

MAINE STATE LEGISLATURE

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(EMERGENCY)

ONE HUNDRED AND FIFTH LEGISLATURE

Legislative Document

No. 944

H. P. 701

House of Representatives, February 18, 1971

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

BERTHA W. JOHNSON, Clerk

Presented by Mr. Bunker of Gouldsboro.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-ONE

AN ACT Relating to Interest Limitations in Community School Districts.

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

Whereas, certain community school districts have authorized construction projects; and

Whereas, interest rates have increased beyond the 5% limitation contained in the statutes; and

Whereas, it is impossible to sell bonds with the 5% limitation; 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:

R. S., T. 20, § 354, amended. The 4th sentence of section 354 of Title 20 of the Revised Statutes is amended to read as follows:

Each bond or note shall have inscribed upon its face the words: "..... Community School District" and shall be dated at such time or times, shall be in such denomination, shall bear such rate of interest ~~not exceeding 5%~~ per annum, payable semiannually, be in such form, subject to this chapter, and be sold in such manner, at public or private sale as the trustees shall determine.

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

STATEMENT OF FACT

The intent of this bill is to remove the limitations placed on interest rates when community school districts sell bonds or notes for school construction projects.