

MAINE STATE LEGISLATURE

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(EMERGENCY)

ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 546

H. P. 439

House of Representatives, February 17, 1977

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

EDWIN H. PERT, Clerk

Presented by Ms. Clark of Freeport.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT to Amend the Charter of the Freeport Sewer District.

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

Whereas, the construction of the sewerage system serving the Freeport Sewer District is nearing completion and the permanent financing is being arranged; and

Whereas, the present financing provisions of the district's charter may require sinking fund payments for all of the district's outstanding indebtedness and the proposed permanent financing may be done on a direct reduction basis; and

Whereas, the rates to be charged to the users of the district may become onerous if such rates provided for both principal reduction and sinking fund payment; 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 1947, c. 60, § 18, 1st ¶ is amended to read:

In case any of said bonds are made to run for a period of years, a sinking fund shall be established by the trustees of said district, for the purpose of redeeming said term bonds when they become due, and not less than ~~3%~~ 1%

nor more than 5% of the aggregate principal of the outstanding sinking fund bonds issued on account of or in behalf of said sewerage district, as aforesaid, shall be turned into said sinking fund each year, to provide for the final extinguishment of said district funded debt. In lieu of such sinking fund, the trustees may issue bonds of the district for a term of years so that the average annual principal reduction during such term is not less than 1% nor more than 5% of such bonds.

Sec. 2. P & SL 1947, c. 60, § 19, sub-§ IV, as last amended by P & SL 1973, c. 69, § 9, is further amended by adding at the end the following new sentence :

Such payments to the sinking fund need not be made for any issue of indebtedness in which the average annual principal reduction during the term thereof exceeds 1% of such indebtedness.

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 bill is to reduce the minimum contribution by the Freeport Sewer District to its bond sinking fund from 3% of the outstanding principal of the sinking fund bonds to 1% and to provide for ranges of direct reduction bonds in lieu of such sinking fund requirements.