

MAINE STATE LEGISLATURE

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(EMERGENCY)

ONE HUNDRED AND THIRD LEGISLATURE

Legislative Document

No. 617

H. P. 442

House of Representatives, February 7, 1967

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

BERTHA W. JOHNSON, Clerk

Presented by Mr. Benson of Southwest Harbor.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-SEVEN

AN ACT Relating to Financial Matters of the Mount Desert Island Regional School District.

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

Whereas, the board of trustees and the Regional School Committee of the Mount Desert Island Regional School District have been legally constituted; and

Whereas, the board of trustees has selected and acquired a site and employed an architect for the regional high school as contemplated by the creation of said district; and

Whereas, the Regional School Committee has developed a program of educational requirements for said regional school; and

Whereas, it is necessary to empower the trustees of said district to borrow **funds in anticipation of the issuance of bonds for capital outlay purposes; and**

Whereas, it is necessary to empower the trustees of said district to borrow funds for capital outlay purposes in anticipation of state aid for school construction purposes in order for the project to proceed without delay; 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:

P. & S. L., 1963, c. 176, § 3, amended. The 2nd paragraph of section 3 of chapter 176 of the private and special laws of 1963, as amended by section 1 of chapter 226 of the private and special laws of 1965, is further amended to read as follows:

To procure funds for capital outlay purposes, which include acquiring land, constructing, enlarging, renovating, remodeling and equipping school buildings and related recreational and athletic facilities and the purchase of equipment of a lasting character, the district through its trustees is authorized to issue bonds and notes not to exceed in the aggregate at any one time outstanding, the limit of indebtedness of 5% of the total of the state valuation of all of the participating towns, **except that said district through its trustees may issue temporary notes and renewal notes for capital outlay purposes in anticipation of state aid for school construction purposes, and the amount of any such temporary notes and renewal notes shall not be included within the 5% debt limitation of the district. The trustees shall not issue temporary notes in anticipation of state aid for school construction purposes in excess of the amount of such state aid allocated or allocable to the district as certified by the Commissioner of Education. If, after the expiration of 120 days following certification by the trustees to the Commissioner of Education that the project to finance which such temporary notes in anticipation of state aid were issued has been completed in accordance with approved plans, the Commissioner of Education shall certify to the trustees that funds are not available from which to pay all or any part of the total amount of state aid allocated or allocable for the project, the district through its trustees may issue bonds or notes to an amount not exceeding the total amount of temporary notes and renewal notes issued in anticipation of such state aid then outstanding, after deducting therefrom any funds certified by the Commissioner of Education as then available to pay such temporary notes or renewal notes, in order to fund such outstanding temporary notes or renewal notes issued in anticipation of such state aid, provided that said funding bonds or notes shall not be considered in computing the debt to which the 5% debt limitation of the district is applicable.** ~~To procure funds to pay current expenses incurred in anticipation of the issuance of bonds for capital outlay purposes, the district, through its trustees, is authorized to borrow money for temporary purposes and to issue therefor the interest bearing, negotiable notes of the district not exceeding in amount \$100,000 outstanding at any one time, which said notes shall be payable not later than one year from the date thereof.~~ Contracts, leases or agreements with the Maine School Building Authority shall not be debts or liability within the provisions of this section. Each bond and note shall have inscribed upon its face the words "Mount Desert Island Regional School District," shall be dated at such time or times, shall be in such denomination, shall bear such rate of interest, not exceeding 5% per year, payable semiannually, be in such form subject to the provisions of this Act and be sold in such manner, at private or public sale, as said trustees shall determine. The district is hereby authorized to use the proceeds of such bonds and notes to meet interest due thereon during the year following the date of issuance thereof. Each issue of said bonds and notes may be made to mature serially or made to run for such periods as such trustees shall determine, but no such issue shall be for a longer period than 25 years from the

date thereof. Each issue of said bonds and notes may be callable at any interest payment date with or without premium and may be refunded within the period of 25 years from the date thereof. All bonds and notes issued by the district shall be signed by the treasurer of the board of trustees and countersigned by the chairman of said board and, if coupon bonds be issued, each coupon shall be attested by the facsimile signatures of the chairman and the treasurer printed thereon. Any such bonds or notes, if properly executed by such officers in office on the date such securities are actually executed, shall be valid and binding according to their terms notwithstanding that before the delivery thereof and payment therefor either or both of such officers shall have for any reason ceased to hold office. **Prior to the issuance of said bonds or notes, the district through its trustees may borrow in anticipation of their sale by issuing temporary notes and renewal notes, the total face amount of which shall not exceed at any one time outstanding the authorized amount of the capital outlay bonds or notes. If the proceeds of an issue of bonds are used in whole or in part to fund temporary notes of the district or renewals thereof, the period during which such issue of bonds shall be outstanding, plus the period of the loan represented by such temporary notes or renewals thereof, shall not exceed 25 years.**

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