

MAINE STATE LEGISLATURE

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1 (New Draft of H.P. 1650, L.D. 2328)
2 (New Title)
3 SECOND REGULAR SESSION
4

5 ONE HUNDRED AND TWELFTH LEGISLATURE
6

7 Legislative Document

No. 2388

8
9 H.P. 1695 House of Representatives, April 12, 1986
10 Reported by Representative Carter from the Committee on
11 Appropriations and Financial Affairs and printed under Joint Rule 2. Original
12 bill sponsored by Representative Small of Bath. Cosponsored by
Representative Foss of Yarmouth, Representative Lawrence of Parsonsfield
and Representative Brown of Livermore Falls.

EDWIN H. PERT, Clerk

13
14 STATE OF MAINE
15

16 IN THE YEAR OF OUR LORD
17 NINETEEN HUNDRED AND EIGHTY-SIX
18

19 AN ACT to Authorize a General Fund Bond Issue
20 in the Amount of \$6,000,000 to Provide
21 Funds for School Construction Costs to
22 Meet the Requirements of the Education
23 Reform Act and for the Construction of
24 an Activity Building at Augusta Mental
25 Health Institute.
26

27 Preamble. Two thirds of both Houses of the Leg-
28 islature deeming it necessary in accordance with the
29 Constitution of Maine, Article IX, Section 14, to au-
30 thorize the issuance of bonds on behalf of the State
31 of Maine to provide funds for additional school con-
32 struction funding and for construction of an activity
33 building at the Augusta Mental Health Institute.

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

1 Sec. 1. Authorization of bonds to provide for
2 school construction and construction of an activity
3 building at the Augusta Mental Health Institute. The
4 Treasurer of State is authorized to issue from time
5 to time registered bonds in the name and behalf of
6 the State to an amount not exceeding \$6,000,000 for
7 the purpose of raising funds for additional school
8 construction projects necessitated as a result of re-
9 quirements established by Public Law 1983, chapter
10 859 and for the construction of an activity building
11 at the Augusta Mental Health Institute. The bonds
12 shall be deemed a pledge of the full faith and credit
13 of the State. The bonds shall not run for a longer
14 period than 5 years from the date of the original is-
15 sue of the bonds. Any issuance of bonds may contain
16 a call feature at the discretion of the Treasurer of
17 State with the approval of the Governor.

18 Sec. 2. Records of bonds issued to be kept by
19 the State Auditor and Treasurer of State. The State
20 Auditor shall keep an account of the bonds, showing
21 the number and amount of each, the date when payable
22 and the date of delivery of the bonds to the Treasur-
23 er of State who shall keep an account of each bond
24 showing the number of the bond, the name of the suc-
25 cessful bidder to whom sold, the amount received for
26 the same, the date of sale and the date when payable.

27 Sec. 3. Sale; how negotiated; proceeds appropri-
28 ated. The Treasurer of State may negotiate the sale
29 of the bonds by direction of the Governor, but no
30 such bond may be loaned, pledged or hypothecated in
31 behalf of the State. The proceeds of the sale of the
32 bonds, which shall be held by the Treasurer of State
33 and paid by him upon warrants drawn by the State Con-
34 troller, are appropriated to be used solely for the
35 purposes set forth in this Act. Any unencumbered
36 balances remaining at the completion of the project
37 in section 6 shall lapse to the debt service account
38 established for the retirement of these bonds.

39 Sec. 4. Interest and debt retirement. Interest
40 due or accruing upon any bonds issued under this Act
41 and all sums coming due for payment of bonds at matu-
42 rity shall be paid by the Treasurer of State.

1 **Sec. 5. Disbursement of bonds proceeds.** The
2 proceeds of the bonds set out in section 6, subsection
3 1 shall be expended under the direction and supervision
4 of the State Board of Education. Those
5 proceeds set out in section 6, subsection 2, shall be
6 expended under the direction and supervision of the
7 Director of Public Improvements.

8 **Sec. 6. Allocations from General Fund bond issue.** The proceeds of the sale of bonds shall be expended as designated in the following schedule:

11 1. School construction projects. \$5,000,000

12 Proceeds of the sale of bonds shall be
13 allocated to the account established under
14 the Maine Revised Statutes, Title
15 20-A, section 15914, subsection 2.
16 Funds allocated pursuant to this Act
17 shall first be used to pay the state
18 share of new school construction
19 projects which are found by the state
20 board to be required in order to comply
21 with minimum requirements established by
22 Public Law 1983, chapter 864. Remaining
23 fund shall be used to meet other priority
24 school construction needs.

25 2. Activity building - Augusta \$1,000,000
26 Mental Health Institute

27 **Sec. 7. Contingent upon ratification of bond issue.** Sections 1 to 6 shall not become effective unless and until the people of the State have ratified the issuance of bonds as set forth in this Act.

31 **Sec. 8. Appropriation balances at year end.** At
32 the end of each fiscal year, all unencumbered appropriation
33 balances representing state money shall carry forward from year to year. Bond proceeds which
34 have not been expended within 10 years after the date
35 of the sale of the bonds shall lapse to General Fund
36 debt service.
37

38 **Sec. 9. Bonds authorized but not issued.** Any
39 bonds authorized but not issued, or for which bond
40 anticipation notes have not been issued within 5

1 years of the ratification of this Act, shall be
2 deauthorized and may not be issued, provided that the
3 Legislature may, within 2 years after the expiration
4 of that 5-year period, extend the period for issuing
5 any remaining unissued bonds or bond anticipation
6 notes for an additional amount of time not to exceed
7 5 years.

8 **Sec. 10. Statutory referendum procedure; submis-**
9 **sion at general election; form of question; effective**
10 **date.** This Act shall be submitted to the legal vot-
11 ers of the State of Maine at the next general elec-
12 tion in the month of November following passage of
13 this Act. The city aldermen, town selectmen and
14 plantation assessors of this State shall notify the
15 inhabitants of their respective cities, towns and
16 plantations to meet, in the manner prescribed by law
17 for holding a statewide election, to vote on the ac-
18 ceptance or rejection of this Act by voting on the
19 following question:

20 "Shall a \$6,000,000 bond issue be approved for
21 additional school construction projects to comply
22 with the education reform law and for construc-
23 tion of an activity building at Augusta Mental
24 Health Institute?"

25 The legal voters of each city, town and planta-
26 tion shall vote by ballot on this question, and shall
27 designate their choice by a cross or check mark
28 placed within a corresponding square below the word
29 "Yes" or "No." The ballots shall be received,
30 sorted, counted and declared in open ward, town and
31 plantation meetings and returns made to the Secretary
32 of State in the same manner as votes for members of
33 the Legislature. The Governor shall review the re-
34 turns and, if it appears that a majority of the legal
35 voters are in favor of the Act, the Governor shall
36 proclaim that fact without delay, and the Act shall
37 become effective 30 days after the date of the proc-
38 lamation.

39 The Secretary of State shall prepare and furnish
40 to each city, town and plantation all ballots, re-
41 turns and copies of this Act necessary to carry out
42 the purpose of this referendum.

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FISCAL NOTE

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The total cost of this bond issue is \$6,975,000 with \$6,000,000 of principal and \$975,000 of interest.

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STATEMENT OF FACT

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The funds provided by this bond issue will be used to fund school construction costs projects necessitated by the requirements established by Public Law 1983, chapter 859. \$1,000,000 of this issue will be used to construct an activity building at the Augusta Mental Health Institute.

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