

# MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION  
(EMERGENCY)

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ONE HUNDRED AND SECOND LEGISLATURE

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**Legislative Document**

**No. 1723**

S. P. 685

In Senate, January 17, 1966

The Committee on Appropriations and Financial Affairs suggested.

EDWIN H. PERT, Secretary

Presented by Senator Stern of Penobscot.

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**STATE OF MAINE**

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SIXTY-SIX

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**RESOLVE, Providing Funds for Urban Planning.**

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

Whereas, the current funds in the urban planning assistance account (No. 7715) administered by the Department of Economic Development are not adequate to encumber contracts for planning work now in progress on behalf of Maine communities and regions; and

Whereas, it is anticipated that arrangements for state planning work as directed by the 102nd Legislature to be carried out by the Advisory Council to the Department of Economic Development will be initiated shortly and that such planning work will require federal assistance, for which working capital funds are not adequate; 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

**Urban planning appropriation. Resolved:** That there is appropriated from the General Fund the sum of \$200,000 to be used by the Department of Economic Development as working capital to finance joint local-state-federal planning assistance programs, pending receipt of federal disbursements which would replace state funds advanced to initiate such programs. This appropriation shall not lapse but shall remain a continuing carrying account until the Legislature

shall determine that it is no longer necessary to carry out the responsibilities of the department.

**Emergency clause.** In view of the emergency cited in the preamble, this resolve shall take effect when approved.

### STATEMENT OF FACTS

The Department of Economic Development as authorized by statute is required to assist municipalities and organized planning regions and to engage in state planning. Such activity may be undertaken with financial participation by the Federal Government, the State and/or municipalities (either individually or as members of a regional planning body). The relevant federal legislation is Section 701 of the Housing Act of 1954, as amended.

As this program is administered by the Department, written agreements are executed between the Department and the U. S. Government, between the Department and the municipalities and regions involved, and between the Department and private consulting firms which will execute any phase of the planning program. State of Maine accounting regulations require that these latter contracts with the consulting firms cannot be encumbered until the entire cash amount of the contract is in hand.

Federal procedures, however, require that local and state funds be available before full planning operations begin and, in addition, the federal share of such programs (two-thirds, or in some instances up to three-quarters of total costs) is only payable in three progress payments as the work is completed. It is, therefore, necessary for the State to finance temporarily the federal share until such time as the federal share is received back in the account. For several years a temporary solution to this situation has been accomplished by an advance of \$67,510 from the Governor and Council Contingent Account — a very unsatisfactory arrangement since periodic Council action is necessary to continue the use of the advance.

At this time, the balance in the urban planning account administered by the Department of Economic Development (Account No. 7715) is not adequate to encumber outstanding contracts for planning work currently in progress. This situation will cause undue delays in payment of bills presented by the planning consultants involved and will tend to reflect unfavorably on the credit of the State. In addition, federal authorization of additional planning programs is anticipated in the near future and there will be more contracts to encumber.

Passage of this resolve will permit return of the \$67,510 advance from the contingent account; the net result will mean that only \$132,490 will be drawn from the General Fund.