

MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

ONE HUNDRED AND SECOND LEGISLATURE

Legislative Document

No. 1777

S. P. 693

In Senate, January 17, 1966

The Committee on Appropriations and Financial Affairs suggested.

EDWIN H. PERT, Secretary

Presented by Senator Snow of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-SIX

AN ACT to Authorize Bond Issues in Amount of Ten Million Dollars for State Matching Funds for Elementary and Secondary School Building Construction.

Preamble. Two-thirds of both Houses of Legislature deeming it necessary in accordance with Section 14 of Article IX of the Constitution to authorize the issuance of bonds on behalf of the State of Maine to provide matching funds for elementary and secondary school building construction.

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

Sec. 1. Issue of bonds to provide matching funds for elementary and secondary school building construction. The Treasurer of State is authorized, under the direction of the Governor and Council, to issue from time to time serial coupon bonds in the name and behalf of the State to an amount not exceeding \$10,000,000 for the purpose of providing matching State funds for elementary and secondary school building construction. Said bonds shall be deemed a pledge of the faith and credit of the State. Said bonds shall not run for a longer period than 20 years from the date of the original issue thereof. Any issuance of bonds in excess of 10 years may contain a call feature at the discretion of the Treasurer of State with the approval of the Governor and Council.

Sec. 2. Records of bonds issued to be kept by State Auditor and Treasurer. The State Auditor shall keep an account of such bonds, showing the number and amount of each, the date of countersigning, the date when payable and the date of delivery thereof to the Treasurer of State, who shall keep an account of each bond, showing the number thereof, the name of the person to whom sold, the amount received for the same, 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 such bonds by direction of the Commissioner of Education with the approval of the Governor and Council; but no such bond shall be loaned, pledged or hypothecated in behalf of the State. The proceeds of the sales of such bonds, which shall be held by the Treasurer of State and paid by him upon warrants drawn by the Governor and Council, are appropriated to be used solely for the purposes set forth in this Act. The Treasurer of State is authorized to invest the proceeds of the sale of the bonds during the period when the proceeds are not needed for the purposes set forth in this Act and the interest therefrom shall be paid into the General Fund.

Sec. 4. Interest and debt retirement. Interest due or accruing upon any bonds issued under this Act and all sums coming due for payment of bonds at maturity shall be paid by the Treasurer of State from any money in the treasury not otherwise appropriated.

Sec. 5. Disbursement of bond proceeds. The proceeds of such bonds shall be expended under the direction and supervision of the Commissioner of Education.

Sec. 6. Contingent upon ratification of bond issue. This Act shall not become effective unless and until the people of the State of Maine shall have ratified the issuance of bonds as set forth in this Act.

Sec. 7. Referendum for ratification. The aldermen of cities, the selectmen of towns and the assessors of the several plantations of this State are empowered and directed to notify the inhabitants of their respective cities, towns and plantations to meet in the manner prescribed by law for calling and holding biennial meetings of said inhabitants for the election of Senators and Representatives, at the next general or special state-wide election to give in their votes upon the acceptance or rejection of the foregoing Act, and the question shall be:

“Shall a bond issue be ratified for the purposes set forth in ‘An Act to Authorize Bond Issues in Amount of Ten Million Dollars for State Matching Funds for Elementary and Secondary School Building Construction?’ enacted by the 102nd Legislature in Special Session.”

The inhabitants of said cities, towns and plantations shall indicate by a cross or check mark placed within a square upon their ballots their opinion of the same, those in favor of ratification voting “Yes” and those opposed to ratification voting “No” and the ballots shall be received, sorted, counted and declared in open ward, town and plantation meetings, and return made to the office of the Secretary of State in the same manner as votes for Governor and Members of the Legislature, and the Governor and Council shall count the same and if it shall appear that a majority of the inhabitants voting on the question are in favor of said Act, the Governor shall forthwith make known the fact by his proclamation, and the Act shall thereupon become effective in 30 days after the date of said proclamation.

Secretary of State shall prepare ballots. The Secretary of State shall prepare and furnish to the several cities, towns and plantations ballots and blank returns in conformity with the foregoing Act, accompanied by a copy thereof.

STATEMENT OF FACTS

This Act proposes to raise funds by a bond issue to fund the state's obligation to towns, cities and school districts under the existing laws.

The Treasurer of State may sell bonds by direction of the Commissioner of Education with the approval of the Governor and Council in an amount not exceeding \$10,000,000 for such projects. The bonds would be **serial coupon** bonds payable within 20 years from date of issue.