

MAINE STATE LEGISLATURE

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L.D. 2128

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REPORT C
APPROPRIATIONS AND FINANCIAL AFFAIRS

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "C" to H.P. 1628, L.D. 2128, Bill, "An Act to Authorize a General Fund Bond Issue in the Amount of \$15,000,000 to Capitalize the School Revolving Renovation Fund for Repairs and Improvements in Public School Facilities to Address Health, Safety and Compliance Deficiencies; General Renovation Needs; and Learning Space Upgrades"

Amend the bill by striking out the title and substituting the following:

'An Act to Authorize a General Fund Bond Issue in the Amount of \$30,000,000 to Capitalize the School Revolving Renovation Fund, to Renovate the Harlow Office Building and to Provide Grants to Public Educational Institutions to Install Sprinkler Systems in Dormitories'

Further amend the bill by striking out everything after the title and before the summary and inserting in its place the following:

'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 to further capitalize the School Revolving Renovation Fund for repair and improvements to school facilities to address serious health, safety and compliance deficiencies and to provide assistance for general renovations and learning space upgrades in Maine's public school facilities, to renovate the Harlow Office Building and to provide grants to public educational institutions to install sprinkler systems in dormitories.

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

PART A

Sec. A-1. 25 MRSA §2463-A is enacted to read:

§2463-A. Installation of sprinkler systems in dormitories

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Automatic sprinkler system" means an automatic sprinkler system that at a minimum satisfies the requirements of Pamphlet 13 or 13R of the National Fire Protection Association or other requirements established by the State Fire Marshal.

B. "Department" means the Department of Public Safety.

C. "Dormitory" means a building or space in a building owned by a public educational institution in which:

(1) At least 5 rooms are provided as sleeping accommodations for students of the public educational institution; or

(2) Sleeping accommodations are provided for 15 or more students of the public educational institution.

D. "Public educational institutional" means the University of Maine System, the Maine Technical College System, the Maine Maritime Academy or the Maine School of Science and Mathematics.

2. Approved automatic sprinkler system. A dormitory of a public educational institution must be equipped with an automatic sprinkler system in accordance with this subsection.

A. A dormitory constructed by a public educational institution or a building converted into a dormitory by a public educational institution after the effective date of this paragraph must be equipped with a complete automatic sprinkler system before the department approves the dormitory for occupancy.

B. Dormitories of a public educational institution that exist on and are used as dormitories after January 1, 2001 must be equipped as follows:

2 (1) By January 1, 2007, at least 1/3 of the total
 4 square footage of those dormitories must be equipped
 with an automatic sprinkler system;

6 (2) By January 1, 2010, at least 2/3 of the total
 8 square footage of those dormitories must be equipped
 with an automatic sprinkler system; and

10 (3) By January 1, 2013, all of those dormitories must
 12 be equipped with a complete automatic sprinkler system.

14 3. Report. Beginning in 2003 and every 2 years thereafter,
 the State Fire Marshal shall report to the joint standing
 16 committee of the Legislature having jurisdiction over criminal
 18 justice matters concerning compliance with subsection 2. The
 report must be submitted by February 15th of the year the report
 is due.

20 **Sec. A-2. Effective date.** This Part takes effect upon approval
 of the referendum in Part B of this Act.

24 **PART B**

26 **Sec. B-1. Authorization of bonds to make capital repairs and**
improvements in public facilities. The Treasurer of State is
 28 authorized, under the direction of the Governor, to issue bonds
 30 in the name and on behalf of the State in an amount not exceeding
 \$22,000,000 to raise funds to capitalize the School Revolving
 32 Renovation Fund for repairs and improvements to school facilities
 34 to address serious health, safety and compliance deficiencies,
 including those related to indoor air quality, roof system
 36 integrity, asbestos and accessibility; support other repairs and
 improvements related to structural integrity, heating systems,
 38 doors and windows; and provide for other learning space upgrades
 such as improvements to science labs, vocational space and
 40 increased classroom flexibility; and to provide grants to public
 educational institutions to install sprinkler systems in
 42 dormitories as authorized by section 6 of this Part. The bonds
 are a pledge of the full faith and credit of the State. The
 44 bonds may not run for a period longer than 10 years from the date
 of the original issue of the bonds. At the discretion of the
 46 Treasurer of State, with the approval of the Governor, any
 issuance of bonds may contain a call feature.

48 **Sec. B-2. Records of bonds issued to be kept by 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. B-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. B-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. B-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 Maine Municipal Bond Bank as designated by the Commissioner of Education in accordance with the provisions of the Maine Revised Statutes, Title 30-A, section 6006-F, governing the School Revolving Renovation Fund, and the Finance Authority of Maine.

Sec. B-6. Allocations from General Fund bond issue; capital construction, repairs and improvements in public schools; grants for installation of sprinklers in dormitories of public educational institutions. The proceeds of the sale of the bonds must be expended as designated in the following schedule.

EDUCATION, DEPARTMENT OF

Provides funds for renovation of and capital repairs and improvements to public school facilities to address health, safety and compliance deficiencies; general renovation needs; and learning space upgrades.	\$15,000,000
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FINANCE AUTHORITY OF MAINE

Provides funding for public educational institutions for the purchase and installation of automatic sprinkler systems in dormitories and, if incidental to such installation, to	7,000,000
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2 comply with the federal Americans
with Disabilities Act of 1990.

4 **TOTAL ALLOCATIONS** \$22,000,000

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

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

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

26 **Sec. B-10. Referendum for ratification; submission at general
election; form of question; effective date.** This Part must be submitted
28 to the legal voters of the State of Maine at the next general
election in the month of November following passage of this Act.
30 The municipal officers of this State shall notify the inhabitants
of their respective cities, towns and plantations to meet, in the
32 manner prescribed by law for holding a general election, to vote
on the acceptance or rejection of this Part by voting on the
34 following question:

36 "Do you favor a \$22,000,000 bond issue to capitalize the
State's School Revolving Renovation Fund for repairs and
38 improvements in public school facilities to address health,
safety and compliance deficiencies, general renovation needs
40 and learning space upgrades and to provide grants to public
educational institutions to install sprinkler systems in
42 dormitories and, if incidental to such installation, to
comply with the federal Americans with Disabilities Act of
44 1990?"

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

2 votes for members of the Legislature. The Governor shall review
4 the returns and, if a majority of the legal votes are cast in
6 favor of this Part, the Governor shall proclaim the result
8 without delay, and this Part becomes effective 30 days after the
10 date of the proclamation.

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

18 **PART C**

20 **Sec. C-1. Authorization of bonds to make capital repairs and**
22 **improvements in public facilities.** The Treasurer of State is
24 authorized, under the direction of the Governor, to issue bonds
26 in the name and on behalf of the State in an amount not exceeding
28 \$8,000,000 to raise funds to renovate the Harlow Office
30 Building. The bonds are a pledge of the full faith and credit of
32 the State. The bonds may not run for a period longer than 10
34 years from the date of the original issue of the bonds. At the
36 discretion of the Treasurer of State, with the approval of the
38 Governor, any issuance of bonds may contain a call feature.

40 **Sec. C-2. Records of bonds issued to be kept by Treasurer of State.**
42 The Treasurer of State shall keep an account of each bond showing
44 the number of the bond, the name of the successful bidder to whom
46 sold, the amount received for the bond, the date of sale and the
48 date when payable.

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

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

76 **Sec. C-5. Disbursement of bond proceeds.** The proceeds of the
78 bonds must be expended as set out in section 6 of this Part under
80 the direction and supervision of the Commissioner of
82 Administrative and Financial Services.

2 **Sec. C-6. Allocations from General Fund bond issue; renovation of**
3 **the Harlow Office Building.** The proceeds of the sale of the bonds
4 must be expended as designated in the following schedule.

6 **ADMINISTRATIVE AND FINANCIAL SERVICES,**
7 **DEPARTMENT OF**

8 To renovate the Augusta East Campus \$8,000,000
9 Harlow Building, including all electrical,
10 water and mechanical systems, roof
11 replacement and asbestos and mold abatement,
12 and other necessary improvements and
13 equipment related to the occupation
14 of the building by employees.

16 **Sec. C-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 the bonds as set forth in
19 this Part.

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

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

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

45 "Do you favor an \$8,000,000 bond issue to renovate the
46 Harlow Office Building?"
47
48

2 The legal voters of each city, town and plantation shall
vote by ballot on this question and designate their choice by a
4 cross or check mark placed within a corresponding square below
the word "Yes" or "No." The ballots must be received, sorted,
6 counted and declared in open ward, town and plantation meetings
and returns made to the Secretary of State in the same manner as
8 votes for members of the Legislature. The Governor shall review
the returns and, if a majority of the legal votes are cast in
10 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.

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

16 Further amend the bill by inserting at the end before the
18 summary the following:

20 **FISCAL NOTE**

22 This bill includes 2 referenda, one to be submitted to the
24 voters in June 2002 and one to be submitted to the voters in
November. The estimated cost of sending each of these referenda
26 requesting approval of a General Fund bond issue will vary
according to the total number of referenda enacted during the
28 Second Regular Session of the 120th Legislature to be submitted
to the voters in June and November. The estimated cost to the
30 Secretary of State if one to 6 referenda are enacted is \$121,392
for each of the elections. Each additional referendum above the
32 6-question threshold costs an additional \$8,000. The length of
the questions for these bond issues may reduce the number of
34 questions at the November election before the threshold is
reached.

36 If approved by the voters, the total costs of these bond
38 issues are estimated to be \$37,557,000 with principal payments of
\$30,000,000 and interest payments of approximately \$7,557,000.

40 The additional costs associated with administering the funds
42 associated with the bond proceeds can be absorbed by the
Department of Education, the Department of Administrative and
44 Financial Services and the Finance Authority of Maine utilizing
existing budgeted resources.'

46 **SUMMARY**

COMMITTEE AMENDMENT 'C' to H.P. 1628, L.D. 2128

2 Part A of the amendment requires public educational
institutions to install automatic sprinkler systems in their
4 dormitories, but only if the bond issue in Part B is approved by
the voters.

6 Part B provides for a bond issue in the amount of
\$22,000,000, to be used for the following purposes:

8
1. The sum of \$15,000,000 to capitalize the School
10 Revolving Renovation Fund for repairs and improvements in public
school facilities to address health, safety and compliance
12 deficiencies; general renovation needs; and learning space
upgrades; and

14
2. The sum of \$7,000,000 to provide grants to be
16 administered by the Finance Authority of Maine to public
educational institutions for the purchase and installation of
18 automatic sprinkler systems in dormitories and, if incidental to
such installation, to comply with the federal Americans with
20 Disabilities Act of 1990.

22 Part C provides for a bond issue in the amount of \$8,000,000
to renovate the Augusta East Campus Harlow Building, including
24 all electrical, water and mechanical systems, roof replacement
and asbestos and mold abatement.

26

The amendment also adds a fiscal note to the bill.