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An Act To Validate Certain Proceedings Authorizing the Issuance of Bonds and Notes by School Administrative District No. 32

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

Whereas, on December 12, 2007 the State Board of Education granted concept approval to School Administrative District No. 32 for a school construction project to construct and equip a new prekindergarten to grade 12 school in the Town of Ashland and approved \$22,057,929 as the total cost for that project with \$20,217,001 in indebtedness approved for a state and local debt service subsidy and \$1,720,928 in indebtedness approved as local-only debt and the remainder of the project to be financed through a Maine High Performance Schools energy grant not to exceed \$120,000; and

Whereas, on January 31, 2008 at a district referendum the voters of School Administrative District No. 32 approved the school construction project by a vote of 789 in favor and 38 opposed; and

Whereas, on June 11, 2008 the State Board of Education granted site preparation design and funding approval for phase I of the school construction project with a total approved project bonded indebtedness not to exceed \$21,937,929; and

Whereas, on August 12, 2008 the State Board of Education granted design and funding approval for that school construction project with total approved project bonded indebtedness not to exceed \$21,937,929; and

Whereas, pursuant to the Maine Revised Statutes, Title 20-A, section 1311, subsection 6, the aggregate principal amount of outstanding bonds or notes issued by a school administrative district for school construction purposes may not exceed, at any one time, 10% of the total of the last preceding state valuation of all the municipalities within the district, plus an amount not to exceed 4% of that total district valuation set by the State Board of Education at the time of the initial approval of a school construction project; and

Whereas, at the time that the State Board of Education approved the School Administrative District No. 32 school construction project, the total indebtedness authorized for the school construction project exceeded the limits on indebtedness established by the Maine Revised Statutes, Title 20-A, section 1311, subsection 6; and

Whereas, the 2009 state valuation of all municipalities in School Administrative District No. 32 is \$176,750,000; and

Whereas, the total indebtedness authorized by the State Board of Education for the School Administrative District No. 32 school construction project in the amount of \$21,937,929 is within 10% plus 4% of the 2009 state valuation of all municipalities in School Administrative District No. 32; and

Whereas, School Administrative District No. 32 has signed a construction contract and borrowed funds in anticipation of the issuance of permanent bonds to finance the school construction project; and

Whereas, legislative validation of the proceedings of the State Board of Education and the referendum on the school construction project conducted by School Administrative District No. 32 and legislative authorization for School Administrative District No. 32 to issue permanent bonds for the school construction project is required in order for School Administrative District No. 32 to issue bonds in the amount necessary to complete the school construction project; 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. Validation and authorization. Notwithstanding the Maine Revised Statutes, Title 20-A, section 1311, subsection 6 and any other provision of law, the concept approval and the design and funding approvals granted by the State Board of Education to School Administrative District No. 32 for a school construction project to construct and equip a prekindergarten to grade 12 school in the Town of Ashland and the school construction referendum on that project conducted on January 31, 2008 and all subsequent bond anticipation borrowings by the district for that school construction project are validated and the district is authorized to issue bonds or notes in the name of the district for school construction purposes in an amount not to exceed \$21,937,929 to construct and equip that school construction project.

Sec. 2. Retroactivity. This Act applies retroactively to December 12, 2007.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

SUMMARY

This bill corrects a defect in a bond for school construction approved on December 12, 2007 by the State Board of Education for School Administrative District No. 32 by authorizing the district to issue bonds for the construction retroactive to December 12, 2007.