

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

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Legislative Document

No. 613

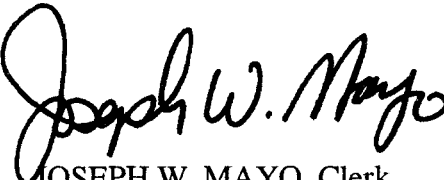
H.P. 450

House of Representatives, January 21, 1999

**An Act to Authorize a General Fund Bond Issue in the Amount of  
\$7,000,000 to Purchase School Buses for Public Schools.**

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

  
JOSEPH W. MAYO, Clerk

Presented by Representative McALEVEY of Waterboro.  
Cosponsored by Senator O'GARA of Cumberland and  
Representatives: BELANGER of Caribou, BOUFFARD of Lewiston, BRENNAN of  
Portland, MURPHY of Kennebunk, SULLIVAN of Biddeford, TOBIN of Dexter, Senators:  
LIBBY of York, PARADIS of Aroostook.

2           **Preamble.** Two thirds of both Houses of the Legislature  
3 deeming it necessary in accordance with the Constitution of  
4 Maine, Article IX, Section 14, to authorize the issuance of bonds  
5 on behalf of the State of Maine to provide funds for the purchase  
6 of school buses for Maine public schools.

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

8  
9                                   **PART A**

10           **Sec. A-1. Authorization of bonds to purchase school buses for Maine**  
11 **public schools.** The Treasurer of State is authorized, under the  
12 direction of the Governor, to issue bonds in the name and on  
13 behalf of the State in an amount not exceeding \$7,000,000 to  
14 raise funds for the purchase of school buses for Maine public  
15 schools as authorized by section 6 of this Part. The bonds are a  
16 pledge of the full faith and credit of the State. The bonds may  
17 not run for a period longer than 5 years from the date of the  
18 original issue of the bonds. At the discretion of the Treasurer  
19 of State, with the approval of the Governor, any issuance of  
20 bonds may contain a call feature.

21           **Sec. A-2. Records of bonds issued to be kept by the Treasurer of**  
22 **State.** The Treasurer of State shall keep an account of each bond  
23 showing the number of the bond, the name of the successful bidder  
24 to whom sold, the amount received for the bond, the date of sale  
25 and the date when payable.

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

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

39           **Sec. A-5. Disbursement of bond proceeds.** The proceeds of the  
40 bonds must be expended as set out in section 6 of this Part under  
41 the direction and supervision of the Department of Education.  
42  
43  
44  
45  
46

2           **Sec. A-6. Allocations from General Fund bond issue; to purchase**  
3 **school buses for Maine public schools.** The proceeds of the sale of  
4 bonds must be expended as designated in the following schedule.

6           **EDUCATION, DEPARTMENT OF**

8                           To purchase school buses for Maine                                 \$7,000,000  
9                           public schools. Funds must be expended  
10                           over a 3-year period after approval of  
11                           the bond. First year funding is 40%  
12                           of total proceeds, \$2,800,000; 2nd-year  
13                           funding is 40%, \$2,800,000; and 3rd-year  
14                           funding is 20%, \$1,400,000.

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

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

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

36           **Sec. A-10. Referendum for ratification; submission at statewide**  
37 **election; form of question; effective date.** This Part must be submitted  
38 to the legal voters of the State of Maine at a statewide election  
39 held on the Tuesday following the first Monday of November  
40 following passage of this Part. The municipal officers of this  
41 State shall notify the inhabitants of their respective cities,  
42 towns and plantations to meet, in the manner prescribed by law  
43 for holding a statewide election, to vote on the acceptance or  
44 rejection of this Part by voting on the following question:

46                           "Do you favor a \$7,000,000 bond issue to purchase school  
                             buses for Maine's public schools?"

2           The legal voters of each city, town and plantation shall  
4 vote by ballot on this question and designate their choice by a  
6 cross or check mark placed within a corresponding square below  
8 the word "Yes" or "No." The ballots must be received, sorted,  
10 counted and declared in open ward, town and plantation meetings  
12 and returns made to the Secretary of State in the same manner as  
votes for members of the Legislature. The Governor shall review  
the returns and, if a majority of the legal votes are cast in  
favor of this Part, the Governor shall proclaim the result  
without delay, and this Part becomes effective 30 days after the  
date of the proclamation.

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

18

## PART B

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**Sec. B-1. Criteria for bus replacement.** The Department of  
22 Education is authorized to develop criteria for the disbursement  
of the proceeds of the bonds proposed in Part A of this Act.  
24 Rules must require that, at a minimum, buses to be replaced be at  
least 10 years old and have mileage in excess of 150,000 miles.  
26 Rules adopted pursuant to this section are routine technical  
rules as defined in the Maine Revised Statutes, Title 5, chapter  
28 375, subchapter II-A.

30           **Sec. B-2. Contingent effectiveness.** This Part takes effect only  
if Part A takes effect.

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## SUMMARY

36           The funds provided by this bond issue, in the amount of  
\$7,000,000, will be used to purchase school buses for Maine's  
38 public schools. Proceeds of the bond issue will be disbursed  
over a 3-year period.

40

42           The bill also requires the Department of Education to adopt  
rules to determine the criteria for bus replacement. At a  
44 minimum, buses that are to be replaced must be at least 10 years  
old and have mileage in excess of 150,000 miles.