

# MAINE STATE LEGISLATURE

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(EMERGENCY)  
(New Draft of H.P. 1236, L.D. 1745)  
SECOND REGULAR SESSION

ONE HUNDRED AND TWELFTH LEGISLATURE

Legislative Document

No. 2359

H.P. 1674

House of Representatives, April 10, 1986

Reported by Representative Webster from the Committee on Utilities and printed under Joint Rule 2. Original bill sponsored by Representative Murphy of Kennebunk. Cosponsored by Representative Rolde of York, Senator Maybury of Penobscot and Senator Clark of Cumberland.

EDWIN H. PERT, Clerk

STATE OF MAINE

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

AN ACT to Fairly Apportion the Cost of New  
Water Utility Services.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, several water department and quasi-municipal water district water systems are currently inadequate to serve the rapidly growing needs of the public and certain capital improvements are immediately necessary to meet the demand; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

3 35 MRSA §73-A is enacted to read:

4 §73-A. System development charge

5 1. System development charge authorized. In ad-  
6 dition to section 73, the governing body of a munici-  
7 pal water department or quasi-municipal water dis-  
8 trict may establish and file, pursuant to section 69  
9 or 72, a system development charge which is just and  
10 reasonable to provide funds to finance capital out-  
11 lays for water system expansion caused by an increase  
12 in demand for service.

13 2. Commission review. If a municipal water de-  
14 partment or quasi-municipal water district elects to  
15 institute a system development charge, it shall file  
16 the proposed charge and a description of the basis of  
17 the charge with the commission not less than 90 days  
18 before the effective date of the charge. The commis-  
19 sion shall investigate the system development charge  
20 under section 296 to determine whether it is just and  
21 reasonable.

22 3. Use of funds. The funds generated by the sys-  
23 tem development charge shall be deposited into a spe-  
24 cial account of the municipal water department or  
25 quasi-municipal water district dedicated to finance  
26 capital outlays for water system expansion caused by  
27 an increase in demand for service. The funds from the  
28 special account shall be used only for the purpose of  
29 financing the expansion of the system and shall not  
30 be used for the repair or replacement of existing fa-  
31 cilities unless the replacement is required as a re-  
32 sult of increased demand for service. The system de-  
33 velopment charge shall not be treated as income of  
34 the municipal water department or quasi-municipal wa-  
35 ter district nor shall it be considered part of the  
36 rates established and filed pursuant to section 73.

37 4. Assessment of charge. The system development  
38 charge may be assessed upon all customers of the mu-  
39 nicipal water department or quasi-municipal water  
40 district that requires new connections to the water

1 system, excluding fire service, as of or after the  
2 effective date of that charge and upon all existing  
3 customers of the municipal water department or quasi-  
4 municipal water district who substantially expand  
5 their demand for water service as of or after the ef-  
6 fective date of that charge.

7       5. Water conservation programs. Before a system  
8 development charge may be instituted, the municipal  
9 water department or quasi-municipal water district  
10 must report to the commission its efforts in imple-  
11 menting water conservation programs. The department  
12 or district shall state what combination of system  
13 development charges and new conservation programs  
14 will allow the department or district to meet growing  
15 demand in the least costly manner.

16       6. Review by elected local officials. If the  
17 governing body of the municipal water department or  
18 quasi-municipal water district is not an elected  
19 body, any system development charge proposed under  
20 this section must first be endorsed by the municipal  
21 officers of the municipality or municipalities in-  
22 volved, prior to filing with the commission.

23       Emergency clause. In view of the emergency cited  
24 in the preamble, this Act shall take effect when ap-  
25 proved.

1 STATEMENT OF FACT

2 The new draft retains the intent of the original  
3 bill to authorize municipal and quasi-municipal water  
4 utilities which are experiencing capacity problems or  
5 anticipate such problems in the immediate future to  
6 finance system expansion by assessing a system devel-  
7 opment charge on customers who require new connec-  
8 tions or who substantially expand their demand for  
9 water service. The new draft requires filing the pro-  
10 posal with the Public Utilities Commission 90 days  
11 before the effective date of the charge, which will  
12 take effect unless disapproved before the effective  
13 date. The new draft requires efforts in water con-  
14 servation before instituting a system development  
15 charge in order to meet growing demand in the least  
16 costly manner. In cases where the water utility offi-  
17 cials are not elected, the new draft requires review  
18 by the municipal officers.

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