

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 1637

S.P. 532

In Senate, March 24, 1997

**An Act to Authorize the Appleton, Camden, Hope, Lincolnville and
Rockport Community School District to Construct School Facilities.**

(EMERGENCY)

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator PINGREE of Knox.
Cosponsored by Senator LONGLEY of Waldo, Representatives: BERRY of Belmont,
POWERS of Rockport, SAVAGE of Union, VOLENIK of Brooklin.

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

4
6 **Whereas,** the Legislature has previously authorized the
formation of the Appleton, Camden, Hope, Lincolnville and
8 Rockport Community School District for the purpose of
constructing school facilities and assuming the operation of
grades 9 to 12 in those towns; and

10
12 **Whereas,** the voters of Appleton, Camden, Hope, Lincolnville
and Rockport have voted to form the community school district and
to approve a cost-sharing formula among those towns; and

14
16 **Whereas,** the Appleton, Camden, Hope, Lincolnville and
Rockport Community School District has acquired a site and
submitted an application to the State Board of Education for
18 construction of a new high school for grades 9 to 12 at a cost of
approximately \$16,000,000, which is one of the top projects on
20 the priority list of the State Board of Education; and

22 **Whereas,** it appears that this project may not be eligible
for funding approval from the State Board of Education until the
24 year 2001 because the State's school construction program has
reached the maximum debt service limit established by the Maine
26 Revised Statutes, Title 20-A, section 15905; and

28 **Whereas,** it is anticipated that construction of a new high
school will take 2 years after the project is granted funding
30 approval by the State Board of Education; and

32 **Whereas,** the public will lose confidence in the Appleton,
Camden, Hope, Lincolnville and Rockport Community School District
34 if it is not able to begin operating grades 9 to 12 until the
year 2003 or 2004; and

36
38 **Whereas,** there will be substantial savings in school
construction debt service costs to the State if the Appleton,
Camden, Hope, Lincolnville and Rockport Community School District
40 is able to proceed with the project and if payment of the State
share of debt service on the project is deferred; and

42
44 **Whereas,** there is a critical need in the towns of Appleton,
Camden, Hope, Lincolnville and Rockport for a new high school
serving grades 9 to 12; and

46
48 **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

2 necessary for the preservation of the public peace, health and
3 safety; now, therefore,

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

6 **Sec. 1. Authority to issue bonds.** Subject to approval by the
7 voters of the towns comprising the Appleton, Camden, Hope,
8 Lincolnville and Rockport Community School District, referred to
9 in this Act as the "district," the school district committee is
10 authorized to issue bonds or notes in the name of the district
11 for school construction purposes in an amount not to exceed
12 \$16,000,000 to construct and equip a new high school for grades 9
13 to 12.

14 **Sec. 2. Concept and funding approval.** The project authorized
15 in section 1 of this Act must be given concept approval by the
16 State Board of Education immediately following the effective date
17 of this Act and the project must be granted funding approval
18 under the rules for school construction of the State Board of
19 Education following the approval of the project by the voters in
20 accordance with section 4 of this Act. The district may issue
21 bond anticipation notes for architectural costs and other
22 preliminary expenses after the project has been approved by the
23 voters and the grant of funding approval by the State Board of
24 Education as long as the total amount outstanding at any time
25 does not exceed \$16,000,000. The funding approval granted by the
26 State Board of Education is final in all respects and is not
27 subject to rescission, revocation or modification during the
28 period prior to the issuance of bonds for the permanent financing
29 of the project. The Appleton, Camden, Hope, Lincolnville and
30 Rockport Community School District and those providing bond
31 anticipation financing to the district may rely on the finality
32 of the funding approval granted to this project.

34 **Sec. 3. Postponement of state share of debt service costs.** In order
35 to prevent the debt service on the bonds issued for the project
36 from exceeding the maximum debt service limit established in the
37 Maine Revised Statutes, Title 20-A, section 15905, the district
38 shall assume initial responsibility for all the debt service
39 costs of the project in the fiscal year during which the bonds
40 are issued for the permanent financing of the project and in each
41 of the next 5 fiscal years. The State's share of debt service
42 allocation must be calculated for each fiscal year during this
43 initial period, but payment of the state share of debt service
44 allocation to the district is deferred in accordance with this
45 section. The debt service payments during the initial period
46 must be made from local funds without state participation and are
47 not eligible for inclusion in the district's allocation for debt
48 service for purposes of calculating state subsidy under Title
49 20-A, chapters 606 and 606-A during the initial period.

2 During the initial period, these debt service payments may not be
4 included for purposes of calculating the debt service millage
6 limit established by Title 20-A, section 15607, subsection 2, or
8 the amount subject to the maximum debt service limit established
10 by Title 20-A, section 15905, subsection 1. The total state
12 share of debt service allocation for the project as calculated
14 during the initial period must be added to the district's
16 state-local allocation for debt service in equal installments in
each of the remaining fiscal years that the bonds for the project
remain outstanding after the initial period. These installments
must be included for purposes of calculating the debt service
millage limit established by Title 20-A, section 15607,
subsection 2 and the amount subject to the maximum debt service
limit established by Title 20-A, section 15905, in the fiscal
year in which each installment is paid.

Sec. 4. Local referendum vote. The project authorized by this
Act must be submitted to the voters of the municipalities that
comprise the Appleton, Camden, Hope, Lincolnville and Rockport
Community School District at a referendum conducted in accordance
with the Maine Revised Statutes, Title 30-A, sections 2528 to
2532 and Title 20-A, section 15904. The school district
committee shall prepare the required ballots and shall submit a
question to the voters in substantially the following form:

"Shall the School District Committee of the Appleton,
Camden, Hope, Lincolnville and Rockport Community School District
be authorized to issue bonds or notes in the name of the district
for school construction purposes in an amount not to exceed
\$16,000,000 to construct and equip a new high school for grades 9
to 12 to be located on the school lot (describe location of
school lot) which was acquired by the district by deed
of _____ dated and recorded in the Knox County
Registry of Deeds in Book _____, Page _____?"

1. Additional information. The ballot submitted to the
voters must include the following information:

A. The entire additional operating costs of the new project
during its first 2 years must be borne by revenues raised by
the Appleton, Camden, Hope, Lincolnville and Rockport
Community School District;

B. The estimated amount of the additional operating costs
during each of the first 2 years is \$_____; and

C. The Appleton, Camden, Hope, Lincolnville and Rockport
Community School District will be responsible for all the
debt service costs of the project in the fiscal year in
which the bonds are issued for the project and in each of

2 the next 5 fiscal years. The state share of the debt
3 service for the project is deferred during this initial
4 period, but thereafter is included in the district's debt
5 service allocation for purposes of calculating state subsidy
6 to the district in equal installments over each of the
7 remaining fiscal years that the bonds for the project remain
8 outstanding after the initial period. During these
9 remaining fiscal years after the initial period, the
10 district will be responsible for the local share of debt
11 service allocation calculated in accordance with state law.

12 The voters shall indicate their vote by a cross or check mark
13 placed beside the word "Yes" or "No." In the event that the
14 voters of the district do not vote to approve the project and the
15 financing plan described in the question, the district's school
16 construction project remains eligible for concept approval by the
17 State Board of Education in accordance with the provisions of
18 Title 20-A and the rating procedure in the school construction
19 rules of the State Board of Education.

20 **Emergency clause.** In view of the emergency cited in the
21 preamble, this Act takes effect when approved.

24

SUMMARY

26

27 This bill authorizes the Appleton, Camden, Hope,
28 Lincolnville and Rockport Community School District, the creation
29 of which was authorized by the Legislature in 1994, to issue
30 bonds or notes for school construction purposes to build a high
31 school serving grades 9 to 12 in those communities. Upon
32 completion of the new school facility, the district will assume
33 responsibility for operating grades 9 to 12 as contemplated in
34 the enabling legislation. In order to ensure that the State does
35 not exceed the maximum debt service limit established in the
36 Maine Revised Statutes, Title 20-A, section 15905, and to avoid
37 any negative impact on the timing and relative priority of other
38 school construction projects presently awaiting approval by the
39 State Board of Education, the Appleton, Camden, Hope,
40 Lincolnville and Rockport Community School District is required
41 to treat all of the debt service on the project during the fiscal
42 year in which the bonds for the project are issued and the next 5
43 fiscal years as locally funded debt service without state
44 participation. The state share of debt service allocation for
45 the project during this initial period is added to the district's
46 state-local allocation for debt service in equal installments in
47 each of the remaining fiscal years that the bonds for the project
48 remain outstanding after the initial period. During these
49 remaining fiscal years after the initial period, the district

2 will be responsible for the local share of debt service
allocation calculated in accordance with state law.