

# MAINE STATE LEGISLATURE

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**LAWS**  
OF THE  
**STATE OF MAINE**

AS PASSED BY THE  
  
ONE HUNDRED AND ELEVENTH LEGISLATURE

**FIRST REGULAR SESSION**  
December 1, 1982 to June 24, 1983  
Chapters 1-452

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J.S. McCarthy Co., Inc.  
Augusta, Maine  
1983

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**PUBLIC LAWS**  
OF THE  
**STATE OF MAINE**

AS PASSED AT THE  
FIRST REGULAR SESSION

and

FIRST SPECIAL SESSION

of the

ONE HUNDRED AND ELEVENTH LEGISLATURE

1983

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

22 MRSA §4733, as repealed and replaced by PL 1979, c. 732, §§17 and 31 is amended to read:

§4733. Create respective tribal housing authorities

The Passamaquoddy Tribe ~~and~~, the Penobscot Nation ~~and the Houlton Band of Maliseet Indians~~ are authorized to create respective tribal housing authorities. The respective tribe ~~or~~, nation or band shall prescribe the manner of selection of the members, their terms and grounds for removal. Except as otherwise provided in this chapter or clearly indicated otherwise, the Maine Housing Authorities Act shall apply to the tribal housing authorities which hereinafter may be referred to as "authority" or "authorities." The power of such tribal housing authorities may be exercised only within the Indian territory of the respective tribe or nation, or the trust land of the Houlton Band of Maliseet Indians. Such tribal housing authorities shall be in substitution for any tribal housing authority heretofore existing under the laws of the State and shall assume all the rights and obligations of such predecessor housing authorities. The presently constituted tribal housing authority of the respective tribe or nation shall continue in existence and shall exercise all the authority heretofore vested by law in it until such time as the respective tribe or nation creates the tribal housing authority authorized by this section.

Effective September 23, 1983.

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## CHAPTER 422

H.P. 1145 - L.D. 1517

AN ACT to Incorporate Bills Passed in  
the Second Regular Session of the 110th  
Legislature into Title 20-A.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, Title 20-A takes effect on July 1, 1983, which is less than 90 days after adjournment; and

Whereas, it is essential that the laws passed

last session are part of Title 20-A when it becomes effective; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution 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. 20-A MRSA §1055, sub-§1, ¶D, as enacted by PL 1981, c. 693, §§5 and 8, is repealed and the following enacted in its place:

D. Issue vouchers showing the correctness of bills contracted on account of school appropriations. A bill may not be allowed for payment by:

(1) The municipal officers in an incorporated school district, unless it has been approved in accordance with section 2352; or

(2) The treasurer of a school administrative district, unless it has been approved by a majority vote of the full membership of the board of directors or a finance committee elected in accordance with section 1256, subsection 2.

Sec. 2. 20-A MRSA §1253, sub-§2, ¶A, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

A. Under Methods A and B:

(1) Within 30 60 days, but no earlier than 45 days after notification by the board of directors of the approval or reapportionment plan, the municipal officers shall call a special election to elect directors to serve under the plan for the school administrative district;

(2) Nomination papers shall be furnished by the secretary of the district at least 10 days before the deadline for filing of nomination papers. Notwithstanding any other section of this Title, directors shall be nominated by obtaining a minimum of 25 and a maximum of 50 signatures of registered voters residing within the subdistrict. The secretary shall notify the municipal officers of the names of candidates in each subdistrict;

(3) The municipal officers shall prepare

ballots to be used in their municipality for the election. The ballots shall be prepared in accordance with subparagraph (7);

(4) The clerks of each municipality shall forward to the secretary the results of the vote by subdistrict;

(5) The board of directors shall meet and total the votes cast for each candidate within each subdistrict and shall immediately notify the clerks in each municipality, the candidates and the commissioner of the results of the vote;

(6) The terms of the directors elected under the original municipal representation system shall cease on the date that the newly elected directors are sworn into office; and

(7) Notwithstanding any other provision of statute, directors shall be elected by secret ballot. The ballots shall be prepared for and distributed to the municipalities or subdistricts by the secretary of the district.

Sec. 3. 20-A MRSA §1256, sub-§6, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Sec. 4. 20-A MRSA §1305, sub-§3, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

3. Failure to approve a budget. If, at a district meeting where the voting is done within each municipality within the district, the voters fail to approve the operating school budget, or any part thereof, subsequent district budget meetings shall be held and the voting at these meetings shall be done at a single place within the district. These meetings shall be held solely for the purpose of approving an alternative operating school budget to replace the part of the proposed budget which the voters failed to approve. These meetings shall be held in accordance with the provisions and procedures set out in section 1304. They may continue in this manner until an alternative budget is adopted. These meetings shall be held solely for the purpose of approving an operating school budget to replace the proposed budget, or the part thereof, which the voters failed to approve in the referendum vote. The board of directors shall submit a revised budget which differs from the operating budget rejected by the voters in the referendum. The general meeting may approve any budget which differs from the one rejected by the voters in the referendum vote. These meetings shall

be held in accordance with the provisions and procedures set out in section 1304, and may continue in this manner until a budget different from the one voted down in the referendum vote is adopted.

Sec. 5. 20-A MRSA §1311, sub-§1, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

1. Board of directors. The board of directors may borrow money to pay for:

A. Current operating expenses of the district if the loans are repaid within one year of the date of borrowing and are limited to an amount reasonably required for current operating expenses; and

B. School construction projects as defined in section 15901; and

C. Minor capital costs as defined in section 15503, subsection 14.

Sec. 6. 20-A MRSA §1313, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Sec. 7. 20-A MRSA §1314, sub-§5, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Sec. 8. 20-A MRSA §1351, sub-§1, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

1. Authority to call a district referendum. Shall initiate a district referendum:

A. To approve the issuance of bonds or notes for school construction projects;

B. To approve a change in the selection of a school building site;

C. To approve a change in the method of sharing costs among the member municipalities;

D. To approve an agreement to add one or more municipalities to the district;

E. To approve an agreement to transfer a participating municipality to another school administrative district;

F. To approve an agreement to merge with another school administrative district;

G. To approve a proposed lease agreement with the Maine School Building Authority;

H. To authorize the board of directors to con-

tract for the schooling of secondary pupils;

I. To authorize the board of directors to dispose of real property; or

J. To accept or reject a prospective gift; and

K. To borrow funds for minor capital costs as defined in section 15503, subsection 14.

Sec. 9. 20-A MRSA §1352, sub-§2, ¶F, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Sec. 10. 20-A MRSA §1353, sub-§2, ¶A, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

A. The voting at referendum held in towns shall be held and conducted in accordance with Title 30, sections 2061 to 2065, even though the town has not accepted the provisions of Title 30, sections 2061 and 2062. The facsimile signature of the clerk under Title 30, section 2061, subsection 5, paragraph F, shall be that of the chairman of the board of directors. If a district referendum is called to be held simultaneously with a ~~general election or primary election~~ any statewide election, the voting in towns shall be held and conducted in accordance with Title 21, except that the duties of the Secretary of State shall be performed by the board. The absentee voting procedure of Title 21 shall be used, except the duties of the Secretary of State shall be performed by the board.

Sec. 11. 20-A MRSA §1405, as enacted by PL 1981, c. 693, §§5 and 8, is repealed and the following enacted in its place:

§1405. Withdrawal of a single municipality from a school administrative district

1. Petition. The residents of a participating municipality within a school administrative district composed of 3 or more municipalities may petition to withdraw from the school administrative district in the same manner as they would petition for the dissolution of a school administrative district in accordance with section 1403, except that only a simple majority vote of those casting valid ballots in the municipality is required before the petition may be presented to the board of directors and to the state board.

2. Procedure. The steps set forth in section 1403 for dissolution apply to the withdrawal of a member municipality from a school administrative district, except that the responsible committee for



preparing the withdrawal agreement shall be limited to individuals from the municipality. Instead of a district election, a municipal election shall be conducted and a 2/3 vote of those casting valid ballots in the municipality is required before the municipality may withdraw. Wherever there is reference in the provisions of section 1403 to the term "dissolution," the term "withdrawal" or appropriated similar language shall be substituted.

3. Cost of advisors. The expense of employing competent advisors by the municipality, petitioning to withdraw shall be borne by the municipality and the expense of employing competent advisors by the district shall be borne by the district with the municipality bearing its share according to the district's cost-sharing agreement.

Sec. 12. 20-A MRSA §1653, as enacted by PL 1981, c. 693, §§5 and 8, is repealed and the following enacted in its place:

§1653. Election; vacancies

1. Representation on school committees in districts that do not include grades one to 12; districts that include grades one to 12; starting date for term of office. Each member town's representation on the district's school committee, as determined pursuant to section 1651, subsection 2, paragraph C, shall be chosen as follows.

A. In a district which does not include grades one to 12, the school committee of each member town shall choose from its membership the representation on the community school district's school committee to which that town is entitled. Membership on the district's committee shall be coterminous with the member's term of office on the school committee of the town which he represents.

B. In a district which includes grades one to 12, the member towns shall elect their representatives directly to the district's school committee as follows.

(1) For the purpose of nominations, the members of the school committee shall be considered municipal officers and shall be nominated in accordance with Title 30, chapter 207, or in accordance with a municipal charter, whichever is applicable.

(2) Upon the election of the members to the school committee, the clerks of the several municipalities within the district shall

forward the names of the members of the committee elected by each municipality to the secretary of the district's school committee.

(3) The terms of office shall be determined by lot as follows: One-third of the members of the school committee shall serve one-year terms; 1/3 shall serve 2-year terms; and 1/3 shall serve 3-year terms. In the event the number of members is not evenly divisible by 3, the terms of the members represented by the integer obtained by dividing the number of members by 3 shall be determined by the preceding sentence; if one member remains, he shall serve a 3-year term; if 2 members remain, one shall serve a 3-year term; and one shall serve a 2-year term, to be determined by lot. The members of the school committee shall serve their terms as determined and an additional period until the next regular election of the municipalities. Thereafter, their terms of office shall date from the time of each municipality's regular election. In a city where elections are held biennially, the term of each member shall be for 4 years, dating from the time of the regular city election and, following the initial election, the members shall choose by lot to see who will serve for 4 years and who will serve for 2 years. Thereafter, each member shall be elected to serve for 4 years.

C. Notwithstanding paragraphs A and B, the voters of a district may vote on an appropriate article at meetings called by the municipal officers of the respective member towns, in accordance with section 1602, to establish a fixed common date for all newly-elected school committee members to assume their terms of office. The common date shall be subsequent to the last annual municipal election within the district, but shall be no later than July 1st of the next fiscal year. The adoption of such a common date shall be conditional upon the favorable passage of this article at each of the meetings of the member towns.

2. Vacancies caused by death or resignation; declaration of vacancy; attendance as nonvoting member. Vacancies caused by death or resignation shall be filled as follows.

A. A vacancy on a school committee of a district which does not include grades one to 12, whether caused by death, by resignation or by a member

having changed his residence from the town which he represents, shall be filled by the school committee of the town in which the vacancy occurs. A similar vacancy on a school committee of a district which includes grades one to 12 shall be filled by the municipal officers of the municipality in which the member resided. The municipal officers shall select a new member from the municipality in which the old member resided to serve until the next annual municipal election. Evidence that an individual is registered to vote in a municipality is prima facie evidence of that individual's residency.

B. If any representative on the school committee in a community school district which does not include grades one to 12 is absent from 3 consecutive regular committee meetings, the committee may declare that a vacancy exists and the school committee in the representative's town may choose from among its members another representative to the community school committee. He shall be chosen on the basis of seniority.

C. If a member of the school committee in a community school district which does not include grades one to 12 is absent from a meeting, the senior nonvoting member shall be allowed all the rights and privileges of the absent member. This paragraph shall apply only to a community with only one member on the community school committee.

Sec. 13. 20-A MRSA §2301, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

§2301. Applicability of provisions to certain towns or cities

Sections 2302 to 2303 and 2305 do not apply to municipalities whose charters specify the methods of selection, recall and term of office of a school committee, nor to municipalities authorized by private and special laws to otherwise choose a school committee.

Sec. 14. 20-A MRSA §2302, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

§2302. Election of school committee members

A municipality, not included in a school administrative district or a community school district which operates grades one to 12, shall elect at its annual meeting a school committee of 3 to hold office as provided in section 2305. The municipality shall fill vacancies in that committee at each subsequent

annual meeting.

Sec. 15. 20-A MRSA §2352, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

§2352. School money paid by municipalities

No money appropriated by law for public schools may be paid from the treasury of any municipality except upon written order of its municipal officers. No such order shall be drawn by the officers except upon presentation of a properly avouched bill of items, that bill of items having first been approved by a majority of the members of the school committee and certified by the superintendent of schools. No order may be drawn by the officers except upon presentation of a properly avouched bill of items, the bill of items having first been approved by a majority of the members of the school committee or a finance committee of that school committee selected by them and certified by the superintendent of schools.

Sec. 16. 20-A MRSA §4006, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Sec. 17. 20-A MRSA c. 202 is enacted to read:

CHAPTER 202

CLOSING AND DISPOSITION OF PUBLIC ELEMENTARY

AND SECONDARY SCHOOL BUILDINGS

§4101. Definitions

For the purposes of this chapter, unless the context indicates otherwise, the following terms have the following meanings.

1. School board. "School board" includes boards of directors within school administrative districts, school committees within other types of school administrative units and cooperative boards within vocational regions. It also includes trustees of special school districts, as defined in section 1, subsection 34.

2. School building. "School building" means, but is not limited to, any real property or structure used or useful for schools and playgrounds, including facilities for physical education.

3. School year. "School year" is the fiscal year commencing on July 1st and ending on June 30th.

§4102. Closing of a school building

The closing of a school building by a school administrative unit may only occur under the following conditions.

1. Replaced by new building. The school building has been replaced by other school buildings as part of a school construction project which has been approved by the State Board of Education in accordance with chapter 609.

2. Condemned. The school building has been condemned and ordered closed by local or state officials for health and safety reasons.

3. Lack of need. The building has been deemed to be unnecessary or unprofitable to maintain by the governing body of the administrative unit. Before a building may be closed under this subsection, a report shall be filed with the commissioner. The report shall contain, at a minimum, the following:

A. Projection of the number of students in the affected area over the next 5 school years, including a projection of the educational programs which they will need;

B. Manner in which the continuation of the educational programs for the affected students will be provided;

C. Effective date on which the closing will take place;

D. Projection of additional transportation or other related services;

E. Existence of any other outstanding financial commitments, including debt service, related to the school building along with a retirement schedule of payments to meet the commitments;

F. Proposed disposition of the school building;

G. Financial impact of closing the school building; and

H. Statement of reasons why the school building is being closed.

4. Voter approval. Before a school board may close a school building pursuant to subsection 3, voter approval shall be obtained as follows.

A. Elementary schools in school administrative districts and community school districts may only

be closed if approved by the voters in accordance with section 1407 and section 1751, subsection 5.

B. Secondary schools in school administrative districts and community school districts and either elementary or secondary schools in other school administrative units may be closed without voter approval, unless the school board is presented with a written petition, within 30 days of the board's decision to close the school, by 10% of the number of voters in the school administrative unit who voted at the last gubernatorial election, then a special referendum shall be called pursuant to:

(1) Section 1351 for school administrative districts;

(2) Title 30, sections 2061 to 2065, for community school districts, except the school board shall issue a warrant specifying that the municipalities within the district place the petitioned article on the ballot, and shall prepare and furnish the required number of ballots for carrying out the election; and

(3) Title 21 and Title 30, respectively, for cities and towns.

C. The article to be used shall be substantially in the following form:

"Article: Shall the school committee of  
(name of town)

(the board of directors of School Administrative District No. ) be authorized to close  
?

(name of school)

Yes No

The additional cost of keeping the school open has been estimated by the school committee (board of directors) to be \$ ."

§4103. Disposal or other use of real property closed for school purposes

The following shall control the disposition or other use of school buildings which have been closed pursuant to section 4102.

1. Control. The school building shall remain under the control of the school board.

2. Lease, use of proceeds. The school board may lease the building for its fair rental value if there is a reasonable likelihood that the building will be needed again for educational purposes.

A. Leases not to exceed 4 years may be entered and may be renewed at the end of any lease period if the school board determines there is still a reasonable likelihood that the building will be needed again for educational purposes.

B. The proceeds from the lease shall be used in the following order:

(1) To cover the maintenance costs on the building;

(2) To reduce any outstanding indebtedness on the building; and

(3) To meet educational expenses which have been approved by the legislative body of the administrative unit in the ordinary budgetary process.

C. Any renovations to a leased building shall be compatible with its reuse as a school building.

3. Transfer to municipality. The school board may transfer control or ownership of the building which does not have any anticipated use as a school building to the municipal officers or inhabitants of the town or towns.

A. The receiving town or towns, if they accept the transfer, shall be liable for any outstanding indebtedness.

B. If the receiving town or towns are part of a school administrative district or a community school district, then:

(1) If the building had been transferred by the town or towns to the district, the district may require the town or towns to pay the district any debt service expended on the building by the district over the 5 school years prior to the transfer of the building to the town or towns, minus their apportionment of that debt service; or

(2) If the building had been constructed by the district, the district may require the receiving town or towns to pay the district a sum equal to the fair market value of the building, minus the town or town's apportioned share in the building, to be deter-

mined in accordance with the cost-sharing formula in effect at the time of the transfer.

4. Sale of school building. The school board of the school administrative unit may sell the school building on the open market if it determines that it will have no future use for the building and they have offered to transfer control or ownership to the municipal officers of the town or towns in which the building is located and the municipal officers have not accepted the transfer of control or ownership to the municipal officers or the inhabitants of the town or towns. If the school board is unable to sell the school building on the open market after a reasonable period of time, not to exceed 2 years, then it may attempt to sell the building through sealed bids.

A. Sealed bids shall be solicited a minimum of 60 days prior to being opened. Appropriate notices shall be published in local news media.

B. The proceeds from the sale of the building shall be disbursed in accordance with section 4104.

C. The school board of a school administrative unit may convey title to any and all school buildings, regardless of whether they are held in the names of the inhabitants of a municipality, a school administrative district, a community school district, a vocational region or a union school.

5. Demolition of building. If the school committee or board of directors determines that it has no future use for a building, if it determines the property could be better used for other educationally related purposes without the building and if the legislative body of the unit approves, the school committee or board of directors may demolish the building on the site and retain the site. The school board may also demolish the building if it has been condemned by local or state officials for health and safety reasons, regardless of whether the site will be retained or sold.

#### §4104. Proceeds from sale of school building

The proceeds from the sale of school buildings, which were not transferred pursuant to section 4103, subsection 3, shall be utilized in the following manner.

1. General. If the school building was built by the administrative unit, then the proceeds shall be



used solely for educational purposes as approved by the unit's legislative body in the normal budgetary approval process.

2. School administrative district and community school district. If the building was transferred by a member town to a school administrative district or a community school district, the proceeds of the sale, minus any expenses related to the sale or any outstanding indebtedness, shall be credited to the town in which the facility is located and shall be used to offset the town's share of the educational expenses for the district. If the school administrative district or the community school district has made major renovations or additions which meet the definition of a school construction project, as set forth in section 15901, subsection 4, the town shall be credited with only those proceeds of the sale which are attributable to the appraised value of the original school building at the time of the sale.

3. Outstanding indebtedness. If a building has outstanding indebtedness, then the proceeds of its sale shall be used to retire the unit's debt service on the building and the balance of the proceeds shall be placed in a sinking fund to reduce future debt service payments. Any balance of the proceeds after the debt has been retired may be used in accordance with the conditions set forth in subsections 1 and 2.

4. Part of school construction project. If the school building has been replaced by a new building as part of a school construction project, the proceeds from the sale or lease of the building shall be used to retire the debt service on the new building, unless the property has been transferred pursuant to subsection 2.

Sec. 18. 20-A MRSA §6602, sub-§8, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

8. Application for postponement. A school administrative unit which has been granted a postponement of 3 years may apply to the commissioner every 3 years for an additional 3-year postponement. The commissioner, with the approval of the state board, may grant a postponement if An administrative unit, which had been authorized by the commissioner to postpone the establishment of a National School Lunch Program, may apply to the commissioner for a renewal of the postponement. The commissioner, with the approval of the state board, may grant the requested postponement provided that:

A. The school board has held a public hearing on its proposed application; and

B. One of the following conditions ~~are~~ is met:

(1) It has been documented to the commissioner's satisfaction that the administrative unit lacks space for the program and there is no appropriate alternative source of meals for the students;

(2) It is impossible for the administrative unit to contract for or to otherwise procure Type A meals for its students; or

(3) The lack of need for the program, as determined by the school board is documented to the commissioner's satisfaction and was evident at the public hearing.

If the postponement is granted for the conditions in paragraph B, subparagraphs (1) and (2), it shall be for 3 years. If the postponement is granted for the condition in paragraph B, subparagraph (3), it shall be for 4 years.

Sec. 19. 20-A MRSA §10104, sub-§2, ¶F, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

F. Accept and expend all funds for post-secondary vocational education received by the department from:

(1) The General Fund;

(2) Gifts and donations either from public or private sources which are offered unconditionally or under conditions approved by the state board; or

(3) Fees.

Sec. 20. 20-A MRSA §10109, sub-§§2 and 3, as enacted by PL 1981, c. 693, §§5 and 8, are amended to read:

2. Limitation. A scholarship may not exceed ~~\$250~~ one semester of tuition in one year.

3. Allocation of scholarships. Amounts available for these scholarships shall be distributed annually by the state board to the institutes as follows:

A. \$1,500 or the equivalent of 6 full scholarships to each institute; and

B. Allocation of the balance of the scholarship fund to each institute in the same proportion as

the institute's enrollment is of all of the institutes for the fall semester of the ~~current~~ prior year.

Sec. 21. 20-A MRSA c. 418 is enacted to read:

CHAPTER 418

STUDENT LOAN CORPORATIONS

§11501. Declaration of policy

It is declared to be the policy of this State that, for the benefit of the people of the State, the increase of their commerce, welfare and prosperity and the improvement of their health and living conditions, it is essential that students attending the state's higher educational institutions be given the fullest opportunity to learn and develop their intellectual and mental capacities. It is recognized that the financial costs to obtain an education beyond the high school level are often burdensome or prohibitive, and it is essential that qualified students be provided with low-cost financial assistance in order to attend those schools and to reduce the total amount of loan payments following graduation. It is essential that educational institutions within the State be provided with appropriate additional means to assist qualified students financially in achieving the required levels of learning and development of their intellectual and mental capacities. The Legislature has conferred certain powers on student loan corporations and on the Maine Health and Higher Educational Facilities Authority to assure the successful origination, distribution and collection of loans so as to accomplish the purposes of this chapter, all to the public benefit and good. It is declared that the exercise by the student loan corporations of the authority of powers conferred under this chapter will constitute the performance of an essential governmental function.

§11502. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Authority. "Authority" means the Maine Health and Higher Educational Facilities Authority, established under Title 22, section 2054.

2. Institution for higher education. "Institution for higher education" means any institution for post-secondary or higher education, as defined in Title 22, section 2053, subsection 4-B, the University of Maine and, in addition, means any institution

which awards an undergraduate or advanced degree.

3. Student loan corporation. "Student loan corporation" means any corporation established under section 11503.

§11503. Student loan corporations authorized

Any institution or consortium of institutions for higher education may form a voluntary nonprofit student loan corporation in accordance with this chapter for the purposes specified in this chapter. An institution for higher education may form a student loan corporation either:

1. Organizing new student loan corporation. By organizing a new voluntary nonprofit student loan corporation as provided in this chapter; or

2. By amending the articles of incorporation and bylaws of an existing nonprofit corporation organized under Title 13-B, or its predecessors, to conform the articles and bylaws to the requirements of this chapter.

§11504. Incorporators

1. Formation of student loan corporation. An institution for higher education may, by a 2/3 vote of its board of trustees or other governing body, agree to form or to join with other institutions for higher education to form a student loan corporation for the purpose of providing low-cost financial assistance to qualified students enrolled at that institution or to the parents of these students. The student loan corporation shall be organized under the provisions of Title 13-B, and the incorporators shall be persons as are authorized by the trustees or other governing body.

2. Incorporators deemed to be acting on behalf of board. Incorporators shall be deemed to be acting in their capacities as members of and on behalf of the board of trustees or other governing body.

§11505. Purposes

The articles of agreement of a student loan corporation shall contain the following:

1. Name. The name of the student loan corporation, which shall clearly identify the institution or institutions for higher education with which it is associated and shall end with the words "student loan corporation;"

2. Purposes. Each student loan corporation shall be operated exclusively for the purpose of providing loans to qualified students attending the institution or institutions for higher education with which it is associated, or to the parents of those students; and

3. Adoption of procedures. Each student loan corporation shall adopt procedures for determining eligibility for loans, procedures for the making and collection of loans and other procedures as may be necessary or convenient for the administration of the student loan program.

§11506. Issuance of bonds

1. Authority to issue. The Maine Health and Higher Educational Facilities Authority may issue revenue bonds and other obligations and loan the proceeds thereof to one or more student loan corporations for the purposes set forth in this chapter.

2. Limitations. No bonds or other obligations may be issued unless the authority determines that:

A. The issuance of low-cost loans by the student loan corporation to qualified students will assist the students in attending their institution for higher education and will lower the cost to the students or their parents of financing the students' educations;

B. Adequate provision has been or will be made for the payment of the principal of, or interest on, any obligations issued by the authority to finance these loan programs;

C. Adequate provision has been made for the payment of the reasonable expenses of the authority related to administration of the student loan corporations as are necessitated by their programs; and

D. The proposed procedures for redistribution of the bond proceeds, collection of student payments, interest charges and any other matters concerning the administration of the student loan corporations are in conformance with the law.

3. Powers of the authority. The authority, to further its student loan corporation programs, may:

A. Determine the nature of student loan corporation programs for which it will issue its bonds;

B. Enter into contracts for any or all student loan corporation program purposes;

C. Enter into contracts for the administration or servicing of student loan corporation issued loans;

D. Designate a particular institution or institutions for higher education or student loan corporation or corporations as its agent for accomplishing its purposes;

E. Make loans with proceeds of the sale of its bonds to any student loan corporation in accordance with an agreement between the authority and the student loan corporation; provided that the proceeds of the loan shall be used by the student loan corporation to purchase, originate or make loans to eligible students or to the parents of those students;

F. Receive and accept, from any public agency or any other source, loans, grants, guarantees or insurance with respect to student loans and the student loan corporation programs;

G. Establish guidelines governing the actions of student loan corporations and institutions for higher education in participating in the authority's student loan corporation program; and

H. Exercise all powers incidental and necessary for the performance of the powers listed in this subsection.

§11507. Rights of the authority and student loan corporations

In issuing bonds for a student loan corporation program, the authority and any student loan corporation created under this chapter have all the power and authority and are subject to all of the rights, liabilities and responsibilities as set out in Title 22, section 2055, which do not conflict with this chapter. Nothing in this chapter otherwise limits any other bond issuance or other powers of the authority set forth in Title 22, section 2055.

§11508. Bonds of the authority

1. Authorization; bond anticipation notes. The authority may, from time to time, issue its negotiable bonds for the purposes specified in this chapter. In anticipation of the sale of these bonds, the authority may issue negotiable bond anticipation notes and may renew the notes from time to time. The notes shall be paid from revenues derived from loans to student loan corporations, or from the proceeds of sale of the bonds of the authority in anticipation of which they were issued. The notes shall be issued in

the same manner as the bonds. The notes and the resolution or resolutions authorizing the notes may contain any provisions, conditions or limitations which a bond resolution of the authority may contain.

2. Bonds not a debt or liability of the State. Revenue bonds issued under this chapter do not constitute a debt or liability of the State, of any municipality or political subdivision of the State or a pledge of the faith and credit of the State or of any municipality or political subdivision.

3. Payments. These revenue bonds are payable solely from the revenues or other funds derived from student loan corporation issued loans, either directly or indirectly provided by this chapter for their payments. All these revenue bonds shall contain on the face of the bond a statement to the effect that neither the State nor the authority is obligated to pay the bond or the interest on the bond, except from revenues or other funds derived from student loan corporation issued loans, either directly or indirectly provided by this chapter, and that neither the faith and credit nor the taxing power of the State or of any municipality or political subdivision of the State is pledged to the payment of the principal of or the interest on the bonds. The issuance of revenue bonds under this chapter shall not directly or indirectly or contingently obligate the State or any municipality or political subdivision of the State to levy or to pledge any form of taxation whatever for the bonds or to make any appropriation for their payment.

4. Provisions of bonds. The bonds may be issued as serial bonds or as term bonds, or the authority, in its discretion, may issue bonds of both types. The bonds shall be authorized by resolution of the members of the authority and shall bear the date or dates, mature at the time or times, be in the denominations, be in the form, either coupon or registered, carry the registration privileges, be executed in the manner, be payable in lawful money of the United States at the place or places and be subject to the terms of redemption as the resolution or resolutions may provide. The bonds or notes may be sold at public or private sale for the price or prices as the authority determines. The power to fix the date of sale of bonds and to take all other necessary action to sell and deliver bonds may be delegated to the executive director of the authority by resolution of the authority. Pending preparation of the definitive bonds, the authority may issue interim receipts or certificates which shall be exchanged for those definitive bonds.

5. Resolutions. Any resolution or resolutions

authorizing any bonds or any issue of bonds may contain provisions which shall be a part of the contract with the holders of the bonds to be authorized as to:

A. Pledging the revenues to be derived from the student loan corporation or any revenue-producing contract or contracts made by the authority with the student loan corporations to secure the payment of the bonds or of any particular issue of bonds, subject to such agreements with bondholders as may then exist;

B. The fees and other charges to be charged, the amounts to be raised in each year and the use and disposition of the revenues;

C. The setting aside of reserves or sinking funds and the regulation and disposition thereof;

D. Limitations on the purpose to which the proceeds of sale of any issue of bonds then or thereafter to be issued may be applied and pledging these proceeds to secure the payment of the bonds or any issue of the bonds;

E. The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which this consent may be given;

F. Defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of these holders in the event of a default; and

G. Such other additional covenants, agreements and provisions as are judged advisable or necessary by the authority for the security of the holders of these bonds.

6. No personal liability. Neither the members of the authority nor any person executing the bonds or notes shall be liable personally on the bonds or notes to be subject to any personal liability or accountability by reason of the issuance thereof.

§11509. Source of payment of expenses

All reasonable expenses incurred in carrying out this chapter shall be payable by the respective student loan corporations, and no liability or obligation may be incurred by the authority or any other state agency.



§11510. Administration of student loan corporation  
issued loans; no discrimination

1. Administration. A student loan corporation shall have full power and authority and be subject to all rights, responsibilities and liabilities for the administration of a student loan corporation program and for the distribution and collection of loans to qualified students, including the determination of who is eligible to receive loans, the amounts of the loans, repayment schedules and interest rates to be charged; provided that the terms are in accordance with law and do not discriminate against any person on account of race, creed, national origin, sex or age.

2. Contracts for services. Student loan corporations may contract with other service corporations to provide bookkeeping, data processing and related fiscal services required for the conduct of their business.

§11511. Exemption from taxation

The exercise of the powers granted by this chapter shall be in all respects for the benefit of the people of the State, for the increase of their commerce, welfare and prosperity, and for the improvement of their health and living conditions, and shall constitute the performance of an essential governmental function. Neither the authority nor the student loan corporations may be required to pay any taxes or assessments upon or in respect of loans made by the authority or its agents or under the jurisdiction, control, possession or supervision of the authority or the student loan corporations or upon the activities of the authority or the student loan corporations or their agents in the operation or maintenance of student loan corporation programs pursuant to this chapter, or upon income or other revenues received therefrom, and any bonds, notes and other obligations issued under this chapter, their transfer and the income therefrom, including any profit made on the sale thereof, as well as the income and property of the authority, are at all times exempt from taxation of every kind by the State and by the municipalities and all other political subdivisions of the State.

§11512. Bonds declared legal investments

Bonds and notes issued by the authority under this chapter are made securities in which all public officers and public bodies of the State and its political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, trust companies, banks, bankers, banking associations, savings banks and savings associa-

tions, including savings and loan associations, credit unions, building and loan associations, investment companies, executors, administrators, trustees and other fiduciaries, pension, profit-sharing, retirement funds and other persons carrying on a banking business, and all other persons whatsoever, who are now or may hereafter be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds, including capital in their control or belonging to them. The bonds and notes are made securities which may properly and legally be deposited with and received by any state or municipal or public officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds or other obligations of the State is now or may be authorized by law.

§11513. Act cumulative; no notice required

Neither this chapter nor anything contained in this chapter is or may be construed as a restriction or limitation upon any powers which the authority might otherwise have under any laws of this State, and this chapter is cumulative of any such powers. This chapter does and shall be construed to provide a completed, additional and alternative method for doing of the things authorized thereby and shall be regarded as supplemental and additional to powers otherwise conferred by other laws. Neither the making of contracts nor the issuance of bonds, notes and other obligations pursuant to this chapter need comply with the requirements of any other state law applicable to the making of contracts and the issuance of bonds, notes and other obligations. No proceeding, notice or approval may be required for the issuance of any bonds, notes or other obligations, or any instrument or security therefor, except as is provided in this chapter.

§11514. University of Maine

Notwithstanding any inconsistent provisions of this chapter, and in addition to the option of providing low-cost financial assistance to qualified students enrolled at the university through the Maine Health and Higher Educational Facilities Authority and a student loan corporation, the following provisions shall apply to the University of Maine.

1. Issuance of bonds. The board of trustees of the University of Maine may provide, by resolution, at one time or from time to time, for the issuance of revenue bonds and other obligations and to loan the proceeds thereof to one or more student loan corporations formed by the board for the purposes of this chapter. Revenue bonds and other obligations issued

by the board of trustees shall be issued in the name of the University of Maine, shall be issued in accordance with this chapter and shall be subject to the same limitations and have the same exemptions as other bonds or obligations issued under this chapter.

2. Powers. In addition to any other powers granted by private and special legislation or general law, the board of trustees shall have the same powers as the Maine Health and Higher Educational Facilities Authority, to the extent those powers are necessary to meet the purposes of this chapter.

3. Security. Revenue bonds and other obligations issued under this chapter may be secured in such fashion as the board of trustees, in its discretion, deems appropriate. Revenue bonds and other obligations issued by the board of trustees under this chapter shall not constitute a debt or liability of the State, of any municipality or political subdivision of the State or a pledge of the faith and credit of the State or of any municipality or political subdivision, and shall contain on their face a statement to that effect.

Sec. 22. 20-A MRSA §11804, sub-§§3 and 4 are enacted to read:

3. Forgiveness. Any student who, upon the conclusion of his professional education, including, if applicable, internship, residency and obligated public health service, elects to serve as a general, family, pediatric or veterinary practitioner in an underserved rural geographic area in the State shall be forgiven 20% of the indebtedness, as determined in subsection 2, for each of the first 5 years of that service.

4. Determination. The Commissioner of Human Services shall determine underserved rural areas for general, family or pediatric services. The Commissioner of Agriculture, Food and Rural Resources shall determine underserved rural areas for veterinary services.

Sec. 23. 20-A MRSA §15511, sub-§3, ¶A, as enacted by PL 1981, c. 693, §§5 and 8, is repealed and the following enacted in its place:

A. The legislative body of an administrative unit may, in addition to the unit's state-local allocation under sections 15508 and 15509, authorize an additional expenditure for either elementary or secondary pupils, or both, not to exceed a local appropriation for each municipality of 1.1 mills on the state valuation in effect on July 1st or \$140 per pupil, whichever is less,

for the 1982-83 year of distribution. No unit may participate in local leeway unless it has raised the minimum amount of its local allocation, as computed by the commissioner under subsection 1, paragraph A or as provided under subsection 1, paragraph D. For the 1982-83 year of distribution only, administrative units that vote to raise local leeway at 1.1 mills and \$140 per pupil or a specified portion of that levy shall not be required to obtain further voter approval for adjustment of state and local shares for local leeway and any appropriation without state participation within the limits previously approved by the unit's legislative body and the Legislature.

Sec. 24. 20-A MRSA §16103, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect on July 1, 1983.

Effective July 1, 1983.

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## CHAPTER 423

S.P. 351 - L.D. 1025

AN ACT to Establish a Program for Therapeutic Use of Marijuana.

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

22 MRSA c. 558-B is enacted to read:

### CHAPTER 558-B

#### MARIJUANA THERAPEUTIC RESEARCH PROGRAM

##### §2411. Short title

This chapter may be cited as the "Marijuana Therapeutic Research Act."

##### §2412. Findings and purpose

The Legislature finds that research has recently indicated that the use of marijuana may alleviate nausea and certain other side effects of cancer chemotherapy as well as some symptoms of glaucoma. The Legislature also finds that further research and