

MAINE STATE LEGISLATURE

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(EMERGENCY)

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 2036

H. P. 1616

House of Representatives, June 14, 1973

Approved by a Majority of the Committee on Reference of Bills pursuant to Joint Rule No. 10. Referred to Committee on Public Utilities. Sent up for concurrence and ordered printed.

E. LOUISE LINCOLN, Clerk

Presented by Mr. Stillings of Berwick.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT Increasing Indebtedness of Berwick Sewer District.

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

Whereas, disposal and treatment of sewage is essential to the health and well-being of the inhabitants of the Town of Berwick; and

Whereas, it is imperative that action be taken at the earliest possible time to eliminate any danger to such health and well-being; and

Whereas, the 101st Legislature created the Berwick Sewer District with certain powers over sewers; and

Whereas, it has been determined that its borrowing capacity is inadequate in order to eliminate the pollution which exists within the confines of the district; 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. 154, § 11, amended. The 3rd sentence of section 11 of

chapter 154 of the private and special laws of 1963, as amended by chapter 74 of the private and special laws of 1971, is further amended to read as follows:

The total indebtedness of the district **evidenced by bonds and notes** at any one time outstanding shall not exceed the sum of ~~\$1,500,000~~ **\$1,750,000**.

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

STATEMENT OF FACT

The Berwick Sewer District is engaged in the construction of a sewage treatment system for a total estimated cost of \$3,721,434. The District's share of this cost is \$1,500,000 and the balance of the cost or \$2,221,434, will be provided by Federal and State grants. In order to provide the District with funds for its share of the estimated cost, the Farmers Home Administration has agreed to purchase \$1,500,000 principal amount of bonds of the District at par with an interest rate of 5% if no better bid for such bonds can be secured. The proposed legislation would (i) increase the borrowing capacity of the District to \$1,750,000 to permit the District to prefinance Federal and State grants to the extent of \$250,000 and (ii) restrict the limitation on indebtedness to indebtedness evidenced by notes and bonds in order that amounts temporarily owing on contracts for the construction would not constitute indebtedness for the purpose of limitation.