

MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

ONE HUNDRED AND FOURTH LEGISLATURE

Legislative Document

No. 1655

H. P. 1326

House of Representatives, January 6, 1970

Committee on Education suggested.

BERTHA W. JOHNSON, Clerk

Presented by Mr. Richardson of Stonington.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
AND SEVENTY

AN ACT to Clarify School Construction Aid.

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

Sec. 1. R. S., T. 20, § 304, amended. The 2nd paragraph of section 304 of Title 20 of the Revised Statutes, as enacted by section 3 of chapter 224 of the public laws of 1967 and amended by chapter 373 of the public laws of 1969, is further amended to read as follows:

The aggregate principal amount of bonds or notes issued by a School Administrative District for capital outlay purposes shall not exceed, at any one time outstanding, the limit of indebtedness of the sum of $12\frac{1}{2}\%$ of the total of the last preceding state valuation of all the participating towns and an additional percentage of said total state valuation determined by multiplying $12\frac{1}{2}\%$ by the applicable percentage for said district as set forth in the third column of Table II of section 3457. All outstanding school indebtedness assumed by the district shall be included in its limit of indebtedness but contracts, leases or agreements with the Maine School Building Authority and notes in anticipation of state aid issued pursuant to the following paragraph shall be excluded. The percentage limit of the indebtedness for bonds or notes for capital outlay purposes authorized after the effective date of this Act April 27, 1967 shall be fixed as of the time of authorization by the voters or, if no district meeting is held to authorize such bonds or notes, upon the expiration of 35 days following passage of a resolution of the board of school directors as described in the last 2 paragraphs of this section, provided that if the issuance of such bonds or notes together with all outstanding indebtedness included within the district's limit of indebtedness would cause the district's indebtedness included within such limit to exceed $12\frac{1}{2}\%$ of the total of

the last preceding state valuation of all the participating towns, the board of school directors shall not issue any of such bonds or notes unless they shall first have received a certificate of approval pursuant to section 3458. ~~The outstanding indebtedness for capital outlay purposes shall include state aid paid for school construction purposes. The amount paid by the State shall be reduced in proportion as the district reduces the principal of its indebtedness.~~ If such certificate of approval indicates that the State Board of Education has authorized state aid to be paid in accordance with the alternate method prescribed by section 3460, the total estimated amount of state aid payable on account of the school construction project described in such certificate of approval as determined by applying the applicable percentage of state aid to the total estimated cost of the project, as set forth in the certificate of approval, shall be treated as outstanding school indebtedness for the purpose of computing the borrowing capacity of the district to finance such project by issuing its bonds or notes.

Sec. 2. R. S., T. 20, § 304, amended. Section 304 of Title 20 of the Revised Statutes, as amended, is further amended by adding after the 2nd paragraph, a new paragraph, to read as follows:

The school directors of any School Administrative District which has received a certificate of approval of a capital outlay project pursuant to section 3458, which certificate states that state school construction aid shall be paid in accordance with the alternate method prescribed in section 3460, may borrow in anticipation of unpaid portions of such state aid and may issue temporary notes and renewal notes therefor, which temporary notes and renewal notes shall be legal obligations of the district. If a district shall have issued temporary notes or renewal notes pursuant to this paragraph, the state school construction aid, when received, shall be applied by the district first to the payment of such notes. If such district shall have issued temporary notes or renewal notes in anticipation of state aid to an amount in excess of the aggregate amount of state aid actually received by the district, any unexpended balance of the proceeds of such notes shall be used for the repayment thereof and the outstanding balance, if any, of such notes shall be repaid from sums which shall be included in the next annual budget and shall not be subject to change at the district budget meeting.

Sec. 3. R. S., T. 20, § 3460, amended. Section 3460 of Title 20 of the Revised Statutes, as enacted by section 2 of chapter 373 of the public laws of 1969, is amended by adding after the first paragraph, a new paragraph, to read as follows:

The State Board of Education shall not authorize the foregoing alternative method of paying state school construction aid unless funds have been appropriated in an amount sufficient to meet the total estimated amount of state aid payable on account of the capital outlay project on which such state aid is to be so paid. If such alternate method is authorized by the State Board of Education, the certificate of approval of the project issued pursuant to section 3458 shall so state.