

MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 349

H.P. 275

House of Representatives, February 8, 2011

**An Act To Require the Inclusion of a Financial Statement on School
Administrative Unit Bond Obligations When Voting on a School
Construction Project**

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

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Speaker NUTTING of Oakland.
Cosponsored by Representative COTTA of China, Senator LANGLEY of Hancock and
Representatives: CURTIS of Madison, CUSHING of Hampden, DUNPHY of Embden, NASS
of Acton, PRESCOTT of Topsham, RICHARDSON of Carmel, WINTLE of Garland, Senator:
ROSEN of Hancock.

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

2 **Sec. 1. 20-A MRS §15904, sub-§4**, as amended by PL 2005, c. 12, Pt. WW,
3 §§8 and 9, is further amended to read:

4 **4. Form.** The article shall indicate:

5 D. The estimated amount of the additional operating costs during each of the first 2
6 years; ~~and~~

7 E. ~~The~~ That the school administrative unit is responsible for the local share of annual
8 principal and interest payments for this school construction project included in the
9 total cost of education appropriated pursuant to section 15690, subsection 1, if any,
10 and for the annual principal and interest payments for the non-state-funded portion of
11 this school construction project;

12 F. If the total indebtedness incurred exceeds \$20,000, in a statement prepared by the
13 treasurer of the school administrative unit, the amount of indebtedness incurred,
14 including indebtedness associated with bonds, lease agreements or lease-purchase
15 agreements;

16 G. In a statement prepared by the treasurer of the school administrative unit, the total
17 amount of bonds of the school administrative unit outstanding and unpaid, authorized
18 and unissued and contemplated to be issued if the enactment submitted to the
19 electorate is ratified. The statement must also include an estimate and explanation of
20 costs involved, including varying interest rates, the estimated cost of the interest on
21 the bond amount to be issued and the total cost of principal to be paid at maturity; and

22 H. That the validity of the bonds and the voters' ratification of the bonds may not be
23 affected by any errors in the estimates made pursuant to paragraph F. If the actual
24 amount of the total debt service for the bond issue varies from the estimate, the
25 ratification by the electors is conclusive and the validity of the bond issue is not
26 affected by reason of the variance.

27 **SUMMARY**

28 This bill requires that the article submitted to the voters for a school construction
29 project include a treasurer's statement outlining the total bonding capacity of the school
30 administrative unit and the estimated cost of repaying the debt. The bill also clarifies that
31 any errors in the estimates provided in the treasurer's statement do not invalidate
32 ratification of the article. The bill requires that a treasurer's statement of the amount of
33 indebtedness incurred, including indebtedness associated with bonds, lease agreements or
34 lease-purchase agreements, must be provided when the indebtedness incurred exceeds
35 \$20,000.