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## **An Act To Authorize a General Fund Bond Issue for Research and Development to Create Jobs in Maine's Emerging Biobased Plastics Industry**

**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 \$30,000,000 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 and the University of Maine System.

**Sec. 6. Allocations from General Fund bond issue.** The proceeds of the sale of the bonds authorized under this Act must be expended to support research, development and commercialization projects that support the emerging biobased plastics industry and related green chemistry research consistent with the following criteria and purposes. The funds will be administered by the Maine Technology Institute through a biobased plastics and green chemistry fund.

A biobased plastics and green chemistry fund may only be used to support projects that support or enhance cluster development for innovative technology; are consistent with the objectives of the Maine science and technology action plan; represent a collaborative effort between the public, private and nonprofit sectors; advance research and development in one or more of the following priority sectors: advanced materials and composites, forestry and agriculture or environmental technologies; and leverage private sector investments, other state funding, federal research funding or other matching funds.

The types of projects eligible for competitively awarded funding from a biobased plastics and green chemistry fund for equipment and capital expenditures include, but are not limited to:

1. Research and development of processes to manufacture biobased plastics from potatoes, other agricultural crops, forest products or other biomass;
2. Commercialization of biobased plastics production from potatoes or other agricultural crops at one or more facilities to be located in Aroostook County;
3. Infrastructure to support the collection, storage and processing of potatoes, other agricultural crops or related agricultural waste products to provide feedstock for the manufacture of biobased plastics;
4. Research and development of agricultural crops such as potatoes and sugar beets to provide a source of starch or sugar to support biobased plastics production;
5. Research and infrastructure development that enables biobased plastics production to meet emerging sustainability guidelines that promote sustainable agriculture, energy efficiency, nontoxic additives, biocomposting and recycling;
6. Research and development of specific applications to expand the use of biobased plastics in manufacturing and services and to develop new markets for biobased plastics;
7. Green chemistry research that leads to the development of safer alternatives to hazardous chemicals or petroleum-based plastics; and
8. Related research infrastructure capacity within the University of Maine System.

**DEPARTMENT OF ECONOMIC AND  
COMMUNITY DEVELOPMENT**

Provides funds for a biobased  
plastics and green chemistry fund to be  
administered by the Maine Technology  
Institute.

\$30,000,000

**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 \$30,000,000 bond issue to fund research, development and commercialization of biobased plastics production using potatoes and other agricultural and forest products as the raw material through competitive awards administered by the Maine Technology Institute through a biobased plastics and green chemistry fund for collaborative projects involving the private, public and nonprofit sectors, including the University of Maine System?”

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 \$30,000,000, are to fund research, development and commercialization of the emerging biobased plastics industry in Maine. The Maine Technology Institute will administer competitive awards through a biobased plastics and green chemistry fund for collaborative projects that include, but are not limited to, research and development of processes to manufacture biobased plastics from agricultural and forest products and the commercialization of biobased plastics production from potatoes and agricultural crops in Aroostook County.