

MAINE STATE LEGISLATURE

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(EMERGENCY)
(NEW DRAFT OF H.P. 1454, L.D. 1965)
(NEW TITLE)
SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 2606

H.P. 1908 House of Representatives, March 31, 1988
Reported by Representative BOUTILIER from the Committee
on State and Local Government and printed under Joint Rule 2.
EDWIN H. PERT, Clerk
Original bill sponsored by Representative GREENLAW of
Standish. Cosponsored by Senator BLACK of Cumberland.

STATE OF MAINE

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

1 **AN ACT to Increase the Debt and Reserve Fund**
2 **Limits and to Change the Annual Meeting Date of**
3 **Frye Island Municipal Services**
4 **Corporation.**
5

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

9 Whereas, it is desirable to obtain an increase in

1 Frye Island Corporation's allowed indebtedness in
2 order that a new dock may be constructed prior to the
3 summer of 1989; and

4 Whereas, it is desirable that this change to the
5 corporation's charter be voted on by the members at
6 the annual meeting; and

7 Whereas, it is desirable to move the annual
8 meeting from the July 4th weekend to Columbus Day
9 weekend because of current conflicts on that weekend
10 and because the proposed budget for the next year is
11 not ready until after the July 4th weekend; and

12 Whereas, this Act will not take effect in time to
13 allow this change in meeting date unless passed as an
14 emergency; and

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

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

23 **Sec. 1. P&SL 1975, c. 138, §4, first ¶, first**
24 **sentence is amended to read:**

25 The annual meeting of the corporation shall be held
26 on the first Saturday of July immediately prior to
27 the observed Columbus Day holiday in each year.

28 **Sec. 2. P&SL 1975, c. 138, §5, last ¶, last**
29 **sentence is amended to read:**

30 Notwithstanding any other provision of this Act or any
31 other provision of law, the total outstanding
32 indebtedness of the corporation shall at no time
33 exceed the sum of \$100,000 an amount equal to 7.50%
34 of the corporation's last full state valuation, except
35 as otherwise permitted by the Maine Revised Statutes,
36 Title 30, section 5061.

1 Sec. 3. P&SL 1975, c. 138, §6, as amended by
2 P&SL 1983, c. 10, is further amended to read:

3 Sec. 6. Reserve fund. The corporation may
4 establish a reserve fund, not to exceed \$250,000 an
5 amount equal to 7.50% of the corporation's last full
6 state valuation, for the purposes specified in section
7 5, which reserve fund shall be established,
8 administered and subject to the provisions of the
9 general law for the reserve fund of a municipality.

10 Sec. 4. Referendum. The proposed charter
11 revision contained in sections 2 and 3 of this Act
12 shall be placed before those persons who are qualified
13 to vote on matters concerning the corporation at its
14 next annual meeting. If rejected at that time, they
15 may not be voted on again under the provisions of this
16 Act. Notices concerning this meeting shall contain an
17 appropriate warrant for the purpose of considering the
18 referendum. Voting by absentee ballot shall be
19 allowed and shall follow the form prescribed for
20 municipal elections.

21 The ballot questions shall be: "Shall the charter
22 of Frye Island Municipal Services Corporation be
23 revised to increase the allowable indebtedness of the
24 corporation from the current \$100,000 to 7 1/2% of the
25 last full state valuation?" and "Shall the charter of
26 Frye Island Municipal Services Corporation be revised
27 to increase the reserve fund limit from its present
28 level of \$250,000 to 7 1/2% of the last full state
29 valuation?" At the time of presentation of these
30 questions to the voters, the voters shall be informed
31 what the resulting debt limit and reserve limit would
32 be in dollars in the year in which the referendum is
33 conducted. At the conclusion of the voting, all
34 ballots, including absentee ballots, shall be counted,
35 reported and declared in open meeting and, if a
36 majority of all legal voters voting at the meeting or
37 by absentee ballot vote in favor of accepting either
38 amendment, it shall take effect immediately,
39 providing that the total number of those voting is at
40 least equal to 30% of the persons qualified to vote on
41 matters concerning the corporation. If less than 30%
42 of the

1 voters are represented in the voting, the matter may
2 be brought before the voters one additional time in
3 1988 or 1989 at a special meeting of the corporation
4 called according to the provisions of the charter and
5 following the provisions of this section.

6 Certification of the approval of these amendments
7 to the charter shall be filed by the clerk with the
8 Secretary of State within 10 days of acceptance.

9 **Emergency clause.** In view of the emergency
10 cited in the preamble, this Act shall take effect when
11 approved, but sections 2 and 3 shall take effect only
12 for the purposes of permitting their submission to the
13 voters of the corporation. Sections 2 and 3 of the
14 Act shall take effect for all purposes when approved
15 by the voters in a manner consistent with the
16 requirements of this Act.

17 **STATEMENT OF FACT**

18 The original bill raised the debt limit of Frye
19 Island Municipal Services Corporation from \$100,000 to
20 \$500,000. This new draft accomplishes the following:

21 1. Raises both the debt limit of \$100,000 and the
22 reserve fund limit of \$250,000 to 7 1/2% of the state
23 valuation. At the current valuation, this would
24 result in both limits being approximately \$1,200,000.
25 This figure of 7 1/2% is the current authorized limit
26 for municipalities;

27 2. Changes the annual meeting, effective this
28 year, from the Saturday preceding the 4th of July to
29 the Saturday preceding the observance of Columbus
30 Day. This change allows time for preparation of the
31 following year's budget. Also, many homeowners in the
32 corporation rent their homes during the summer; and

33 3. Requires a referendum among the qualified
34 voters relative to the raising of the debt and reserve
35 limits. It does not require a referendum for the
36 change of the annual meeting. The 2 referendum
37 questions are considered separate issues with passage

1 of one ballot question being independent of passage of
2 the other. For the referendum results to be accepted
3 they must represent the votes of 30% of the property
4 owners. Voting by mail is allowed. Should the 30%
5 not be obtained, the issue may be voted upon one more
6 time in 1988 or 1989.

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