

MAINE STATE LEGISLATURE

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ONE HUNDRED AND THIRD LEGISLATURE

Legislative Document

No. 107

S. P. 63

In Senate, January 17, 1967

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

JERROLD B. SPEERS, Secretary

Presented by Senator Snow of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-SEVEN

AN ACT to Clarify State Aid for School Construction Purposes and Borrowing in Anticipation Thereof.

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

Whereas, the citizens of several school administrative districts have authorized new school construction; and

Whereas, said construction cannot proceed without borrowing in anticipation of school construction aid; 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. R. S., T. 20, § 225, sub-§ 3, ¶ A, amended. Paragraph A of subsection 3 of section 225 of Title 20 of the Revised Statutes, as amended by section 1 of chapter 493 of the public laws of 1965, is further amended to read as follows:

A. When a meeting is called for the purpose of authorizing the issuance of bonds or notes for capital outlay purposes, the questions to be inserted in all warrants shall be substantially as follows:

The following question is to be used where a new school is to be constructed: "Shall the school directors of School Administrative District No. . . . be authorized to issue bonds or notes in the name of said district for capital outlay

purposes in an amount not to exceed \$..... and be authorized to borrow funds for capital outlay purposes in anticipation of state aid for school construction not to exceed \$ ~~-----~~ **the maximum amount of such borrowing approved by the Commissioner of Education**, to construct a
 to be located at
 (primary or secondary school)
?
 (specifically define lot where school is to be erected)

Yes No”

Question to be used for the purpose of authorizing the issuance of bonds and notes for other capital outlay purposes shall be substantially as follows:

“Shall the school directors of School Administrative District No. be authorized to issue bonds or notes in the name of said district for capital outlay purposes in an amount not to exceed \$ **and be authorized to borrow funds for capital outlay purposes in anticipation of state aid for school construction not to exceed the maximum amount of such borrowing approved by the Commissioner of Education**, for the purposes of?
?
 (here state purpose of capital outlay)

Yes No”

Sec. 2. R. S., T. 20, § 304, amended. The 3rd and 4th sentences of section 304 of Title 20 of the Revised Statutes, as enacted by section 2 of chapter 493 of the public laws of 1965, are repealed and the following sentences enacted in place thereof:

The school directors of a School Administrative District may be authorized to issue temporary notes and renewal notes for capital outlay purposes in anticipation of state aid for school construction purposes. Such authorization may be granted by the voters voting upon an appropriate article under section 225, and the amount of any such temporary notes or renewal notes in anticipation of state aid shall not be included within the 12½% debt limitation of the district. The school directors shall not issue temporary notes in anticipation of state aid for school construction in excess of the amount of such notes approved by the Commissioner of Education pursuant to section 3458. If, after the expiration of 120 days following completion of the project and a full report of capital expenditures of said project has been made to the commissioner and proof has been submitted showing that the project has been completed in accordance with approved plans, the commissioner shall certify that funds are not available from which to pay all or any part of the total amount of state aid allocated for the project, the school directors may issue bonds or notes of the district pursuant to this section to an amount not exceeding the total amount of state aid allocated for the project, after deducting therefrom any funds certified by the commissioner as available to pay such state aid, in order to fund temporary notes or renewal notes issued in anticipation of state aid for school construction purposes or otherwise to complete the financing of the project, provided that the first installment of such bonds or notes shall be payable not later than one year after the date of issue and the last installment shall be payable not later than 15 years from the

date thereof, and provided further that to any extent necessary said bonds or notes may be issued in excess of the 12½% debt limitation of the district.

Sec. 3. R. S., T. 20, § 304, amended. The first paragraph of section 304 of Title 20 of the Revised Statutes, as amended, is further amended by inserting before the last sentence, a new sentence, as follows:

Any bonds or notes issued on behalf of a School Administrative District may be made subject to call for redemption, with or without premium, at the election of the board of school directors of such district before the date fixed for final payment of such bonds or notes, provided the bonds or notes, when issued, contain provisions setting forth the method by which the option to call may be exercised, the procedure for payment in the event of call and the legal effect of making the call.

Sec. 4. R. S., T. 20, § 2356-B, sub-§ 1, amended. Subsection 1 of section 2356-B of Title 20 of the Revised Statutes, as enacted by section 3 of chapter 440 and amended by section 29-F of chapter 513, both of the public laws of 1965, is further amended by inserting before the last paragraph, a new paragraph, to read as follows:

The school directors of a School Administrative District may issue bonds or notes for capital outlay purposes and notes in anticipation of state aid for school construction purposes for the construction of a regional technical and vocational center in the same manner and to the same extent permitted by section 304, provided that the question to be voted upon as provided in section 225 shall specifically state that a regional technical and vocational center is to be constructed in connection with the proposed school construction project described in said question. In addition to the approval required by section 2356-A, such School Administrative District shall also obtain the approval required by section 3458 and the provisions of said section 3458 shall, so far as applicable, apply to state aid to School Administrative Districts for the construction of regional technical and vocational centers.

Sec. 5. R. S., T. 20, § 3457, amended. The 2nd sentence of the first paragraph of section 3457 of Title 20 of the Revised Statutes, as enacted by section 2 of chapter 475 of the public laws of 1965, is amended to read as follows:

The state obligation on assumed debts and Maine School Building Authority leases shall not extend beyond 25 years from the original date of the unit's obligation and shall not apply to obligations made school construction projects approved by the commissioner prior to August 28, 1957.

Sec. 6. R. S., T. 20, § 3457, amended. The last paragraph, before Table II, of section 3457 of Title 20 of the Revised Statutes, as enacted by section 2 of chapter 475 of the public laws of 1965, is amended to read as follows:

For each eligible unit the construction subsidy allocation thereafter shall be the applicable percentage of the construction costs as defined in this section obtained from Table II below.

The rate of aid that was applicable at the time of voter authorization for the school construction project shall be the rate of reimbursement for that unit as

determind in Table II. Before computing the eligible expenditure of any administrative unit for construction aid, the commissioner shall cause to be deducted all moneys expended on the project which were received from federal sources.

Sec. 7. R. S., T. 20, § 3458, additional. Title 20 of the Revised Statutes is amended by adding a new section 3458, to read as follows :

§ 3458. Approval of projects for school construction aid

Any eligible administrative unit qualifying for school construction aid under section 3457 may apply to the commissioner for such aid in the form prescribed by the commissioner. Such application shall be accompanied by such additional information, drawings, plans and estimates of cost as the commisioner may require.

Forthwith upon receipt of such application, the commissioner shall examine the application and any other information required by him relative thereto and shall approve or disapprove the proposed project. Before approving the project of any administrative unit for school construction aid, the commissioner shall make the following determinations:

1. Eligibility. That the administrative unit is eligible for school construction aid under section 3457;

2. Interest. That the proposed project is in the best interest of the administrative unit;

3. Capital. The total estimated capital outlay expenditures of the proposed project as approved by him;

4. Capital computation. The percentage of the total capital outlay expenditures which the administrative unit is qualified to receive in school construction aid for the proposed project as computed from Table II in section 3457.

In the case of a School Administrative District, said certificate shall state the maximum amount, as approved by the commissioner, which may be borrowed by the school directors in anticipation of state aid for school construction purposes. Notwithstanding the provisions of the last 3 paragraphs of section 3457, the amount of the construction subsidy for the approved project of any School Administrative District shall not be reduced below the amount of borrowing in anticipation of state aid for school construction purposes approved by the commissioner from time to time. Prior to giving his final approval to a project, the commissioner may approve the borrowing in anticipation of said aid to an amount determined by him to be necessary for the purposes of paying for the acquisition of land, plans and specifications, surveys, architect's and engineering fees and other preliminary expenses reasonably and necessarily related to the proposed school construction project. Any amount so approved shall be included in any greater amount of such borrowing later approved.

When the commissioner has approved any project, he shall issue a certificate, signed by him, stating that the project has been approved, making the determinations required by this section and stating that a sum equal to the amount obtained by applying the applicable percentage of school construction aid for the

project to the total estimated capital outlay expenditures of the project has been allocated to the particular administrative unit from sums available or to be made available for the purpose. If, at the time of approval, funds from which to pay school construction aid are not available, the certificate shall so state and as soon as funds for such purposes become available, the commissioner shall issue a second certificate stating that such sums are then available and allocated to the administrative unit for its previously approved project.

Sec. 8. Proceedings validated. All proceedings heretofore taken by the voters, school directors or officers of any School Administrative District in connection with the authorization, issuance, sale, execution and delivery of bonds or notes for capital outlay purposes or notes in anticipation of state aid for school construction purposes pursuant to the Revised Statutes then in effect and all such bonds or notes heretofore issued thereunder by School Administrative Districts are hereby validated, confirmed, approved and declared legal in all respects notwithstanding any defect or irregularity therein or any want of statutory authority therefor.

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