

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 TENTH LEGISLATURE

Legislative Document

No. 1398

H. P. 1150

House of Representatives, March 19, 1981

Submitted by the Office of Energy Resources pursuant to Joint Rule 24.

Speaker laid before the House and on Motion of Representative Hall of Sangerville, referred to the Committee on State Government. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Michael of Auburn.

Cosponsors: Senator Charette of Androscoggin, Representative Kiesman of Fryeburg.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Provide for Municipal Development of Energy Resources.

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

Sec. 1. 30 MRSA § 4251, sub-§ 1, as amended by PL 1975, c. 770, § 167, is further amended to read:

1. Revenue producing facilities. To acquire, construct, reconstruct, improve, extend, enlarge, equip, repair, maintain and operate any revenue producing municipal facility consisting of a water system or part thereof, a sewer system or part thereof, or airport or part thereof, within or without, or partly within and partly without, the corporate limits of the municipality or of a parking facility within the corporate limits of the municipality, or telecommunications system or part thereof, or an agency facility or part thereof, within or without, or partly within or without, the corporate limits of the municipality. As used in the chapter, the term "energy facility" means an "energy generating system project" or "an energy distribution system project," as defined respectively in section 5326, subsections 1-A and 1-B, or a hydroelectric power facility, including any equipment and structures designed to distribute or transmit energy either from or to such facility, or any combination or part of the foregoing;

Sec. 2. 30 MRSA § 4251, sub-§ 5, as last amended by PL 1975, c. 770, § 168, is further amended to read:

5. Pledge of revenues. To pledge the revenues derived from any water system or part thereof, sewer system or part thereof, or airport or part thereof, or telecommunications system, or part thereof, to the payment of such revenue or revenue refunding bonds issued with respect to such water or sewer system or part thereof, or airport or part thereof, or telecommunications ~~telecommunications~~ **telecommunications** system, or part thereof, **or energy facility, or part thereof**, and, notwithstanding section 2151, subsection 2, paragraph D, subparagraph (1), to pledge the revenues derived from any parking facility or system to the payment of revenue or revenue refunding bonds issued with respect to any parking facility included within such system;

Sec. 3. 30 MRSA § 4251, sub-§ 10, as last amended by PL 1975, c. 770, § 169, is further amended to read:

10. Use of streets and highways. To enter upon, use, occupy and dig up any street, alley, road, highway or other public places necessary to be entered upon, used or occupied in connection with the acquisition, construction, reconstruction, improvement, maintenance or operation of any telecommunication system, **energy facility**, airport or parking facility or system, water system, sewer system or water and sewer system; when highways maintained by the State are affected, the municipality shall be subject to the same statutory provisions applicable to those corporations authorized to lay their pipes and conduits in the public ways;

Sec. 4. 30 MRSA § 4252, sub-§ 2, first sentence, as repealed and replaced by PL 1967, c. 429, § 5, is amended to read:

The bonds of each issue of revenue bonds shall be dated, shall mature at such time or times not exceeding ~~30~~ **40** years from their date or dates, and shall bear interest at such rate or rates as may be determined by the municipal officers, and may be made redeemable before maturity, at the option of the municipality, at such price or prices and under such terms and conditions as may be fixed by the municipal officers prior to the issuance of the bonds.

Sec. 5. 30 MRSA § 4254, first ¶, as last amended by PL 1975, c. 770, § 171, is further amended to read:

Any resolution providing for the issuance of revenue bonds for a water system or sewer system, water and sewer system and airport or parking facility or telecommunications system **or energy facility** under this chapter, or the trust agreement securing such bonds may include any or all of the following provisions, and may require the municipal officers to adopt such resolutions or take such other lawful action as shall be necessary to effectuate such provisions and the municipal officers are hereby authorized to adopt such resolutions and to take such other action:

Sec. 6. 30 MRSA § 4254, sub-§ 1, as last amended by PL 1975, c. 770, § 171, is further amended to read:

1. Deposits. That the municipality may require the owner, tenant or occupant of each lot or parcel of land who is obligated to pay rates, fees or charges for the use of or for the services furnished by any water system or sewer system, water and sewer system and airport or parking facility or telecommunications system or energy facility owned or operated by the municipality to make a reasonable deposit with the municipality in advance to insure the payment of such rates, fees or charges and to be subject to application to the payment thereof if and when delinquent.

Sec. 7. 30 MRSA § 4255, first sentence, as last amended by PL 1975, c. 770, § 172, is further amended to read:

The resolution authorizing the issuance of revenue bonds under this chapter, or any trust agreement securing such bonds, may provide that all or a sufficient amount of the revenues derived from the water system, sewer system, water and sewer system, airport or parking facility or system, or telecommunications system, or energy facility, including the revenue producing municipal facility financed with revenue bonds issued under this chapter, after providing for the payment of the cost of repair, maintenance and operation and reserves therefor as may be provided in such resolution or trust agreement, shall be set aside at such regular intervals as may be provided in such resolution or trust agreement and deposited to the credit of a sinking fund for the payment of the interest on and the principal of revenue bonds issued under this chapter as the same shall become due, and the redemption price or purchase price of bonds retired by call or purchase.

Sec. 8. 30 MRSA § 4256, first ¶, 2nd sentence, as last amended by PL 1975, c. 770, § 173, is further amended to read:

The resolution authorizing the issuance of the bonds or such trust agreement may pledge the revenues to be received from the water system, sewer system, water and sewer system, airport or parking facility or system or telecommunications system, or energy facility, including the revenue producing municipal facility financed with revenue bonds issued under this chapter, but shall not convey or mortgage any revenue producing municipal facility or system including a revenue producing municipal facility.

Sec. 9. 30 MRSA § 4262, as amended by PL 1975, c. 770, § 174, is further amended to read:

§ 4262. Exemption from taxation

As proper revenue producing municipal facilities as defined are essential for the health and safety of the inhabitants of the municipalities, and as the exercise of the powers conferred to effect such purposes constitute the performance of essential governmental functions, and as municipal facilities acquired or constructed under this chapter constitute public property and are used for municipal purposes, no municipality shall be required to pay any taxes or assessments upon any parking facility or system or water or sewer system or

telecommunications system or energy facility revenue producing municipal facility, or any part thereof, whether located within or without the corporate limits of the municipality, or upon the income therefrom, and any bonds issued under this chapter, and their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation within the State, provided that nothing contained in this section shall may exempt any lessee or person in possession of a parking facility or part thereof or the property so leased or possessed from taxes or assessments payable under Title 36, section 551.

Sec. 10. 30 MRSA § 5061, first ¶, first sentence, as repealed and replaced by PL 1975, c. 367, § 1, is amended to read:

No municipality shall incur debt which would cause its total debt outstanding at any time, exclusive of debt incurred for school purposes, for storm or sanitary sewer purposes, for energy facility purposes or for municipal airport purposes to exceed 7 1/2% of its last full state valuation.

Sec. 11. 30 MRSA § 5102, sub-§ 7 is amended to read:

7. Municipal services. Providing for a supply of water, gas and electricity for municipal use for a period of years or for an energy facility, as defined in section 4251, subsection 1.

STATEMENT OF FACT

This bill encourages municipal governments to develop energy resources and to finance the acquisition, construction, reconstruction, maintenance, renewal or replacement of energy facilities. It allows for funds to be made available for these purposes at reduced cost. Through the existing Maine Municipal Bond Bank, it would provide adequate capital markets and facilities for borrowing money by governmental units by the creation of indebtedness, to the extent possible, at reduced cost to taxpayers and residents of the State. It would encourage continued investor interest in the purchase of bonds or notes of governmental units. The purposes of the bill could be met through current operations of the Maine Municipal Bond Bank and would entail no additional expenses other than those associated with the issuance of any bonds or notes.