MAINE CITIZEN'S GUIDE TO THE REFERENDUM ELECTION

Tuesday, June 9, 1998

In Accordance with the Acts Passed by the 118th Legislature at the First Regular Session, Special Session and Second Regular Session

Dan A. Gwadosky
Secretary of State

Appropriation 010-29A-3213-012

State of Maine
Office of the Secretary of State
Augusta, Maine 04333

Dear Fellow Citizen,

All eligible Maine residents may vote in the referendum election on June 9, 1998. The information in this booklet is intended to help you learn about the issues so that you can make your own, well-informed decisions about how to vote. Referendum elections are an important part of the heritage of public participation in Maine, so I hope you will help keep our democracy strong by voting.

For information about how or where you vote, you may contact your local municipal clerk or call Maine's Division of Elections at 287-4186.

Now, enclosed in this booklet you will find:

- Each of the three referendum questions.
- The legislation each question represents.
- A summary of the intent and content of the legislation.
- An explanation of the significance of a "yes" or "no" vote.
- An analysis of the debt service on each bond issue.

The Department of the Secretary of State, the State Treasurer and the Attorney General have worked together to prepare this booklet for you. We hope you find it helpful and that you will vote in the June 9, 1998, referendum election.

Sincerely,

Dan A. Gwadosky
Secretary of State

STATE OF MAINE
Referendum Election, June 9, 1998
LISTING OF REFERENDUM QUESTIONS

Question 1: Bond Issue

Do you favor a $36,985,000 bond issue for improvements to municipal and state roads, airports, state ferry vessels and terminals, transit facilities and equipment and rail and marine facilities that makes the State eligible for over $60,000,000 in matching federal, local and private funds?

Question 2: Bond Issue

Do you favor a $6,000,000 bond issue to construct water pollution control facilities, to close and clean up municipal solid waste landfills and to mitigate storm water pollution through a comprehensive watershed protection program?

Question 3: Bond Issue

Do you favor a $5,000,000 bond issue for capital expenses for vocational high schools?

TREASURER'S STATEMENT

The State of Maine borrows money by issuing bonds. Bonds spread the payments for projects over their useful life so that all benefiting from the projects pay for them. Bonding is a multi-step process which can generally be described as follows: 1.The Legislature decides which projects it believes should be funded from bond proceeds (money acquired from the sale of bonds) and puts the projects out for voter approval as required by the State Constitution. 2.The voters, at a statewide election, approve or reject each proposed project. 3.The State Treasurer issues bonds to pay for those projects approved by the voters or otherwise authorized by the Constitution. A person or institution purchasing the bonds is, in effect, loaning the State of Maine money in return for interest payments during the term of the bond. 4.The Treasurer distributes the money acquired from the sale of bonds in accordance with the legislation authorizing bonds for approved projects. 5.The Treasurer pays interest twice yearly to bond purchasers until the maturity date when the Treasurer pays them principal as well.

The following is a summary of the bond debt of the State of Maine as of December 31, 1997.

	Principal	Interest	Total
Bonds Outstanding (Issued and Maturing Through 2008):			
Highway fund	**$118,610,000**	**$ 25,556,571**	**$144,166,571**
General fund	**$305,425,000**	**$ 63,943,517**	**$369,368,517**
Total	**$424,035,000**	**$ 89,500,088**	**$513,535,088**
Unissued Bonds Authorized by Voters:	**$127,305,316**		
Unissued Bonds Authorized by the Constitution and Laws:	**$ 99,000,000**		
Total Unissued Bonds:	**$226,305,316**		
The Total Amount That Must Be Paid in the Present Fiscal Year for Debt Already Outstanding (7/1/97 - 6/30/98)	**$ 76,665,000**	**$ 25,226,324**	**$101,891,324**

If the bonds submitted here are approved by voters and issued for the full statutory period authorized, an estimate of the total interest and principal that may reasonably be expected to be paid is **$68,887,125** representing **$47,985,000** in principal and **$20,902,125** in interest.

Dale McCormick

DALE McCORMICK
TREASURER OF STATE

Question 1: Bond Issue

Do you favor a $36,985,000 bond issue for improvements to municipal and state roads, airports, state ferry vessels and terminals, transit facilities and equipment and rail and marine facilities that makes the State eligible for over $60,000,000 in matching federal, local and private funds?

STATE OF MAINE

Chapter 82
Private & Special Laws of 1998
Approved April 7, 1998

"An Act to Authorize Department of Transportation Bond Issues in the Amount of $36,985,000 to Match Available Federal Funds for Improvements to Municipal and State roads, Airports, State Ferry Vessels and Terminals, Transit Facilities and Equipment and Rail and Marine Facilities"

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 to match available federal funds for improvements to municipal and state roads, airports, state ferry vessels and terminals, transit facilities and equipment and rail and marine facilities.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. Authorization of bonds to provide for improvements to municipal and state roads, airports, state ferry vessels and terminals, transit facilities and equipment and rail and marine facilities. 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 $36,985,000 to provide funds to match available federal funds for improvements to municipal and state roads, airports, state ferry vessels and terminals, transit facilities and equipment and rail and marine facilities as authorized by section 6. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer that 20 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 to be kept by the 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 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 section 6 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 section 6 under the direction and supervision of the Commissioner of Transportation.

Sec. 6. Allocations from Highway Fund and General Fund bond issues; improvements to municipal and state roads, airports, state ferry vessels and terminals, transit facilities and equipment and rail and marine facilities. The proceeds of the sale of bonds must be expended as designated in the following schedule.

TRANSPORTATION, DEPARTMENT OF

General Fund

Airport improvements	$1,000,000
Marine facility, ferry vessel and terminal improvements	17,710,000
Rail facility improvements	3,500,000
Transit facilities and equipment	325,000
General Fund Total	$22,535,000

Highway Fund

Highway improvements and collector road award program	$4,700,000
Local road assistance program	9,750,000
Highway Fund Total	$14,450,000

Sec. 7. Contingent upon ratification of bond issue. Sections 1 to 6 do not become effective unless the people of the State have ratified the issuance of 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 or Highway 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 the 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 statewide election; form of question; effective date. This Act must be submitted to the legal voters of the State of Maine at the June 1998 primary election following passage of the 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 $36,985,000 bond issue for improvements to municipal and state roads, airports, state ferry vessels and terminals, transit facilities and equipment and rail and marine facilities that makes the State eligible for over $60,000,000 in matching federal, local and private funds?"

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 and, if a majority of the legal votes are cast in favor of the Act, the Governor shall proclaim the result without delay, and the 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 purpose of this referendum.

INTENT AND CONTENT

This Act would authorize the State to issue bonds in an amount not to exceed $36,985,000 to raise funds to match available federal funds for surface, air, water and rail transportation improvements. The bonds would run for a period of not longer than 20 years from the date of issue and would be backed by the full faith and credit of the State.

The proceeds of the sale of the bonds, which qualify the State for matching federal funds, would be expended by the State Department of Transportation for airport improvements ($1,000,000), marine facility, ferry vessel and terminal improvements ($17,710,000), rail facility improvements ($3,500,000), transit facilities and equipment ($325,000), highway improvements and collector road award program ($4,700,000) and local road assistance program ($9,750,000).

If approved, the bond authorization would take effect 30 days after the Governor's proclamation of the vote.

A statement of the Treasurer describing the financial considerations of this bond issue is published together with this statement.

A "YES" vote approves the authorization of a $36,985,000 bond issue for surface, air, water and rail transportation improvements.

A "NO" vote disapproves the bond issue.

Total estimated life time cost is $56,402,125 representing $36,985,000 in principal and $19,417,125 in interest (assuming interest at 5.0% over 20 years).

Question 2: Bond Issue

Do you favor a $6,000,000 bond issue to construct water pollution control facilities, to close and clean up municipal solid waste landfills and to mitigate storm water pollution through a comprehensive watershed protection program?

STATE OF MAINE

Chapter 561
Public Laws of 1997
Approved June 25, 1997

"An Act to Authorize 2 General Fund Bond Issues in the Amount of $13,000,000 to Construct Water Pollution Control Facilities, to Close and Clean Up Municipal Solid Waste Landfills, to Clean Up Tire Stockpiles, to Mitigate Storm Water Pollution through a Comprehensive Watershed Protection Program and to Make Drinking Water Improvements"

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 to construct water pollution control facilities, to clean up tire stockpiles and to make drinking water improvements and to provide funds to close and clean up municipal solid waste landfills and to mitigate storm water pollution through a comprehensive watershed protection program.

Be it enacted by the People of the State of Maine as follows:

PART B

Sec. B-1. Authorization of bonds to provide for funds to construct water pollution control facilities, to close and clean up municipal solid waste landfills and to mitigate storm water pollution through a comprehensive watershed protection program. 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 $6,000,000 to raise funds to construct water pollution control facilities, to close and clean up municipal solid waste landfills, and to mitigate storm water pollution through a comprehensive watershed protection program as authorized by section 6. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 5 years from the date of the original issue of the bonds. At the discretion of the Treasurer of the State, with the approval of the Governor, any issuance of bonds may contain a call feature.

Sec. B-2. Records of bonds issued to be kept by the 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. B-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 of 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 section 6 lapse to the debt service account established for the retirement of these bonds.

Sec. B-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. B-5. Disbursement of bond proceeds. The proceeds of the bonds must be expended as set out in section 6 under the direction and supervision of the Department of Environmental Protection.

Sec. B-6. Allocations from General Fund bond issue; to construct water pollution control facilities, to close and clean up municipal solid waste landfills and to mitigate storm water pollution through a comprehensive watershed protection program. The proceeds of the sale of bonds must be expended as designated in the following schedule.

	1997-98
ENVIRONMENTAL PROTECTION, DEPARTMENT OF	
Construction of water pollution control facilities	$1,000,000
Grants to municipalities to close and clean up solid waste landfills	$4,500,000
Mitigation of storm water pollution through establishment of a comprehensive watershed protection program	$500,000
TOTAL ALLOCATIONS	$6,000,000

Sec. B-7. Contingent upon ratification of bond issue. Sections 1 to 6 do not become effective unless the people of the State have ratified the issuance of bonds as set forth in this part.

Sec. B-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. B-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 the 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 or bond anticipation notes for an addition amount of time not to exceed 5 years.

Sec. B-10. Referendum for ratification; submission at statewide election; form of question; effective date. This part must be submitted to the legal voters of the State of Maine at the June 1998 primary election following passage of this Part. 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 $6,000,000 bond issue to construct water pollution control facilities, to close and clean up municipal solid waste landfills and to mitigate storm water pollution through a comprehensive watershed protection program?"

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 and, if a majority of the legal votes are cast in favor of the Part, the Governor shall proclaim the result without delay, and the Part 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 purpose of this referendum.

PART C

Sec. C-1. PL 1997, c. 519,Pt. B, §3 is amended to read:

Sec. B-3. Contingent upon ratification of bond issue. This Part takes effect only if a ~~$13,000,000~~ $6,000,000 General Fund bond issue, including $500,000 for mitigation of storm water pollution through the establishment of a comprehensive watershed protection program, is approved by the voters of the State.

INTENT AND CONTENT

P.L. 1997, chapter 561 authorized the State, contingent upon voter approval, to make two issues of bonds in a total amount not to exceed $13,000,000 to raise funds to construct water pollution control facilities, to close and clean up municipal solid waste landfills, to clean up tire stockpiles, to mitigate storm water pollution through a comprehensive watershed protection program, and to make drinking water improvements. The bonds would run for a period of not longer than 5 years and would be backed by the full faith and credit of the State.

The first bond issue, in an amount not to exceed $7,000,000, was voted on at the November 4, 1997, Election, and approved by the people of the State. Proceeds of the sale of the first bond issue are to be expended for the construction of water pollution control facilities; to clean up tire stockpiles; and to address environmental health deficiencies in drinking water supplies.

The second bond issue, in an amount not to exceed $6,000,000, will be voted on at the June 9, 1998, Primary Election. Proceeds of the sale of the second bond issue would be expended under the direction of the Department of Environmental Protection as follows: $1,000,000 for the construction of water pollution control facilities; $4,500,000 to provide grants to municipalities to close and clean up solid waste landfills; and $500,000 for the mitigation of storm water pollution through establishment of a comprehensive watershed protection program.

If approved, the bond authorization would take effect 30 days after the Governor's proclamation of the vote.

A statement of the Treasurer describing the financial considerations to the bond issue is published together with this statement.

A "YES" vote approves the authorization of the second bond issue for $6,000,000 for the construction of water pollution control facilities, to close and clean up solid waste landfills and for the mitigation of storm water pollution.

A "NO" vote disapproves the second bond issue.

Total estimated life time cost is $6,810,000 representing $6,000,000 in principal and $810,000 in interest (assuming interest at 4.5% over 5 years).

Question 3: Bond Issue

Do you favor a $5,000,000 bond issue for capital expenses for vocational high schools?

STATE OF MAINE

Chapter 57

Private and Special Laws of 1997

"An Act to Authorize a General Fund Bond Issue in the Amount of $5,000,000 to Fund Capital Expenses for Vocational High Schools"

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 for capital expenses of vocational high schools.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. Authorization of bonds to provide for capital expenses of vocational high schools. 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 $5,000,000 to raise funds for capital expenses of vocational high schools as authorized by section 6. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 5 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 to be kept by the 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 section 6 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 section 6 under the direction and supervision of the Commissioner of Education.

Sec. 6. Allocations from General Fund bond issue; capital expenses for vocational high schools. The proceeds of the sale of bonds must be expended as designated in the following schedule.

Funds must be used for capital expenses for vocational high schools.

Sec. 7. Contingent upon ratification of bond issue. Sections 1 to 6 do not become effective unless the people of the State have ratified the issuance of 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 statewide election; form of question; effective date. This Act must be submitted to the legal voters of the State of Maine at the June 1998 primary election following 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 $5,000,000 bond issue for capital expenses for vocational high schools?"

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 and, if a majority of the legal votes are cast in favor of the Act, the Governor shall proclaim the result without delay, and the 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 purpose of this referendum.

INTENT AND CONTENT

This Act would authorize the State to issue bonds in an amount not to exceed $5,000,000 to raise funds for capital expenses of vocational high schools. The bonds would run for a period of not longer than 5 years from the date of issue and would be backed by the full faith and credit of the State.

The proceeds of the sale of the bonds would be expended by the State Department of Education and would be used for capital expenses for vocational high schools.

If approved, the bond authorization would take effect 30 days after the Governor's proclamation of the vote.

A statement of the Treasurer describing the financial considerations of this bond issue is published together with this statement.

A "YES" vote approves the authorization of a $5,000,000 bond issue for capital expenses of vocational high schools.

A "NO" vote disapproves the bond issue.

Total estimated life time cost is $5,675,000 representing $5,000,000 in principal and $675,000 in interest (assuming interest at 4.5% over 5 years).