

MAINE STATE LEGISLATURE

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(EMERGENCY)

ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1025

H. P. 837

House of Representatives, March 15, 1977

On Motion of Mr. Kelleher of Bangor referred to the Committee on Public Utilities. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Chonko of Topsham.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

**AN ACT to Increase and Clarify Borrowing Capacity of the Topsham
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 Topsham Sewer District is now in the process of constructing its sewer system to connect it with the Brunswick Sewer District's Sewerage Disposal Plant; and

Whereas, said construction is being funded in part with federal funds; and

Whereas, it is necessary for the district to pay for certain construction before it can be reimbursed by the Federal Government; and

Whereas, it appears that the district will have to secure temporary loans in March of 1977 which will exceed its present borrowing capacity in order to pay said construction costs before it can be reimbursed by the Federal Government; 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P&SL 1957, c. 128, § 9, as last amended by **P&SL 1975, c. 69**, is repealed and the following enacted in its place:

Sec. 9. Authority to borrow money; borrowing limit. For accomplishing the purposes of this Act and for such other expenses as may be necessary for the carrying out of said purposes, the district, through its trustees, without district vote, is authorized to issue its notes and bonds in one series or in separate series from time to time and to make subsequent renewals of the same in whole or in part as provided in this section.

1. Legal investments for savings banks. Said notes and bonds are a legal investment for savings banks in the State of Maine.

2. Exempt from taxation. Said notes and bonds and the income therefrom are exempt from all municipal and state taxes.

3. Inscription. Each bond is to be inscribed on its face with the words, "Topsham Sewer District Bond."

4. Interest. Said bonds and notes are to bear interest at such rate or rates as the trustees determined for such.

5. Term. Said trustees shall determine the period for which the bonds and notes are to run and when and how the interest and principal will be paid.

6. Borrowing limit. Said district may not become indebted in aggregate by its notes and bonds in an amount greater than \$1,000,000, except said district may, from time to time, as its trustees may decide, issue its notes or bonds in anticipation of receipt of federal or state funds or both for any project for which federal or state funds or both have been authorized but not then received by the district, which said anticipation notes or bonds are not to be included as part of said debt limit.

The aggregate indebtedness as set forth in this section is the aggregate balance of principal and accrued interest on the district's bonds and notes which are includable in the debt limit, less all funds which have then been set aside by the district in a sinking fund or otherwise to redeem or pay interest on said bonds or notes.

On October 15, 1977, said debt limit shall revert to \$700,000.

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 increase the borrowing power of the Topsham Sewer District. The intent is further set out in the emergency preamble.