MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 269

H.P. 191

House of Representatives, January 11, 1999

An Act to Authorize a General Fund Bond Issue for the Repair and Renovation of Schools.

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

OSEPH W. MAYO, Clerk

Presented by Representative BRENNAN of Portland. Cosponsored by Representatives: MARTIN of Eagle Lake, MURPHY of Kennebunk, O'NEIL of Saco, SAXL of Portland, SHIAH of Bowdoinham, SKOGLUND of St. George, Senators: KONTOS of Cumberland, SMALL of Sagadahoc. **Preamble.** Two thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14, to authorize the issuance of bonds on behalf of the State of Maine to provide funds for the repair and renovation of Maine public schools.

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

10 PART A

Sec. A-1. Authorization of bonds to provide for repair and renovation of Maine public schools. The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$35,000,000 to raise funds for the repair and renovation of Maine public schools as authorized by section 6 of this Part. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 20 years from the date of the original issue of the bonds. At the discretion of the Treasurer of State, with the approval of the Governor, any issuance of bonds may contain a call feature.

Sec. A-2. Records of bonds issued to be kept by the Treasurer of State. The Treasurer of State 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 bond, the date of sale and the date when payable.

Sec. A-3. Sale; how negotiated; proceeds appropriated. The Treasurer of State may negotiate the sale of the bonds by direction of the Governor, but no bond may be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the bonds, which must be held by the Treasurer of State and paid by the Treasurer of State upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Part. Any unencumbered balances remaining at the completion of the project in section 6 of this Part lapse to the debt service account established for the retirement of these bonds.

Sec. A-4. Interest and debt retirement. The Treasurer of State shall pay interest due or accruing on any bonds issued under this Part and all sums coming due for payment of bonds at maturity.

Sec. A-5. Disbursement of bond proceeds. The proceeds of the bonds must be expended as set out in section 6 of this Part under the direction and supervision of the Department of Education.

Sec. A-6. Allocations from General Fund bond issue; to repair and renovate Maine public schools. The proceeds of the sale of bonds must be expended as designated in the following schedule.

DEPARTMENT OF EDUCATION

For renovation and repair of Maine public schools

\$35,000,000

Sec. A-7. Contingent upon ratification of bond issue. Sections 1 to 6 of this Part do not become effective unless the people of the State have ratified the issuance of bonds as set forth in this Part.

Sec. A-8. Appropriation balances at year-end. At the end of each fiscal year, all unencumbered appropriation balances representing state money carry forward. Bond proceeds that have not been expended within 10 years after the date of the sale of the bonds lapse to General Fund debt service.

Sec. A-9. Bonds authorized but not issued. Any bonds authorized but not issued, or for which bond anticipation notes are not issued within 5 years of ratification of this Part, are deauthorized and may not be issued; except that the Legislature may, within 2 years after the expiration of that 5-year period, extend the period for issuing any remaining unissued bonds or bond anticipation notes for an additional amount of time not to exceed 5 years.

election; form of question; effective date. This Part must be submitted to the legal voters of the State of Maine at a statewide election held on the Tuesday following the first Monday of November following passage of this Part. The municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Part by voting on the following question:

"Do you favor a \$35,000,000 bond issue to renovate and repair Maine's public schools?"

Sec. A-10. Referendum for ratification; submission at statewide

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within a corresponding square below the word "Yes" or "No." The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review

2	favor of this Part, the Governor shall proclaim the result without delay, and this Part becomes effective 30 days after the
4	date of the proclamation.
6	The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this
8	Part necessary to carry out the purpose of this referendum.
10	PART B
12	Sec. B-1. Appropriation. The following funds are appropriated
14	from the General Fund to carry out the purposes of this Part.
16	1999-00
18	EDUCATION, DEPARTMENT OF
20	School Renovation
22	All Other \$10,000,000
24	Provides funds for school renovations and repairs by increasing the capitalization of
26	the School Revolving Renovation Fund established in the Maine Revised Statutes,
28	Title 30-A, section 6006-F.
30	Sec. B-2. Effective date. This Part takes effect October 1, 1999.
32	
34	SUMMARY
36	The Governor's Commission on School Facilities presented a plan to the Governor and the Legislature designed to address
38	Maine's public school construction, renovation and repair needs. One recommendation was that the State issue \$35,000,000 in
40	general obligation bonds in each fiscal year 1998-99 and 1999-00. Part A of this bill proposes a \$35,000,000 bond to be
42	presented to the voters in November 1999.
44	The commission also recommended an immediate General Fund appropriation of \$30,000,000. Public Law 1997, chapter 787
46	included a General Fund appropriation of \$20,000,000 to the School Revolving Renovation Fund.
48	
50	Part B of this bill appropriates \$10,000,000 to the program to bring the total appropriation level to \$30,000,000.