

# MAINE STATE LEGISLATURE

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**EDUCATION AND CULTURAL AFFAIRS**

Reported by:

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**STATE OF MAINE  
SENATE  
118TH LEGISLATURE  
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 568, L.D. 1725, Bill, "An Act to Authorize Interlocal Agreements for Construction and Operation of Public Education Fiber-optic Transmission Systems"

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

**'An Act to Authorize School Administrative Units to Enter into Multi-year Agreements for Telecommunications Services'**

Further amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

**'Sec. 1. 20-A MRSA §15915-A is enacted to read:**

**§15915-A. Telecommunications service agreements**

**1. Service agreements.** The governing bodies of school administrative units and applied technology regions are authorized to enter into agreements for not more than 10 years with private entities such as telecommunications service providers to purchase telecommunications services, including services for interactive audio and visual communication and transmission of data for educational purposes.

**2. Interlocal agreements.** The governing bodies of school administrative units and applied technology regions are authorized to enter into interlocal agreements in accordance with Title 30-A, chapter 115 and may organize or cause to be organized joint boards and legal entities including public nonprofit

2 corporations under Title 13, chapter 81 and Title 13-B to  
3 purchase telecommunications services and to acquire customer  
4 premise telecommunications, as defined by the Public Utilities  
5 Commission, and related technology equipment.

6 3. Legal and tax status. The interlocal agreement must  
7 provide for appointment or election of each member of a joint  
8 board or governing body of a legal entity formed under this  
9 section by the governing body of one or more of the constituent  
10 members of the interlocal agreement. The joint board or  
11 governing body of the legal entity formed may purchase  
12 telecommunications services and acquire, purchase, lease and  
13 lease-purchase customer premise telecommunications and related  
14 technology equipment on behalf of the constituent members of the  
15 interlocal agreement. Customer premise telecommunications and  
16 related technology equipment acquired by the joint board or  
17 governing board of the legal entity formed are deemed to be  
18 public school property for all purposes. A lease-purchase  
19 agreement for customer premise telecommunications and related  
20 technology equipment constitutes a proper public purpose and the  
21 interest or interest component of income derived from the  
22 lease-purchase agreement is exempt from taxation in this State.  
23 The net earnings of the joint board or governing body of the  
24 legal entity formed may not inure to the benefit of any private  
25 person. If the joint board or legal entity formed is dissolved,  
26 the distribution of all property owned by the joint board or  
27 legal entity formed must be determined by the joint board or  
28 governing body of the legal entity formed and may not inure to  
29 the benefit of any private person.'

30  
31 Further amend the bill by inserting at the end before the  
32 summary the following:

34  
35 **FISCAL NOTE**

36  
37 School administrative units that choose to join together to  
38 purchase certain telecommunications services may realize some  
39 minor savings. These savings will not affect future requests for  
40 General Fund appropriations to the General Purpose Aid for Local  
41 Schools program.'

42  
43 **SUMMARY**

44  
45 This amendment replaces the original bill and amends the  
46 bill title. The amendment accomplishes the following:

47  
48 1. It authorizes governing bodies of school administrative  
49 units and applied technology regions to:  
50

COMMITTEE AMENDMENT "A" to S.P. 568, L.D. 1725

- 2           A. Enter into service agreements for not more than 10 years  
4           with private entities, such as telecommunications service  
6           providers, to purchase telecommunications services for  
            educational purposes;
- 8           B. Enter into interlocal agreements in accordance with the  
            Maine Revised Statutes, Title 30-A, chapter 115; and
- 10          C. Organize or cause to be organized joint boards and legal  
12          entities including public nonprofit corporations under Title  
14          13, chapter 81 and Title 13-B to purchase telecommunications  
            services and to acquire customer premise telecommunications  
            and related technology equipment.
- 16          2. It provides for the legal and tax status of a joint  
18          board or governing body of a legal entity formed under this Act  
            by:
- 20           A. Requiring that the interlocal agreement provide for  
22           appointment or election of each member of a legal governing  
24           entity formed under this Act by the governing body of one or  
            more of the constituent members of the interlocal agreement;
- 26           B. Allowing the body of the legal governing entity formed  
28           to purchase telecommunications services and acquire,  
30           purchase, lease and lease-purchase customer premise  
            telecommunications and related technology equipment on  
            behalf of the constituent members of the interlocal  
            agreement;
- 32           C. Exempting all income derived from the acquisition,  
34           purchase, lease and lease-purchase of customer premise  
36           telecommunications and related technology equipment from  
            state taxation since these purchases constitute a proper  
            public purpose; and
- 38           D. Requiring that, in the event that the legal governing  
40           entity formed is dissolved, the distribution of the net  
42           earnings and all property owned by the legal governing  
44           entity formed must be determined by the joint board or  
            governing body of the legal governing entity formed and may  
            not inure to the benefit of any private person.
3. It adds a fiscal note to the bill.