

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIFTH LEGISLATURE

Legislative Document

No. 848

H. P. 524

House of Representatives, February 11, 1971

Speaker laid before the House and on motion of Mr. Jalbert of Lewiston, referred to the Committee on Appropriations and Financial Affairs. Sent up for concurrence and ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mr. Smith of Dover-Foxcroft.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-ONE

AN ACT to Authorize the Construction of Self-liquidating Housing for the University of Maine and the Issuance of Bonds of the State of Maine in an Amount not Exceeding \$10,000,000 for the Financing Thereof.

Preamble. Two-thirds of both Houses of the Legislature deeming it necessary in accordance with Section 14 of Article IX of the Constitution of Maine to authorize the issuance of bonds of the State for the construction of housing for the University of Maine and the payment of notes heretofore issued for such purpose.

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

Sec. 1. University of Maine authorized to construct housing. The University of Maine, hereinafter sometimes called the "University," is hereby authorized to construct, acquire or improve housing, including dormitories, dining halls, apartment buildings for single students, married students, faculty or any combination thereof, with utility approaches thereto and furnishings therein, at costs not to exceed \$10,000,000. Such construction, acquisition or improvements are hereby authorized at any or all of its several campuses. The cost of such housing construction, acquisition or improvement, including any expenses incurred in the financing thereof, shall be taken and appropriated from the proceeds of bonds issued under the authority of this Act.

Sec. 2. University housing. The University shall operate such housing when constructed as a self-liquidating project until all the bonds issued as provided by this Act shall be retired and all the expenses incurred hereunder shall be paid. The University shall charge and collect such board and room fees or rentals for the use of said housing as may from time to time be deter-

mined and ordered by the Board of Trustees of the University, having due regard to the value of the services rendered, the cost of upkeep, maintenance, repairs and operation, and amortization of the principal of and interest on the bonds issued, and shall pay to the Treasurer of State for said amortization and interest the amount so charged and collected in excess of such cost of upkeep, maintenance, repairs and operation.

Sec. 3. Treasurer of State to issue bonds. The Treasurer of State is hereby authorized, under the direction of the Board of Trustees of the University with the approval of the Governor and Council, to issue bonds from time to time in the name and on behalf of the State to an amount not exceeding \$10,000,000 for the purpose of raising funds for the construction of said housing, as provided in this Act, and for the payment of notes heretofore issued by the University or its Board of Trustees for the construction of housing at the University and now outstanding. Such bonds shall be general obligations of the State of Maine and the full faith and credit of the State shall be pledged to the bonds.

Such bonds shall be issued in series from time to time so as to meet the needs of the University for housing and for the payment of such notes.

The bonds of each series shall be dated, shall mature at such time or times not exceeding 30 years from their date, and may be made redeemable before maturity, at the option of the Treasurer of State, at such price or prices and under such terms and conditions as may be approved by the Governor and Council prior to the issuance of the bonds, and shall bear interest at such rate or rates not exceeding 7% per year, as may be determined by the Treasurer of State with the approval of the Board of Trustees of the University.

The Treasurer of State with the approval of the Governor and Council shall determine the form of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest, which may include any bank or trust company within or without the State.

The bonds shall be signed by the Treasurer of State and any interest coupons attached thereto shall be executed with the facsimile signature of the Treasurer of State. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until such delivery. The bonds may be issued in coupon or registered form, or both, as the Treasurer of State may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, for the reconversion into coupon bonds of any bonds registered as to both principal and interest, and for the interchange of coupon and registered bonds.

Sec. 4. Records of bonds issued to be kept by State Auditor and Treasurer of State. The State Auditor shall keep an account of such bonds, showing the number and amount of each, 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. 5. Sale, how negotiated; proceeds appropriated. The Treasurer of State may negotiate the sale of such bonds by direction of the Board of Trustees of the University with the approval of the Governor and Council. 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 Board of Trustees of the University, are hereby appropriated to be used solely for the purposes set forth in this Act. Any balance unexpended shall not lapse, but shall be carried forward to the same account to be used only for the purposes set forth herein.

6. Proceeds of bonds not available for other purposes; must be kept separate from other funds. The proceeds of all bonds issued under the authority of this Act, and the funds made available for interest and debt retirement thereunder shall at all times be kept distinct from all other moneys of the State and shall not be drawn upon or be available for any other purpose.

Sec. 7. 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.

Sec. 8. Disbursement of bond proceeds. The proceeds of such bonds shall be expended under the direction and supervision of the Board of Trustees of the University with the approval of the Bureau of Public Improvements.

Sec. 9. Other sources of funds. This Act shall not in any manner preclude the University or the Treasurer of the State of Maine from accepting from any authorized agency of the Federal Government or other nonstate sources construction aid fund grants, debt service grant funds or other grants for the planning, construction, equipping or property acquisition for any of the projects provided for in this Act; or from entering into agreements with such agency or agencies respecting any such grants.

Sec. 10. Contingent upon ratification of bond issue. No action shall be taken or liability incurred under this Act unless and until the electors of the State of Maine shall have ratified the issuance of bonds in behalf of the State at such time and in such amounts as set forth in this Act for the purpose of constructing university housing and paying notes heretofore issued for such purpose.

Referendum for ratification. The aldermen of cities, the selectmen of towns and the assessors of the several plantations of this State are hereby 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 ‘An Act to Authorize the Construction of Self-liquidating Housing for the University of Maine and the Issuance of Bonds of the State of Maine

in an Amount not Exceeding \$10,000,000 for the Financing Thereof,' passed by the 105th Legislature, be accepted?"

The inhabitants of said cities, towns and plantations shall vote by ballot on said question and shall indicate by a cross of check mark placed against the words "Yes" or "No" their opinion of the same. 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 review the same, and if it shall appear that a majority of the inhabitants voting on the question are in favor of the Act, the Governor shall forthwith make known the fact by his proclamation, and the Act shall 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 FACT

This Act proposes to raise funds for the purpose of constructing, acquiring or improving housing, including dormitories, dining halls, student and faculty apartment type housing with utility approaches thereto and furnishings therein for the University of Maine and would authorize the Treasurer of State, under the direction of the Board of Trustees of the University, with the approval of the Governor and Council, to issue bonds to an amount not exceeding \$10,000,000 to raise funds for such projects. The bonds would be payable within 30 years from date of issue.

Board and room fees or rentals are to be collected by the Board of Trustees of the University to pay the principal and interest on the bonds.