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Legislative Document

No. 148

S.P. 35

In Senate, January 17, 2019

An Act To Authorize a General Fund Bond Issue To Recapitalize the School Revolving Renovation Fund and To Give Priority Status to Certain School Facility Upgrades

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

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DAREK M. GRANT Secretary of the Senate

Presented by Senator MILLETT of Cumberland. Cosponsored by Representative JORGENSEN of Portland and Senators: BELLOWS of Kennebec, President JACKSON of Aroostook, LIBBY of Androscoggin, SANBORN, L. of Cumberland, Representative: BERRY of Bowdoinham. **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,

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

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PART A

Sec. A-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 \$50,000,000 for the purposes described in section 5 of 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.

12 Sec. A-2. Records of bonds issued; Treasurer of State. The Treasurer of 13 State shall ensure that an account of each bond is kept showing the number of the bond, 14 the name of the successful bidder to whom sold, the amount received for the bond, the 15 date of sale and the date when payable.

Sec. A-3. Sale; how negotiated; proceeds appropriated. The Treasurer of 16 State may negotiate the sale of the bonds by direction of the Governor, but no bond may 17 be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the 18 19 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 20 forth in this Part. Any unencumbered balances remaining at the completion of the project 21 in this Part lapse to the Office of the Treasurer of State to be used for the retirement of 22 general obligation bonds. 23

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

Sec. A-5. Disbursement of bond proceeds from General Fund bond issue.
The proceeds of the sale of the bonds authorized under this Part must be expended as designated in the following schedule under the direction and supervision of the agencies and entities set forth in this section.

31 EDUCATION, DEPARTMENT OF

- Provides funds to recapitalize the School Revolving Renovation Fund to provide funds to public schools for renovation and capital repairs.
- 34 Total

\$50,000,000

1 Sec. A-6. Contingent upon ratification of bond issue. Sections 1 to 5 do not 2 become effective unless the people of the State ratify the issuance of the bonds as set 3 forth in this Part.

4 Sec. A-7. Appropriation balances at year-end. At the end of each fiscal year, 5 all unencumbered appropriation balances representing state money carry forward. Bond 6 proceeds that have not been expended within 10 years after the date of the sale of the 7 bonds lapse to the Office of the Treasurer of State to be used for the retirement of general 8 obligation bonds.

9 Sec. A-8. Bonds authorized but not issued. Any bonds authorized but not 10 issued within 5 years of ratification of this Part are deauthorized and may not be issued, 11 except that the Legislature may, within 2 years after the expiration of that 5-year period, 12 extend the period for issuing any remaining unissued bonds for an additional amount of 13 time not to exceed 5 years.

14 Sec. A-9. Referendum for ratification; submission at election; form of 15 question; effective date. This Part must be submitted to the legal voters of the State at 16 a statewide election held in the month of November following passage of this Act. The 17 municipal officers of this State shall notify the inhabitants of their respective cities, towns 18 and plantations to meet, in the manner prescribed by law for holding a statewide election, 19 to vote on the acceptance or rejection of this Part by voting on the following question:

"Do you favor a \$50,000,000 bond issue to provide funds to recapitalize
the School Revolving Renovation Fund for the purpose of providing
funds to public schools for renovation and capital repairs?"

The legal voters of each city, town and plantation shall vote by ballot on this question 23 and designate their choice by a cross or check mark placed within a corresponding square 24 below the word "Yes" or "No." The ballots must be received, sorted, counted and 25 declared in open ward, town and plantation meetings and returns made to the Secretary of 26 State in the same manner as votes for members of the Legislature. The Governor shall 27 review the returns. If a majority of the legal votes are cast in favor of this Part, the 28 Governor shall proclaim the result without delay and this Part becomes effective 30 days 29 after the date of the proclamation. 30

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 PART B
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- **Sec. B-1. 30-A MRSA §6006-F, sub-§3, ¶A,** as amended by PL 2017, c. 389, §1, is further amended to read:
- 37 A. To make loans to school administrative units for school repair and renovation.
 - (1) The following repair and renovation needs receive Priority 1 status:
- 39 (a) Repair or replacement of a roof on a school building;

1	(b) Bringing a school building into compliance with the federal Americans
2	with Disabilities Act, 42 United States Code, Section 12101 et seq.;
3	(c) Improving air quality in a school building;
4	(d) Removing or abating hazardous materials in a school building; and
5	(f) Undertaking other health, safety and compliance repairs, including
6	installations or improvements necessary to increase school facility security.
7	(2) Repairs and improvements related to a school building structure, windows
8	and doors and water or septic systems receive Priority 2 status.
9	(3) Repairs and improvements related to energy and water conservation receive
10	Priority 3 status.
11	(4) Upgrades of learning spaces in school buildings and upgrades of facilities
12	required to meet prekindergarten facility standards and for prekindergarten
13	capacity building receive Priority 4 status.
14	(5) The Commissioner of Education may approve other necessary repairs;
15	SUMMARY
16	The funds provided by the bond issue in Part A of this bill, in the amount of
17	\$50,000,000, will be used to recapitalize the School Revolving Renovation Fund for the
18	purpose of providing funds to public schools for renovation and capital repairs.
19	Part B of this bill gives upgrades of facilities required to meet prekindergarten facility
20	standards and for prekindergarten capacity building Priority 4 status for loans from the
21	fund to school administrative units for school repair and renovation.