

# MAINE STATE LEGISLATURE

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# 124th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2009

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Legislative Document

No. 810

S.P. 318

In Senate, March 3, 2009

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**An Act To Authorize a General Fund Bond Issue for School  
Construction and Renovation Projects That Demonstrate Cost  
Savings**

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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 President MITCHELL of Kennebec.  
Cosponsored by Representative CROCKETT of Augusta and  
Representatives: BLODGETT of Augusta, CAIN of Orono, CASAVANT of Biddeford,  
RANKIN of Hiram, SUTHERLAND of Chapman, WAGNER of Lewiston.

1           **Preamble.** Two thirds of both Houses of the Legislature deeming it necessary in  
2 accordance with the Constitution of Maine, Article IX, Section 14 to authorize the  
3 issuance of bonds on behalf of the State of Maine to provide funds as described in this  
4 Act,

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

6           **Sec. 1. Authorization of bonds.** The Treasurer of State is authorized, under the  
7 direction of the Governor, to issue bonds in the name and on behalf of the State in an  
8 amount not exceeding \$20,000,000 for the purposes described in section 6 of this Act to  
9 be matched with 25% of the cost of each project in contributions from municipalities.  
10 The bonds are a pledge of the full faith and credit of the State. The bonds may not run for  
11 a period longer than 10 years from the date of the original issue of the bonds. At the  
12 discretion of the Treasurer of State, with the approval of the Governor, any issuance of  
13 bonds may contain a call feature.

14           **Sec. 2. Records of bonds issued kept by Treasurer of State.** The Treasurer  
15 of State shall keep an account of each bond showing the number of the bond, the name of  
16 the successful bidder to whom sold, the amount received for the bond, the date of sale and  
17 the date when payable.

18           **Sec. 3. Sale; how negotiated; proceeds appropriated.** The Treasurer of State  
19 may negotiate the sale of the bonds by direction of the Governor, but no bond may be  
20 loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the  
21 bonds, which must be held by the Treasurer of State and paid by the Treasurer of State  
22 upon warrants drawn by the State Controller, are appropriated solely for the purposes set  
23 forth in this Act. Any unencumbered balances remaining at the completion of the project  
24 in this Act lapse to the debt service account established for the retirement of these bonds.

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

28           **Sec. 5. Disbursement of bond proceeds.** The proceeds of the bonds must be  
29 expended as set out in this Act under the direction and supervision of the Department of  
30 Education.

31           **Sec. 6. Allocations from General Fund bond issue.** The proceeds of the sale  
32 of the bonds authorized under this Act must be expended as designated in the following  
33 schedule.

34           **DEPARTMENT OF EDUCATION**

35  
36           **School Construction and Renovation**  
37           **Fund**  
38

1 Provides funds for school districts for the \$20,000,000  
2 design and planning of construction and  
3 renovation projects and for the construction  
4 and renovation projects. The projects must  
5 best demonstrate significant cost savings  
6 through innovative partnerships,  
7 consolidation efforts and efficiency  
8 improvements. The projects must also  
9 improve the energy efficiency of existing  
10 schools or additions to existing schools.

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

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

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

24 **Sec. 10. Referendum for ratification; submission at election; form of**  
25 **question; effective date.** This Act must be submitted to the legal voters of the State at  
26 a statewide election held in the month of June following passage of this Act. The  
27 municipal officers of this State shall notify the inhabitants of their respective cities, towns  
28 and plantations to meet, in the manner prescribed by law for holding a statewide election,  
29 to vote on the acceptance or rejection of this Act by voting on the following question:

30 "Do you favor a \$20,000,000 bond issue for school construction and  
31 renovation projects that demonstrate significant cost savings through  
32 innovative partnerships, consolidation efforts and efficiency  
33 improvements, with each project receiving 25% local match funding  
34 from the municipality the project is located in?"

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

1 Governor shall proclaim the result without delay and this Act becomes effective 30 days  
2 after the date of the proclamation.

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

#### 6 SUMMARY

7 The funds provided by this bond issue, in the amount of \$20,000,000, will be used to  
8 provide funds for the design and planning of projects and their construction and  
9 renovation. The projects must best demonstrate significant cost savings through  
10 innovative partnerships, consolidation efforts and efficiency improvements in school  
11 districts, leveraging 25% in required matching funds.