



# 125th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2011

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Legislative Document

No. 851

S.P. 254

In Senate, March 3, 2011

**An Act To Authorize a General Fund Bond Issue To Invest in  
Railroads To Reduce the Cost of Shipping to Maine Businesses,  
Attract Tourists to Maine and Facilitate the Development of  
Commuter Rail Transportation To Reduce the Use of Oil in Maine**

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

*Joseph G. Carleton Jr.*

JOSEPH G. CARLETON, JR.  
Secretary of the Senate

Presented by Senator HOBBS of York.

Cosponsored by Representative HOGAN of Old Orchard Beach and

Senators: ALFOND of Cumberland, BLISS of Cumberland, BRANNIGAN of Cumberland,  
CRAVEN of Androscoggin, GERZOFKY of Cumberland, HILL of York, JACKSON of  
Aroostook, PATRICK of Oxford.

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 \$25,000,000 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; allocations from General Fund**  
27 **bond issue.** The proceeds of the sale of the bonds authorized under this Act must be  
28 expended as designated in the following schedule under the direction and supervision of  
29 the agencies and entities set forth in this section.

30           **TRANSPORTATION, DEPARTMENT**  
31           **OF**

32           To provide funds for railroad reconstruction and expansion that the business sector  
33 considers vital to the shipment of goods and the ability of the business community to  
34 compete.

35  
36           Total \$25,000,000

37           **Sec. 6. Consultation with business and economic development sector.** The  
38 Department of Transportation shall consult with the business and economic development

1 sector to develop a list of priorities in regard to railroad construction and reconstruction  
2 projects. To determine priorities of commuter and passenger railroad projects, the  
3 Department shall consult with organizations representing the public, including tourism  
4 associations and citizens groups, focusing on projects important to tourism and projects  
5 with greatest visibility for increased commuter and passenger rail service and taking into  
6 consideration the extent that proposed projects reduce the consumption of oil.

7 **Sec. 7. Contingent upon ratification of bond issue.** Sections 1 to 5 do not  
8 become effective unless the people of the State ratify the issuance of the bonds as set  
9 forth in this Act.

10 **Sec. 8. Appropriation balances at year-end.** At the end of each fiscal year, all  
11 unencumbered appropriation balances representing state money carry forward. Bond  
12 proceeds that have not been expended within 10 years after the date of the sale of the  
13 bonds lapse to the Office of the Treasurer of State to be used for the retirement of general  
14 obligation bonds.

15 **Sec. 9. Bonds authorized but not issued.** Any bonds authorized but not issued  
16 within 5 years of ratification of this Act are deauthorized and may not be issued, except  
17 that the Legislature may, within 2 years after the expiration of that 5-year period, extend  
18 the period for issuing any remaining unissued bonds for an additional amount of time not  
19 to exceed 5 years.

20 **Sec. 10. Referendum for ratification; submission at election; form of**  
21 **question; effective date.** This Act must be submitted to the legal voters of the State at  
22 a statewide election held in the month of November following passage of this Act. The  
23 municipal officers of this State shall notify the inhabitants of their respective cities, towns  
24 and plantations to meet, in the manner prescribed by law for holding a statewide election,  
25 to vote on the acceptance or rejection of this Act by voting on the following question:

26 "Do you favor a \$25,000,000 bond issue to provide funds for railroad  
27 reconstruction and expansion that the business sector considers vital to  
28 the shipment of goods and the ability of the business community to  
29 compete?"

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

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

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## **SUMMARY**

The funds provided by this bond issue, in the amount of \$25,000,000, will be used to provide funds for railroad reconstruction and expansion that the business sector considers vital to the shipment of goods and the ability of the business community to compete. It requires that the Department of Transportation consult with the business and economic development sector to develop a list of priorities in regard to railroad construction and reconstruction projects focusing on projects important to tourism and projects with greatest visibility for increased commuter and passenger rail service and taking into consideration the extent that proposed projects reduce the consumption of oil.