support vessels for marine 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:

"Do you favor a \$105,000,000 bond issue to build or improve roads,
bridges, railroads, airports, transit and ports and make other
transportation investments, to be used to match an estimated
\$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 and designate their choice by a cross or check mark placed within a corresponding square 25 below the word "Yes" or "No." The ballots must be received, sorted, counted and 26 declared in open ward, town and plantation meetings and returns made to the Secretary of 27 State in the same manner as votes for members of the Legislature. The Governor shall 28 review the returns. If a majority of the legal votes are cast in favor of this Act, the 29 Governor shall proclaim the result without delay and this Act becomes effective 30 days 30 after the date of the proclamation. 31

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

35

SUMMARY

The funds provided by this bond issue, in the amount of \$105,000,000, will be used 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.										

- FISCAL NOTE REQUIRED 3 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

Bond Issues	Term (years)	Principal	Rate (%)	Interest	Total Cost
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
Referendum Costs		Month/Year Nov-19	Election Type General	Question Bond Issue	Length 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.