

# MAINE STATE LEGISLATURE

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DATE: 6/13/95

(Filing No. H- 461 )

**APPROPRIATIONS AND FINANCIAL AFFAIRS**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
117TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 951, L.D. 1340, "Resolve, Authorizing the Maine Technical College System to Lease Facilities for York County Technical College"

Amend the resolve by striking out the title and substituting the following:

**'Resolve, Authorizing the Maine Technical College System to Lease-purchase Facilities for York County Technical College'**

Further amend the resolve by striking out everything after the title and before the statement of fact and inserting in its place the following:

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

**Whereas, pursuant to Public Law 1993, chapter 707, Part O, the 116th Legislature authorized the establishment of York County Technical College; and**

**Whereas, pursuant to Public Law 1993, chapter 707, Part O, the 116th Legislature appropriated funds to the Maine Technical College System to establish York County Technical College and recommended that funds be appropriated by future Legislatures to provide for York County Technical College; and**

**Whereas, the Maine Technical College System is authorized to rent facilities to allow the operation of York County Technical College beginning in the fall of 1995; and**

**COMMITTEE AMENDMENT**

2           **Whereas,** it is financially desirable and feasible within  
3 existing financial resources for the Maine Technical College  
4 System, through a lease-purchase, to acquire ownership of  
5 appropriate buildings and equipment to allow establishment of  
6 York County Technical College in permanent facilities beginning  
7 in fiscal year 1997; and

8           **Whereas,** construction needs to begin on such buildings  
9 during fiscal year 1996 in order to allow completion of such  
10 buildings during fiscal year 1997; and

12           **Whereas,** in the judgment of the Legislature, these facts  
13 create an emergency within the meaning of the Constitution of  
14 Maine and require the following legislation as immediately  
15 necessary for the preservation of the public peace, health and  
16 safety; now, therefore, be it

18           **Sec. 1. Authorization of lease-purchase of buildings and equipment**  
19 **for York County Technical College. Resolved:** That, in compliance  
20 with the Maine Revised Statutes, the Maine Technical College  
21 System is authorized to enter into financing arrangements to  
22 lease-purchase buildings and equipment to establish York County  
23 Technical College. The principal amount of the financing may not  
24 exceed \$6,895,000. The rate of interest is estimated to be  
25 5.746% over a 20-year period, resulting in a total interest cost  
26 of approximately \$3,648,211, if the lease-purchase is carried to  
27 its entire term. The Maine Technical College System is  
28 authorized to encumber, mortgage or otherwise give security for  
29 the buildings and equipment that are the subject of the  
30 lease-purchase in order to allow consummation of the  
31 lease-purchase, and is authorized to transfer interests in real  
32 estate in order to provide for permanent access roads, utility  
33 easements and other requirements for constructing the college on  
34 an adequate site. No state funds beyond those already  
35 anticipated to be authorized by the Legislature for the annual  
36 operation of York County Technical College are required for the  
37 lease-purchase and payments of principal of and interest on the  
38 lease-purchase must be derived in the first instance from  
39 nonstate funds such as tuition revenues. Any lease-purchase  
40 effected pursuant to this authorization must state that the Maine  
41 Technical College System may discontinue the lease-purchase in  
42 the event that annual appropriations of state funds become  
43 necessary to pay off the lease-purchase and are discontinued by  
44 the Legislature.

46           **Emergency clause.** In view of the emergency cited in the  
47 preamble, this resolve takes effect when approved.'

48           Further amend the resolve by inserting at the end before the  
49 statement of fact the following:  
50

R & S.

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**FISCAL NOTE**

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6 Authorizing the Maine Technical College System to  
8 lease-purchase buildings and equipment for York County Technical  
10 College will not increase the general or moral obligation of the  
12 State. No additional General Fund appropriations will be  
14 required for the principal and interest payments.'

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**STATEMENT OF FACT**

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16 This amendment authorizes the Maine Technical College System  
18 to lease-purchase buildings and equipment for York County  
20 Technical College, instead of renting such facilities forever.  
22 York County Technical College is scheduled to begin operation in  
24 rented facilities during the fall of 1995, and is planning to  
26 begin operation in permanent facilities beginning in fiscal year  
1997. No state funds beyond those already anticipated to be  
authorized by the Legislature for the annual operation of York  
County Technical College are required for the lease-purchase, and  
it is likely that only nonstate funds such as tuition revenues  
will be required to pay off the lease-purchase. The Maine  
Technical College System can discontinue the lease-purchase, if  
state funds ever become necessary to continue the lease-purchase  
and such state funds are discontinued by the Legislature.