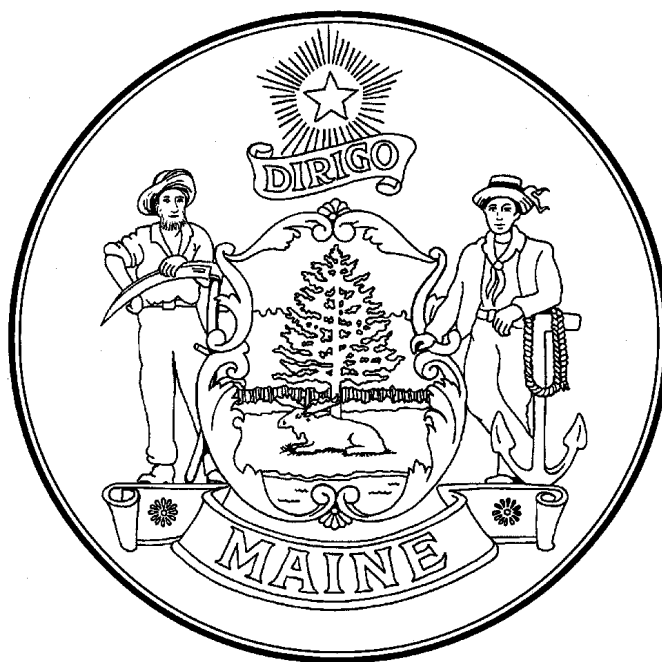


MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1315

S. P. 421

In Senate, March 19, 1979.

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

Presented by Senator Collins of Knox.

MAY M. ROSS, Secretary of the Senate

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

**AN ACT to Permit Municipalities to Issue Bonds Under the Municipal Securities
Approval Act for Water Supply System Projects.**

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

Sec. 1. 30 MRSA § 5325, sub-§ 1, as last amended by PL 1975, c. 728, § 1, is further amended to read:

1. Revenue-producing industrial-commercial, pollution-control, health care, water supply system or recreational projects and multi-level parking facility. To acquire, construct, reconstruct, renew and replace industrial-commercial, pollution-control, health care, **water supply system**, recreational and combined projects, and multi-level private parking facilities within or partly within the corporate limits of the municipality;

Sec. 2. 30 MRSA § 5325, sub-§ 4, as amended by PL 1975, c. 728, § 2, is further amended to read:

4. Acquisition of property. The municipal officers are authorized and empowered to acquire from funds provided under the authority of this chapter ~~such~~ lands, structures, property, rights, rights-of-way, franchises, easements and other interests in lands, including lands lying under water and riparian rights, which are located within the State as ~~it may~~ **they** deem necessary or convenient

for the construction or operation of any industrial-commercial, pollution-control, health care, **water supply system**, recreational or combined project, and any multi-level private parking facility upon ~~such~~ the terms and conditions ~~as that~~ they ~~shall~~ deem reasonable and proper, and to dispose of any of the foregoing in the exercise of its powers and the performance of its duties under this chapter;

Sec. 3. 30 MRSA § 5325, sub-§ 6, as amended by PL 1975, c. 728, § 3, is further amended to read:

6. Government contracts. To enter into contracts with the State or the Federal Government or any agency or instrumentality thereof, or with any other municipality providing for or relating to an industrial-commercial, pollution-control, health care, **water supply system**, recreational or combined facility, or a multi-level private parking facility; provided, in the case of contracts with the Federal Government involving pollution-control facilities, that the consent of the Board of Environmental Protection is first obtained, such board being authorized to grant ~~such~~ its consent notwithstanding Title 38, section 362;

Sec. 4. 30 MRSA § 5325, sub-§ 7, as amended by PL 1975, c. 728, § 4, is further amended to read:

7. Government aid. To accept from any authorized agency of the State or the Federal Government loans or grants for the planning, construction or acquisition of any industrial-commercial, pollution-control, health care, **water supply system**, recreational or combined facility or any multi-level private parking facility and to enter into agreements with such agency respecting any such loans or grants, and to receive and accept aid and contributions from any source of either money, property, labor or other things of value, to be held, used and applied only for the purposes for which such loans, grants and contributions may be made; provided, in the case of loans, grants or other aid from the Federal Government involving pollution-control facilities that the consent of the Board of Environmental Protection is first obtained, such board being authorized to grant such consent notwithstanding Title 38 section 362; and

Sec. 5. 30 MRSA § 5326, sub-§ 2-C is enacted to read:

2-C. Water supply system project. "Water supply system project" means any building, structure, facilities, machinery, pipes, aqueducts, conduits, drains or the equipment which may be deemed necessary to supply water for municipal, domestic and commercial-industrial use together with all lands, property, rights-of-way, franchise, easements and interests in lands which may be acquired by the municipality for the construction or operation of the project.

Sec. 6. 30 MRSA § 5326, sub-§ 3-A, as enacted by PL 1971, c. 210, § 2, is amended to read:

3-A. Combined project. "Combined project" means any combination of an industrial-commercial project, a pollution-control project, a **water supply system project** and a recreational project undertaken by a single municipality for a common lessee or group of lessees.

Sec. 7. 30 MRSA § 5326, sub-§ 4, as amended by PL 1971, c. 210, § 3, is further amended to read:

4. Project. “Project” means industrial-commercial project, pollution-control project, **health care project, water supply system project**, recreational project or combined project as the context may permit or require.

Sec. 8. 30 MRSA § 5326, sub-§ 5, first sentence, as amended by PL 1973, c. 315, § 1, is further amended to read:

5. Cost. “Cost” as applied to an industrial-commercial, pollution-control, **health care, water supply system**, recreational or combined project shall include the purchase price of any ~~such~~ project, the cost of construction, the cost of all labor, materials, machinery and equipment, the cost of improvements, the cost of all lands, property, rights, easements and franchises acquired, financing charges, premiums for lease rental insurance, interest prior to and during construction and, if deemed advisable by the municipal officers, for not more than one year after completion of construction, cost of plans and specifications, surveys and estimates of cost and of revenues, cost of engineering and legal services, reserves for payment of future debt service on bonds of not more than the maximum amount of interest plus annual serial principal or sinking fund payment due in any 12-month period, and all other expenses necessary or incident to determining the feasibility or practicability of such construction, administrative expense and such other expenses as may be necessary or incident to the financing authorized.

Sec. 9. 30 MRSA § 5328, sub-§ 3, as last amended by PL 1975, c. 728, § 6, is further amended by adding after the 2nd sentence the following:

In the case of water supply system projects, no project shall be approved and no certificate of approval shall be issued until the Public Utilities Commission and the Department of Human Services have certified to the authority that all permits, licenses and approvals required from those departments with respect to that project have been issued or granted or that none are required and until a location permit from the applicable licensing authority has been issued or it is determined that none is required.

Sec. 10. 30 MRSA § 5328, sub-§ 3, last sentence, as repealed and replaced by PL 1973, c. 788, § 150, is amended to read:

~~This~~ **The** requirement of certification by the Department of Environmental Protection ~~and, for water supply systems, the Public Utilities Commission and the Department of Human Services~~ shall likewise apply to any subsequent enlargement of or addition to such project, or which approval is sought from the authority.

Sec. 11. 30 MRSA § 5328, sub-§ 4, ¶ D, as amended by PL 1971, c. 210, § 6, is further amended to read:

D. In cases where ~~is it~~ is proposed to relocate an industrial-commercial, **water supply system** or recreational facility existing in the State, there is a clear economic justification for ~~such the~~ relocation; and

Sec. 12. 30 MRSA § 5328, sub-§ 4, ¶ G is enacted to read:

G. In the case of a water supply system project, the authority shall not issue a certificate until it has determined:

(1) That the project will result in substantial public benefits; and

(2) That the issuance of securities for the project has been reviewed and approved by the Public Utilities Commission in accordance with Title 35, section 9.

Sec. 13. 30 MRSA § 5330, first paragraph, as amended by PL 1973, c. 633, § 21, is further amended to read:

No member of the authority shall participate in any decision on any contract entered into by any municipality under this chapter if he has any interest, direct or indirect, in any firm, partnership, corporation, **water company** or association which may be a party to ~~such the~~ contract, or if he has any interest, direct or indirect, in any firm, partnership, corporation, **water company** or association which may rent, lease or otherwise occupy any premises constructed by ~~such the~~ municipality.

Sec. 14. 30 MRSA § 5331, sub-§ 2, 9th sentence, beginning with the words "The municipal officers shall", is amended to read:

The municipal officers shall not sell such securities to any firm, partnership, corporation, **water company** or association which is a party to any contract pertaining to the project being financed by such securities or which is to rent, lease or otherwise occupy any premises constituting part of such project, or to any affiliate or subsidiary thereof.

Sec. 15. 30 MRSA § 5340, as repealed and replaced by PL 1975, c. 223, § 5, is amended to read:

§ 5340. Leasehold or other interests of lessee taxable

The leasehold or other interest of the lessee of any industrial-commercial, pollution-control, **water supply system**, recreational or combined project or any multi-level private parking facility is subject to taxation in the manner provided for similar interests in Title 36, section 551, subject to Title 36, sections 651, 655 and 656.

Sec. 16. 30 MRSA § 5341, as amended by PL 1975, c. 728, § 10, is further amended to read:

§ 5341. Purpose

It is declared that there is a ~~state-wide~~ **statewide** need for industrial-commercial, pollution-control, health care, **water supply system**, recreational and combined projects, and for multi-level private parking facilities to provide enlarged opportunities for gainful employment by the people, to restore purity to the air, the water or the earth of the State which are fouled with, among other things, industrial and other waste materials and pollutants, to more adequately serve the working people of this State, and to provide a more healthy environment and thus to insure the preservation and betterment of the economy of the State and the living standards and health of its inhabitants.

STATEMENT OF FACT

This bill includes water supply system projects under the Municipal Securities Approval Act. Where applicable, necessary permits, licensing and approvals by the Department of Environmental Protection, Department of Human Services and the Public Utilities Commission must be obtained before a municipality may issue securities for a water supply system project. Also, a location permit must be obtained prior to approval. The Public Utilities Commission will still be required to approve securities issued for the project prior to approval of the bond issue. These approvals are consistent with current law regarding water supply system projects.