

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIFTH LEGISLATURE

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Legislative Document

No. 1634

H. P. 1180

House of Representatives, March 17, 1971

Referred to Committee on State Government. Sent up for concurrence and ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mr. Farrington of Old Orchard.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-ONE

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AN ACT Amending the Municipal Industrial and Recreational Obligations Act.

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

Sec. 1. R. S., T. 30, § 5325, sub-§§ 1, 2, 4, 6 and 7, amended. Subsections 1, 2, 4, 6 and 7 of section 5325 of Title 30 of the Revised Statutes, as enacted by section 1 of chapter 423 of the public laws of 1965, are amended to read as follows:

1. **Revenue-producing industrial-commercial, service or recreational facilities.** To acquire, construct, reconstruct, renew, **preserve** and replace industrial and recreational projects within or partly within the corporate limits of the municipality;

2. **Securities.** To issue revenue obligation securities of the municipality as provided to pay the cost of such acquisition, construction, reconstruction, renewal, **preservation** or replacement;

4. **Acquisition of property.** The municipal officers are authorized and empowered to acquire from funds provided under the authority of this chapter such lands, structures, property, rights, rights-of-way, franchises, easements and other interests in lands, including lands lying under water and riparian rights, which are located within the State as it may deem necessary or convenient for the construction or operation of any industrial-commercial, **service** or recreational project, upon such terms and conditions as they shall deem reasonable and proper, and to dispose of any of the foregoing in the exercise of its powers and the performance of its duties ~~hereunder~~ under this chapter;

6. **Federal contracts.** To enter into contracts with the Government of the United States or any agency or instrumentality thereof, or with any other municipality providing for or relating to the revenue-producing industrial-commercial, service or recreational facility;

7. **Federal aid.** To accept from any authorized agency of the Federal Government loans or grants for the planning, construction, preservation or acquisition of any revenue-producing industrial-commercial, service or recreational facility and to enter into agreements with such agency respecting any such loans or grants, and to receive and accept aid and contributions from any source of either money, property, labor or other things of value, to be held, used and applied only for the purposes for which such loans, grants and contributions may be made; and

Sec. 2. R. S., T. 30, § 5326, sub-§§ 4 - 5, amended. Subsections 4 and 5 of section 5326 of Title 30 of the Revised Statutes, as enacted by section 1 of chapter 423 of the public laws of 1965, are amended to read as follows:

4. **Project.** "Project" means industrial-commercial, service ~~project~~ or recreational project as the context may permit or require.

5. **Cost.** "Cost" as applied to a revenue-producing industrial-commercial, service or recreational facility shall include the purchase price of any such facility, the cost of construction, the cost of all labor, materials, machinery equipment, the cost of improvements, the cost of all lands, property, rights, easements and franchises acquired, financing charges, interest prior to and during construction and, if deemed advisable by the municipal officers, for one year after completion of construction, cost of plans and specifications, surveys and estimates of cost and of revenues, cost of engineering and legal services, and all other expenses necessary or incident to determining the feasibility or practicability of such construction, administrative expense and such other expenses as may be necessary or incident to the financing ~~herein~~ authorized. Any obligation or expenses incurred by the State or the municipality in connection with any of the foregoing items of cost may be regarded as a part of such cost and reimbursed to the State or municipality out of the proceeds of revenue obligation securities issued under this chapter.

Sec. 3. R. S., T. 30, § 5326, sub-§ 6, additional. Section 5326 of Title 30 of the Revised Statutes, as enacted by section 1 of chapter 423 of the public laws of 1965, and as amended by section 1 of chapter 340 of the public laws of 1969, is further amended by adding a new subsection 6 to read as follows:

6. **Service project.** "Service project" means any building, structure, machinery, equipment or facilities, including transportation equipment or facilities, which may be deemed necessary for the operation of commercial support facilities, including but not limited to, administrative headquarters, research and development centers, data processing centers, educational facilities, engineering services centers and any other commercial support facilities together with all lands, property, rights, rights-of-way, franchises, easements and interests in land which may be acquired by the municipality for construction or operation of such project. Retail stores, personal service enterprises and

shopping centers are specifically excluded from consideration under this subsection.

Sec. 4. R. S., T. 30, § 5328, sub-§ 4, §§ A and D, amended. Paragraphs A and D of subsection 4 of section 5328 of Title 30 of the Revised Statutes, as enacted by section 1 of chapter 423 of the public laws of 1965, are amended to read as follows:

A. The project will make a significant contribution to the economic growth of the State, will prevent unemployment, or will preserve and strengthen existing industry;

D. In cases where it is proposed to relocate an industrial-commercial, service or recreational facility existing in the State, there is a clear economic justification for such relocation.

Sec. 5. R. S., T. 30, § 5329, sub-§ 5, amended. Subsection 5 of section 5329 of Title 30 of the Revised Statutes, as enacted by section 1 of chapter 423 of the public laws of 1965, is amended to read as follows:

5. Assistance. Maintain a close liaison with the Maine Industrial Building Authority and the Department of Economic Development and to provide assistance to municipalities to facilitate the planning and financing of industrial and recreational projects;

Sec. 6. R. S., T. 30, § 5331, sub-§ 1, amended. The first sentence of subsection 1 of section 5331 of Title 30 of the Revised Statutes, as enacted by section 1 of chapter 423 of the public laws of 1965, is amended to read as follows:

Upon receipt of the certificate of approval from the board as provided in section 5328, the municipal officers of any municipality are authorized to provide by resolution, at one time or from time to time, for the issuance of revenue obligation securities of the municipality for the purpose of paying the cost of acquiring, constructing, reconstructing, renewing, preserving or replacing any revenue-producing industrial or recreational facility project, provided no revenue obligation securities of a municipality shall be issued until the general purpose for which the securities are to be issued and the maximum principal amount of such securities to be authorized have been approved by ballot by a majority of the votes cast on the question and the number of votes cast is at least 20% of the total vote for all candidates for Governor cast in the municipality at the last gubernatorial election.

Sec. 7. R. S., T. 30, § 5332, amended. The 2nd sentence of section 5332 of Title 30 of the Revised Statutes, as enacted by section 1 of chapter 423 of the public laws of 1965, is amended to read as follows:

Such trust agreement or the resolution providing for the issuance of such securities may pledge or assign the revenues of the industrial or recreational project, and may contain such provisions for protecting and enforcing the rights and remedies of the security holders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the municipal officers in relation to the acquisition of property and the con-

struction, reconstruction, renewal, replacement and insurance of the project in connection with which such securities shall have been authorized, the rents to be charged, and the custody, safeguarding and application of all moneys.

**Sec. 8. R. S., T. 30, § 5333, amended.** The first paragraph of section 5333 of Title 30 of the Revised Statutes, as enacted by section 1 of chapter 423 of the public laws of 1965, is amended to read as follows:

Before the issuance of revenue obligation securities for paying the cost of any ~~industrial or recreational~~ project provision shall be made by leases or contracts which in the judgment of the board will be adequate to assure that the municipality will at all times have revenues sufficient:

**Sec. 9. R. S., T. 30, § 5336, amended.** Section 5336 of Title 30 of the Revised Statutes, as enacted by section 1 of chapter 423 of the public laws of 1965, is amended to read as follows:

**§ 5336. Remedies**

Any holder of revenue obligation securities issued under this chapter or of any of the coupons appertaining thereto, and the trustee under any trust agreement, except to the extent the rights given may be restricted by the resolution authorizing the issuance of such securities or such trust agreement, may, either by action, mandamus or other proceeding, protect and enforce any and all rights under the laws of the State or granted ~~hereunder~~ **under this chapter** or under such resolution or trust agreement, including the appointment of a receiver, and may enforce and compel the performance of all duties required by this chapter or by such resolution or trust agreement to be performed by the municipality, the municipal officers or by any officer thereof, including the collecting of rates, fees and charges for the use of the ~~industrial or recreational~~ project, and any such suit, action or proceeding shall be brought for the benefit of all the holders of such securities and coupons.

**Sec. 10. R. S., T. 30, § 5337, amended.** The first 2 sentences of section 5337 of Title 30 of the Revised Statutes, as enacted by section 1 of chapter 423 of the public laws of 1965, are amended to read as follows:

The municipal officers are authorized to provide by resolution for the issuance of revenue refunding securities of the municipality for the purpose of refunding any revenue securities then outstanding which shall have been issued under this chapter, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such securities, and, if deemed advisable by the municipal officers, for the additional purpose of constructing improvements, extensions, enlargements or additions of the revenue-producing ~~industrial or recreational~~ project in connection with which the securities to be refunded shall have been issued. The municipal officers are authorized to provide by resolution for the issuance of revenue obligation securities of the municipality for the combined purpose of refunding any revenue securities or revenue refunding securities then outstanding which shall have been issued under this chapter, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such securities, and paying all or any part of the

cost of acquiring or constructing any additional revenue-producing ~~industrial or recreational~~ project or part thereof, or any improvements, extensions, enlargements or additions of any revenue-producing ~~industrial or recreational~~ project.

**Sec. 11. R. S., T. 30, § 5340, amended.** Section 5340 of Title 30 of the Revised Statutes, as enacted by section 1 of chapter 423 of the public laws of 1965, is amended to read as follows:

**§ 5340. Leasehold interest taxable**

The leasehold interest of the lessee of any ~~industrial or recreational~~ project is subject to taxation in the manner provided for similar interests in Title 36, section 551.

**Sec. 12. R. S., T. 30, § 5341, amended.** Section 5341 of Title 30 of the Revised Statutes, as enacted by section 1 of chapter 423 of the public laws of 1965, is amended to read as follows:

**§ 5341. Purpose**

It is declared that there is a state-wide need for industrial-commercial, service and recreational projects to provide enlarged opportunities for gainful employment by the people and thus to insure the preservation and betterment of the economy of the State and the living standards and health of its inhabitants.

### STATEMENT OF FACT

The purpose of this Act is to authorize municipalities to assist under the Municipal Industrial and Recreational Obligations Act selected service enterprises and existing—as compared to new—business enterprises which are fundamentally sound but require a rearrangement of finances in order to preserve and strengthen an enterprise.

Recent studies show that nationwide employment in service industries has been growing at a more rapid rate than manufacturing employment and that this trend will accelerate in the future. In recent years this same trend has become apparent in Maine, and Maine should be prepared to encourage the development of selected service industries capable of bringing significant benefits to the State.

The preservation of selected fundamentally sound existing enterprises will further the overall objectives of economic development in the State through maintaining and improving the living standards and health and welfare of its inhabitants.