

## **128th MAINE LEGISLATURE**

## FIRST REGULAR SESSION-2017

**Legislative Document** 

No. 1510

H.P. 1034

House of Representatives, April 25, 2017

An Act To Authorize a General Fund Bond Issue To Fund Wastewater Infrastructure Projects for Ratification by Voters in the June 2017 Election

Submitted by the Department of Environmental Protection pursuant to Joint Rule 204. Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

R(+ B. Hunt

ROBERT B. HUNT Clerk

Presented by Representative FREDETTE of Newport.

**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. At the 11 discretion of the Treasurer of State, with the approval of the Governor, any issuance of 12 bonds may contain a call feature.

13 **Sec. 2. Records of bonds issued; Treasurer of State.** The Treasurer of State 14 shall ensure that an account of each bond is kept showing the number of the bond, the 15 name of the successful bidder to whom sold, the amount received for the bond, the date of 16 sale and the date when payable.

17 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 18 19 loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the 20 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 21 22 forth in this Act. Any unencumbered balances remaining at the completion of the project 23 in this Act lapse to the Office of the Treasurer of State to be used for the retirement of 24 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.

28 Sec. 5. Disbursement of bond proceeds from General Fund bond issue. 29 The proceeds of the sale of the bonds authorized under this Act must be expended as 30 designated in the following schedule under the direction and supervision of the 31 Department of Environmental Protection.

- 32 ENVIRONMENTAL PROTECTION,
- 33 DEPARTMENT OF 34

38

- 35 Small Community Grant Program
- Provides funds for grants to towns to help replace malfunctioning septic systems that
   are polluting coastal watersheds or causing a public nuisance.
- 39 Total \$2,000,000

## 1Wastewater Treatment Facility Planning2and Construction Grants

Provides funds for wastewater treatment facility planning, construction grants and
 hydrographic modeling in coastal watersheds, prioritizing areas with high-value
 shellfish resources.

\$47,650,000

- 6
- 7 Total

## 8 Overboard Discharge

Provides funds to assist homeowners whose homes are served by substandard or
malfunctioning wastewater treatment systems, including straight pipe discharges,
individual overboard discharge systems, subsurface wastewater disposal systems,
septic tanks, leach fields and cesspools, which result in direct discharges of domestic
pollutants to coastal watersheds.

14 15 Total \$350,000

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.

19 Sec. 7. Appropriation balances at year-end. At the end of each fiscal year, all 20 unencumbered appropriation balances representing state money carry forward. Bond 21 proceeds that have not been expended within 10 years after the date of the sale of the 22 bonds lapse to the Office of the Treasurer of State to be used for the retirement of general 23 obligation bonds.

Sec. 8. 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.

30 Sec. 9. Referendum for ratification; submission at election; form of 31 question; effective date. This Act must be submitted to the legal voters of the State at 32 a statewide election held in June 2017 following passage of this Act. The municipal 33 officers of this State shall notify the inhabitants of their respective cities, towns and 34 plantations to meet, in the manner prescribed by law for holding a statewide election, to 35 vote on the acceptance or rejection of this Act by voting on the following question:

"Do you favor a \$50,000,000 bond issue to improve water quality,
support the planning and construction of wastewater treatment facilities

1 and assist homeowners whose homes are served by substandard or 2 malfunctioning wastewater treatment systems?"

3 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 4 below the word "Yes" or "No." The ballots must be received, sorted, counted and 5 declared in open ward, town and plantation meetings and returns made to the Secretary of 6 State in the same manner as votes for members of the Legislature. The Governor shall 7 8 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 9 after the date of the proclamation. 10

- 11 The Secretary of State shall prepare and furnish to each city, town and plantation all 12 ballots, returns and copies of this Act necessary to carry out the purposes of this 13 referendum.
- 14 SUMMARY
  15 The funds provided by this bond issue, in the amount of \$50,000,000, will be used to
  16 fund the replacement of malfunctioning septic systems, wastewater treatment facility
  17 planning, construction grants and hydrographic modeling in coastal watersheds,
  18 prioritizing areas with high-value shellfish resources, and assistance to homeowners
  19 whose homes are served by substandard or malfunctioning wastewater treatment systems.