

MAINE STATE LEGISLATURE

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N I N E T I E T H L E G I S L A T U R E

Legislative Document

No. 343

H. P. 829 House of Representatives, January 30, 1941.

Referred to Committee on Legal Affairs. Sent up for concurrence and 500 copies ordered printed.

HARVEY R. PEASE, Clerk.

Presented by Mr. Hinckley of South Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FORTY-ONE

**AN ACT to Amend the Charter of the South Portland Sewerage District
in Relation to the Issue of Notes and Bonds.**

Emergency preamble. Whereas, the population of the city of South Portland is rapidly increasing; and

Whereas, the recent location of a new and large shipyard in said city is indicative of further and abnormal increases in population in the immediate future; and

Whereas, the present borrowing capacity of the South Portland Sewerage District is inadequate to meet existing and anticipated sewerage requirements; and

Whereas, it is essential to the public health of the inhabitants of said city that suitable and adequate sewerage facilities be immediately provided for certain portions of said city; and

Whereas, in the judgment of the legislature these facts constitute an emergency within the meaning of section 16 of Article XXXI of the constitution of the state of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. P. & S. L., 1925, c. 81, § 8, amended. Section 8 of chapter 81 of the private and special laws of 1925 as amended by chapter 110 of the private and special laws of 1927 and by section 3 of chapter 65 of the private and special laws of 1935 is hereby further amended to read as follows :

‘Sec. 8. Authorized to issue notes and bonds; form of bond; legal investment for savings banks. To procure funds for the purposes of this act, and for such other expenses as may be necessary for the carrying out of said purposes, the said district, without district vote, but by action of its board of trustees, is authorized to issue, **refund and reissue** its notes and bonds in one series, or in separate series from time to time; ~~to an amount not exceeding~~ **provided that the aggregate principal amount of such notes and bonds outstanding at any given time shall not exceed** the sum of \$600,000. Said bonds shall be a legal obligation of said district, shall be a legal investment for savings banks in the state of Maine, and shall be tax exempt. Each bond or note shall have inscribed on its face the words “South Portland Sewerage District Bond,” or “South Portland Sewerage District Note,” as the case may be, and shall bear interest at such rates as the trustees shall determine. If said bonds be issued from time to time each authorized issue shall constitute a separate loan. Each loan shall be payable in annual amounts of principal, beginning such number of years from its date as said trustees shall determine, or made to run for such period as said trustees shall determine, but no series shall run for a longer period than 25 years from its date.

All bonds or notes issued by said district shall bear the district seal, and shall be signed by the treasurer and countersigned by the president of said district, and if coupon bonds be issued, each coupon shall bear the facsimile signature of the president and treasurer.’

Sec. 2. P. & S. L., 1925, c. 81, § 9, amended. Section 9 of chapter 81 of the private and special laws of 1925 is hereby amended to read as follows :

‘Sec. 9. Sinking fund. In case any of said bonds are made to run for a period of years, a sinking fund shall be established by the trustees of said district, for the purpose of redeeming said term bonds when they become due, and not less than 3% of the aggregate principal of the outstanding sinking fund bonds issued on account of or in behalf of said sewerage district, as aforesaid, shall be turned into said sinking fund each year, to provide for the **retirement of said bonds final extinguishment of said district funded debt.**

The money set aside for the sinking fund shall be devoted to the retirement of said notes and bonds, and shall be used for no other purpose, and shall be invested in such securities as savings banks are allowed to hold.

All sums of money received or recovered by said trustees by reason of any assessment upon the persons or property of individuals in said district shall be added to said sinking fund, or used for the payment of notes or temporary loans.

Whenever any bonds of said district become due, or can be purchased by said trustees on favorable terms, said trustees shall, if sufficient funds have accumulated in said sinking fund, redeem or purchase said bonds, and cancel **or reissue** them. ~~In no case shall bonds so cancelled or redeemed be re-issued.~~

~~In case the amount in said sinking fund shall not be sufficient to pay the total amount of the bonds falling due at any one time, authority to issue new bonds sufficient to redeem so many of said bonds as cannot be redeemed from the sinking fund is hereby granted to said district, but in no case shall new bonds run beyond twenty-five years from the date of the original issue.'~~

Sec. 3. Inconsistent acts repealed. All acts and parts of acts inconsistent with this act are hereby repealed; provided, however, that nothing contained in this act shall be deemed to affect the validity of any notes or bonds of said district heretofore issued.

Sec. 4. Emergency clause. In view of the emergency recited in the preamble hereof this act shall take effect when approved.