

MAINE STATE LEGISLATURE

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Kermit S. Nickerson, Deputy
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Education

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**Amortization of Bonds Re State Teachers Colleges and Vocational-
Technical Institutes; Charges Against Rented Premises.**

FACTS:

The 102nd Legislature enacted P. & S. 1965, c. 162 providing for the construction of self-liquidating student housing and dining facilities for the State Teachers Colleges and Vocational-Technical Institutes and for the issuance of certain bonds of the State of Maine in order to finance said construction. The reference Act has been ratified in referendum by the inhabitants of the several cities, towns and plantations of this State.

Section 2 of the Act provides the procedure for liquidating the bonds.

"Teachers college and vocational-technical institute housing and dining facilities. The state board shall operate such housing and dining facilities, when constructed, as a single self-liquidating project until all the bonds issued as provided by this Act shall be retired. The state board shall charge and collect such board and room fees or rentals for the use of said housing and dining facilities as may from time to time be determined and ordered by the state board as necessary for the amortization of the principal of and the interest on the bonds issued and shall deposit to the credit of the Treasurer of State, in a separate account to be established by the State Controller on the books of the State, all of the fees and rentals so charged and collected. The rates for board and room charged and collected for the amortization of the principal and the interest on the bonds issued with the authority of this Act shall apply also to the dormitories and dining facilities operated by the state board at the State Teachers Colleges and Vocational-Technical Institutes prior to the date of ratification of this Act, or which are in the process of construction at the date of ratification, and shall be

established to take effect not later than the beginning of the college or school year next following the date of ratification of this Act, and the fees and rentals so charged and collected also shall be pledged to the amortization of principal and payment of interest on the bonds issued under the authority of this Act." P. & S. 1965, c. 152, § 2.

Shortly, the State Board of Education will be required to establish board and room fees or rentals for the use of housing and dining facilities at the teachers colleges and vocational-technical institutes. No problem is presented regarding the determination of charges for dormitories or dining facilities owned and operated by the State. The pattern has been established in two earlier similar bond issues.

However, the Maine School of Practical Nursing at Waterville operates exclusively in headquarters leased from the Sister of Charity. The premises consist of the building formerly used by Sisters Hospital in conducting a registered nurse training program. The lease agreement between the State and the Order provides for the rental of the complete building as a unit. The first floor of the building is used exclusively for administrative offices, laboratories, classrooms, and student library. There are rooms on the upper floors which are suitable for student housing, and accommodations have been made for approximately 18 residential students. In addition, seven additional rooms are rented from the Order so as to house 14 other students. Thus, the dormitory accommodations for all 34 students are in quarters rented from the Order by the State.

QUESTION:

Whether the board and room fees established for the 1966-67 year at the Maine School of Practical Nursing at Waterville must share in the amortization of the principal and interest on the subject bonds?

ANSWER:

No.

REASON:

The reference Act does not encompass the subject nursing school. It is the tenor of the Act that the State Board of Education shall charge and collect board and room fees from students at the State Teachers Colleges and at certain Vocational-Technical Institutes. It is those institutions that the Act benefits. It is stated at the outset of Section 2 of the Act, that the enumerated projects are to be operated by the State Board "as a single self-liquidating project" until all the bonds issued pursuant to the Act are retired. The project does not include the reference nursing home.

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JWB/eh

See Addendum dated March 23, 1966.