

MAINE STATE LEGISLATURE

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STATE OF MAINE

REPORT
OF THE
ATTORNEY GENERAL

for the calender years

1961 - 1962

December 19, 1961

To: Asa A. Gordon, Coordinator of Maine School District Commission

Re: Borrowing Money for Purchase of School Busses

This is in answer to your memorandum inquiring whether or not a school administrative district has power to borrow money under the provisions of Chapter 41, § 111-K, the last two paragraphs for the purpose of purchasing school busses.

The fourth paragraph of § 111-K provides as follows:

“If the Board of School Directors deems it advisable to issue bonds or notes and the amount of the issue does not exceed 1% of the last preceding state valuation of all the participating towns in the district, the directors may call a district meeting to approve the issuance of said *bonds or notes as provided in this section* or they may proceed as follows: When the Board of School Directors of the district determine that bonds or notes for capital outlay purposes shall be issued in an amount not to exceed 1% of the total of the last preceding state valuation of all the participating towns, they shall pass a resolution to that effect, setting forth the amount of the proposed issue and the purpose or purposes for which the proceeds will be used.” (Emphasis supplied)

The reference to “bonds or notes as provided in this section” underlined above refers to the authority of the directors to issue bonds or notes for capital outlay purposes as defined in Section 237-H. The definition of “capital outlay purposes” contained in Section 237-H refers only to construction of school buildings and not to acquisition of busses.

Under Section 111-K, first paragraph, the directors could issue a note for current operating expenses for the district to be repaid within one year. The purchase of a bus would appear to be a current operating expense of the district, see Section 111-N, the last sentence.

It is our conclusion, therefore, that the Board of Directors could not issue a note for more than one year for the purchase of the busses but there is nothing to prohibit the directors from entering into a conditional sales contract for more than one year so long as the conditional sales contract does not have a note appended to it which runs for more than a year.

RICHARD A. FOLEY

Assistant Attorney General

December 20, 1961

To: John R. Dyer, Purchasing Agent, Bureau of Purchases

Re: Move of M.E.S.C. Offices — Bid No. 62-477

In answer to your memo of December 18th last we reiterate our position with respect to M. G. Morissette & Sons, Inc.

There seems to be no question that the low bidder, M. G. Morissette & Sons, Inc., cannot perform the services for which it bid because it does not have sufficient transportation authority to do so. It is not, therefore, in our opinion the