

MAINE STATE LEGISLATURE

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(EMERGENCY)

ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1213

H. P. 933

House of Representatives, March 20, 1975

Approved for introduction by a majority of the Committee on Reference of Bills pursuant to Joint Rule 10. Referred to the Committee on Legal Affairs. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Smith of Dover-Foxcroft.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT to Revise Certain Provisions of the Act Creating Hospital Administrative District No. 4 in Piscataquis, Somerset and Penobscot Counties.

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, a hospital which conforms to federal and state standards is vitally necessary to the people of Hospital Administrative District #4; and

Whereas, financing of said hospital shall be done through the issuance of bonds and notes; and

Whereas, certain provisions of the enabling legislation require clarification prior to the issuance of any bonds or notes; 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:

Sec. 1. P & SL 1973, c. 76, § 1, 2nd sentence, is repealed and the following enacted in place thereof:

To acquire or construct, extend and improve a community general hospital system, including but not limited to, acute care facilities, extended care fa-

cilities, and free standing satellite facilities, to be located at a place or places within the district for the care of the inhabitants of said district and those persons outside the district who may require medical care; for the purpose of maintaining and operating a hospital system including, but not limited to, acute care facilities, extended care facilities, and free standing satellite facilities, to generally provide for the health and medical needs of residents of the district; and for the purpose of receiving, accepting and holding gifts, grants or devises of property, real, personal or mixed, in trust or otherwise, to be used for the hospital system and related medical and surgical purposes; all for the benefit of the inhabitants of said district.

Sec. 2. P & SL 1973, c. 76, § 2, 2nd ¶, 2nd sentence, is amended to read:

They shall be responsible for providing ~~a hospital physical plant~~ physical facilities for a hospital system within the district equipped and staffed to maintain the needed facilities and services for patients.

Sec. 3. P & SL 1973, c. 76, § 3, first ¶, is repealed and the following enacted in place thereof:

To procure funds to carry out the purposes of this Act, the district may, through its board of directors, borrow money and issue bonds and notes therefor to an indebtedness not to exceed \$4,000,000. Each bond shall bear interest at such rates as the board of directors may determine, payable annually or semiannually and subject to other provisions as determined by the directors. Said bonds and notes may be issued to mature serially or to run for such periods as said directors determine. In case bonds or notes are issued to mature serially, the first principal payment thereon, shall be made not later than 3 years from their date of issue. All bonds may, at the discretion of the board of directors, be made callable and the amount of premium to be paid on call and the period for which said callable bonds shall not be redeemable shall be left to the discretion of the board of directors. Said discretion as herein given may be manifested by a vote of the majority of the board of directors.

Sec. 4. P & SL 1973, c. 76, § 4, first ¶, 2nd sentence, is amended to read:

The amount to be paid annually into such sinking fund shall not be less than ~~4%~~ 2% of the total principal amount of such bonds or notes originally issued and such payments shall commence not later than 3 years following the date of issue of such bonds or notes.

Sec. 5. P & SL 1973, c. 76, § 4, 3rd ¶, is amended to read:

In case the amount in any sinking fund shall not be sufficient to pay the total amount, when due, of the bonds and notes for which such sinking fund was provided, or in case it shall become desirable in the opinion of the directors to call for redemption any outstanding bonds or notes and to issue new bonds or notes in their stead, authority is granted to refund so many of said original bonds or notes as cannot be paid or redeemed from the sinking fund provided therefor, if any, but in no case shall such new bonds or notes mature more than ~~40~~ 50 years from the original date of issue of the original bonds or notes so refunded.

Sec. 6. P & SL 1973, c. 76, § 4, is amended by adding at the end a new paragraph to read:

When an issue of bonds or notes has been authorized hereunder, the board of directors may issue or authorize the treasurer, with the approval of the president, to issue temporary notes in anticipation of the proceeds of said bonds or notes. Such temporary notes may be issued for a period not to exceed 5 years and any such notes issued for a shorter period may be renewed from time to time by the issue of other notes, provided that the period from the original date of issue to the date of maturity of the last renewal thereof shall not be more than 5 years. The term of any such notes shall not be included in the 50-year period provided for in the preceding paragraph.

Sec. 7. P & SL 1973, c. 76, § 6, is repealed and the following enacted in place thereof:

Sec. 6. Authority to issue temporary notes in anticipation of taxes or revenues. In any fiscal year, in anticipation of taxes assessed or to be assessed for such year, the board of directors of the district may, by a vote of a majority of its members, authorize the borrowing of money by the issuance and sale of temporary notes of the district. If taxes have not been levied in such year, the amount of borrowing shall not exceed 50% of the approved budget in the preceding year. If taxes have been levied in such year, the amount of such borrowing shall not exceed in the aggregate the total amount of the approved budget in the current fiscal year less the amount thereof collected in the participating towns and plantations and paid to the treasurer of the board of directors. Such temporary notes of the district may be issued for a period of not more than one year and any such temporary notes may be renewed from time to time by the issuance of other temporary notes, provided the period from the date of issue of the original note to date of maturity or last renewal thereof shall not be more than one year. Notes in anticipation of taxes which are not paid at the end of the fiscal year shall be included in the following fiscal year's budget as an expenditure and an amount sufficient to pay said notes shall be assessed and collected as provided in section 9; provided, however, that said district may pay said notes from revenues, or proceeds of bonds, or notes in anticipation of the issuance of bonds, if the board of directors in its discretion determines said alternative payment source to be in the best interest of the district.

The board of directors of the district may, by vote of a majority of its members, authorize the borrowing of money by the issuance and sale of temporary notes of the district in anticipation of revenues. Such notes, issued during the first 12 months of operation as a Hospital Administrative District, shall mature not later than 3 years thereafter and said notes shall not exceed, in the aggregate, the sum of \$100,000. In any subsequent year, the board of directors of the district may, by vote of a majority of its members, authorize the borrowing of money by the issuance and sale of temporary notes of the district in anticipation of revenues but said notes shall not exceed, in the aggregate, the total amount of the accounts receivable of the district at the time of issuance of said notes and said notes shall not be issued to exceed a period of 3 years.

Sec. 8. P & SL 1973, c. 76, § 8, first ¶ is amended to read:

The board of directors shall require all persons hospitalized or treated in any hospital or hospitals or other facility of the district to pay to the treasurer of said district the rates established from time to time by said board of directors for hospital and related medical or surgical care. Notwithstanding the aforesaid, the directors may set rates that are lower for inhabitants of the district than for those hospitalized or treated persons who reside outside the district in recognition of the taxation powers of the district as such relates to the taxation of property within the district and said board may provide such level of uncompensated hospitalization and services as it deems to be in the best interests of the inhabitants of the district. Such rates shall be so established, subject to other provisions of this Act, as to provide revenue for the following purposes:

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

STATEMENT OF FACT

The purpose of this Act is to clarify certain provisions of the district's enabling legislation upon the recommendation of legal counsel.