

MAINE STATE LEGISLATURE

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(EMERGENCY)
FIRST SPECIAL SESSION

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 2326

H. P. 1835

House of Representatives, January 9, 1974

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

E. LOUISE LINCOLN, Clerk

Presented by Mr. Silverman of Calais.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FOUR

**AN ACT Relating to Conflicts of Interest in Municipal Contracts and
Proceedings Pursuant to the Securities Approval Act.**

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

Whereas, the control of pollution deriving from the operation of industrial facilities is essential and immediately necessary for the preservation of the public peace, health and safety and this Legislature has enacted the Municipal Securities Approval Act, constituting chapter 242 of Title 30 of the Revised Statutes, providing for the issuance of revenue obligation securities to pay the cost of acquisition, construction, reconstruction, renewal or replacement of industrial pollution control projects; and

Whereas, chapter 445 of the public laws of 1973 has repealed the provisions of subsection 4 of section 2251 of Title 30 of the Revised Statutes which established that, in the absence of actual fraud, no municipal official should be deemed to have a direct or indirect pecuniary interest in a question or in a contract merely because he is an officer, employee or stockholder of a private corporation, unless such official was directly or indirectly the owner of at least 10% of the stock of such corporation; and

Whereas, the provisions of said repealer will in certain municipalities prevent the effectuation of the purposes of the Municipal Securities Approval Act with respect to such pollution control projects and has thereby created an emergency in such municipalities; 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, § 5330, amended. Section 5330 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 21 of chapter 633 of the public laws of 1973, is further amended by adding at the end a new paragraph to read as follows :

In the absence of actual fraud, no municipal official shall be deemed to have or to have had a direct or indirect pecuniary interest in a question, proceeding or contract pursuant to or for the purposes of this chapter merely because he is an officer, employee or stockholder of a private corporation to which the question, proceeding or contract relates, unless the municipal official is directly or indirectly the owner of at least 10% of the stock of the private corporation.

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

STATEMENT OF FACT

This bill will allow communities such as Baileyville to complete industrial pollution control projects lawfully undertaken but which are currently suspended because of the effect of chapter 445 of the public laws of 1973.