

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 370

H. P. 289

House of Representatives, February 9, 1977

Referred to the Committee on Natural Resources. Sent up for concurrence and 1,800 copies ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Hunter of Benton.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

**AN ACT to Revise the Method of Funding Water Pollution Abatement
Planning.**

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

38 MRSA § 412, as repealed and replaced by PL 1973, c. 694, § 2, is repealed and the following enacted in its place:

§ 412. Grants by State for planning

1. **Grants by State for planning.** The Department of Environmental Protection is authorized to pay an amount at least 15%, but not to exceed 25%, of the expense incurred by a municipality or quasi-municipal corporation in preliminary or final planning of a pollution abatement program in the form of a grant. Such amount may not be paid until the governing body of the municipality or the quasi-municipal corporation duly votes to proceed with preliminary or final planning of a pollution abatement program, as appropriate.

A. Preliminary planning. For the purposes of this section, "preliminary planning" means engineering studies which include analysis of existing pollution problems; estimates of the cost of alternative methods of waste treatment, studies of areas to be served by the proposed facilities and estimates of the cost of serving such areas; preliminary sketches of existing and proposed sewer and treatment plant layouts; and estimates of alternative methods of financing, including user charges, and other studies and estimates designed to aid the municipality or quasi-municipal corporation in deciding whether and how best to proceed with a pollution abatement program.

B. Final planning. For the purposes of this section, "final planning" means the preparation of engineering drawings and specifications for the construction of waste treatment facilities, interceptor systems and outfalls or other facilities specifically designated in departmental regulations. All proceeds from the sale of bonds for the planning of pollution abatement facilities to be expended under the direction and supervision of the Department of Environmental Protection shall be segregated, apportioned and expended as provided by the Legislature.

STATEMENT OF FACT

The purpose of this bill is twofold: 1) To reduce confusing paper work on administering the noninterest bearing loans, and 2) To have the State of Maine's funding program for preliminary planning and final planning in step with the federal program.

Since June 30, 1975, federal regulations have disallowed federal reimbursement for project costs initiated after June 30, 1975, if a federal grant had not been given for the project. The June 30, 1975, date in the federal regulations makes the noninterest bearing loan provisions of section 412 obsolete. The intent of the noninterest bearing loan was to prefund the federal share of the preliminary and final planning of pollution abatement projects in order to commit all the available federal dollars to construction of pollution abatement projects. Federal participation of 75% was reimbursed at the construction step for projects. Since June 30, 1975, federal funds have to be included for all new preliminary and final planning projects or the community would not be reimbursed. Local taxpayers would have to pay 100% of the funds advanced by the State to cover federal participation. Communities would not lose any existing benefits by this change.

Regional Planning Commissions and Council of Governments are not eligible for federal grants of this type; hence should not be eligible for similar type state grants. This group is not going to lose, by changing loans to grants, for they have limited, if any, repayment capabilities. In fact, during the existence of the loan authority, only one planning commission obtained a loan and there is no hope of this loan ever being repaid.

The deletion of the sentence referring to regulations is a housekeeping step, for this authority exists in section 361 and is redundant in this section.

In summary, this bill reduces a great deal of red tape and relating paper work, makes the state program compatible with the federal program and eliminates unessential statutory language.