

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
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1983

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

CHAPTER 426

H.P. 1144 - L.D. 1516

AN ACT Relating to the Funding of School Construction Projects.

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

Sec. 1. 20-A MRSA §15503, sub-§9, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

9. Debt service costs. "Debt service costs," for subsidy purposes, includes:

A. Principal and interest costs for approved major capital projects;

B. The portion of the tuition costs applicable to the insured value factor computed under section 5806; and

C. Lease costs for school buildings when the leases have been approved by the commissioner; and

D. Funds allocated by the state board to administrative units to cover the costs of new school construction projects funded in the current fiscal year.

Sec. 2. 20-A MRSA §15508, sub-§7, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

7. Debt service allocation; vocational region debt service. The following provisions apply to debt service allocation, reimbursement for major capital projects, reimbursement for lease costs and vocational region debt service.

A. Debt service allocation shall be limited to lease expenditures approved by the commissioner, insured value factor expenditures and, principal and interest costs ~~for~~ connected to major capital projects and the costs of new school construction projects funded in the current year.

B. Principal and interest costs for major capital projects shall be reimbursed paid in the year of allocation.

C. Reimbursement for lease costs shall be

limited to total lease expenditures approved by the commissioner and made during the year prior to the year of allocation.

D. State allocation for vocational region debt service shall be computed as follows.

(1). A member school administrative ~~units'~~ unit's prorated share of the region's debt service payment shall be determined by the region's cost-sharing agreement and shall be included in the member unit's state-local allocation.

(2) The state allocation percentage, as defined in section 15503, subsection 17, for a member school administrative unit shall be multiplied times the unit's prorated share of the region's debt service payments to establish the state allocation for vocational region debt service for that member unit.

(3) The sum of the member school administrative units' state allocations for vocational region debt service shall be the region's state allocation for debt service.

Sec. 3. 20-A MRSA §15905, sub-§1, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

1. Approval authority. The state board must approve a school construction project.

A. The state board may approve projects as so long as no project approval will cause debt service costs, as defined in section 15503, subsection 9, ~~paragraph~~ paragraphs A and D, to exceed \$30,000,000 in a subsequent fiscal year.

B. Nonstate funded projects, such as school construction projects or portions of projects financed by proceeds from insured losses, money from federal sources, other noneducational funds or local funds which ~~shall not be reimbursed by the State~~ are not eligible for inclusion in an administrative unit's state-local allocation, shall be outside the total cost limitations set by the Legislature.

Sec. 4. 20-A MRSA §15907, sub-§§1 and 3, as enacted by PL 1981, c. 693, §§5 and 8, are amended to read:

1. Payment of state's share. The state allocation for debt service costs shall be paid by the commissioner to each unit according to that unit's

debt retirement schedule and rules adopted pursuant to this chapter.

3. Local funds not included in state-local allocation. Notwithstanding any other law, the initial local share of school construction projects shall not be considered educational costs for purposes of computing the an administrative unit's state and local allocation under chapter 605.

Sec. 5. 20-A MRSA §15909, sub-§1, ¶D, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

D. The unit's initial local share shall not be considered an educational cost for purposes of subsidy reimbursement inclusion in the unit's state-local allocation under chapter 605.

Sec. 6. 20-A MRSA §15909, sub-§2, ¶A, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

A. The amount to be bonded shall be determined as follows. The total cost of the project shall be reduced by:

(1) The initial local share;

(1-A) The initial state share as defined in section 15914;

(2) Proceeds from insured losses;

(3) Money from federal sources; and

(4) Other noneducational funds, except gifts and moneys from federal revenue sharing sources.

Sec. 7. 20-A MRSA §15914 is enacted to read:

§15914. Current fiscal year funding

It is the intent of the Legislature that, notwithstanding any other statute, the \$30,000,000 debt service limit set forth in section 15905, subsection 1, paragraph A, should be allocated so that the state share of all new school construction projects will be funded in the current fiscal year starting with fiscal year 1993 or as soon thereafter as possible. This section shall not affect projects funded under chapter 609, prior to its implementation. This goal shall be accomplished in the following manner.

1. Allocation of funds. The state board shall allocate the following funds to cover the cost of the state's share of current fiscal year school construction projects:

A. Funds appropriated for school construction projects by the Legislature which are not necessary for the payment of principal and interest costs;

B. Funds resulting from interest earned on the investment of unused bond proceeds;

C. Funds resulting from the Maine Municipal Bond Bank adjustments; and

D. Other excess funds originally scheduled for school construction projects.

2. Nonlapsing account. The state board shall place the funds referred to in subsection 1 in a nonlapsing, dedicated revenue and interest earning account to be used solely for meeting the goals and purposes of this section.

3. Initial state share. The initial state's share of a unit's project approved in accordance with the funding mechanism established under this section shall be computed as of the date of the project's concept approval by multiplying the total cost of the project, as defined in section 15901, subsection 5, by the state allocation percentage as defined by section 15503, subsection 17.

4. State-local allocation share. The state-local allocation share of a unit's project shall be the total cost of the project, as defined in section 15901, subsection 5, minus the initial state share as determined in subsection 3 of this section, and the initial local share as determined in section 15909, subsection 1.

The state-local allocation share shall be financed in accordance with section 15909.

5. Rules. The state board shall adopt rules to accomplish the goals and purposes of this section. The rules shall include, but not be limited to:

A. The gradual transition from financing school construction projects through the sale of bonds to the current fiscal year funding of the state share of all new school construction projects by fiscal year 1993, or as soon thereafter as possible;

B. The mechanism for disbursing the funds to eligible school administrative units; and

C. The method for the State to use to recapture any excess funds or income earned by administra-

tive units by having invested the school construction project funds so that the excess funds for income earned may be available to fund additional school construction projects.

Effective September 23, 1983.

CHAPTER 427

H.P. 1257 - L.D. 1670

AN ACT to Require the Payment of
Prejudgment Interest at Prevailing Market
Rates on all Judgments, Dating
from the Time of Written Notice
to the Defendant of the Cause
of Action.

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

Sec. 1. 14 MRSA §1602, as amended by PL 1981, c. 162, §§1 and 2, is repealed and the following enacted in its place:

§1602. Interest before judgments

1. Prejudgment interest; rate; avoidance. In all civil actions, except those actions involving a contract or note which contains a provision relating to interest, prejudgment interest shall be assessed at the rate of 8% per year.

Prejudgment interest shall accrue from the time of notice of claim setting forth under oath the cause of action, served personally or by registered or certified mail upon the defendant until the date on which an order of judgment is entered. If the prevailing party at any time requests and obtains a continuance for a period in excess of 30 days, interest shall be suspended for the duration of the continuance. On petition of the nonprevailing party and on a showing of good cause, the trial court may order that interest awarded by this section shall be fully or partially waived.

2. Effect on post-judgment interest. This section shall not affect post-judgment interest imposed by section 1602-A. Prejudgment interest shall not be added to the judgment amount in deter-