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An Act To Authorize a General Fund Bond Issue To Stimulate the Midcoast Economy

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,

Be it enacted by the People of the State of Maine as follows:

Sec. 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 amount not exceeding \$20,000,000 for the purposes described in section 6 of this Act. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds. At the discretion of the Treasurer of State, with the approval of the Governor, any issuance of bonds may contain a call feature.

Sec. 2. Records of bonds issued kept by Treasurer of State. The Treasurer of State shall keep an account of each bond showing the number of the bond, the name of the successful bidder to whom sold, the amount received for the bond, the date of sale and the date when payable.

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 loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the 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 forth in this Act. Any unencumbered balances remaining at the completion of the project in this Act lapse to the debt service account established for the retirement of these 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.

Sec. 5. Disbursement of bond proceeds. The proceeds of the bonds must be expended as set out in this Act under the direction and supervision of the Department of Economic and Community Development, the Finance Authority of Maine and the Department of Transportation.

Sec. 6. Allocations from General Fund bond issue. The proceeds of the sale of the bonds authorized under this Act must be expended as designated in the following schedule.

**Department of Economic and
Community Development**

\$10,000,000

Provides competitive funds for infrastructure improvements and property acquisitions directly related to economic development and job growth.

Provides funds to the Small Enterprise Growth Fund for venture capital. \$2,000,000

Provides funds to the Maine Technology Institute for research and development projects in the midcoast area. \$1,000,000

Finance Authority of Maine

Provides funds to the economic recovery loan program at the Finance Authority of Maine designated for the midcoast area to assist businesses and landlords through the transition period of the decommissioning of Brunswick Naval Air Station and to help existing businesses expand. \$3,000,000

Department of Transportation

Provides funds for rail and highway infrastructure improvements in the midcoast area. \$4,000,000

Sec. 7. Contingent upon ratification of bond issue. Sections 1 to 6 do not become effective unless the people of the State ratify the issuance of the bonds as set forth in this Act.

Sec. 8. 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 General Fund debt service.

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

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

"Do you favor a \$20,000,000 bond issue to be used for the following purposes:

1. The sum of \$10,000,000 for infrastructure improvements and property acquisitions directly related to economic development and job growth;
2. The sum of \$2,000,000 for the Small Enterprise Growth Fund to provide venture capital specifically to the midcoast area for start-ups and expansion of existing businesses;
3. The sum of \$1,000,000 to the Maine Technology Institute for research and development in the midcoast area;
4. The sum of \$3,000,000 for the economic recovery loan program designated to the midcoast area to help businesses and landlords through the transition period of the decommissioning of Brunswick Naval Air Station; and
5. The sum of \$4,000,000 for rail and highway infrastructure improvements in the midcoast area?"

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 below the word "Yes" or "No." The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns. If a majority of the legal votes are cast in favor of this Act, the Governor shall proclaim the result without delay and this Act becomes effective 30 days after the date of the proclamation.

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.

SUMMARY

The funds provided by this bond issue, in the amount of \$20,000,000, are to be used for economic stimulation to the midcoast area of Maine for infrastructure improvement and property acquisition directly related to economic development and job growth, to help businesses and landlords through the transition period of the decommissioning of Brunswick Naval Air Station, to provide funding for the expansion of existing business, to provide venture capital for start-ups and expansion of existing businesses, to fund research and development projects in the midcoast area by the Maine Technology Institute and to improve the rail and highway infrastructures.