

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1482

H. P. 1184

House of Representatives, March 25, 1975

Referred to Committee on Local and County Government. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Carey of Waterville.

Cosponsor: Mr. Shute of Stockton Springs.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT Amending the Law Regulating Municipal Debt.

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

Sec. 1. 30 MRSA § 5061, as enacted by PL 1973, c. 665, is repealed and the following enacted in place thereof:

§ 5061. Limitation

No municipality shall incur debt which would cause its total debt outstanding at any time, exclusive of debt incurred for school purposes, for storm or sanitary sewer purposes or for municipal airport purposes, to exceed 7½% of its last full state valuation. A municipality may incur debt for school purposes to an amount outstanding at any time not exceeding 10% of its last full state valuation, and the state reimbursable portion of school debt for storm or sanitary sewer purposes to an amount outstanding at any time not exceeding 7½% of its last full state valuation, and for municipal airport purposes to an amount outstanding at any time not exceeding 3% of its last full state valuation; provided, however, that in no event shall any municipality incur debt which would cause its total debt outstanding at any time to exceed 15% of its last full state valuation.

For the purposes of this section, full state valuation shall mean the state valuation most recently certified by the State Tax Assessor pursuant to Title 36, section 381, adjusted to 100%.

If a particular loan is or has been incurred by a municipality for school, storm or sanitary sewer, municipal airport, water and other purposes, or any combination thereof, the treasurer of the municipality shall make and main-

tain records showing the proportion, if any, of such loan incurred for school purposes, for storm or sanitary sewer purposes, for municipal airport purposes, for water purposes and for other purposes and the same proportions shall be applied to each maturity of such loan.

Sec. 2. 30 MRSA § 5062, as enacted by PL 1973, c. 665, is amended to read:

§ 5062. Exclusion

The limitations on municipal debt in ~~this Article section 5061~~ shall not be construed as applying to any funds received in trust by any municipality, any loan for the purpose of renewing existing loans or for war, temporary loans, loans taken which has been funded or refunded, notes issued in anticipation of federal or state aid or revenue sharing payments money, tax anticipation loans notes maturing in the current municipal year indebtedness of special districts and entities other than municipalities, indebtedness of any municipality to the Maine School Building Authority, debt incurred for water purposes, debt issued under chapter 235 and chapter 242 and obligations payable from revenues of the current municipal year or from other revenues previously appropriated by or committed to the municipality.

For the purpose of this section, the state reimbursable portion of school debt with respect to any municipality shall be the sum of the amounts determined by multiplying the outstanding amount of each issue of debt incurred for school purposes by the municipality in connection with a project which qualifies for state school construction aid and the percentage of the capital outlay costs of such project which was applicable to determine the amount of state school construction aid therefor pursuant to Title 20, at the time such project was approved for such state school construction aid. The certificate of the Commissioner of Educational and Cultural Services that a project qualifies for state school construction aid and as to the percentage of such aid to which a municipality was so entitled shall be conclusive evidence of the facts stated therein.

Sec. 3. 30 MRSA § 5064, as enacted by PL 1973, c. 665, is repealed.

STATEMENT OF FACT

The purpose of this legislation is to clarify the existing general laws regarding municipal debt and alleviate several issues of concern to municipal bond counsel.