

125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 1395

H.P. 1024

House of Representatives, April 4, 2011

An Act To Authorize a Highway Fund Bond Issue To Improve Maine's Roads and Bridges

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

Heath & Print

HEATHER J.R. PRIEST Clerk

Presented by Representative CEBRA of Naples.

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 \$50,000,000 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 19 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 20 21 in this Act lapse to the Office of the Treasurer of State to be used for the retirement of 22 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.

26 Sec. 5. Disbursement of bond proceeds; allocations from Highway 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**

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32 Provides funds to match federal funds for highway and bridge capital projects.

34 Total \$50,000,000

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.

6 Sec. 8. Bonds authorized but not issued. Any bonds authorized but not issued 7 within 5 years of ratification of this Act are deauthorized and may not be issued, except 8 that the Legislature may, within 2 years after the expiration of that 5-year period, extend 9 the period for issuing any remaining unissued bonds for an additional amount of time not 10 to exceed 5 years.

11 Sec. 9. Referendum for ratification; submission at election; form of 12 question; effective date. This Act must be submitted to the legal voters of the State at 13 a statewide election held in the month of November following passage of this Act. The 14 municipal officers of this State shall notify the inhabitants of their respective cities, towns 15 and plantations to meet, in the manner prescribed by law for holding a statewide election, 16 to vote on the acceptance or rejection of this Act by voting on the following question:

17 "Do you favor a \$50,000,000 bond issue to provide funds to improve
18 roads and bridges and to match federal funds for highway and bridge
19 capital projects?"

20 The legal voters of each city, town and plantation shall vote by ballot on this question 21 and designate their choice by a cross or check mark placed within a corresponding square below the word "Yes" or "No." The ballots must be received, sorted, counted and 22 declared in open ward, town and plantation meetings and returns made to the Secretary of 23 State in the same manner as votes for members of the Legislature. The Governor shall 24 review the returns. If a majority of the legal votes are cast in favor of this Act, the 25 Governor shall proclaim the result without delay and this Act becomes effective 30 days 26 after the date of the proclamation. 27

- 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.
- 31 SUMMARY
 32 The funds provided by this bond issue, in the amount of \$50,000,000, will be used to
- The funds provided by this bond issue, in the amount of \$50,000,000, will be used to provide funds to match federal funds for highway and bridge capital projects.