

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 666

S.P. 194

In Senate, February 13, 2001

An Act to Amend the Law Governing the Governor Baxter School for the Deaf.

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator McALEVEY of York.

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

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Sec. 1. 20-A MRSA §7407, sub-§20 is enacted to read:

20. Financing. To procure funds to carry out the purposes of this chapter, the school board may borrow money and issue general obligation bonds and notes in anticipation of bonds, subject to prior approval of the Governor.

A. Each bond or note must bear interest at rates as the school board determines, payable annually or semiannually, and are subject to other provisions as determined by the school board. These bonds and notes may be issued to mature serially or to run for such periods as the school board determines, except that the maturity of any term bond may not exceed 40 years. All bonds may be made callable, at the discretion of the school board, in the amount of premium to be paid on call. The period for which these callable bonds are not redeemable must be left to the discretion of the school board. This discretion may be manifested by a vote of the school board.

B. All bonds and notes issued by the school must be signed by the State Treasurer and countersigned by the chair of the school board. When coupon bonds are issued, each coupon must be attested by the facsimile signatures of the State Treasurer and chair of the school board printed on the coupons. These bonds and notes are legal obligations of the school, which, pursuant to section 7401, is a body politic and corporate and is an instrumentality and agency of the State. Bonds and notes issued by the school are legal investments in which all public officers and public bodies of the State and political subdivisions, municipalities and municipal subdivisions; all insurance companies and associations and other persons carrying on an insurance business; all banks, bankers, banking associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business; all administrators, guardians, executors, trustees and other fiduciaries; and all other persons who are, at the time of approval of this Act or may hereafter be, authorized to invest in bonds or other obligations of the State, may properly and legally invest funds, including capital, in their control or belonging to them. The securities are also, by this subsection, made securities that may be properly and legally deposited with and received by all public officers and bodies of the State, any agency or political subdivision of the State and all municipalities and public corporations

2 for any purpose for which the deposited securities, bonds or
 other obligations of the State may be authorized by law.

4 Any indebtedness incurred by the school pursuant to this
 subsection and evidences of indebtedness issued in connection
6 with the indebtedness are deemed to constitute a proper public
 purpose, and the evidences of indebtedness issued, their transfer
8 and income derived from those evidences of indebtedness,
 including any profits made in the sale of the evidences of
10 indebtedness, are exempt from taxation within the State. The
 carrying out by the school of the powers conferred upon it by
12 this subsection and the use of the proceeds of any such financing
 for capital projects of the school are deemed to be the
14 performance of an essential governmental function.

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SUMMARY

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 This bill grants the Governor Baxter School for the Deaf the
20 authority to issue bonds to give the school the ability to
 exercise the powers already granted to it to acquire by purchase
22 any property, land, buildings, structures, facilities or
 equipment and make improvements to those items necessary to
24 fulfill the purposes of the school specified in other provisions
 of law.