

MAINE STATE LEGISLATURE

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(EMERGENCY)
FIRST SPECIAL SESSION

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 2068

H. P. 1675

House of Representatives, January 2, 1974

Referred to the Committee on Public Utilities. Sent up for concurrence and ordered printed.

E. LOUISE LINCOLN, Clerk

Presented by Mr. Haskell of Houlton.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FOUR

**AN ACT Relating to Definition of Governmental Unit under
Maine Municipal Bond Act.**

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

Whereas, the definition of "governmental unit" in the Maine Municipal Bond Bank Act does not include corporations, all of the stock of which is owned by a city or town and which provide water, electric or sewer service or any combination thereof; and

Whereas, any such corporation by reason thereof is precluded from selling its bonds to the Maine Municipal Bond Bank and taking advantage of the favorable financing for governmental units which is available through participation in the Maine Municipal Bank; and

Whereas, it is desirable in the judgment of the Legislature that any such corporation, all of the stock of which is so owned by a city or town and which is engaged in providing water, electric or sewer services, should be permitted to participate in the Maine Municipal Bond Bank; 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:

R. S., T. 30, § 5163, sub-§ 7, amended. Subsection 7 of section 5163 of Title 30 of the Revised Statutes, as enacted by chapter 558 of the public laws of 1971, is amended by adding a new sentence at the end to read as follows:

For purposes of this Article, the term "quasi-municipal corporation" shall include a corporation, all of the stock of which is beneficially owned by a city or town and which provides water, electric or sewer service or any combination of such services.

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

STATEMENT OF FACT

The purpose of this bill is to enable any corporation, all of the stock of which is beneficially owned by a city or town, and which provides water, electric or sewer service, or any combination of such services, to sell its bonds to the Maine Municipal Bond Bank. On such corporation is Houlton Water Company, all of the stock of which for many years has been owned by the Town of Houlton. Houlton Water Company is engaged in providing water, electric and sewer services. By chapter 26 of the private and special laws of 1943, Houlton Water Company was duly declared to be "for all purposes of taxation a public municipal corporation", and by chapter 121 of the private and special laws of 1961 to be, so long as the beneficial interest in all of its authorized and issued stock was owned by the Town of Houlton, "a public instrumentality of the State of Maine performing an essential governmental function." However, it is not clear that Houlton Water Company would be considered a "governmental unit" as defined in the Maine Municipal Bond Bank Act.

Houlton Water Company has recently constructed a municipal sewage treatment and disposal plant with substantial state and federal aid, and desires to finance its share of the cost of the sewage treatment and disposal plant on as favorable terms as may be possible by the sale of its bonds to the Maine Municipal Bond Bank. Other corporations may be similarly situated.