

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

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Legislative Document

No. 842

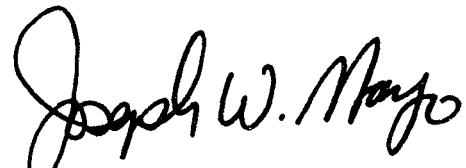
H.P. 602

House of Representatives, January 28, 1999

**An Act to Authorize a General Fund Bond Issue in the Amount of  
\$100,000,000 for School Construction and Renovation.**

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

  
JOSEPH W. MAYO, Clerk

Presented by Representative FRECHETTE of Biddeford.  
Cosponsored by Senator PENDLETON of Cumberland and  
Representatives: BOLDUC of Auburn, BOUFFARD of Lewiston, CHIZMAR of Lisbon,  
COLWELL of Gardiner, GOODWIN of Pembroke, LaVERDIERE of Wilton, POVICH of  
Ellsworth, TESSIER of Fairfield.

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

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

10           **Sec. 1. Authorization of bonds to provide for school construction and  
renovations.** The Treasurer of State is authorized, under the  
12           direction of the Governor, to issue bonds in the name and on  
behalf of the State in an amount not exceeding \$100,000,000 to  
14           raise funds for school construction and renovations as authorized  
by section 6 of this Act. The bonds are a pledge of the full  
16           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  
18           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.

20           **Sec. 2. Records of bonds issued to be kept by the Treasurer of State.**  
22           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  
24           sold, the amount received for the bond, the date of sale and the  
date when payable.

26           **Sec. 3. Sale; how negotiated; proceeds appropriated.** The  
28           Treasurer of State may negotiate the sale of the bonds by  
direction of the Governor, but no bond may be loaned, pledged or  
30           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  
32           by the Treasurer of State upon warrants drawn by the State  
Controller, are appropriated solely for the purposes set forth in  
34           this Act. Any unencumbered balances remaining at the completion  
of the project in section 6 of this Act lapse to the debt service  
36           account established for the retirement of these bonds.

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

42           **Sec. 5. Disbursement of bond proceeds.** The proceeds of the  
bonds must be expended as set out in section 6 of this Act under  
44           the direction and supervision of the Commissioner of Education.

46           **Sec. 6. Allocations from General Fund bond issue; school  
construction and renovations.** The proceeds of the sale of bonds  
48           must be expended as designated in the following schedule.

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**EDUCATION, DEPARTMENT OF**

Funds must be used for school construction and renovations. \$100,000,000

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

**Sec. 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. 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 Act, 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.

**Sec. 10. Referendum for ratification; submission at statewide election; form of question; effective date.** This Act 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 Act. 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 Act by voting on the following question:

"Do you favor a \$100,000,000 bond issue for the construction and renovation of public schools?"

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 the returns and, if a majority of the legal votes are cast in favor of the Act, the Governor shall proclaim the result without delay, and the Act becomes effective 30 days after the date of the proclamation.

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

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### SUMMARY

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10           The funds provided by this bond issue, in the amount of  
\$100,000,000, will be used to fund school construction and  
renovations.