

# MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION  
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE  
4

5 Legislative Document

No. 1998

7 H.P. 1517

House of Representatives, January 24, 1984

8 Reported by Representative Hall from the Committee on Energy and  
9 Natural Resources. Sent up for concurrence and ordered printed.

10 EDWIN H. PERT, Clerk

Submitted by the Joint Standing Committee on Energy and Natural Resources  
pursuant to Joint Rule 18, as approved by the Legislative Council, on May  
25, 1983.

12 STATE OF MAINE  
13

14 IN THE YEAR OF OUR LORD  
15 NINETEEN HUNDRED AND EIGHTY-FOUR  
16

17 AN ACT Concerning Income Derived from  
18 Public Reserved Lots.  
19

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

22 Sec. 1. 12 MRSA §557, sub-§3, as amended by PL  
23 1979, c. 683, §1, is further amended to read:

24 3. Compensation to municipalities. Notwithstand-  
25 ing the other provisions of this section, 25% of the  
26 net revenues from any public lands, excluding sub-  
27 merged lands and proceeds from the sale of land, lo-  
28 cated in municipalities and managed by the Bureau of  
29 Public Lands, other than public reserved lands, shall  
30 be returned by the Treasurer of State to the munic-  
31 ipality wherein the land generating the income is lo-  
32 cated, to be used for municipal purposes. With re-  
33 spect to those public reserved lands which were lo-  
34 cated in townships or tracts organized into planta-

1 tions as of March 1, 1974, when any such plantation,  
2 subsequent to that date, becomes incorporated into a  
3 town, 75% of any income from residential leasehold  
4 camps, excluding any income or proceeds from the  
5 sale, exchange or relocation of any of these camps  
6 under Title 30, section 4169, and 25% of any other  
7 income from such public reserved land shall be re-  
8 turned by the Treasurer of State to the municipality  
9 wherein such public reserved land is located, to be  
10 used for municipal purposes. With respect to stump-  
11 age income from timber located on public reserved  
12 lands and leased pursuant to Title 30, section 4162,  
13 subsection 4, paragraph L, 50% of the income shall be  
14 returned by the Treasurer of State to the lessee for  
15 its own purposes. The director may approve the han-  
16 dling of income from sales or permits for up to \$500  
17 by the lessees. The lessees shall submit a semiannual  
18 accounting of this income and payment for the state's  
19 share of the income.

20 Sec. 2. 30 MRSA §4163, first ¶, as repealed and  
21 replaced by PL 1975, c. 623, §47, is amended to  
22 read:

23 All income received by the Director of the Bureau  
24 of Public Lands from the public reserved lands, ex-  
25 cept income provided for in section 4166, shall be  
26 deposited with the Treasurer of State, to be credited  
27 to a Public Reserved Lands Management Fund which is  
28 hereby established as a nonlapsing dedicated fund.  
29 Any interest earned on these moneys shall also be  
30 credited to the Public Reserved Lands Management  
31 Fund. Moneys credited to the Public Reserved Lands  
32 Management Fund shall be available for expenditure by  
33 the Director of the Bureau of Public Lands for the  
34 purposes set forth in section 4162 without limitation  
35 as to fiscal year.

36 Sec. 3. 30 MRSA §4166, first ¶, as amended by PL  
37 1977, c. 57, §§2 and 3, is further amended to read:

38 There shall continue in existence the Organized  
39 Townships Fund which shall include the principal of  
40 said fund arising from the public reserved lots prior  
41 to October 3, 1973 and accrued but unexpended income

1 of said fund as of said date. The State shall allow  
2 income annually as earned. Said fund shall be held  
3 and administered by the Treasurer of State. The in-  
4 come of the Organized Townships Fund shall be added  
5 to the principal of the funds, until the inhabitants  
6 of such township or tract are incorporated into a mu-  
7 nicipality, unless previously expended according to  
8 law. When any such township or tract is incorporated  
9 as a town, said funds belonging to it shall be paid  
10 by the Treasurer of State to the treasurer of the  
11 trustees of the ministerial and school funds therein,  
12 to be added to the funds of that corporation and held  
13 and managed as other school funds of that town are  
14 required to be held and managed. Notwithstanding the  
15 foregoing, 75% of any income from residential lease-  
16 hold camps, excluding any income or proceeds from the  
17 sale, exchange or relocation of any of these camps  
18 under section 4169, and 25% of any other income  
19 arising from activities under section 4162, subsec-  
20 tion 4, on public reserved lands located in townships  
21 or tracts organized into plantations as of March 1,  
22 1974, shall be held by the Treasurer of State in the  
23 Organized Townships Fund. The income from that por-  
24 tion of the fund belonging to each such plantation  
25 shall be paid annually by the Treasurer of State to  
26 the treasurer of such plantation to be applied toward  
27 the support of schools according to the number of  
28 scholars in each school. Said income shall be com-  
29 puted to the first day of each January by the Treas-  
30 urer of State. The Commissioner of Educational and  
31 Cultural Services shall file in the office of the  
32 State Controller a list of such plantations with the  
33 amount due for income for the preceding year accord-  
34 ing to a record of such amounts to be furnished to  
35 him by the Treasurer of State. The Commissioner of  
36 Educational and Cultural Services shall be satisfied  
37 that all such plantations are organized, and that  
38 schools have been established therein according to  
39 law, that assessors are sworn and qualified and that  
40 the treasurers of such plantations have given bonds  
41 as required by law. The State Controller shall  
42 thereupon insert the name and amount due such planta-  
43 tions in one of the first warrants drawn in that  
44 year.

45 Sec. 4. 30 MRSA §4169, sub-§2, as enacted by PL  
46 1975, c. 339, §12, is amended to read:

1           2. Public Reserved Lands Acquisition Fund. To  
2 accomplish the purposes of this chapter, there is es-  
3 tablished a Public Reserved Lands Acquisition Fund.  
4 Notwithstanding the provisions of section 4163, all  
5 income or proceeds received by the Bureau of Public  
6 Lands from the sale, exchange or relocation of any  
7 public reserved lands shall be recorded on the books  
8 of the State in a separate account and shall be de-  
9 posited with the Treasurer of State to be credited to  
10 the Public Reserved Lands Acquisition Fund. Any in-  
11 terest earned on these moneys shall also be credited  
12 to the Public Reserved Lands Acquisition Fund.

13   STATEMENT OF FACT

14           The purpose of this bill is to clarify certain  
15 provisions concerning income or proceeds derived from  
16 the public reserved lands.

17           Sections 1 and 3 make it clear that if a camp lot  
18 on public reserved lands in a municipality or  
19 plantation, currently leased for private residential  
20 purposes, is sold, the proceeds of that sale are  
21 credited to the Public Reserved Lands Acquisition  
22 Fund. While current law states that 75% of any income  
23 from residential leasehold camps on public reserved  
24 lands in certain municipalities or plantations is to  
25 be returned to those municipalities or plantations,  
26 this is not intended to mean that proceeds from the  
27 sale of these camps should be treated differently  
28 from the sale of any public reserved lands simply be-  
29 cause the land is in a municipality or plantation.  
30 When a public lot in a municipality or plantation is  
31 sold, the municipality or plantation gains the bene-  
32 fit of property taxes paid on this now private land.  
33 As contemplated by current law, when public reserved  
34 lands are sold, the proceeds should be used to ac-  
35 quire new public lands.

36           Section 2 amends the section of current law es-  
37 tablishing the Public Reserved Lands Management Fund.  
38 The bill makes it clear that interest earned on mon-  
39 eys credited to this fund must also be credited to  
40 the fund. Crediting this interest to the Public Re-  
41 served Lands Management Fund, rather than to the Gen-  
42 eral Fund, provides one means of meeting the state's

1 obligation as trustee of the public reserved lands  
2 for the beneficial public uses and purposes specified  
3 in the Constitution of Maine. See Opinion of the Jus-  
4 tices, 308 A.2d 253 (Maine 1973).

5 Section 4 makes provisions for crediting interest  
6 earned on the Public Reserved Lands Acquisition Fund  
7 similar to those made in section 2 for the Public Re-  
8 served Lands Management Fund.

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