

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
114TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1047, L.D. 1458, Bill, "An Act to Clarify the Borrowing Authority of the University of Maine System"

Amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting in its place the following:

Sec. 1. 20-A MRSA §10952, sub-§7, as enacted by PL 1987, c. 735, §14, is amended to read:

7. Borrow money. To borrow money pursuant to this chapter and issue evidences of indebtedness to finance the acquisition, construction, reconstruction, improvement or equipping of any one project, or more than one, or any combination of projects, or to refund evidences of indebtedness hereafter issued or to refund general obligation debt of the State previously issued to finance any project or projects, or to refund any such refunding evidences of indebtedness or for any one, or more than one, or all of those purposes, or any combination of those purposes, and to provide for the security and payment of those evidences of indebtedness and for the rights of the holders of them, except that any borrowing pursuant to this chapter, exclusive of borrowing to refund evidences of indebtedness, to refund general obligation debt of the State, or to fund issuance costs or necessary reserves, shall not exceed in the aggregate principal amount outstanding at any time \$18,000,000, and except that no borrowing may be effected pursuant to this chapter unless the amount of the borrowing and the project or projects are submitted to the Legislative Office of Fiscal and Program Review for review by the Joint Standing Committee on Appropriations and Financial Affairs at least 60 days before closing on such borrowing for the project or projects is to be initiated;

Sec. 2. 20-A MRSA §10953, sub-§3, as enacted by PL 1987, c. 735, §14, is amended to read:

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3. Refund evidences of indebtedness. To refund evidences of indebtedness issued pursuant to this chapter or to refund general obligation debt of the State issued previously to finance any project or projects; or

Sec. 3. 20-A MRSA §10954, sub-§2, as enacted by PL 1987, c. 735, §14, is amended to read:

2. Refund evidences of indebtedness. To refund evidences of indebtedness issued and to finance the cost of any project or projects as provided in this chapter or to refund general obligation debt of the State issued previously to finance any project or projects; or

Sec. 4. 20-A MRSA §10959, as enacted by PL 1987, c. 735, §14, is amended to read:

§10959. Refunding indebtedness

Pursuant to sections 10953 to 10955, the university may enter into financing transactions and issue evidences of indebtedness for the purpose of refinancing obligations or evidences of indebtedness issued under this chapter or to refund general obligation debt of the State issued previously to finance any project or projects, including the payment of any redemption premium on the evidences of indebtedness or general obligation debt of the State and any interest accrued or to accrue to the date of redemption of those obligations, and if deemed advisable by the university for the additional purpose of construction or enabling the construction of improvements, extensions, enlargements or additions of the project or projects in connection with which the obligations to be refunded shall have been issued. The university's refunding authority shall include authority to borrow and issue evidences of indebtedness for the combined purpose of refunding any evidences of indebtedness issued under this chapter then outstanding or refunding general obligation debt of the State issued previously to finance any project or projects, including the payment of any redemption premium on the evidences of indebtedness or general obligation debt of the State and any interest accrued or to accrue to the date of redemption of those obligations, and paying all or any part of the cost of acquiring or constructing or enabling the acquisition or construction of any additional project or projects or part of a project, or any improvements, extensions, enlargements or additions of any project or projects. The incurring of indebtedness for refunding purposes and the issuance of evidences of indebtedness in connection with the indebtedness, the maturities and other details, the rights and remedies of the holders and the rights, powers, privileges, duties and

1 obligations of the university with respect to the indebtedness
3 shall be governed by this chapter insofar as the chapter may be
5 applicable.'

7 **STATEMENT OF FACT**

9 This amendment strikes the text of the bill. The amendment
11 establishes an upward limit of \$18,000,000, exclusive of
13 refunding obligations or obligations to fund issuance costs or
15 necessary reserves, on the amount of borrowing authorized by the
17 113th Legislature for the University of Maine System which can be
19 outstanding at any one time. This amendment also allows the
University of Maine System to issue revenue obligation bonds to
refund general obligation bonds of the State previously issued on
a self-liquidating basis for the University of Maine System, thus
removing approximately \$15,100,000 in general obligation debt
from the State's balance sheet.

21 This amendment also provides that no borrowing by the
23 University of Maine System may be done unless the Joint Standing
25 Committee on Appropriations and Financial Affairs has reviewed
the amount of the borrowing and the project or projects. This
information must be submitted to the Office of Fiscal and Program
Review at least 60 days before closing on the project or projects.

Reported by the Majority of the Committee On Appropriations and
Financial Affairs
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House
7/1/89

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