

MAINE STATE LEGISLATURE

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STATE OF MAINE

ONE HUNDRED AND SEVENTH LEGISLATURE

LOCAL AND COUNTY GOVERNMENT

February 25, 1976

Legislative Council
107th Legislature
State House
Augusta, Maine 04333

Gentlemen:

In accordance with H.P. 1739, directing the Committee on Local and County Government to study "AN ACT to Incorporate Frye Island Village Corporation", L.D. 1652, we enclose herein the final report and implementing legislation of the Committee.

Respectfully submitted,

A handwritten signature in cursive script, reading "Phillip C. Jackson", written over a horizontal line.

Senator Phillip Jackson

A handwritten signature in cursive script, reading "C. Everett Dam", written over a horizontal line.

Representative C. Everett Dam

enclosure
JH/sym

MAY 20 1986

REPORT OF THE COMMITTEE ON
LOCAL AND COUNTY GOVERNMENT

STUDY OF "AN ACT TO INCORPORATE
FRYE ISLAND VILLAGE CORPORATION"

L.D. 1652

Senate

Philip C. Jackson, Chairman
Linwood E. Graffam
Roland J. Carbonneau

House

C. Everett Dam, Chairman
Georgette B. Berube
Michael E. Carpenter
James S. Henderson
Antoinette C. Martin
Peter P. Truman
Vaughan A. Walker
Glenys W. Berry
Dorothy S. Kelley
Wayne C. Gray

Legislative Assistant

Jonathan Hull

INTRODUCTION

During the Regular Session of the 107th Legislature, the Local and County Government Committee considered L.D. 1652, "AN ACT to Incorporate Frye Island Village Corporation", sponsored, by request, by Representative Richard Spenser of Standish. The bill was given a public hearing and granted "Leave to Withdraw" by the Committee, because at the public hearing all interested parties agreed that further consideration was required. The Committee, through the House Chairman, Representative C. Everett Dam of Skowhegan, introduced a study order to allow further study of the problem. The Study Order, H.P. 1739 (a copy of which is attached) was passed by the Legislature. The Committee then undertook a study of the problem on Frye Island, and possible solutions.

REPORT

Frye Island is an island in Sebago Lake, within the municipality of Standish, that has been developed for seasonal residency by Leisure Living Inc., through its wholly owned subsidiary Frye Island Estates Inc.. As part of the contracts and deeds that the Corporation and individual purchasers signed, the purchasers agreed to pay \$96. per year in return for certain services. The Corporation agreed in return to provide general services, including ferry service to the Island, police services, utilities, water, roads, docks, beaches, public buildings and recreational privileges and services. The Corporation did undertake to provide some of these services, most importantly, the ferry service to the mainland. Be-

cause of various legal and economic problems, the Corporation encountered serious financial difficulties several years ago, and informed residents of the Island in 1974 that the Corporation would shortly be unable to provide these public services. The Town of Standish was, and still is, unwilling to take on the financial responsibility of providing these special services to a small seasonal proportion of its population. Thus, the Islanders proposed the formation of a Village Corporation on the Island to provide these services, and drafted and presented such a bill to the Regular Session (L.D. 1657, copy attached). During the hearing on this bill, numerous objections were raised to the particular provisions of the charter, especially as to the scope of authority granted to the Village Corporation. More important, however, were objections to the appropriateness of incorporating the Island as a Village. All parties testifying at the hearing agreed that further consideration and study was warranted, in order to draft a mutually satisfactory solution.

Beginning in August, the Committee held a series of working sessions in Augusta to develop further information on and understanding of the financial problems of Leisure Living Inc., the needs of Island residents, the problems foreseen by the Town of Standish, and various possible solutions. To better grasp the nature of the problem, the Committee held a public hearing on Frye Island on August 28th, 1975, at which many Islanders were heard from, as well as the Selectmen of Standish and the President and attorney of Leisure Living Inc.. As a result of the working sessions and the public hearing, the following stated interests of

each party involved became clear:

1. Leisure Living Inc.

- A. Complete removal of obligations to provide Island services; and
- B. Legal absolution of responsibility, by contracts and turn-overs to a new corporation of present obligations.

2. Town of Standish

- A. No reduction in property tax revenues from the Island, present or future;
- B. No limitation in present municipal authority on the Island; and
- C. No potential for future rivalry between Town and Island corporation as to authority or powers.

3. Frye Islander's Corporation

- A. Provision and control of "municipal" services by Island residents through a quasi-governmental corporation;
- B. Taxing power, to enable compulsory assessment against property owner's, and enforced collection;
- C. Privacy, by restricting access to the Island to property owner's, their families, tenants, and guests;
- D. Continuation of the present \$96 service charge against property owners and contracted buyers;
- E. Provision and control of "social" services through private, voluntary corporations;

- F. No reduction in Town tax levies, except that property held by quasi-governmental corporation to be tax-exempt;
- G. Quasi-governmental corporation to have power to levy user service charges for services provided; and
- H. A rapid resolution of this problem.

At this point, the parties again expressed a strong interest in continuing negotiations among themselves to resolve these interests in a mutually agreeable manner, to which the Committee agreed. However, the Committee also continued its own study, particularly in examining alternatives to a Village Corporation. As part of this continuing examination of alternatives the Committee requested opinions of the Attorney General on several specific points. (Copy of requests and responses attached.) The responses narrowed many of the choices open to the Committee.

In October the Committee received and discussed a draft proposal for a "Frye Island Municipal Service District", which purported to be the result of negotiations between the interested parties. After careful and thorough analysis of the draft proposal, the Committee drafted its own proposal, incorporating the details the Committee agreed were necessary, the points raised by the Attorney General's opinions and the stated requirements of the parties, with appropriate adjustments for the evident conflicts. After reviewing and discussing all elements of the Committee proposal, the Committee sent copies to all interested parties and held a public hearing on the proposal on January 13, 1976. During this second public hearing, it became obvious that there were still disagreements among the parties that were not resolved by the Committee

proposal. Thus the Committee and committee staff discussed specific parts of the proposal with the parties and noted their particular objections and suggestions.

After discussion with the parties, the circulation of an amended proposal, and allowance for time to respond, the Committee met again on February 12, 1976 to make its final proposal. After discussion and review of the amended draft, the Committee voted unanimously to submit the bill to the Special Session. (Copy attached.)

The bill the Committee recommends seeks to meet the basic problem of the Islanders, by creating a quasi-municipal governmental unit, the Frye Island Municipal Services Corporation, on the Island to provide the necessary services. The two key characteristics of this proposal are:

- 1) that the Island property owners control the municipal services corporation; and
- 2) that the Corporation have taxing powers.

The Committee believes that it is imperative that those who are to receive the services of the Corporation and pay the taxes for its operation should control it. As all but one of the Island property owners are not residents nor voters in Standish, the municipality or an agency of the municipality would not necessarily be subject to their needs or direction. Thus the municipality or an agency of it would not be an appropriate vehicle for providing these services, and an independent quasi-municipal corporation, with voting power vested in Island property owners would be appropriate. However, to avoid conflict with the municipality or

encroachment on the rights of the voters of Standish, the Committee rejected the traditional form of a Village Corporation and any obligatory transfer of municipal tax revenues to the Island. Thus the Corporation will be controlled by Island property owners, but will have little or no impact on the voters of the municipality without their consent. (A provision is included to allow the transfer of municipal revenues of Standish if the Town appropriates such money to the Island.)

The Committee also believes that the Corporation must have the ability to raise revenues, either through general taxation or user service charges, or a combination of both. Any weaker method of raising revenue, such as relying on voluntary contributions, would subject the Corporation to arbitrary and erratic revenue raising methods. Thus the bill empowers the Corporation, by action of the voters, to impose an "overlay" tax on Island property, and also empowers the Trustees of the Corporation to fix rates, fares or charges for the ferry, water, sewer or refuse disposal facilities. These powers will allow those who pay the authority to determine the taxes or to elect those who determine the user charges. Furthermore, the general tax revenues raised by Standish on the Island will not be depleted or interfered with by the actions of the Corporation.

Because of the unusual nature of the seasonal occupancy of the Island, the Committee included several protective devices in the bill, to prevent a small portion of Island voters from abusing the powers granted to the Corporation. Chief among these protec-

tive devices are: the set time for the annual meeting date, the first Saturday in July, when occupancy is highest; the stringent requirements for the holding of a special meeting; the limitations on permissible debt or reserves; the requirements for eligibility to vote; and the method of adopting the charter. The Committee believes that these limitations are not unduly burdensome on the operation of the Corporation and provide protection of all the Corporation's voters from arbitrary abuse.

The Committee also provided that the Assessors of Standish do the assessing of the Island taxes, to conform with current statutes and avoid unnecessary duplication, but provided that the Corporation would levy and collect the taxes, to avoid burdening the Town.

The Committee believes that this draft represents a compromise between the conflicting interests of the parties, while providing a viable mechanism to solve the problems of the Island property owners. The Committee recognizes that Maine's history is replete with long-standing and acrimonious feuds between certain municipalities and village corporations within their boundaries. Thus, the Committee avoided creating a village corporation for the Island and did not include several elements and powers that have historically been potential sources of conflict. The Municipal Services Corporation created in this charter has severely restricted powers, with detailed provisions governing their exercise; and thus will not be able to encroach on either the authority of Standish nor on the rights of Island property owners. However, the Corporation will provide the municipal services that are necessary on the Island, and that Leisure Living Inc. can no

longer provide. Under this Charter, the Islanders will be able to provide these services for themselves and directly control their direction and cost.

enclosures

- (1) Study Order H.P. 1739
- (2) L.D. 1652
- (3) Attorney General's opinions
- (4) Bill, "AN ACT to Incorporation Frye Island Municipal Services Corporation"

STATE OF MAINE

7011.1

In House

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WHEREAS, some developers of recreational areas are experiencing difficulties in providing contractual services to purchasers within their subdivisions; and

WHEREAS, such contractual services are similar in nature to services normally provided by municipalities; and

WHEREAS, providing such services would constitute an undue burden upon municipalities and municipal taxpayers and in some cases cannot be provided by municipalities; and

WHEREAS, legislation has been prepared to provide an adequate substitute whereby the purchasers could adopt a limited form of village corporation or service district so that the purchasers could equitably fund and provide such services for themselves without burden to the municipalities involved; and

WHEREAS, legislation in the form of L.D. 1652, "AN ACT to Incorporate Frye Island Village Corporation" as introduced at the regular session of the 107th Legislature was not considered to be adequate to meet the problems posed; and

WHEREAS, the Legislature feels these matters are deserving of additional study; now, therefore, be it

ORDERED, the Senate concurring, that the Legislative Council be authorized, through the Joint Standing Committee on Local and County Government, to study the subject matter of the bill, "AN ACT to Incorporate the Frye Island Village Corporation," H.P. 1316, L.D. 1652, as introduced at the regular session of the 107th Legislature and to study such other means and methods of solving the ^{above} problems as may be necessary to

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determine whether or not the interests of the State would be served by the enactment of such legislation; and be it further

ORDERED, that the Council report the results of its findings, together with any proposed recommendations and final drafts of necessary implementing legislation, to the next special or regular session of the Legislature; and be it further

ORDERED, upon passage in concurrence, that suitable copies of this Order be transmitted to said Legislative Council, the Joint Standing Committee on Local and County Government and each of the counties of this State, as notice of this directive.

Read out
Rules Suspended
IN SENATE CHAMBER
TABLED BY SEN. SEN. SPEERS
OF OF

JUN 19 1975

PENDING: *Passage*
HARRY N. STARBRANCH, SECRETARY

HP1739

Name:

(Dan) [Signature]

Town: Skowhegan

HOUSE OF REPRESENTATIVES
READ AND PASSED
JUN 19 1975

[Signature]
CLERK

SENT UP FOR CONCURRENCE

ORDERED SENT FORTHWITH

ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1652

H. P. 1316

House of Representatives, April 3, 1975

Speaker laid before the House and on Motion of Mr. Dam of Skowhegan, referred to Committee on Local and County Government. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Spencer of Standish, By Request.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT to Incorporate the Frye Island Village Corporation.

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

Sec. 1. Territory of Frye Island Village Corporation defined. So much of the territory of the Town of Standish, in the County of Cumberland, as is bounded and described as follows, to wit: Frye Island, so-called in Sebago Lake, together with the inhabitants residing therein and the owners of real estate therein, be and the same is hereby created a body politic and corporate by the name of Frye Island Village Corporation.

Sec. 2. Power to raise money; debt. The corporation shall have the power, at any meeting called for the purpose, to raise such sums of money as may be necessary for construction, maintenance and repair of streets, highways, ferries, utilities including sewer and water, lighting, common areas, salaries and expenses of village government and such other expenses as from time to time shall be necessary and convenient.

To accomplish the purposes of this Act the corporation is authorized to borrow money temporarily and from time to time issue its bonds, notes or other evidences of indebtedness in such amounts and at such rates of interest and under such terms and conditions as the trustees shall determine; provided however, that the total outstanding indebtedness of said corporation shall at no time exceed the sum of \$100,000.

Sec. 3. Money raised to be assessed upon property. Any money raised by the corporation as herein provided, shall be assessed upon the real estate within the corporation's territory in the form of a service charge to be prorated upon the property owners.

Sec. 4. Service charge levy. The clerk of the corporation shall seasonably file with the trustees a certificate setting forth the amount of money raised at any corporation meeting and it shall be the duty of the trustees to levy said amount on the real estate owners within the territory of said corporation and certify and deliver said levy to the corporation treasurer whose duty it shall be to collect such levies.

All service charge levies remaining unpaid on December 31st of any year shall be certified to the assessors of the Town of Standish and collected in the manner provided by the Revised Statutes, Title 30, section 4453. The proceeds thereof shall be paid over by the tax collector to the treasurer of the village corporation.

Sec. 5. Officers. The officers of the corporation shall consist of a clerk, 7 trustees, a treasurer and such other officers as may be provided for in the bylaws of said corporation. No officer of the corporation need be a resident of the territory of said corporation. Terms of office, not exceeding 3 years, shall be established by said bylaws and all officers shall be sworn by the clerk or any person authorized to administer oaths of office.

Sec. 6. Bylaws and ordinances. The said corporation, at any legal meeting thereof, called for the purpose, may adopt such bylaws and ordinances, not inconsistent with the laws and Constitution of this State, as they may deem expedient and necessary for the better government and regulation of the municipal affairs within said corporation, in which case such bylaws and ordinances so adopted, shall extend to said corporation as fully, to all intents and purposes as the other provisions of this Act.

In the event of a conflict of the provisions of any ordinance or bylaw with ordinances of the Town of Standish, the provisions of the more stringent ordinance shall prevail.

Sec. 7. Meetings of corporation. All the meetings of said corporation after the first shall be notified by warrant of the trustees, notices of which shall be posted in 2 conspicuous public places within its limits, 7 days prior to the meeting, which notices shall state the time, place and object of said meeting.

Sec. 8. Acceptance of charter within 5 years. This charter may be accepted at any time within 5 years from the date of its approval by the Governor, and its rejection in any calendar year during the time aforesaid shall not prevent its acceptance in any later calendar year during the time aforesaid; but only one meeting to vote thereon shall be held in any one calendar year. William Schumacher, Donald Theriault and Joseph Earnhardt, or any one of them, may call all meetings for the acceptance of this charter, by such notification as is required under the provisions of section 7; and all meetings subsequent to the acceptance of this charter shall be called and notified by the trustees of said corporation as provided under section 7 hereof.

Sec. 9. Legal voters. Every person, not an alien, owning real estate subject to a service charge levy within the limits of this corporation and 18 years of age or older shall have the right to vote.

Sec. 10. Procedure for acceptance of charter. At any meeting prescribed in section 8 the legal voters shall elect a moderator and a clerk, both of whom shall be sworn by a notary public or justice of the peace for the faithful discharge of their duties and thereupon said meeting shall proceed by ballot to vote on the question of accepting this charter, and if a majority of all the legal voters present and voting at said meeting shall vote in favor of its acceptance then it shall take effect and said corporation may immediately after said vote is declared, proceed to the adoption of bylaws and election of officers as provided in sections 5 and 6.

Due certificate thereof shall be filed in the office of the Secretary of State.

STATEMENT OF FACT

This bill provides further incorporation of the Frye Island Village Corporation in the Town of Standish in Cumberland County.

JOSEPH E. BRENNAN
ATTORNEY GENERAL



JOHN W. BENOIT, JR.
RICHARD S. COHEN
MARTIN L. WILK
DEPUTY ATTORNEYS GENERAL

STATE OF MAINE
DEPARTMENT OF THE ATTORNEY GENERAL
AUGUSTA, MAINE 04333

November 12, 1975

Honorable Philip C. Jackson
Senate Chairman
Committee on Local and County Government
Main Street
Harrison, Maine 04040

Honorable C. Everett Dam
House Chairman
Committee on Local and County Government
102 Beech Street
Skowhegan, Maine 04976

Gentlemen:

Thank you for your inquiry regarding Maine Village Corporation.

You ask:

1. May a quasi-municipal public corporation, such as a village corporation or municipal services district, which undertakes to provide and maintain roads and ferry services, restrict the use of the facilities to members of the corporation (i.e., bar their use by the general public)?

No. A village corporation or service district, such as your letter contemplates, is a political subdivision of the State with powers and duties of a town. It may not use such public power for private advantage. Although a municipality may restrict access to its dumps, beaches and parks to its own residents, a village corporation or a municipal services district may not restrict use of municipal facilities to members of the corporation or district to the exclusion of all other municipal residents. See Attorney General's Opinion, February 2, 1966; 30 M.R.S.A. § 5401, *et seq.*; and McQuillan Municipal Corporations, Vol. 2, § 4.139 and Vol. 10, § 30.40; Municipal Corporations, 56 Am. Jur.2d 13-15 at 79-81. Further, restriction of public facilities for private use may impede an individual's constitutional right to travel.

Hon. Philip C. Jackson
Hon. C. Everett Dam
Page 2
November 12, 1975

2. May the charter for a special municipal services district, not in the form of a village corporation, provide for voting rights and participation in control by nonresident owners of property served by such corporation? Yes. The voting rights of a special municipal services district, like the village corporation, may be extended to nonresident property owners; however, any expression of voting rights to be effective must be included in the proposed charter and approved by the Legislature. See Constitution of Maine, Art. IV, Part Third, § 14, and, for an example of a voting rights charter provision, c. 108, § 11, P. & S.L. of 1917, "AN ACT to Incorporate the Birch Point Village Corporation."

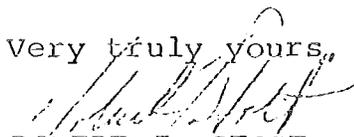
3. May the charter for a village corporation or municipal services district provide for voting rights by persons under contract to purchase property served by such corporation in the election to adopt such charter? Yes. The legal voters for adoption of the charter are those defined as legal voters by the charter. They may include persons residing in the village or district area, persons in possession or entitled to possession of property as well as owners of property. See Constitution of Maine, Art. IV, Part Third, § 14.

4. May the charter for a village corporation or municipal services district provide the same voting rights to a person under contract to purchase property served by the corporation as it may to deeded property owners? Yes. The right to vote may be premised upon possession or right of possession as well as ownership. For example, see c. 108, § 11, P. & S.L. of 1917, "AN ACT to Incorporate the Birch Point Village Corporation." See also Constitution of Maine, Art. IV, Part Third, § 14.

5. May the charter for a village corporation or municipal services district restrict the voting rights of property owners to allow only natural persons that right? Yes. The right to vote is by its very nature restricted to natural persons. A legal voter is a citizen vested by law with the right to vote. The charter for a village corporation restricts the right to vote to natural persons by not conferring that right upon artificial persons, i.e., corporations. See Elections, 29 C.J.S. §§ 1 and 2 at 22, 29-33.

6. May any property assessment levied by a village corporation or municipal services district be assessed against improved property, and not against unimproved property? No. Assessment must be made against each type of property according to its just value. See 36 M.R.S.A. § 701-A for definition of just value.

Very truly yours,


ROBERT J. STOLT

Assistant Attorney General

JOSEPH E. BRENNAN
ATTORNEY GENERAL



RICHARD S. COHEN
MARTIN L. WILK
DEPUTY ATTORNEYS GENERAL

STATE OF MAINE
DEPARTMENT OF THE ATTORNEY GENERAL
AUGUSTA, MAINE 04333
February 12, 1976

The Honorable Philip C. Jackson ✓
Senate Chairman
Committee on Local and County Government
State House
Augusta, Maine 04333

The Honorable C. Everett Dam
House Chairman
Committee on Local and County Government
State House
Augusta, Maine 04333

Gentlemen:

Recently your committee posed two questions regarding village corporations:

First, you asked whether a village corporation may be given authority "to levy a base charge upon owners of lots . . . in an amount not to exceed \$96 per annum," such charge to apply in an equal amount to all lots regardless of value?

The Legislature may not give a village corporation authority to levy a flat assessment upon owners of lots regardless of the value of the lot. Article IX, Section 8, of the Constitution of Maine requires that "all taxes upon real and personal estate, assessed by authority of this State, shall be apportioned and assessed equally, according to the just value thereof. . . ." A village corporation must make its assessments, where it has been given assessment authority by the Legislature, in the same manner as is provided by law for assessment of state, municipal and county taxes. See City of Auburn v. Paul, 84 Me. 212 (1892) and Frank v. Assessors of Skowhegan, Me., 329 A.2d 167.

Second, you asked whether the charter for a village corporation may authorize but not require the municipality in which the corporation is located to return to the village corporation, for its use, any or all tax revenues raised by the municipality within the corporation limits?

The charter of a village corporation may contain a provision which authorizes the municipality in which the corporation is located to voluntarily return to the village corporation, for its use, any or all of the tax revenues raised by the municipality within the corporation limits.

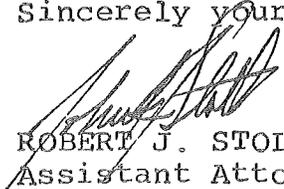
A voluntary revenue sharing provision inserted in a village corporation charter should limit the tax revenues returned to less than 100% and specify the purposes for which the revenue may be expended. A 100% return would relieve the village of the costs of assessment and collection, thus placing a non-recoverable and unjustifiable expense upon the municipalities' taxpayers living outside the limits of the corporation. The failure to specify the purpose for which the revenues may be expended may result in frivolous spending by the village corporation without providing essential services; unnecessary duplication of services by the village corporation and the municipality; and, lack of relief to the municipality from responsibility for specific municipal burdens within the village area which are normally supported by the tax revenue returned to the village corporation. I recommend that you examine the appropriations sections of the charters of existing village corporations, such as c. 108, §§ 2-6, P. & S.L. 1917, "An Act to Incorporate Birch Point Village Corporation," before approval of any new village corporation. Although those sections provide for limited mandatory return, they are excellent examples of the considerations involved in municipal-village corporation revenue sharing.

Third, you asked whether a charter containing the voluntary revenue sharing provision contained in question 2 would create any legal precedent; and, if so, what would be the effect of that precedent?

I defer answer to your third question as I am unable to construe the precedential effect of your proposal at this time.

If I may be of further assistance in this matter, please feel free to contact me.

Sincerely yours,


ROBERT J. STOLT
Assistant Attorney General

AN ACT to Incorporate the Frye Island Municipal Services Corporation

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

Whereas, the corporation presently providing common services to the summer residents living on Frye Island in Sebago Lake is in serious financial difficulty and no longer able to provide such services; and

Whereas, the municipality of Standish is also unable to provide these necessary services; and

Whereas, the summer residents of Frye Island are unable to finance these services on a voluntary basis; and

Whereas, the majority of residents are only present during July and August, and have no means of providing for services during the approaching summer; and

Whereas, in the judgement 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.....

Sec. 1. TERRITORY OF FRYE ISLAND MUNICIPAL SERVICES CORPORATION DEFINED.

So much of the territory of the Town of Standish, in the County of Cumberland, as is bounded and described as follows, to wit: Frye Island, so called in Sebago Lake, together with the inhabitants residing therein and the owners of real estate therein, be and the same is hereby created a body politic and

corporate by the name of Frye Island Municipal Services Corporation.

Sec. 2. OFFICERS. The officers of the corporation shall be legal voters of the corporation, and shall consist of a clerk, seven trustees, a treasurer and such other officers as may be provided for in the bylaws of the corporation. No officer of the corporation need be a resident of the territory of the corporation. The clerk of the corporation shall provide a current mailing address to the Secretary of State. The Treasurer of the corporation shall give bond to the corporation in such sums as the trustees may direct, which bond shall be approved by the trustees and recorded by the clerk. Terms of office, not exceeding three years, and compensation, if any, shall be established by the bylaws of the corporation. All officers shall be sworn by the clerk or any person authorized by law to administer oaths of office.

Sec. 3. BYLAWS. The corporation, at any legal meeting thereof, called for the purpose, may adopt bylaws, not inconsistent with the laws and Constitution of this State, as they may deem expedient and necessary for the better government and regulation of the municipal affairs within the corporation, in which case the bylaws so adopted, shall extend to the corporation as fully, to all intents and purposes as the other provisions of this Act.

Sec. 4. MEETING OF THE CORPORATION. The annual meeting of the corporation shall be held on the first Saturday of July in each year. Notice of the annual meeting shall be by warrant of the trustees, which shall state the time, date, place and object of the meeting, and shall be posted in two conspicuous

public places within the corporate limits seven days prior to the meeting. The trustees shall prepare and post as part of the warrant for the annual meeting a proposed annual budget for the corporation for the ensuing year.

A list of the legal voters shall be prepared by the clerk and shall also be posted by the trustees at the place of the annual meeting seven days prior to the meeting.

Special meetings of the corporation may be held at the call of the trustees, if notice by warrant of the trustees, including notice of the time, date, place and object of the meeting, is mailed to each legal voter at least fourteen days prior to the meeting, and if at least fifty-percent (50%) of the number of legal voters present and voting at the last annual meeting are present at the special meeting. Special meetings shall be held at a place within the corporate limits.

The trustees of the corporation shall determine who are the legal voters at any meeting and shall direct the clerk to prepare a list of such legal voters at least seven days prior to every meeting, which list the trustees may correct at any time before or during the meeting. The vote upon any proposition at any meeting shall be taken and checked by the voting list upon the demand of seven legal voters.

At all meetings of the corporation a moderator shall be chosen in the manner and with the same power as provided by law for town meetings.

Sec. 5. POWER TO RAISE MONEY: DEBT. The corporation is authorized and vested with the power, at any legal meeting called for the purpose, to raise the sums of money necessary for the following purposes: To construct, maintain and re-

pair roads, streets, ways, and sidewalks; to procure water for fire, domestic and other purposes, to provide or procure sewer and refuse disposal facilities, and to provide light for public use; to establish and maintain police and fire protection; to build, repair and maintain public wharves and landings; to purchase, maintain and operate ferries or boats for transportation from the Island to the mainland; to purchase, construct, maintain and repair such buildings and equipment as may be necessary or desirable for such purposes; to acquire by purchase or gift, and by deed, will, lease or otherwise title to real estate and personal property for the benefit of the corporation; to manage, operate, mortgage, sell lease and exchange real estate and personal property for the benefit of the corporation; to contract with any individual, firm, association or corporation to accomplish such purposes; and to pay salaries and expenses of the corporation.

The corporation is further authorized and vested with the power, at any legal meeting called for the purpose, to authorize the borrowing of money and issuing of bonds, notes or other evidences of indebtedness in such amounts as the vote of the legal voters of the corporation shall determine for the same purposes as are provided by law for borrowing of money and issuing of bonds, notes or other evidences of indebtedness by municipalities. The trustees of the corporation may determine the rates of interest and the terms and conditions of any such indebtedness, subject to the same limitations as are provided by law for the indebtedness of municipalities. Notwithstanding

any other provision of this Act or any other provision of law, the total outstanding indebtedness of the corporation shall at no time exceed the sum of one-hundred thousand dollars (\$100,000.).

Sec. 6. RESERVE FUND. The corporation may establish a reserve fund, not to exceed one hundred thousand dollars (\$100,000), for the same purposes and in the same manner as are provided by law for the reserve fund of a municipality.

Sec. 7. ASSESSMENTS LEVIED. All moneys which shall be raised by the corporation for purposes for which the corporation may lawfully raise money, except any fares, rates or charges fixed for the use of ferry, water, sewer or refuse disposal facilities, shall be assessed upon the taxable estates within the corporation's territory by the assessors of the town of Standish in the same manner as is provided by law for the assessment of town and county taxes. The trustees, in addition to the levy provided, may fix rates, fares or charges based on the use of ferry, water, sewer or refuse disposal facilities as they shall deem reasonable and expedient.

For all purposes of taxation under this Act, the person or persons entitled to the use or occupation of any lot of land within the limits of the corporation shall be deemed the owner thereof, and be taxed for the lot and the improvements, if any, thereon.

Sec. 8. ASSESSMENT AND COLLECTION. Upon a certificate being filed with the assessors of the town of Standish by the clerk of the corporation of the amount of money voted to be raised at any legal meeting of the corporation, it shall be the duty of the Standish assessors, or their successors in office, at the time of the next annual assessment of town and

county taxes in the town of Standish, to assess in addition thereto the total amounts certified by the clerk of the corporation, upon the taxable estates within the corporation's territory and to certify and deliver the lists of the assessments so made to the treasurer of the corporation. The treasurer of the corporation shall collect the assessments in the same manner as county and town taxes are collected by law. The treasurer of the corporation shall receive all moneys belonging to the corporation, pay it out only upon the written order or direction of the trustees, keep a regular account of all moneys received and paid out, and exhibit the account to the trustees whenever requested to do so.

The corporation shall have the same power to direct the method of collecting these taxes that a town has in the collection of town taxes; and the treasurer shall have the same rights and powers to recover any taxes committed to him under the provisions of this Act that a town tax collector has for the collection of town taxes committed to him. The corporation shall have the same right to recover by suit taxes assessed under this Act as a municipality has by law to recover taxes assessed therein.

Sec. 9. TOWN TAX PAYMENTS TO CORPORATION. The town of Standish may appropriate any sum to the corporation from the annual revenue raised by the town's taxation on the estates within the corporation's territory. Any sum so appropriated by the town shall be paid over to the treasurer of the corporation and shall be used and expended for its corporate purposes and duties. The town and corporation may agree that any moneys paid over to the corporation under this section shall release

the town from any other charges for the town services which would be provided and performed within the corporation except for such sum so appropriated by the town, and shall release the corporation from liability for any other charge by the town to provide these same services.

Sec. 10. LEGAL VOTERS. Every person, 18 years of age or older and not an alien, entitled to the use or occupation of any lot of land within the limits of the corporation, and deemed the owner of the lot for the purpose of taxation by the corporation shall have the right to vote, provided, however, that where a lot of land is owned by two or more persons only one shall be a legal voter and such persons may agree in writing filed with the trustees which of the owners is to be the legal voter at any meeting of the corporation, and that in no case shall the ownership of more than one tract, parcel or lot of land entitle the owner or owners thereof to more than one vote at any meetings of the corporation.

Sec. 11. ACCEPTANCE OF CHARTER WITHIN 5 YEARS. This charter may be accepted within 5 years from the date of its approval by the Governor, and its rejection in any calendar year during the time aforesaid shall not prevent its acceptance in any later calendar year during the time aforesaid; but only one meeting to vote thereon shall be held in any one calendar year. William Schumacher, Donald Theriault and Joseph Earnhardt, or any one of them, may call all meetings for the acceptance of this charter, by written notice of the time, date, place and object of the meeting to each person who may be entitled to vote under section 10 at least 30 days prior to the meeting, and by the notification requirements for an annual meeting under

section 4. The written notice shall include a copy of this charter and an application for an absentee ballot in the form prescribed by law for municipal elections. On return of a properly completed application for an absentee ballot, an absentee ballot in the form and manner prescribed by law for municipal elections shall be sent.

Sec. 12. PROCEDURE FOR ACCEPTANCE OF CHARTER. Any meeting for the adoption of this charter shall be in session at a convenient place on the Island between the hours of 10 a.m. and 4 p.m. for seven (7) consecutive days, holidays and Sunday included, beginning the first Saturday in July. Any of the persons named in section 11 is authorized to preside until the meeting is organized and until a moderator and clerk shall be chosen in the manner and with the same power as provided by law for town meetings, and shall carry out the procedures and duties required under this section. The moderator may employ such number of ballot clerks as may be necessary to carry out the duties herein, and such ballot clerks shall be duly sworn. After the election and swearing of the moderator and clerk, the meeting shall proceed by ballot to vote on the question of accepting this charter. The ballot question shall be: "Shall the Act to Incorporate the Frye Island Municipal Services Corporation, passed by the 107th Legislature, be accepted?" At the end of the session, all ballots, including absentee ballots, shall be counted and reported, and if a majority of all the legal voters voting at said meeting or by absentee ballot shall vote in favor of accepting the charter, then it shall take effect. After the vote is declared in favor of acceptance, the corporation may immediately proceed to hold its annual meeting without

further notice, notwithstanding the provisions of sec. 4, and may adopt bylaws and elect officers as provided in sections 2 and 3.

Certification of the acceptance of the corporation shall be filed by the clerk in the Office of the Secretary of State.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved for the purpose of calling a meeting or meetings of the corporation for the purpose of voting upon the acceptance of this charter, and whenever this charter shall be accepted by a majority of the voters of the corporation at a legal meeting called for that purpose, then the charter shall take and have complete effect in all its parts.

STATEMENT OF FACT

The purpose of this bill is to create the Frye Island Municipal Services Corporation on Frye Island in Sebago Lake. The usual municipal services on the Island, including ferry service to the mainland, is presently provided by the corporation that developed the Island, Frye Island Estates Inc., a subsidiary of Leisure Living Inc.. However, the corporation is presently in serious financial difficulty and probably cannot continue to provide these services. The municipality of Standish, of which Frye Island is a part, is also unable to provide the necessary services. Thus, the Municipal Services Corporation is the only means of providing these services to the island residents.