

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1062

H. P. 887

House of Representatives, March 13, 1975

Referred to the Committee on Legal Affairs. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. MacEachern of Lincoln.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT Relating to Borrowing by Hospital Administrative District No. 1
in Penobscot County.

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

P & SL 1967, c. 58, § 3, as last amended by P & SL 1973, c. 201, § 2, is further amended to read:

Sec. 3. How financed. To procure funds for capital construction of and equipment for projects reviewed and approved by the appropriate regional and state health planning agencies organized pursuant to the Revised Statutes, Title 22, section 253, or any bodies succeeding to such function, or for refunding outstanding indebtedness created therefor, the board of directors of said district is authorized, by a vote of not less than a majority of all of said directors, to borrow money from time to time and to issue bonds in the name and on the full faith and credit of the district. To procure funds for any other purpose of the district, other than any expense of operation, or for refunding outstanding indebtedness created therefor, the board of directors of said district is authorized, by a vote of not less than a majority of all of said directors, to borrow money from time to time and to issue bonds in the name and on the full faith and credit of the district; provided the district shall not incur a total bonded indebtedness pursuant to this sentence at any one time outstanding in excess of \$1,500,000. Each bond shall have inscribed upon its face the words "Hospital Administrative District No. 1" and shall bear an impression of the district's seal. Each bond shall be dated at such time, be in such denomination, bear such rate or rates of interest, ~~payable semi-annually~~ be in such form, subject to the provisions of this Act, and be sold at not less than par and accrued interest to date of delivery in such manner, at public or private sale, as shall be determined by a majority vote of all of said di-

rectors. Each issue of bonds shall mature in annual installments, which shall be in equal or diminishing amounts or shall be so arranged that payments of principal and interest in each year in which principal payments are made, are substantially equal, or as nearly so as may be and still maintain annual principal payments in multiples of \$5,000. The first installment of any issue of bonds shall mature not later than 3 years from the date of such issue and the last installment shall mature not later than ~~25~~ 40 years therefrom. Bonds may be callable, in whole or in part, on any interest payment date, with or without premium, but no bonds shall be called for redemption unless a sum sufficient to pay on the redemption date the principal of and interest on bonds so called for redemption plus any premium due thereon, has been deposited in trust for the benefit of the holders of such bonds. The proceeds arising from the sale of bonds issued under the authority of this Act shall be delivered to the district treasurer or, in the case of refunding bonds, to any extent required, to a bank or trust company in trust for the holders of the obligations being refunded, and such proceeds shall be expended only for the purpose or purposes for which such bonds were authorized hereunder. Bonds or other obligations of the district being refunded, for the payment of which together with interest thereon to the date of redemption and premium, if any, due thereon, a sufficient sum has been deposited in trust for the benefit of the holders of such bonds or notes or other obligations as hereinbefore provided, shall not be deemed to be outstanding for the purpose of the limitation contained in the ~~first~~ 2nd sentence of this section. No purchaser of any bonds issued under the authority of this Act shall be in any way responsible for the proper application of the proceeds derived from the sale hereof. All bonds and notes issued by the district shall be signed by the treasurer and countersigned by the president and ~~the~~ any coupons appended to bonds shall be attested by the facsimile signature of the treasurer printed thereon. Whenever the district has authorized the issuance of bonds under this Act, it may authorize the issuance of temporary notes in anticipation of the receipt of the proceeds from the sale of such bonds. Such notes may be issued for a period of not more than ~~2~~ 3 years, but notes issued for a shorter period of time may be renewed by the issuance of other notes, provided that the period from the date of the original note to the maturity of the last note issued in renewal shall not exceed ~~2~~ 3 years. The term of such note shall not be included in computing the time within which such bonds must mature.

Said bonds, or any notes issued in anticipation of the issuance thereof, or in anticipation of any taxes levied hereunder, **or in anticipation of revenues**, shall be legal obligations of said district, which is hereby declared to be a quasi-municipal corporation within the meaning of the Revised Statutes, Title 30, section 5053, and all the provisions of said section shall be applicable thereto. Said bonds and notes shall be legal investments for savings banks.

STATEMENT OF FACT

The purpose of this bill is to revise certain provisions for borrowing by Hospital Administrative District No. 1 in Penobscot County.