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Legislative Document

No. 1702

H.P. 1265

House of Representatives, May 13, 2021

An Act To Authorize General Fund Bond Issues To Improve Transportation and National Guard Infrastructure and To Promote the Conservation of Land, Working Waterfronts, Water Access and Outdoor Recreation

Received by the Clerk of the House on May 11, 2021. Referred to the Committee on Appropriations and Financial Affairs pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

R(+ B. Hunt

ROBERT B. HUNT Clerk

Presented by Representative PIERCE of Falmouth. (GOVERNOR'S BILL)

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,

- 4 Be it enacted by the People of the State of Maine as follows:
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acted by the reopie of the State of Maine as fond

PART A

Sec. A-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 \$100,000,000 for the purposes described in section 5 of this Part. 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.

11 Sec. A-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 name 13 of the successful bidder to whom sold, the amount received for the bond, the date of sale 14 and the date when payable.

15 Sec. A-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 16 be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the 17 18 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 19 20 forth in this Part. Any unencumbered balances remaining at the completion of the project 21 in this Part lapse to the Office of the Treasurer of State to be used for the retirement of 22 general obligation bonds.

Sec. A-4. Interest and debt retirement. The Treasurer of State shall pay interest
 due or accruing on any bonds issued under this Part and all sums coming due for payment
 of bonds at maturity.

26 Sec. A-5. Disbursement of bond proceeds from General Fund bond issue. 27 The proceeds of the sale of the bonds authorized under this Part must be expended as 28 designated in the following schedule under the direction and supervision of the agencies 29 and entities set forth in this section.

30 DEPARTMENT OF TRANSPORTATION

- Provides funds to construct, reconstruct, rehabilitate and preserve state Priority 1,
 Priority 2 and Priority 3 corridor highways statewide, to replace and rehabilitate
 bridges statewide and to fund the municipal partnership initiative and for associated
 activities.
- 35 Total

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$85,000,000
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- Provides funds for multimodal facilities or equipment related to transit, freight and
 passenger railroads, aviation, ports, harbors, marine transportation and active
 transportation projects and associated activities.
- 39 Total

\$15,000,000

Sec. A-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 Part.

Sec. A-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.

9 Sec. A-8. Bonds authorized but not issued. Any bonds authorized but not issued 10 within 5 years of ratification of this Part are deauthorized and may not be issued, except 11 that the Legislature may, within 2 years after the expiration of that 5-year period, extend 12 the period for issuing any remaining unissued bonds for an additional amount of time not 13 to exceed 5 years.

14 Sec. A-9. Referendum for ratification; submission at election; form of 15 question; effective date. This Part must be submitted to the legal voters of the State at 16 a statewide election held in the month of November following passage of this Act. The 17 municipal officers of this State shall notify the inhabitants of their respective cities, towns 18 and plantations to meet, in the manner prescribed by law for holding a statewide election, 19 to vote on the acceptance or rejection of this Part by voting on the following question:

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"Do you favor a \$100,000,000 bond issue to build or improve roads, bridges, railroads, airports, transit facilities and ports and make other transportation investments, to be used to leverage an estimated \$259,000,000 in federal and other funds?"

24 The legal voters of each city, town and plantation shall vote by ballot on this question 25 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 26 27 in open ward, town and plantation meetings and returns made to the Secretary of State in 28 the same manner as votes for members of the Legislature. The Governor shall review the 29 returns. If a majority of the legal votes are cast in favor of this Part, the Governor shall proclaim the result without delay and this Part becomes effective 30 days after the date of 30 31 the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Part necessary to carry out the purposes of this referendum.

35 **PART B**

Sec. B-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 \$40,000,000 for the purposes described in section 6 of this Part. 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.

41 **Sec. B-2. Records of bonds issued; Treasurer of State.** The Treasurer of State 42 shall ensure that an account of each bond is kept showing the number of the bond, the name 1 of the successful bidder to whom sold, the amount received for the bond, the date of sale 2 and the date when payable.

3 Sec. B-3. Sale; how negotiated; proceeds appropriated. The Treasurer of State 4 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 5 bonds, which must be held by the Treasurer of State and paid by the Treasurer of State 6 7 upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Part. Any unencumbered balances remaining at the completion of the project 8 9 in this Part lapse to the Office of the Treasurer of State to be used for the retirement of 10 general obligation bonds.

Sec. B-4. Interest and debt retirement. The Treasurer of State shall pay interest
 due or accruing on any bonds issued under this Part and all sums coming due for payment
 of bonds at maturity.

Sec. B-5. Disbursement of bond proceeds. The proceeds of the bonds must be
 expended as set out in this Part under the direction and supervision of the Department of
 Agriculture, Conservation and Forestry.

17 1. The proceeds of the bonds for the Land for Maine's Future Board as set out in section 18 6 must be expended by the Department of Agriculture, Conservation and Forestry for 19 acquisition of land and interest in land for conservation, water access, outdoor recreation, wildlife and fish habitat, working farmland preservation in accordance with the provisions 20 21 for such acquisitions under the Maine Revised Statutes, Title 5, chapter 353 and working 22 waterfront protection in accordance with the terms of Public Law 2005, chapter 462, Part 23 B, section 6, including all costs associated with such acquisitions, except that use of the 24 proceeds of these bonds is subject to the following conditions and requirements.

A. Hunting, fishing, trapping and public access may not be prohibited on land acquired with bond proceeds, except to the extent applicable state, local or federal laws, rules and regulations apply and except for working waterfront projects and working farmland preservation projects.

29 B. Payment from bond proceeds for acquisitions for community conservation projects 30 as defined in Title 5, section 6201, subsection 1-B may be made directly to cooperating 31 entities as defined in Title 5, section 6201, subsection 2 for acquisition of land and 32 interest in land by cooperating entities, subject to terms and conditions enforceable by 33 the State to ensure its use for the purposes of this Part. In addition to the considerations required under Title 5, chapter 353, the Land for Maine's Future Board shall give a 34 preference to acquisitions under this paragraph that achieve benefits for multiple towns 35 and that address regional conservation needs including public recreational access, 36 37 wildlife, open space and farmland.

The bond funds expended for conservation, recreation, working waterfronts, 38 C. 39 working farmland, community conservation projects and water access must be matched 40 with at least \$40,000,000 in public and private contributions. Seventy percent of that amount must be in the form of cash or other tangible assets, including the value of land 41 42 and real property interest acquired by or contributed to cooperating entities as defined in Title 5, section 6201, subsection 2 when property interests have a direct relationship 43 to the property proposed for protection, as determined by the Land for Maine's Future 44 45 Board. The remaining 30% may be matching contributions and may include the value

- 1 of project-related, in-kind contributions of goods and services to and by cooperating 2 entities.
- 3 D. To the extent the purposes are consistent with the disbursement provisions in this 4 Part, 100% of the bond proceeds may be considered as state match for any federal 5 funding to be made available to the State.
- 2. The Department of Inland Fisheries and Wildlife shall take a proactive approach to
 pursuing land conservation projects that include conservation of deer wintering areas
 determined to be important under the Maine Revised Statutes, Title 5, section 6207,
 subsection 2, paragraph E.
- 3. Of the bond proceeds allocated to the Land for Maine's Future Board as set out in
 section 6, at least 5% must be made available to acquire public access to water in
 accordance with the Maine Revised Statutes, Title 5, section 6203-A.
- 4. Of the bond proceeds allocated to the Land for Maine's Future Board as set out in
 section 6, at least 10% must be made available to protect farmland in accordance with the
 Maine Revised Statutes, Title 5, section 6207.
- 5. Of the bond proceeds allocated to the Land for Maine's Future Board as set out in
 section 6, at least 10% must be made available to protect working waterfront properties in
 accordance with Public Law 2005, chapter 462, Part B, section 6.
- Sec. B-6. Disbursement of bond proceeds from General Fund bond issue.
 The proceeds of the sale of the bonds authorized under this Part must be expended as designated in the following schedule.
- 22 DEPARTMENT OF AGRICULTURE, CONSERVATION AND FORESTRY
- 23 Land for Maine's Future Board
- Provides funds in order to leverage \$40,000,000 in matching contributions from public 24 and private sources to be used for the acquisition of land and interest in land for 25 26 conservation; water access; wildlife and fish habitat, including deer wintering areas; 27 outdoor recreation, including hunting and fishing; and working farmland preservation and working waterfront preservation. No more than \$10,000,000 may be issued in the 28 29 first year by the Land for Maine's Future Board and no more than \$10,000,000 may be issued by the Land for Maine's Future Board in each of the 3 subsequent years, except 30 31 that any unused balance may be added to the specified amount in subsequent years.
- 32 Total

- \$40,000,000
- Sec. B-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 Part.
- 36 Sec. B-8. Appropriation balances at year-end. At the end of each fiscal year, 37 all unencumbered appropriation balances representing state money carry forward. Bond 38 proceeds that have not been expended within 10 years after the date of the sale of the bonds 39 lapse to the Office of the Treasurer of State to be used for the retirement of general 40 obligation bonds.
- 41 Sec. B-9. Bonds authorized but not issued. Any bonds authorized but not issued
 42 within 5 years of ratification of this Part 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 for an additional amount of time not
 to exceed 5 years.

4 Sec. B-10. Referendum for ratification; submission at election; form of 5 question; effective date. This Part must be submitted to the legal voters of the State at 6 a statewide election held in the month of November following passage of this Act. The 7 municipal officers of this State shall notify the inhabitants of their respective cities, towns 8 and plantations to meet, in the manner prescribed by law for holding a statewide election, 9 to vote on the acceptance or rejection of this Part by voting on the following question:

"Do you favor a \$40,000,000 bond issue to invest in land conservation,
water access, wildlife and fish habitat, outdoor recreation opportunities,
including hunting and fishing, working farmlands and working
waterfronts, to be matched by at least \$40,000,000 in private and public
contributions?"

15 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 16 below the word "Yes" or "No." The ballots must be received, sorted, counted and declared 17 18 in open ward, town and plantation meetings and returns made to the Secretary of State in 19 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 Part, the Governor shall 20 proclaim the result without delay and this Part becomes effective 30 days after the date of 21 22 the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Part necessary to carry out the purposes of this referendum.

PART C

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Sec. C-1. 5 MRSA §6201, sub-§1-B is enacted to read:

28 1-B. Community conservation project. "Community conservation project" means a 29 conservation project of local or regional significance that promotes one or more of the 30 following: public outdoor recreational access to lands and waters, including for underserved populations; public health; connections between conservation lands and 31 population centers; local or regional agriculture; conservation of cultural and historical 32 resources on undeveloped lands; protection of lakes, rivers or streams; conservation of fish 33 or wildlife habitat; protection of public drinking water supplies; conservation of community 34 35 forests; local economic development; opportunities for environmental learning; nonmotorized transportation options; or other priorities as determined by the board. 36

37 Sec. C-2. 5 MRSA §6201, sub-§2, as enacted by PL 1987, c. 506, §§1 and 4, is
 38 amended to read:

Cooperating entities. "Cooperating entities" means those private nonprofit
 organizations, municipal conservation commissions, local governments, federal agencies
 or other bodies designated by the Land for Maine's Future Board, pursuant to section 6203,
 as able to assist the State in the acquisition or management of conservation lands of
 statewide significance or for community conservation projects.

1 Sec. C-3. 5 MRSA §6203, sub-§3, ¶A, as amended by PL 1999, c. 769, §1, is 2 further amended to read: 3 A. Acquire property or an interest in property that is determined by the board to be of state statewide significance or for a community conservation project under the 4 5 guidelines of this chapter; Sec. C-4. 5 MRSA §6203, sub-§3, ¶C, as amended by PL 2021, c. 33, §1, is further 6 7 amended to read: 8 C. When interest in farmland is acquired with proceeds from the Land for Maine's Future Fund, fund the development of a business plan and capital improvements to 9 10 provide for the land's continuing use as a working farm, as long as these improvements do not exceed 5% of the appraised value of the acquired property. 11 Capital 12 improvements under this paragraph may also be made on adjoining farmland in the 13 same ownership or under the same management; and Sec. C-5. 5 MRSA §6203, sub-§3, ¶D, as enacted by PL 2021, c. 33, §1, is 14 15 amended to read: 16 D. When land or interest in land is acquired with proceeds from the Land for Maine's Future Fund, fund minor capital investments in the stewardship and management of 17 18 that land. Stewardship and management investments under this paragraph must be held 19 in a dedicated stewardship endowment and identified for use on the funded property. 20 Stewardship and management investments may not exceed 5% of the appraised value 21 of the acquired property-; and 22 Sec. C-6. 5 MRSA §6203, sub-§3, ¶E is enacted to read: 23 E. When an interest in a deer wintering area determined to be important under section 24 6207, subsection 2, paragraph E is acquired with proceeds from the Land for Maine's 25 Future Fund, fund the development of a management plan to provide for the land's continuing function as a deer wintering area, as long as the cost of this plan does not 26 exceed 5% of the appraised value of the acquired property. Development of a 27 28 management plan under this paragraph may also be made on adjoining deer wintering 29 areas in the same ownership or under the same management. Sec. C-7. 5 MRSA §6207, sub-§2, ¶E is enacted to read: 30 31 E. Provides wintering habitat for deer in areas determined by the Department of Inland Fisheries and Wildlife to be important for conserving deer in northern, eastern and 32 33 western areas of the State. 34 Sec. C-8. 5 MRSA §6207, sub-§3, as amended by PL 2011, c. 381, §1, is further 35 amended to read: 36 3. Priorities. Whenever possible, the Land for Maine's Future Fund and the Public 37 Access to Maine Waters Fund must be used for land acquisition projects when matching 38 funds are available from cooperating entities, as long as the proposed acquisition meets all other criteria set forth in this chapter. For acquisitions funded by the Land for Maine's 39 40 Future Fund, the board shall give priority to projects that conserve lands with multiple outstanding resource or recreation values or a single exceptional value; conserve and 41 42 protect deer wintering areas; help the State's natural ecosystems, wildlife and natural

- resources-based economies adapt to a changing climate; provide geographic representation; 1 2 and build upon or connect existing holdings.
- 3 When acquiring land or interest in land, the board shall examine public vehicular access rights to the land and, whenever possible and appropriate, acquire guaranteed public 4 vehicular access as part of the acquisition. 5
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Sec. C-9. 5 MRSA §6207, sub-§3-A is enacted to read:

3-A. Deer wintering areas. The board shall give preferential consideration to projects 7 8 that conserve lands that have been determined by the Department of Inland Fisheries and 9 Wildlife to be important for conserving deer in northern, eastern and western areas of the State. If acquired with proceeds from the Land for Maine's Future Fund, these lands must 10 be owned by the Department of Inland Fisheries and Wildlife and managed as wildlife 11 management areas, with deer conservation as the highest management priority. 12

Sec. C-10. Contingent effective date. This Part takes effect only if the General 13 14 Fund bond issue proposed in Part B is approved by the voters of this State.

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PART D

16 Sec. D-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 17 18 amount not exceeding \$6,800,000 for the purposes described in section 5 of this Part. The 19 bonds are a pledge of the full faith and credit of the State. The bonds may not run for a 20 period longer than 10 years from the date of the original issue of the bonds.

21 Sec. D-2. Records of bonds issued; Treasurer of State. The Treasurer of State 22 shall ensure that an account of each bond is kept 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 23 24 and the date when payable.

25 Sec. D-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 26 be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the 27 28 bonds, which must be held by the Treasurer of State and paid by the Treasurer of State 29 upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Part. Any unencumbered balances remaining at the completion of the project 30 31 in this Part lapse to the Office of the Treasurer of State to be used for the retirement of general obligation bonds. 32

33 Sec. D-4. Interest and debt retirement. The Treasurer of State shall pay interest due or accruing on any bonds issued under this Part and all sums coming due for payment 34 35 of bonds at maturity.

Sec. D-5. Disbursement of bond proceeds from General Fund bond issue. 36 The proceeds of the sale of the bonds authorized under this Part must be expended as 37 designated in the following schedule under the direction and supervision of the agencies 38 and entities set forth in this section. 39

40 **DEPARTMENT OF DEFENSE, VETERANS AND EMERGENCY**

MANAGEMENT 41

Provides funds for the State's share of maintenance, repair, capital improvement, modernization and energy efficiency projects for Maine National Guard readiness centers and support facilities.

Total

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\$6,800,000

Sec. D-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 Part.

8 Sec. D-7. Appropriation balances at year-end. At the end of each fiscal year, 9 all unencumbered appropriation balances representing state money carry forward. Bond 10 proceeds that have not been expended within 10 years after the date of the sale of the bonds 11 lapse to the Office of the Treasurer of State to be used for the retirement of general 12 obligation bonds.

13 Sec. D-8. Bonds authorized but not issued. Any bonds authorized but not issued 14 within 5 years of ratification of this Part are deauthorized and may not be issued, except 15 that the Legislature may, within 2 years after the expiration of that 5-year period, extend 16 the period for issuing any remaining unissued bonds for an additional amount of time not 17 to exceed 5 years.

18 Sec. D-9. Referendum for ratification; submission at election; form of 19 question; effective date. This Part must be submitted to the legal voters of the State at 20 a statewide election held in the month of November following passage of this Act. The 21 municipal officers of this State shall notify the inhabitants of their respective cities, towns 22 and plantations to meet, in the manner prescribed by law for holding a statewide election, 23 to vote on the acceptance or rejection of this Part by voting on the following question:

"Do you favor a \$6,800,000 bond issue to provide funds for the State's
share of maintenance, repair, capital improvement, modernization and
energy efficiency projects for Maine National Guard readiness centers and
support facilities, to be used to match an estimated \$7,600,000 in federal
funds?"

29 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 30 31 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 32 33 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 Part, the Governor shall 34 35 proclaim the result without delay and this Part becomes effective 30 days after the date of the proclamation. 36

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Part necessary to carry out the purposes of this referendum.

- SUMMARY
- 41 This bill does the following.

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Part A provides a bond issue, in the amount of \$100,000,000, for the Department of
 Transportation to support its ongoing capital programs to preserve, improve and construct
 roads, bridges, railroads, airports, transit and ports.

Part B provides a bond issue, in the amount of \$40,000,000, that will be used to provide
funds for the Department of Agriculture, Conservation and Forestry, Land for Maine's
Future Board.

Part C allows proceeds of the Land for Maine's Future Fund to be spent on property
that is determined by the Land for Maine's Future Board to be for a community
conservation project. It defines "community conservation project" and amends the
definition of "cooperating entities." It also provides that helping the State's natural
ecosystems, wildlife and natural resources-based economies adapt to a changing climate is
a priority of the board in making land acquisitions.

Part D provides a bond issue, in the amount of \$6,800,000, that will be used to provide
funds for the State's share of maintenance, repair, capital improvement, modernization and
energy efficiency projects for Maine National Guard readiness centers and support
facilities, to be used to match an estimated \$7,600,000 in federal funds.