

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 220

S. P. 96

In Senate, February 1, 1977

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

MAY M. ROSS, Secretary

Presented by Senator Cummings of Penobscot.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

**AN ACT to Authorize the Transfer of all Assets and Liabilities of the
Newport Water District to the Town of Newport and the Dissolution of
the Newport Water District.**

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

Sec. 1. Town of Newport authorized to acquire property of Newport Water District. The Town of Newport is authorized, under the terms contained in this Act, to acquire all, but not less than all, of the plant, properties, assets, franchises, rights and privileges owned by the Newport Water District including, without limitation, all lands, buildings, waters, water rights, springs, wells, reservoirs, tanks, standpipes, mains, pumps, pipes, machinery, fixtures, hydrants, meters, services, tools, equipment and appliances used or useful in supplying water for domestic, commercial, industrial and municipal purposes. The consideration to be paid therefor shall be the assumption by the Town of Newport of all of the outstanding debts, obligations and liabilities of the Newport Water District, including, without limitation, the assumption by the Town of Newport of any outstanding notes or bonds of the Newport Water District that are due on or after the date of transfer.

Sec. 2. Newport Water District required to sell property to the Town of Newport. Newport Water District, a quasi-municipal corporation organized and existing pursuant to chapter 29 of the Private and Special Laws of 1975, shall sell, transfer and convey by appropriate instruments of conveyance, all, but not less than all, of its plants, properties, assets, franchises, rights and privileges, including without limitation, all lands, buildings, water rights, springs, wells, reservoirs, tanks, standpipes, mains, pumps, pipes, machinery, fixtures, hydrants, meters, services, tools, equipment and appliances used or useful in supplying water for domestic, commercial, industrial and municipal

purposes to the Town of Newport in consideration of the assumption by the Town of Newport of all of the outstanding debts, obligations and liabilities of the Newport Water District, including, without limitation, the assumption of any outstanding notes or bonds of the Newport Water District that are due on or after the date of transfer.

Sec. 3. Approval of Public Utilities Commission. The sale and transfer by the Newport Water District to the Town of Newport of its plant, properties, assets, franchises, rights and privileges, and the acquisition thereof by the Town of Newport and the assumption by the Town of Newport of all of the outstanding debts, obligations and liabilities of the Newport Water District pursuant to sections 1 and 2 hereof shall be subject to such approval of the Public Utilities Commission as may be required by applicable provisions of the Maine Revised Statutes, Title 35, Part 1.

Sec. 4. Contracts of Newport Water District assumed by the Town of Newport. All contracts between Newport Water District and any person, firm or corporation, relating to supplying water, which are in effect on the date of the transfer by Newport Water District to the Town of Newport shall be assumed and carried out by the Town of Newport.

Sec. 5. Act void unless property of Newport Water District is acquired. If the plant, properties, assets, franchises, rights and privileges owned by the Newport Water District shall not have been acquired by the Town of Newport pursuant to the provisions of this Act prior to January 1, 1978, then this Act shall become null and void on that date.

Sec. 6. Dissolution and termination of Newport Water District; pledge of revenues. If and when all debts, obligations and other liabilities of Newport Water District have been paid in full and discharged, or the holders or owners of all such debts, obligations and other liabilities which have not been paid in full and discharged have assented to the assumption thereof by the Town of Newport and to the novation and substitution of the Town of Newport as obligor in respect thereto in place of Newport Water District, the Clerk of Newport Water District shall file a certificate to that effect with the Secretary of State and the corporate existence of Newport Water District shall thereupon cease and terminate. Until the corporate existence of Newport Water District shall have ceased and terminated pursuant to this section, the gross revenues derived by the Town of Newport from the sale of water within the Town of Newport shall be applied first to the payment of expenses fairly allocable to the operation of the water system in said town and second to payment of debts, obligations and other liabilities of Newport Water District assumed by the Town of Newport pursuant hereto.

Referendum; effective date; certificate to Secretary of State. This Act shall be submitted to the legal voters of the Town of Newport at any regular meeting, or at any special meeting called and held for the purpose not later than January 1, 1978. Such special meeting shall be called, advertised and conducted according to the law relating to municipal elections; provided, however, that the registrar of voters shall not be required to prepare for posting nor the town clerk to post a new list of voters. For the purpose of registration of voters, the registrar of voters shall be in session the 3 secular days next preceding such meeting.

The subject matter of this Act shall be reduced to the following question:

“Shall ‘An Act to Authorize the Transfer of all Assets and Liabilities of the Newport Water District to the Town of Newport and the Dissolution of the Newport Water District,’ as passed by the First Regular Session of the 108th Legislature, be accepted?”

The voters shall indicate in the usual manner their opinion of the same.

This Act shall take effect for all the purposes thereof immediately upon its acceptance by a majority of the legal voters at said meeting; provided that the total number of votes cast for and against the acceptance of this Act at said meeting equals or exceeds 20% of the total vote for all candidates for Governor in said town at the last preceding gubernatorial election, but failure of approval by the necessary percentage of voters at any such meeting shall not prevent a subsequent meeting or meetings to be held for said purpose within the time limitation of this Act. In no event, however, shall this Act take effect earlier than 90 days after the adjournment of the Legislature.

The result of the votes shall be declared by the municipal officers of the Town of Newport and due certificates thereof shall be filed by the clerk of said town with the Secretary of State.

STATEMENT OF FACT

The purpose of this bill is to transfer all assets and liabilities of the Newport Water District to the Town of Newport, to dissolve the Water District and to allow the town to operate all water facilities. A referendum is required.