

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

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Legislative Document

No. 989

H. P. 815

House of Representatives, March 7, 1975

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

EDWIN H. PERT, Clerk

Presented by Mr. Lynch of Livermore Falls.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-FIVE

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AN ACT Relating to Water Districts.

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

35 MRSA § 3211 is enacted to read:

§ 3211. Authority for taxation upon default

If there should be a default in the payment of the principal of, or interest on, any note, bond or other evidence of indebtedness issued by any water district created by special act of the Legislature, the trustees, directors or managing board of such district, shall, unless such default shall be cured, issue their warrant immediately thereafter, such warrant to be in form reasonably similar to that of the warrant used by the Treasurer of State for real estate taxes, to the municipality or municipalities which constitute the district. The assessors in each municipality shall assess the sum allocated to such municipality in such warrant for payment of such sum, upon the taxable estates within said municipality and shall commit their assessment to the constable or collector of said municipality, who shall have all authority, powers and duty to collect said taxes as is vested by law to collect state, county and municipal taxes. If the district is composed of more than one municipality, such allocation shall be made by the trustees on the basis of the proportion of the gross operating revenues of said district from the calendar year preceding the year in which said warrant is issued derived from services rendered to customers within said municipalities. Within 30 days after the date fixed by the municipalities on which their taxes are due, the treasurer of said municipality shall pay the amount of the tax so assessed to the treasurer of the district. Notwithstanding anything to the contrary herein, if the charter of any such district contains a different method of allocation, such latter method shall prevail.

## STATEMENT OF FACT

The purpose of this legislation is to reduce the interest rate on the debt of water districts throughout the State of Maine by granting to the districts the authority to assess a tax upon the residents of the district in the event that the district defaults in the payment of the principal or interest on any note or bond. The taxing authority could only be invoked in the event that a default occurred. In the event of a default, the treasurer of a district would issue a warrant to the municipal assessor to collect upon the taxable estates within the municipality a sum sufficient to pay the principal and interest upon the defaulted note or bond.