

MAINE STATE LEGISLATURE

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(EMERGENCY)

ONE HUNDRED AND THIRD LEGISLATURE

Legislative Document

No. 1605

H. P. 1128

House of Representatives, April 27, 1967

Referred to the Committee on Education. Sent up for concurrence and ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mr. Benson of Southwest Harbor.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-SEVEN

AN ACT Relating to Financial Matters of the Mount Desert Island Regional School District.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the board of trustees and the regional school committee of the Mount Desert Island Regional School District have been legally constituted; and

Whereas, the board of trustees has selected and acquired a site and employed an architect for the regional high school as contemplated by the creation of said district; and

Whereas, the regional school committee has developed a program of educational requirements for said regional school; and

Whereas, it is necessary to empower the trustees of said district to borrow funds for capital outlay purposes in anticipation of state aid for school construction purposes; and

Whereas, it is necessary to further clarify the powers of said district in connection with borrowing funds in anticipation of state aid for school construction purposes in order for the project to proceed without further delay; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. P. & S. L., 1963, c. 176, § 3, amended. The 2nd paragraph of section 3 of chapter 176 of the private and special laws of 1963, as amended by section 1 of chapter 226 of the private and special laws of 1965 and by chapter 35 of the private and special laws of 1967, is further amended to read as follows:

To procure funds for capital outlay purposes, which include acquiring land, constructing, enlarging, renovating, remodeling and equipping school buildings and related recreational and athletic facilities and the purchase of equipment of a lasting character, the district through its trustees is authorized to issue bonds and notes not to exceed in the aggregate at any one time outstanding, the limit of indebtedness of 5% of the total of the state valuation of all of the participating towns ~~except that said district through its trustees may issue temporary notes and renewal notes for capital outlay purposes in anticipation of state aid for school construction purposes, and the amount of any such temporary notes and renewal notes shall not be included within the 5% debt limitation of the district. The trustees shall not issue temporary notes in anticipation of state aid for school construction purposes in excess of the amount of such state aid allocated or allocable to the district as certified by the Commissioner of Education. If, after the expiration of 120 days following certification by the trustees to the Commissioner of Education that the project to finance which such temporary notes in anticipation of state aid were issued has been completed in accordance with approved plans, the Commissioner of Education shall certify to the trustees that funds are not available from which to pay all or any part of the total amount of state aid allocated or allocable for the project, the district through its trustees may issue bonds or notes to an amount not exceeding the total amount of temporary notes and renewal notes issued in anticipation of such state aid and then outstanding, after deducting therefrom any funds certified by the Commissioner of Education as then available to pay such temporary notes or renewal notes, in order to fund such outstanding temporary notes or renewal notes issued in anticipation of such state aid, provided that said funding bonds or notes shall not be considered in computing the debt to which the 5% debt limitation of the district is applicable.~~ Contracts, leases or agreements with the Maine School Building Authority shall not be debts or liability within the provisions of this section. Each bond and note shall have inscribed upon its face the words "Mount Desert Island Regional School District," shall be dated at such time or times, shall be in such denomination, shall bear such rate of interest, not exceeding 5% per year, payable semiannually, be in such form subject to the provisions of this Act and be sold in such manner, at private or public sale, as said trustees shall determine. The district is hereby authorized to use the proceeds of such bonds and notes to meet the interest due thereon during the year following the date of issuance thereof. Each issue of said bonds and notes may be made to mature serially or made to run for such periods as such trustees shall determine, but no such issue shall be for a longer period than 25 years from the date thereof. Each issue of said bonds and notes may be callable at any interest payment date with or without premium and may be refunded within the period of 25 years from the date thereof. All bonds and notes issued by the district shall be signed by the treasurer of the board of trustees and countersigned by the chairman of said

board, and, if coupon bonds be issued, each coupon shall be attested by the facsimile signatures of the chairman and the treasurer printed thereon. Any such bonds or notes, if properly executed by such officers in office on the date such securities are actually executed, shall be valid and binding according to their terms notwithstanding that before the delivery thereof and payment therefor either or both of such officers shall have for any reason ceased to hold office. Prior to the issuance of said bonds or notes, the district through its trustees may borrow in anticipation of their sale by issuing temporary notes and renewal notes, the total face amount of which shall not exceed at any one time outstanding the authorized amount of the capital outlay bonds or notes. If the proceeds of an issue of bonds are used in whole or in part to fund temporary notes of the district or renewals thereof, the period during which such issue of bonds shall be outstanding, plus the period of the loan represented by such temporary notes or renewals thereof, shall not exceed 25 years.

Sec. 2. P. & S. L., 1963, c. 176, § 3-A, additional. Chapter 176 of the private and special laws of 1963, as amended, is further amended by adding a new section 3-A, to read as follows:

Sec. 3-A. Regional high school. Notwithstanding any inconsistent provisions of law, the district through its trustees may issue temporary notes and renewal notes in anticipation of state aid for school construction purposes for the construction of its new regional high school, plans for which were preliminarily approved by the Commissioner of Education on April 11, 1967, to an amount not exceeding the estimated amount of such state aid to which the district is entitled for said project as determined by the Commissioner of Education on the basis of the total estimated cost of said project as approved by him and the percentage of such aid applicable to the district as determined by the Revised Statutes of 1964, Title 20, section 3457, Table II. The amount of any such temporary notes and renewal notes issued pursuant to this section shall not be included within the 5% debt limitation of the district.

The district shall be reimbursed the total eligible amount of its capital outlay expenditures for said project upon filing the necessary reports with the Commissioner of Education and submitting proof that the project has been completed in accordance with approved plans.

Not later than 90 days following the filing of a full report of capital expenditures of said project with the commissioner and the submission of proof showing that the project has been completed in accordance with approved plans, the commissioner shall notify the board of trustees if funds are not then available from which to pay all or any specified portion of the total amount of state aid to which the district is entitled for the project. Upon receipt of such notification, the board of trustees may issue bonds or notes of the district pursuant to this section in order to fund temporary notes or renewal notes issued in anticipation of such state aid not exceeding the total amount of such state aid to which the district is entitled for the project as certified by the commissioner, less the amount of such state aid paid or certified to be available for payment to the district. Any such bonds or notes shall be issued not earlier than simultaneously with the issuance of bonds or notes of the district required to complete the permanent financing of the same school project or projects. The first in-

stallment of such bonds or notes shall be payable not later than 2 years after the date of issue and the last installment shall be payable not later than 25 years from such date, provided that the maturity schedule for such bonds or notes shall first be approved by the Commissioner of Education. Said bonds or notes shall be legal obligations of the district and shall not be included within the 5% debt limitation of the district. Except as otherwise provided, said bonds or notes shall be issued in accordance with the applicable provisions of section 3. If bonds or notes of the district are issued pursuant to this paragraph, the district shall be reimbursed in each year during which such bonds or notes are outstanding out of moneys appropriated for this purpose, an amount equal to its annual payments of principal and interest on such bonds or notes, which amounts shall be the only state aid for school construction purposes paid or to be paid to the district for said school project or projects, except for any sums which may be paid or payable pursuant to the last 2 sentences of said section 3457 on account of sums contributed by the district for the project or projects.

If the district shall have issued temporary notes or renewal notes in anticipation of state aid to an amount in excess of the amount of state aid to which the district is entitled for its project, any unexpended balance of the proceeds of such temporary notes or renewal notes shall be used for the repayment thereof and the outstanding balance, if any, of such temporary notes or renewal notes shall be repaid from sums which shall be included as a capital cost in the next annual determination by the trustees under section 9.

Emergency clause. In View of the emergency cited in the preamble, this Act shall take effect when approved.