

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1015

H. P. 792

House of Representatives, March 10, 1977

On motion of Mr. Carroll of Limerick, referred to Committee on Transportation. Sent up for concurrence and 1,800 ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Connolly of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT Creating a Transit District in Casco Bay.

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

Sec. 1. Transit district in Casco Bay created. There shall be formed a transit district in Casco Bay for the purpose of providing ferry service among and between the islands of Casco Bay and mainland, Cumberland County. This district shall be constituted of the people and territory of Peaks Island, Great Diamond Island, Little Diamond Island, Long Island, Chebeague Island and Cliff Island. The district so formed shall be a body politic and corporate, may sue and be sued, plead and be impleaded, adopt a name, adopt and alter a common seal, and do things necessary to furnish waterborne transportation in this area, including charter service for public purposes in the interest of public health, safety, comfort and convenience of the inhabitants of the islands comprising the district.

Sec. 2. Board of directors. The affairs of this district shall be managed by a board of 7 directors chosen in the following manner: One director elected by the voters of Peaks Island, Little Diamond Island and Great Diamond Island; one director elected by the voters of Long Island; one director elected by the voters of Cliff Island; one director elected by the voters of Chebeague Island; 2 directors chosen at large by the voters of all the above islands and one director chosen by the Commissioner of Transportation.

Sec. 3. Election of directors. The directors shall be elected by a plurality vote of the legal voters in each of these islands at an election to be held on the 4th Monday of May, 1978. Each director shall serve for a term of 3 years, with 2 directors being elected on a rotating basis each year. The order of rotation

shall be decided by the directors by lot at the first meeting of the directors elected in 1978. Two-thirds of the directors so appointed shall constitute a quorum for the transaction of business and any action taken by a majority of directors present at any meeting at which a quorum is in attendance shall be deemed to be the action of the full board of directors.

Sec. 4. Meetings. The directors shall meet at least monthly or more often if required to by the bylaws, or upon call of the president, and the president shall call such other meetings as shall be requested in writing directed to him signed by at least $\frac{1}{3}$ of the members of the board of directors. They shall elect from among their members a president, treasurer, clerk and such other officers as they may desire and shall adopt bylaws and rules for the conduct of the affairs of the district. They shall appoint and fix the salary of a district manager who shall not be a director and who shall be the chief executive officer of the district and who shall appoint such other employees as are required for district purposes and shall fix the salaries of such employees. The directors may, by resolution, indicate which appointments by the manager and salaries established by the manager shall require confirmation of the board of directors.

Sec. 5. Interest in contracts. No director, officer or employee of the district shall be interested directly or indirectly in any contract entered into by or in behalf of a district for work or material, or the purchase thereof, or in any property acquired or to be acquired by the district, and all contracts made in violation hereof are void.

Sec. 6. Certificate of organization. The district shall after its organization file a certificate with the Secretary of State setting forth the following information:

- A. Name of the district;
- B. Its purposes;
- C. Islands included within the district;
- D. Location of the principal office;
- E. Number and names of the directors and their addresses; and
- F. Names and addresses of the officers.

Such certificate shall be signed by the president and treasurer and a majority of the directors, and the president or treasurer shall make oath that the signatures set forth in the certificate are true. From time to time as changes may occur, the district shall file an amended certificate with the Secretary of State setting forth such changes.

Sec. 7. Powers of directors. The directors of a district shall have full power to take, purchase, hold, maintain, operate, lease, rent, mortgage and convey any and all real and personal property, or to lease or sublease the same, or to enter into contracts with private companies, for the purpose of providing mass transportation services, and for such purpose to contract with the federal, state and municipal governments for donations, loans, grants,

gifts or other assistance and in such contracts to agree to be bound by all applicable provisions of federal, state and municipal statutes and regulations as the case may be.

Sec. 8. Routes and fares; sinking fund. The directors of a district shall establish such routes and shall fix such rates of fare to be charged for such mass transportation service as shall to the extent possible reasonably assure sufficient income to meet the cost of the service, including, but not limited to, operating expenses, insurance, taxes, rentals, annual serial bond payments, interest, allocation for a reserve account and an allowance for depreciation. If, after all such obligations have been met, a surplus shall remain, the directors may deposit all or any part of such surplus in a reserve account or in the sinking fund created by this chapter.

Sec. 9. Exempt from taxation; fuel tax refund. The property, both real and personal, of a district, when held and operated by itself for the purpose of providing mass transportation as provided in this chapter shall be exempt from all registration fees, real, personal, excise, sales and use, and any other taxes which may now or hereafter be assessed by the State of Maine or any political subdivision thereof. A district shall be entitled to be reimbursed and paid to the extent of the full amount of the tax paid for fuel used in vessels owned and operated by them for such purpose. Such district, lessee or person, firm or corporation shall present its claim to the State Tax Assessor, in such form and with such information as the State Tax Assessor may prescribe, accompanied by original invoices showing such purchases. Applications for refunds as provided shall be filed with the State Tax Assessor within 9 months from the date of purchase.

Sec. 10. Powers. This district is authorized and empowered to acquire by purchase or by the exercise of the right of condemnation, which right is hereby expressly delegated to this district for the purpose, any properties, franchises, rights and privileges of Casco Bay Lines. For the purpose of providing necessary and convenient transportation to its service area, the district may also purchase other properties necessary for providing transportation. Any necessary condemnation proceedings shall be taken under the provisions of the Revised Statutes, Title 35, chapter 263.

Sec. 11. Sale of bonds. The costs incurred in establishing the ferry service shall be paid by the district from the proceeds of the sale of bonds upon approval of the directors of the district. The district shall operate such ferry service as a toll system to retire the bonds issued as provided by this chapter and to provide for all the expenses and maintenance incurred hereunder. The district shall charge and collect all tolls for the use of this ferry service by vehicles, freight and passengers as may from time to time be determined and ordered by it, having due regard to the value of the services rendered, the cost of upkeep, maintenance, repairs and operation, and interest on the bonds issued.

Sec. 12. Forfeiture of bonds. In the event of forfeiture of bonds or other debts by the district, the State of Maine shall have a moral obligation to retire such bonds or debts. In this event, all assets, properties, rights and privileges of the district shall revert to the State.

Sec. 13. Regulation by the Public Utilities Commission. Nothing in this chapter shall be construed to exempt the district from regulation by the Public Utilities Commission. The district shall operate under all the restraints, responsibilities and privileges as have applied to Casco Bay Lines.

STATEMENT OF FACT

The purpose of this bill is to establish a transit district to provide ferry service in Casco Bay. The transit district may acquire the assets and property of Casco Bay Lines and run the ferry as a nonprofit, publicly owned mass transit district. It will have the power to issue bonds for the purpose of acquiring Casco Bay Lines and other required equipment. These bonds shall be retired through revenues and be backed with the moral obligation of the State.