



125th MAINE LEGISLATURE

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Legislative Document

No. 842

H.P. 639

House of Representatives, March 3, 2011

**An Act To Authorize a General Fund Bond Issue To Support
Research and Sustainable Development of Maine's Natural
Resources**

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

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative HUNT of Buxton.
Cosponsored by Senator JACKSON of Aroostook and
Representatives: DOW of Waldoboro, EVES of North Berwick, FLEMINGS of Bar Harbor,
McCABE of Skowhegan, PRESCOTT of Topsham.

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 \$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
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.** The proceeds of the bonds must be
27 expended as set out in this Act under the direction and supervision of the Department of
28 Economic and Community Development, Maine Technology Institute.

29 **1. Maine Technology Capacity Fund.** A portion of the proceeds of the sale of
30 bonds must be deposited in the existing Maine Technology Capacity Fund, established in
31 the Maine Revised Statutes, Title 5, section 15303-A, and used to support research,
32 development and commercialization of innovative advanced technology based on
33 sustainable use of natural resources, including, but not limited to, forest products,
34 agricultural products, tidal energy and wind energy. The funds must be competitively
35 awarded for equipment and other capital expenditures. This fund may support only
36 projects that:

37 A. Are consistent with the objectives of the State's science and technology action
38 plan, established pursuant to the Maine Revised Statutes, Title 10, chapter 107-D, and
39 fall within one of the State's targeted technology sectors;

- 1 B. Strengthen cluster development among companies and supporting organizations
- 2 within the relevant technology sector;
- 3 C. Represent a collaborative effort between public, private and nonprofit entities;
- 4 D. Leverage private sector investments, other state funding, federal research funding
- 5 or other matching funds; and
- 6 E. Demonstrate sustainability of benefits to the economy, community and
- 7 environment.

8 **2. Sustainable local economy fund.** A portion of the proceeds of the sale of bonds
 9 must be deposited in a sustainable local economy fund to be established within the
 10 Department of Economic and Community Development and administered by the Maine
 11 Technology Institute to support economic development projects that benefit local food
 12 production or local recycling. The funds must be competitively awarded for equipment
 13 and other capital expenditures for projects in 2 areas:

- 14 A. Infrastructure that supports the processing, storage and local distribution of food
- 15 products grown or harvested in the State; and
- 16 B. Infrastructure that supports the collection, storage and local distribution for reuse
- 17 or recycling of consumer products.

18 In making awards from the sustainable local economy fund, the Maine Technology
 19 Institute shall consider any information that assesses needs, establishes priorities or
 20 makes recommendations as provided by the Department of Agriculture, Food and Rural
 21 Resources and the Department of Environmental Protection or other relevant state
 22 agency.

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

26 **ECONOMIC AND COMMUNITY**
 27 **DEVELOPMENT, DEPARTMENT OF**
 28
 29 **Maine Technology Institute**

30 Provides funds to support natural resource-based research, development and
 31 commercialization to be administered through the Maine Technology Capacity Fund
 32 by the Maine Technology Institute.

33
 34 Total \$45,000,000

35 Provides funds for infrastructure to support processing, storage and local distribution
 36 of food products grown or harvested in Maine or for the collection, storage and local
 37 distribution for reuse or recycling of consumer products, through a sustainable local
 38 economy fund administered by the Maine Technology Institute.

39

1 technology that relies on the sustainable use of Maine's natural resources such as forest
2 and agricultural products and tidal and wind energy. The remaining \$5,000,000 support
3 sustainable local economic development projects that enhance the economic benefits of
4 increased reliance on local foods and recycling of consumer products. The funds must be
5 administered by the Maine Technology Institute and competitively awarded.