

124th Legislature LD 1493 SP0572
Acted Upon Without Reference To A
Committee

An Act To Clarify the Rights of Bondholders and Noteholders in the Event a School Administrative Unit with Outstanding Bonds or Notes Is Dissolved or Is No Longer Authorized by Law. (Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.) **Presented by** Senator ALFOND of Cumberland. Engrossed Without Reference 06/12/09. **Amended by:** SA S-346. **Final Disposition:** Emergency Enacted, Signed 06/18/09, PUBLIC LAWS, Chapter 445.

LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE

FIRST REGULAR SESSION
December 3, 2008 to June 13, 2009

THE GENERAL EFFECTIVE DATE FOR
FIRST REGULAR SESSION
NON-EMERGENCY LAWS IS
SEPTEMBER 12, 2009

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

Augusta, Maine
2009

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

Effective June 18, 2009.

CHAPTER 445

S.P. 572 - L.D. 1493

An Act To Clarify the Rights of Bondholders and Noteholders in the Event a School Administrative Unit with Outstanding Bonds or Notes Is Dissolved or Is No Longer Authorized by Law

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

Whereas, unless this measure is enacted as emergency legislation, the rights of bondholders or noteholders of school administrative units are subject to potential risk; 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 §15695-A is enacted to read:

§15695-A. Bondholders of school administrative units

1. Rights of bondholders of school administrative units. If legislation, including a ballot measure approved at referendum, becomes effective that dissolves a school administrative unit that has issued outstanding general obligation bonds or notes or repeals the laws pursuant to which such a school administrative unit is organized and exists, the rights of the holders of the outstanding bonds and notes issued by that school administrative unit are not impaired and the underlying indebtedness of any such outstanding general obligation bonds or notes is deemed to survive, whether or not replacement or successor school administrative units are organized or established, and any state subsidy with respect to those outstanding obligations or the relative portion of those outstanding obligations to be paid or reimbursed by the State is not affected.

2. Power to tax. Until one or more school administrative units are organized or established to replace or succeed a former school administrative unit as described in subsection 1 and assume the outstanding bonds or notes issued by such former school administrative unit, all taxable property located in the municipalities that were members of that former school administrative unit is subject to ad valorem taxation to pay the underlying indebtedness of the bonds or notes issued by the former school administrative unit to the same extent as that taxable property was subject to ad valorem taxation in the former school administrative unit and as if such bonds or notes remained outstanding. Taxes to pay the underlying indebtedness of the outstanding bonds or notes of the former school administrative unit as described in subsection 1 must be levied and collected by the municipalities located in the former school administrative unit in the same manner as the taxes of the municipalities. If one or more school administrative units are organized or established to replace or succeed a former school administrative unit as described in subsection 1, all taxable property located in the municipalities that were members of the former school administrative unit and that are located within the replacement or successor school administrative unit or school administrative units is subject to ad valorem taxation to pay the underlying indebtedness of the bonds or notes of the former school administrative unit to the same extent as that taxable property was subject to ad valorem taxation in the former school administrative unit. Taxes to pay the underlying indebtedness of the outstanding bonds or notes of the former school administrative unit as described in subsection 1 must be levied and collected by the replacement or successor school administrative unit in the same manner as the taxes of the replacement or successor school administrative unit.

3. Power to levy. The holders of bonds and notes as described in subsection 1 retain the right to levy on taxable property located in the former school administrative unit and that taxable property is subject to Title 30-A, section 5701.

4. Payment responsibility. Until one or more school administrative units are organized or established to replace or succeed a former school administrative unit as described in subsection 1, the municipalities that were members of the former school administrative unit shall pay the underlying indebtedness of the bonds or notes of the former school administrative unit in accordance with their terms. As between the municipalities that were members of the former school administrative unit, payment responsibility for the underlying indebtedness of the bonds or notes of the former school administrative unit must be allocated in proportion to the most recent state valuations of those municipalities.

A school administrative unit or school administrative units organized or established to replace or succeed a

former school administrative unit as described in subsection 1 shall pay the underlying indebtedness of the bonds and notes of the former school administrative unit in accordance with their terms. As between replacement or successor school administrative units of a former school administrative unit, payment responsibility for the underlying indebtedness of the bonds or notes must be allocated based upon the most recent state valuations of the municipalities that are located in each of the replacement or successor school administrative units and that were members of the former school administrative unit.

Nothing contained in this subsection may be construed to prohibit the organization or establishment of a school administrative unit or school administrative units that replace or succeed a former school administrative unit from employing a different method of allocating payment responsibility for the underlying indebtedness of the bonds or notes described in subsection 1.

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

Effective June 18, 2009.

CHAPTER 446

S.P. 15 - L.D. 6

An Act To Establish a Distracted Driver Law

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

Sec. 1. 29-A MRSA §2117 is enacted to read:

§2117. Failure to maintain control of a motor vehicle

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Operation of a motor vehicle while distracted" means the operation of a motor vehicle by a person who, while operating the vehicle, is engaged in an activity:

(1) That is not necessary to the operation of the vehicle; and

(2) That actually impairs, or would reasonably be expected to impair, the ability of the person to safely operate the vehicle.

2. Failure to maintain control of a motor vehicle. A person commits the traffic infraction of failure to maintain control of a motor vehicle if the person:

A. Commits either a traffic infraction under this Title or commits the crime of driving to endanger under section 2413 and, at the time the traffic infraction or crime occurred, the person was engaged in the operation of a motor vehicle while distracted; or

B. Is determined to have been the operator of a motor vehicle that was involved in a reportable accident as defined in section 2251, subsection 1 that resulted in property damage and, at the time the reportable accident occurred, the person was engaged in the operation of a motor vehicle while distracted.

A person may be issued a citation or summons for any other traffic infraction or crime that was committed by the person in relation to the person's commission of the traffic infraction of failure to maintain control of a motor vehicle.

See title page for effective date.

CHAPTER 447

S.P. 532 - L.D. 1447

An Act Clarifying the Manner in Which a Person's Alcohol Level Is Determined under Maine Law

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

Sec. 1. 5 MRSA §3360, sub-§3, ¶E, as amended by PL 2003, c. 243, §1, is further amended to read:

E. Operating under the influence of intoxicating liquor or drugs or with an excessive blood-alcohol alcohol level, as described in Title 29-A, section 2411;

Sec. 2. 6 MRSA §202, sub-§11, as enacted by PL 1993, c. 467, §3, is amended to read:

11. Operating an aircraft under the influence or with excessive alcohol level. For any person to operate or attempt to operate an aircraft under the influence of intoxicating liquor or drugs or a combination of liquor and drugs or with an excessive blood-alcohol alcohol level. Notwithstanding section 203, a person is guilty of a Class D crime if that person operates or attempts to operate an aircraft:

A. While under the influence of intoxicating liquor or drugs or a combination of liquor and drugs; or

B. While having 0.04% or more by weight of alcohol in that person's blood an alcohol level of



124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 1493

S.P. 572

In Senate, June 11, 2009

**An Act To Clarify the Rights of Bondholders and Noteholders in the
Event a School Administrative Unit with Outstanding Bonds or
Notes Is Dissolved or Is No Longer Authorized by Law**

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator ALFOND of Cumberland.

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

2 Sec. 1. 20-A MRSA §15695-A is enacted to read:

3 **§15695-A. Bondholders of school administrative units**

4 **1. Rights of bondholders of school administrative units.** If legislation, including a
5 ballot measure approved at referendum, becomes effective that dissolves a school
6 administrative unit that has issued outstanding general obligation bonds or notes or
7 repeals the laws pursuant to which such a school administrative unit is organized and
8 exists, the rights of the holders of the outstanding bonds and notes issued by that school
9 administrative unit are not impaired and the underlying indebtedness of any such
10 outstanding general obligation bonds or notes is deemed to survive, whether or not
11 replacement or successor school administrative units are organized or established, and
12 any state subsidy with respect to those outstanding obligations or the relative portion of
13 those outstanding obligations to be paid or reimbursed by the State is not affected.

14 **2. Power to tax.** Until one or more school administrative units are organized or
15 established to replace or succeed a former school administrative unit as described in
16 subsection 1 and assume the outstanding bonds or notes issued by such former school
17 administrative unit, all taxable property located in the municipalities that were members
18 of that former school administrative unit is subject to ad valorem taxation to pay the
19 underlying indebtedness of the bonds or notes issued by the former school administrative
20 unit to the same extent as that taxable property was subject to ad valorem taxation in the
21 former school administrative unit and as if such bonds or notes remained outstanding.
22 Taxes to pay the underlying indebtedness of the outstanding bonds or notes of the former
23 school administrative unit as described in subsection 1 must be levied and collected by
24 the municipalities located in the former school administrative unit in the same manner as
25 the taxes of the municipalities. If one or more school administrative units are organized
26 or established to replace or succeed a former school administrative unit as described in
27 subsection 1, all taxable property located in the municipalities that were members of the
28 former school administrative unit and that are located within the replacement or successor
29 school administrative unit or school administrative units is subject to ad valorem taxation
30 to pay the underlying indebtedness of the bonds or notes of the former school
31 administrative unit to the same extent as that taxable property was subject to ad valorem
32 taxation in the former school administrative unit. Taxes to pay the underlying
33 indebtedness of the outstanding bonds or notes of the former school administrative unit as
34 described in subsection 1 must be levied and collected by the replacement or successor
35 school administrative unit in the same manner as the taxes of the replacement or
36 successor school administrative unit.

37 **3. Power to levy.** The holders of bonds and notes as described in subsection 1 retain
38 the right to levy on taxable property located in the former school administrative unit and
39 that taxable property is subject to Title 30-A, section 5701.

40 **4. Payment responsibility.** Until one or more school administrative units are
41 organized or established to replace or succeed a former school administrative unit as
42 described in subsection 1, the municipalities that were members of the former school

1 administrative unit shall pay the underlying indebtedness of the bonds or notes of the
2 former school administrative unit in accordance with their terms. As between the
3 municipalities that were members of the former school administrative unit, payment
4 responsibility for the underlying indebtedness of the bonds or notes of the former school
5 administrative unit must be allocated in proportion to the most recent state valuations of
6 those municipalities.

7 A school administrative unit or school administrative units organized or established to
8 replace or succeed a former school administrative unit as described in subsection 1 shall
9 pay the underlying indebtedness of the bonds and notes of the former school
10 administrative unit in accordance with their terms. As between replacement or successor
11 school administrative units of a former school administrative unit, payment responsibility
12 for the underlying indebtedness of the bonds or notes must be allocated based upon the
13 most recent state valuations of the municipalities that are located in each of the
14 replacement or successor school administrative units and that were members of the
15 former school administrative unit.

16 Nothing contained in this subsection may be construed to prohibit the organization or
17 establishment of a school administrative unit or school administrative units that replace or
18 succeed a former school administrative unit from employing a different method of
19 allocating payment responsibility for the underlying indebtedness of the bonds or notes
20 described in subsection 1.

21 **SUMMARY**

22 This bill provides that the rights of bondholders or noteholders may not be impaired
23 in the event that legislation is enacted that dissolves a school administrative unit with
24 outstanding indebtedness or in the event that the laws pursuant to which a school
25 administrative unit, with outstanding indebtedness is organized and exists are repealed.

Date: 6-11-09

(Filing No. S-346)

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE
SENATE
124TH LEGISLATURE
FIRST REGULAR SESSION

SENATE AMENDMENT "A" to S.P. 572, L.D. 1493, Bill, "An Act To Clarify the Rights of Bondholders and Noteholders in the Event a School Administrative Unit with Outstanding Bonds or Notes Is Dissolved or Is No Longer Authorized by Law"

Amend the bill by inserting after the title the following:

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

Whereas, unless this measure is enacted as emergency legislation, the rights of bondholders or noteholders of school administrative units are subject to potential risk; 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,'

Amend the bill by adding before the summary the following:

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

SUMMARY

This amendment adds an emergency preamble and emergency clause to the bill.

SPONSORED BY:

(Senator ALFOND)

COUNTY: Cumberland