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Legislative Document

No. 535

H.P. 392

House of Representatives, January 31, 2019

An Act To Authorize a General Fund Bond Issue To Invest in Maine's Rail Infrastructure and Expand Passenger Rail Service

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

ROBERT B. HUNT
Clerk

Presented by Representative SHEATS of Auburn.
Cosponsored by Senator CLAXTON of Androscoggin, Senator LIBBY of Androscoggin and Representatives: BICKFORD of Auburn, BROOKS of Lewiston, CLOUTIER of Lewiston, CRAVEN of Lewiston, HANDY of Lewiston, MELARAGNO of Auburn, Senator: DIAMOND of Cumberland.

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
21   projects in this Act lapse to the Office of the Treasurer of State to be used for the
22   retirement of 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 from General Fund bond issue.**
27   The proceeds of the sale of the bonds authorized under this Act 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   **TRANSPORTATION, DEPARTMENT**
31   **OF**

32   Provides funds to repair and reconstruct state-owned railroad lines.

33

34   Total $24,000,000

35   Provides funds to improve infrastructure on the railway crossing at Royal Junction in
36   the Town of Yarmouth.

37

| 1 | Total | $16,000,000 |

2 Provides funds to improve the railroad line between the cities of Auburn and
3 Lewiston and the City of Portland.

4

| 5 | Total | $10,000,000 |

6 **Sec. 6. Contingent upon ratification of bond issue.** Sections 1 to 5 do not
7 become effective unless the people of the State ratify the issuance of the bonds as set
8 forth in this Act.

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

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

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

25 "Do you favor a $50,000,000 bond issue to invest in Maine's rail
26 infrastructure and expand passenger rail service?"

27 The legal voters of each city, town and plantation shall vote by ballot on this question
28 and designate their choice by a cross or check mark placed within a corresponding square
29 below the word "Yes" or "No." The ballots must be received, sorted, counted and
30 declared in open ward, town and plantation meetings and returns made to the Secretary of
31 State in the same manner as votes for members of the Legislature. The Governor shall
32 review the returns. If a majority of the legal votes are cast in favor of this Act, the
33 Governor shall proclaim the result without delay and this Act becomes effective 30 days
34 after the date of the proclamation.

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

1   **SUMMARY**

2   The funds provided by this bond issue, in the amount of $50,000,000, will be used to
3   repair and reconstruct state-owned railroad lines, improve infrastructure on a railway
4   crossing in the Town of Yarmouth and improve the railroad line between the cities of
5   Lewiston and Auburn and the City of Portland.