

§1702. Borrowing

1. Purposes of borrowing. The district board of trustees may borrow funds to pay for:

A. Current operational expenditures of the community school district in an amount not to exceed the gross budget approved by the voters at the annual meeting. These borrowed funds must be repaid within a month of the end of the fiscal year; and [PL 1991, c. 121, Pt. A, §3 (AMD).]

B. Major and minor capital costs, not to exceed in the aggregate, at any one time outstanding, 10% of the total of the last preceding state valuation of all of the participating municipalities. Contracts, leases or agreements with the Maine School Building Authority shall not be debts or liabilities within this section. [PL 1981, c. 693, §§5, 8 (NEW).]

[PL 1991, c. 121, Pt. A, §3 (AMD).]

2. Form of bond or note. Each bond or note shall have the following form.

A. It shall have inscribed on its face the name of the community school district, the date it was issued, the amount of the bond or note and the annual interest rate, payable semiannually. It shall be in the form and be sold in the manner, at public or private sale, as the district school committee determines in accordance with state law. [PL 1983, c. 485, §18 (AMD).]

B. It shall be signed by the treasurer and countersigned by the chairman of the district board of trustees. If coupon bonds are issued, each coupon shall be attested by a facsimile signature of the treasurer. [PL 1981, c. 693, §§5, 8 (NEW).]

[PL 1983, c. 485, §18 (AMD).]

3. Maturity and time limits. The following provisions apply to bonds or notes.

A. Each issue of bonds shall mature in substantially equal annual installments so that the first installment shall be payable not later than 2 years after the date of issue and the last installment not later than 25 years from the date of issue. [PL 1981, c. 693, §§5, 8 (NEW).]

B. If the proceeds of an issue of bonds are used in whole or in part to fund temporary notes of the community school district or renewals thereof, the period during which that issue of bonds shall be outstanding, plus the period of the loan represented by the temporary notes or renewals, shall not exceed 25 years. [PL 1981, c. 693, §§5, 8 (NEW).]

C. Notes shall mature not later than one year from their date of issue but may be renewed. The period of the original note plus that of renewals shall not exceed 2 years. [PL 1981, c. 693, §§5, 8 (NEW).]

[PL 1981, c. 693, §§5, 8 (NEW).]

4. District obligations. All notes, bonds, contracts and leases and all agreements with the Maine School Building Authority entered into by a community school district shall be the legal obligations of the district.

[PL 1981, c. 693, §§5, 8 (NEW).]

5. Status. A community school district shall be a quasi-municipal corporation within the meaning of Title 30-A, section 5701. The provisions of Title 30-A, section 5701, shall be applicable to it.

[PL 1987, c. 737, Pt. C, §§49, 106 (AMD); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8,10 (AMD).]

SECTION HISTORY

PL 1981, c. 693, §§5,8 (NEW). PL 1983, c. 485, §18 (AMD). PL 1987, c. 737, §§C49,C106 (AMD). PL 1989, c. 6 (AMD). PL 1989, c. 9, §2 (AMD). PL 1989, c. 104, §§C8,C10 (AMD). PL 1991, c. 121, §A3 (AMD).

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