

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

SECOND REGULAR SESSION - 1990

Legislative Document

No. 2456

H.P. 1786

House of Representatives, March 27, 1990

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative FOSS of Yarmouth.

Cosponsored by Representative SMALL of Bath, Representative CROWLEY of Stockton Springs and Senator ESTES of York.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY

An Act to Authorize a Bond Issue in the Amount of \$5,000,000 to Deal with Major Maintenance Problems in Public School Facilities.



2 **Preamble.** Two thirds of both Houses of the Legislature
4 deeming it necessary in accordance with the Constitution of
6 Maine, Article IX, Section 14, to authorize the issuance of bonds
 on behalf of the State of Maine to provide funds to correct major
 maintenance problems of an emergency nature in public school
 facilities.

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

10 **Sec. 1. Authorization of bonds to provide funds to correct major
 maintenance problems of an emergency nature in public school facilities.**

12 The Treasurer of State is authorized, under the direction of the
14 Governor, to issue from time to time registered bonds in the name
16 and behalf of the State to an amount not exceeding \$5,000,000 for
18 the purpose of raising funds to correct major maintenance
20 problems of an emergency nature to include underground oil tank
22 removal, reconstruction due to emergency hazardous material
24 removal and roof replacement in public schools. For the purposes
26 of this Act, the term "public school" includes private schools
 approved for tuition purposes that have school enrollments of at
 least 60% publicly funded students as authorized by section 6.
 The bonds shall be deemed a pledge of the full faith and credit
 of the State. The bonds shall not run for a longer period than
 10 years from the date of the original issue of the bonds. Any
 issuance of bonds may contain a call feature at the discretion of
 the Treasurer of State with the approval of the Governor.

28 **Sec. 2. Records of bonds issued to be kept by the State Auditor and
 Treasurer of State.**

30 The State Auditor shall keep an account of the
32 bonds, showing the number and amount of each, the date when
34 payable and the date of delivery of the bonds to the Treasurer of
36 State who shall keep an account of each bond showing the number
 of the bond, the name of the successful bidder to whom sold, the
 amount received for the same, the date of sale and the date when
 payable.

38 **Sec. 3. Sale; how negotiated; proceeds appropriated.**

40 The Treasurer of State may negotiate the sale of the bonds by
42 direction of the Governor, but no such bond may be loaned,
44 pledged or hypothecated on behalf of the State. The proceeds of
46 the sale of the bonds, which shall be held by the Treasurer of
48 State and paid by him upon warrants drawn by the State
 Controller, are appropriated to be used solely for the purposes
 set forth in this Act. Any unencumbered balances remaining at
 the completion of the project in section 6 shall lapse to the
 debt service account established for the retirement of these
 bonds.

50 **Sec. 4. Interest and debt retirement.**

52 Interest due or accruing upon any bonds issued under this Act and all sums coming due for
 payment of bonds at maturity shall be paid by the Treasurer of
 State.

2 **Sec. 5. Disbursement of bond proceeds.** The proceeds of the
3 bonds set out in section 6 shall be expended under the direction
4 and supervision of the Commissioner of Education. In expending
5 these funds, the commissioner shall adopt rules that will ensure
6 the following.

7 1. Funds provided by this bond issue are expended through a
8 process that ensures that major maintenance problems of an
9 emergency nature that by law or rule must be alleviated or that
10 affect or have the potential to affect the health and safety of
11 the building occupants will receive the highest priority
12 regardless of size or location of the facility.

13 2. All construction and reconstruction will be conducted in
14 accordance with applicable state and federal laws and rules.

15 **Sec. 6. Allocations from General Fund bond issue; major**
16 **maintenance problems of an emergency nature in public schools.** Funds
17 shall be disbursed on the basis of 75% state matching funds in
18 accordance with a priority system established by the Commissioner
19 of Education and with the approval of the commissioner. The
20 remaining 25% of the cost shall be borne by participating local
21 school units and will not be eligible for state reimbursement.
22

23 **Sec. 7. Contingent upon ratification of bond issue.** Sections 1 to
24 6 shall not become effective unless and until the people of the
25 State have ratified the issuance of bonds as set forth in this
26 Act.
27

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

34 **Sec. 9. Bonds authorized but not issued.** Any bonds authorized
35 but not issued, or for which bond anticipation notes have not
36 been issued within 5 years of ratification of this Act, shall be
37 deauthorized and may not be issued, provided that the Legislature
38 may, within 2 years after the expiration of that 5-year period,
39 extend the period for issuing any remaining unissued bonds or
40 bond anticipation notes for an additional amount of time not to
41 exceed 5 years.
42

43 **Sec. 10. Referendum for ratification; submission at general election;**
44 **form of question; effective date.** This Act shall be submitted to the
45 legal voters of the State of Maine at the next general election
46 in the month of November following passage of this Act. The
47
48

2 city aldermen, town selectmen and plantation assessors of this
State shall notify the inhabitants of their respective cities,
4 towns and plantations to meet, in the manner prescribed by law
for holding a general election, to vote on the acceptance or
rejection of this Act by voting on the following question:

6
8 "Do you favor a \$5,000,000 bond issue for the correction of
major maintenance problems of an emergency nature in public
10 schools?"

12 The legal voters of each city, town and plantation shall
vote by ballot on this question and shall designate their choice
14 by a cross or check mark placed within a corresponding square
below the word "Yes" or "No." The ballots shall be received,
sorted, counted or declared in open ward, town and plantation
16 meetings and returns made to the Secretary of State in the same
manner as votes for members of the Legislature. The Governor
18 shall review the returns and, if it appears that a majority of
the legal voters are in favor of the Act, the Governor shall
20 proclaim that fact without delay, and the Act shall become
effective 30 days after the date of the proclamation.

22 The Secretary of State shall prepare and furnish to each
24 city, town and plantation all ballots, returns and copies of this
Act necessary to carry out the purpose of this referendum.

26 STATEMENT OF FACT

28 The funds provided by this bond issue, in the amount of
30 \$5,000,000, will be used to establish a fund for correcting major
maintenance problems of an emergency nature in public school
32 facilities.