

# MAINE STATE LEGISLATURE

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**Legislative Document**

**No. 421**

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S. P. 180

In Senate, February 5, 1953.

Referred to Committee on Legal Affairs. Sent down for concurrence and ordered printed.

CHESTER T. WINSLOW, Secretary.

Presented by Senator Collins of Aroostook.

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**STATE OF MAINE**

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
FIFTY-THREE

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**AN ACT to Create the Caribou Hospital District.**

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**Emergency preamble.** Whereas, the present hospital of the town of Caribou is overcrowded and inadequate for present day needs, and many patients are not able to receive medical attention when needed, due to the present facilities being overcrowded and inadequate to supply the medical needs of the district; and

Whereas, it is imperative that action be taken at the earliest possible moment to relieve these conditions; and

Whereas, to remedy these conditions, construction must be commenced immediately; 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. Incorporation; name; purposes.** Subject to the provisions of sections 7 and 9 hereof, the inhabitants of and the territory within the town of Caribou are hereby created a body politic and corporate under the name of the "Caribou Hospital District" for the purpose of acquiring property

within the said town for hospital and related medical and surgical purposes; for the purpose of erecting, enlarging, repairing, equipping and maintaining on said property a hospital building or hospital buildings and related hospital, medical and surgical equipment; for the purpose of completing, grading, furnishing, rebuilding, adding onto, renovating and otherwise bettering the conditions of any and all buildings within said town used for hospital purposes, or which may hereafter be used for hospital purposes; for the purpose of leasing or letting any property of said district to said town; for the purpose of receiving, accepting and holding gifts, grants or devises of property, real, personal or mixed to be used for hospital and related hospital, medical and surgical equipment; all for the benefit of the inhabitants of said district.

**Sec. 2. Trustees; powers and duties; limitations.** All the affairs of said district (except the hiring of personnel who shall work in said hospital and the fixing of their salaries, and all other matters pertaining to the maintenance and operation of said hospital, which matters shall be controlled by the hospital board of directors of the town of Caribou) shall be managed by a board of 3 trustees, who shall be elected as is hereinafter provided. The board of trustees, acting for said district, shall have and exercise all the powers and authority necessary to carry out the purposes of this act and the powers and authority granted herein.

**Sec. 3. Trustees; how elected, tenure of office, organization of board; officers, vacancies; compensation; reports.** As soon as may be after the acceptance of this act as hereinafter provided, the municipal officers of the town of Caribou shall appoint 3 trustees of said district, to hold office as follows, respectively; 1 until the next annual town meeting, 1 until the annual town meeting 1 year following and 1 until the annual town meeting 2 years following. At each annual town meeting of the town of Caribou, beginning with the annual town meeting after the acceptance of this act, 1 trustee shall be elected to serve until the annual town meeting occurring 3 years thereafter. When any trustee ceases to be a resident of said district he vacates the office of trustee. Any vacancy upon the board of trustees occurring because of change of residence of trustee, resignation, death or any cause except normal expiration of term of office shall be filled by the municipal officers of the town of Caribou in the same manner in which the original board was appointed and for the unexpired portion of the term of the vacant office. All trustees shall be eligible for reelection or reappointment.

The first meeting of the board of trustees shall be held as soon as convenient after they have been appointed as above provided. At this original

meeting, they shall elect from their membership a president, a clerk, and a treasurer, shall adopt a corporate seal, may ordain and establish such by-laws consistent with the laws of the state as are necessary for their own convenience and the proper management of the affairs of said district, and may do all other acts, matters and things necessary to perfect their organization. Within 2 weeks after each annual town meeting of the town of Caribou, the trustees shall meet for the purpose of electing a president, clerk and treasurer for the ensuing year and until their successors are elected and qualified. The trustees shall have the right and authority to employ and fix compensation of such officers and agents as they may deem necessary for the proper conduct and management of the affairs of the district.

The trustees shall serve without compensation, except that the treasurer may receive for his services an amount to be fixed by the board of trustees not in excess of \$100 per year. The treasurer shall give bonds or notes to the district in such sum and with such sureties as the trustees may determine, which bonds or notes shall remain in the custody of the president. The cost of such bonds or notes shall be paid by the district.

At the close of each fiscal year of said district (which shall coincide with the fiscal year of the town of Caribou) the trustees shall make a detailed report of their doings, of the financial condition of said district, of the physical condition of its property, and also of such other matters and things pertaining to said district as shall show the inhabitants thereof how said trustees are fulfilling the duties and obligations of their trust. Such report shall be made and filed with municipal officers of the town of Caribou on or before February 15 of each year.

**Sec. 4. How financed.** To procure funds for the purposes of this act and for such other expenses as may be necessary to carry out said purposes, the said district, by its trustees, is hereby authorized from time to time to borrow money and to issue its bonds and notes therefor, but shall not incur a total indebtedness exceeding the sum of \$300,000. Each bond and note shall have inscribed upon its face the words "Caribou Hospital District," shall bear interest at such rates as the trustees shall determine, payable semiannually, and shall be subject to such other provisions as the trustees shall determine. Said bonds and notes may be issued to mature serially or made to run for such periods as said trustees may determine, but none of which shall run for a longer period than 30 years from the date of the original issue thereof. All bonds shall be made callable. All bonds and notes issued by said district shall be signed by the treasurer and counter-

signed by the president of said district, and if coupon bonds be issued, each coupon shall be attested by the facsimile signatures of the president and treasurer printed thereon. Said bonds and notes shall be legal obligations of said district, which is hereby declared to be a quasi-municipal corporation within the meaning of section 132 of chapter 49 of the revised statutes, and all the provisions of said section shall be applicable thereto. The said bonds and notes shall be legal investments for savings banks. The said district is hereby authorized and empowered to enter into such an agreement with the federal government, or any agency thereof, or any corporation or board authorized by the federal government to loan money or otherwise assist in the financing of such projects as this hospital district is authorized to carry out, as may be necessary or desirable to accomplish the purposes of this act.

**Sec. 5. Sinking fund; refunding bonds provided for.** In case any bonds or notes at any time issued are made to run for a period of years (as distinguished from serial maturity), the trustees shall establish a sinking fund for such bonds or notes for the purpose of redeeming the same when they become due. The amount to be paid annually into such sinking fund shall not be less than 4% of the total principal amount of such bonds or notes originally issued. In addition to such annual sinking fund payment, the trustees shall have authority from time to time to add to any such sinking fund any funds of said district not required for other purposes. Funds in any sinking fund may be deposited in any national bank, savings bank or trust company within the state or may be invested in whole or in part in any bonds of the United States, of the state of Maine or of any political subdivision thereof, as the trustees may determine. Interest received on any funds so invested shall be added to the sinking fund. When and if the amount accumulated in any sinking fund, together with interest received or to be received thereon, shall be sufficient to pay at maturity or, at the option of the trustees, to redeem the bonds or notes for the benefit of which such sinking fund was established, all further payments to such sinking fund shall cease.

Whenever any bonds or notes issued by said district may become due or can be purchased or called for redemption by said district on favorable terms, said trustees, if sufficient funds have accumulated in the sinking fund provided therefor, shall pay, purchase or redeem said bonds or notes and cancel them. In no case shall bonds or notes so paid, purchased or redeemed, and cancelled, be reissued.

In case the amount in any sinking fund shall not be sufficient to pay the total amount when due of the bonds and notes for which such sinking fund

was provided, or in case it shall become desirable in the option of the trustees to call for redemption any outstanding bonds or notes and to issue new bonds or notes in their stead, authority is hereby granted to refund so many of said original bonds or notes as cannot be paid or redeemed from the sinking fund provided therefor, if any, but in no case shall such new bonds or notes mature more than 40 years from the original date of issue of the original bonds or notes so refunded.

**Sec. 6. Assessment of taxes authorized to meet indebtedness; how collected; procedure.** The trustees of the "Caribou Hospital District" shall determine what sum is required each year for sinking fund payments or if the bonds or notes authorized by this act shall be issued to mature serially, what sum is required each year to meet the interest on said bonds or other obligations, and what sum is required each year to meet other necessary expenses in the district, and shall each year, before the 1st day of April, issue their warrant in the same form as the warrant of the treasurer of state for taxes, with proper changes, to the assessors of the town of Caribou, requiring that they assess the total sum so determined upon the taxable polls and estates within said district and to commit their assessment to the constable or collector of said town of Caribou, who shall have all authority and powers to collect said taxes as is vested by law to collect state, county and municipal taxes. On or before the 31st day of December of the year in which said tax is so levied, the treasurer of said town shall pay the amount of the tax so assessed against said district to the treasurer of said district. In case of a failure on the part of the treasurer of the town to pay said sum, or in case of his failure to pay any part thereof on or before said 31st day of December of the year in which said tax is levied, the treasurer of said district may issue his warrant for the amount of said tax or so much thereof as shall then remain unpaid to the sheriff of Aroostook county, requiring him to levy by distress and sale on real and personal property of any of the inhabitants of said district, and the sheriff or any of his deputies shall execute said warrant except as is otherwise provided herein. The same authority as is vested in county officials for the collection of county taxes, under the provisions of the revised statutes, is hereby vested in the trustees of said district in relation to the collection of taxes within said district.

**Sec. 7. Provisions for termination of the board of trustees.** At such time as the hospital building or buildings and related medical and surgical equipment shall have been completed, equipped and occupied by patients of said district, and the board of trustees of the district shall have discharged all of its principal obligations, and the property of the said district shall be

free and clear of all indebtedness, the board of trustees shall automatically cease to function and all of the duties, management, care and maintenance of the property of said district shall revert to the Cary Memorial Hospital board of directors of the town of Caribou or such other board as may at that time have jurisdiction over similar hospital property, and the then president and treasurer of said district shall cause to be executed, signed and delivered a good and sufficient deed of all the property of said district to the town of Caribou. All money, if any, remaining in the treasury of said district at the time said trustees cease to function, shall be given to the town treasurer of the town of Caribou. This money shall be used only for hospital purposes and shall be kept separate from all other money until authorized by the council of the town of Caribou to be expended for one or more of the purposes stated in this act.

**Sec. 8. Authority to receive property from the town of Caribou.** The "Caribou Hospital District" is hereby authorized to receive from the town of Caribou, and said town of Caribou is hereby authorized to transfer and convey to said district, any property, real, personal or mixed, now or hereafter owned or held by the town of Caribou for hospital purposes, and any sums of money or other assets which the said town of Caribou has raised or may raise, either by taxation, borrowing or otherwise, for hospital purposes. Before transferring and conveying any of the said property or turning over any of said funds or assets, the municipal officers of the town of Caribou shall be duly authorized to do so by a majority vote of the legal voters present at any annual or special town meeting, the call for which shall have given notice of the proposed action.

**Sec. 9. Emergency clause; effective date; referendum.** In view of the emergency recited in the preamble hereof, this act shall take effect when approved, only for the purpose of permitting its submission to the legal voters of the territory embraced within the limits of said district present and voting at a special meeting called and held for that purpose or at an annual town meeting of the town of Caribou, not later than 4 months after the approval of this act. In the event a special meeting is called for the purpose, it shall be called, advertised and conducted according to the law relating to municipal elections; provided, however, that the board of registration in said town of Caribou shall not be required to prepare for posting, nor the town clerk to post, a new list of voters, and for the purpose of registration of voters, said board shall be in session the 3 secular days next preceding such special meeting, the 1st and 2nd days thereof to be devoted to registration of voters, and the 3rd day to enable the board to verify the corrections of such list and to complete and close up their records of said

sessions. The town clerk shall prepare the required ballots on which he shall reduce the subject matter of this act to the following question: "Shall the act to create the Caribou Hospital District, passed by the 96th legislature, be accepted?" and the voters shall indicate by a cross or check mark against the words "Yes" or "No" their opinion of the same. This act shall take effect for all the purposes hereof immediately upon its acceptance by a majority vote of the legal voters voting at said meeting. The result in said district shall be declared by the municipal officers of the town of Caribou, and due certificate filed by the town clerk with the secretary of state.