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H.P. 961

House of Representatives, March 21, 2019

An Act To Authorize a General Fund Bond Issue To Establish a Maine County Correctional Facilities Revolving Construction and Improvement Fund

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

ROBERT B. HUNT
Clerk

Presented by Representative STANLEY of Medway.

Cosponsored by Representatives: CAMPBELL of Orrington, HANLEY of Pittston, RILEY of Jay, VEROW of Brewer, WHITE of Waterville.

accordance with the Constitution of Maine, Article IX, Section 14 to authorize the 2 issuance of bonds on behalf of the State of Maine to provide funds as described in this 3 4 Act. 5 Be it enacted by the People of the State of Maine as follows: **PART A** 6 7 Sec. A-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 8 amount not exceeding \$100,000,000 for the purposes described in section 5 of this Part. 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. A-2. Records of bonds issued; Treasurer of State. The Treasurer of 12 State shall ensure that an account of each bond is kept showing the number of the bond, 13 the name of the successful bidder to whom sold, the amount received for the bond, the 14 15 date of sale and the date when payable. Sec. A-3. Sale; how negotiated; proceeds appropriated. The Treasurer of 16 State may negotiate the sale of the bonds by direction of the Governor, but no bond may 17 be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the 18 19 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 20 forth in this Part. Any unencumbered balances remaining at the completion of the project 21 in this Part lapse to the Office of the Treasurer of State to be used for the retirement of 22 23 general obligation bonds. 24 **Sec. A-4. Interest and debt retirement.** The Treasurer of State shall pay 25 interest due or accruing on any bonds issued under this Part and all sums coming due for payment of bonds at maturity. 26 Sec. A-5. Disbursement of bond proceeds from General Fund bond issue. 27 The proceeds of the sale of the bonds authorized under this Part 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 31 MAINE COUNTY CORRECTIONAL 32 **FACILITIES CONSTRUCTION AND IMPROVEMENT BOARD** 33 Provides funds to fund the construction, repair and upgrading of county correctional 34 facilities. 35 36 Total \$100,000,000

Preamble. Two thirds of both Houses of the Legislature deeming it necessary in

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1 2 3	Sec. A-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 Part.
4	Sec. A-7. Appropriation balances at year-end. At the end of each fiscal year,
5	all 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. A-8. Bonds authorized but not issued. Any bonds authorized but not
10	issued within 5 years of ratification of this Part are deauthorized and may not be issued,
11	except that the Legislature may, within 2 years after the expiration of that 5-year period,
12	extend the period for issuing any remaining unissued bonds for an additional amount of
13	time not to exceed 5 years.
14	Sec. A-9. Referendum for ratification; submission at election; form of
15	question; effective date. This Part 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 Part by voting on the following question:
20	"Do you favor a \$100,000,000 bond issue to provide funds for the
21	construction, repair and upgrading of county correctional facilities?"
22	The legal voters of each city, town and plantation shall vote by ballot on this question
23	and designate their choice by a cross or check mark placed within a corresponding square
24	below the word "Yes" or "No." The ballots must be received, sorted, counted and
25	declared in open ward, town and plantation meetings and returns made to the Secretary of
26	State in the same manner as votes for members of the Legislature. The Governor shall
27	review the returns. If a majority of the legal votes are cast in favor of this Part, the
28	Governor shall proclaim the result without delay and this Part becomes effective 30 days
29	after the date of the proclamation.
30	The Secretary of State shall prepare and furnish to each city, town and plantation all
31	ballots, returns and copies of this Part necessary to carry out the purposes of this
32	referendum.
33	PART B
34	Sec. B-1. 30-A MRSA c. 13, sub-c. 6 is enacted to read:
35	SUBCHAPTER 6

MA	AINE COUNTY CORRECTIONAL FACILITIES REVOLVING CONSTRUCTION AND IMPROVEMENT FUND
§1681. D	<u>Definitions</u>
	sed in this subchapter, unless the context otherwise indicates, the following re the following meanings.
	oard. "Board" means the Maine County Correctional Facilities Construction overment Board established under section 1683.
	Fund. "Fund" means the Maine County Correctional Facilities Revolving ion and Improvement Fund established under section 1682.
§1682.	Maine County Correctional Facilities Revolving Construction and mprovement Fund
Construct	Fund established. The Maine County Correctional Facilities Revolving tion and Improvement Fund is established as a nonlapsing, interest-earning fund administered by the board under section 1683.
2. So	ources of fund. Sources of the fund may include:
<u>A.</u> M	Ioney appropriated or allocated by the State for inclusion in the fund;
<u>B</u> . M	loney that the board receives in repayment of loans from the fund;
C. In	terest, dividends and pecuniary gains from investment of money in the fund;
	Ioney from any bond issues approved by the voters of the State for the purposes fund; and
<u>E. M</u>	oney otherwise made available to the board for the purposes of the fund.
	pplication of fund. Money in the fund may be loaned to a county for a project act, repair or upgrade a county correctional facility pursuant to section 1683, n 4.
§1683. N	Maine County Correctional Facilities Construction and Improvement Board
	Establishment. The Maine County Correctional Facilities Construction and ment Board is established to administer the fund.
2. M	embers. The board consists of the following members:
<u>A.</u> T	he Treasurer of State or the treasurer's designee;
B.	The Commissioner of Administrative and Financial Services or the missioner's designee;
	wo county commissioners appointed by the Governor from a list of nominees red by an association of county commissioners in the State; and

- D. Two sheriffs appointed by the Governor from a list of nominees prepared by a sheriffs' association in the State.
 - 3. Terms. Members of the board who are appointed serve for a term not to exceed 3 years.
 - **4. Duties.** The board shall administer the fund.

- A. The board may receive and invest on behalf of the fund money made available to the board for the use of the fund in addition to money appropriated or allocated by the State or from bond issues approved by the voters of the State. Loan repayments under this subchapter must be invested by the board, as provided by law, with the income earned to be added to the fund. The board may divide the fund into separate accounts as determined necessary or convenient to accomplish the purposes of the fund.
- B. The board may approve an application for a loan to a county to accomplish the purposes of the fund. A loan from the fund must be approved at a referendum of the voters of the county where the project is located. The debt incurred is the obligation of the county that receives the loan.
- **Sec. B-2. Staggered terms.** Notwithstanding the Maine Revised Statutes, Title 30-A, section 1683, subsection 3, of the members of the Maine County Correctional Facilities Construction and Improvement Board who are county commissioners, the first appointed by the Governor serves for a term of 2 years and the 2nd serves for a term of 3 years, and of the members of the board who are sheriffs, the first appointed by the Governor serves for a term of 2 years and the 2nd serves for a term of 3 years.
- **Sec. B-3. Contingent effective date.** This Part takes effect only if the General Fund bond issue proposed in Part A is approved by the voters of this State.

25 SUMMARY

This bill provides for a bond issue, in the amount of \$100,000,000, to fund the construction, repair and upgrading of county correctional facilities. The bill establishes the Maine County Correctional Facilities Revolving Construction and Improvement Fund to receive the bond money and the Maine County Correctional Facilities Construction and Improvement Board to administer the fund. The bill allows money in the fund to be loaned to a county for a project to construct, repair or upgrade a county correctional facility and requires a loan from the fund to be approved at a referendum of the voters of the county where the project is located.