MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 1907

H.P. 1324

House of Representatives, March 16, 1999

An Act to Credit a Town for Payment of School Construction.

(EMERGENCY)

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

OSEPH W. MAYO, Clerk

Presented by Representative ANDREWS of York. Cosponsored by Representatives: BAKER of Bangor, CARR of Lincoln, CHICK of Lebanon, JOY of Crystal, SNOWE-MELLO of Poland, STEDMAN of Hartland.

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

Whereas, conditions existing in certain public schools result in a serious inability to provide appropriate education programs and services consistently throughout the State constitute an immediate threat to the health, safety and general welfare of school children, education personnel and citizens throughout the State; and

Whereas, recent analyses of studies conducted by the University of Maine, the Department of Education, the State Board of Education and a stakeholders group of interested parties have determined that the true scope of local school construction needs across the State exceeds the current resources available to meet the present and future health, safety, renovation and new school construction needs throughout the State; and

Whereas, the maximum debt service limits authorized by the Legislature currently constrain the capacity of the State and local municipalities to publicly finance school construction debt service costs; and

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

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

Sec. 1. 20-A MRSA §15905-B is enacted to read:

§15905-B. Debt service credit for nonstate funded projects

1. State board approval. Notwithstanding any other provision of this chapter or rule to the contrary, a school administrative unit must be solely responsible for the principal and interest costs of a nonstate funded school construction project approved under section 15905-A until such time as the school administrative unit's project is approved for funding by the state board. When the school administrative unit's project receives final funding approval from the state board, the sum total of principal and interest costs paid from local funds without state participation must be included in the school administrative unit's debt service costs for state subsidy purposes under section 15603, subsection 8.

2. Rules. The state board shall adopt or amend rules necessary to carry out the purposes of this section. Rules adopted under this section are routine technical rules pursuant to Title 5, chapter 375, subchapter II-A.

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

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10 SUMMARY

12 This bill requires that a school administrative unit that was authorized to issue securities for a nonstate funded school 14 construction project must receive credit for the sum total of principal and interest costs paid from local funds without state 16 participation at such time as the unit's project is approved for funding by the state board. Under this bill, the school administrative unit is authorized to include principal and 18 interest costs paid from local funds in the school administrative 20 unit's debt service costs for state subsidy purposes. The bill also authorizes the state board to adopt rules to carry out this 22 purpose.