MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 164

S.P. 87

In Senate, January 21, 2003

An Act To Authorize a General Fund Bond Issue in the Amount of \$30,000,000 To Fund Healthy Schools Through the School Revolving Renovation Fund

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

JOY J. O'BRIEN Secretary of the Senate

Presented by Senator TREAT of Kennebec.

Cosponsored by Senators: BROMLEY of Cumberland, DOUGLASS of Androscoggin, HALL of Lincoln, ROTUNDO of Androscoggin, Representatives: MAILHOT of Lewiston, MAKAS of Lewiston, SIMPSON of Auburn.

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 as described in this Act

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

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PART A

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Sec. A-1. 30-A MRSA §6006-F, sub-§9 is enacted to read:

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9. Energy efficiency. Fifteen percent of funds awarded to the fund for renovation projects must be used to fund aspects of the renovation that promote energy efficiency.

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PART B

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- Sec. B-1. Authorization of bonds. The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$30,000,000 to raise funds for the purpose of increasing funds to the School Revolving Renovation Fund for repairs and improvements public schools to address serious health, compliance deficiencies, including those related to indoor air quality, roof system integrity, asbestos and accessibility; to support other repairs and improvements related to the schools' structural integrity, heating system, doors and windows; and to provide for other learning space upgrades such as improvements to science laboratories and vocational space and increased classroom flexibility as authorized by this Part. The bonds are a pledge of the full faith and credit of the State. The 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 Treasurer of State, with the approval of the Governor, any issuance of bonds may contain a call feature.
- Sec. B-2. Records of bonds issued 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 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 this Part under the direction and supervision of the Maine Municipal Bond Bank as designated by the Commissioner of Education in accordance with the Maine Revised Statutes, Title 30-A, section 6 of this Part006-F.

Sec. B-6. Allocations from General Fund bond issue. The proceeds of the sale of the bonds must be expended as designated in the following schedule.

EDUCATION, DEPARTMENT OF

Provides additional funds for renovation \$30,000,000
and capital repairs and improvements of public school facilities to address
health, safety and compliance deficiencies, general renovation needs and learning space upgrades.

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

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Sec. B-10. Referendum for ratification; submission at statewide election; form of question; effective date. This Part must be submitted to the legal voters of the State at a statewide election held on the Tuesday following the first Monday of November following passage of this Part. 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 Part by voting on the following question:

"Do you favor a \$30,000,000 bond issue to increase the State's School Revolving Renovation Fund for capital repairs and improvements in public school facilities to address health, safety and compliance deficiencies, general renovation needs and learning space upgrades?"

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 this Part, the Governor shall proclaim the result without delay, and this Part becomes effective 30 days after the date of the proclamation.

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

34 SUMMARY

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This bill provides funds through a bond issue, in the amount of \$30,000,000, to be used to increase funds in 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.

This bill also requires that 15% of funds awarded from the School Revolving Renovation Fund for renovation projects must be used for aspects of the renovation that promote energy efficiency.