

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

## SECOND REGULAR SESSION - 1990

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Legislative Document

No. 1879

H.P. 1362

House of Representatives, December 11, 1989

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.

Received by the Clerk of the House on December 11, 1989. Referred to the Committee on Energy and Natural Resources and 1600 ordered printed pursuant to Joint Rule 14.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative MICHAUD of East Millinocket.  
Cosponsored by Representative COLES of Harpswell.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY

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**An Act to Promote Sound Capital Investment As Part of Local Growth  
Management Programs.**

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

2                   Sec. 1. 5 MRSA §12004-G, sub-§7-A is enacted to read:

4                   7-A. Economic           Municipal           Expenses Only           5 MRSA  
6           Development           Capital           Investment           §13114  
8                                   Advisory  
10                                   Commission

12                   Sec. 2. 5 MRSA c. 383, sub-c. VI, art. I is enacted to read:

14                                   ARTICLE I

16                                   MUNICIPAL GROWTH MANAGEMENT  
18                                   AND CAPITAL INVESTMENT

20                   §13112. Municipal Growth Management and Capital Investment Fund

22                   1. Creation. The Municipal Growth Management and Capital  
Investment Fund is created as a nonlapsing fund to be used by the  
department only for the purposes of this article.

24                   2. Deposited funds. Money in the fund not currently needed  
to meet the obligations of the department under this article  
shall be deposited with the Treasurer of State to the credit of  
the fund with all interest earned by the deposit credited to the  
fund.

30                   §13113. Assistance to municipalities

32                   The department may make grants to eligible municipalities in  
support of capital investments in public service infrastructure  
as provided in this article.

36                   1. Definitions. As used in this article, unless the  
context otherwise indicates, the following terms have the  
following meanings.

40                   A. "Public service infrastructure" means those facilities  
that are essential for public health, welfare and safety.  
42                   These facilities include, but are not limited to, sewage  
treatment facilities, municipal water facilities, solid  
44                   waste facilities, fire protection facilities, roads and  
traffic control devices, parks and other open space or  
46                   recreational areas and any other public facility that  
benefits the public.

48                   2. Eligibility. Any municipality is eligible to apply for  
50                   grants under this article when it has adopted a comprehensive  
plan pursuant to the requirements of Title 30-A, chapter 187.

2 subchapter II. The comprehensive plan shall include a capital  
3 investment plan comprised of the following elements:

4 A. An assessment of all public facilities and services,  
5 including, but not limited to, roads, sewers, schools, parks  
6 and open space, fire and police;

8 B. A 10-year plan for the replacement and expansion of  
9 existing public facilities or the construction of such new  
10 facilities as are required to meet expected growth and  
11 economic development. The capital investment plan shall  
12 include projections of when and where these facilities will  
13 be required; and

14 C. An assessment of the anticipated costs for replacement,  
15 expansion or construction of public facilities, an  
16 identification of revenue sources available to meet these  
17 costs and recommendations for meeting costs required to  
18 implement the plan.

20 3. Eligibility for municipalities without comprehensive  
21 plans. Any municipality is eligible to apply for grants under  
22 this article without having adopted a comprehensive plan pursuant  
23 to the requirements of Title 30-A, chapter 187, subchapter II, as  
24 follows:

26 A. If the municipality has experienced population growth of  
27 10% or more between 1980 and 1987 and has a total population  
28 in excess of 500 persons, based on population estimates  
29 provided by the State Planning Office and that municipality  
30 adopts a comprehensive plan by January 1, 1992;

32 B. If the municipality has experienced population growth of  
33 5% or more between 1980 and 1987, based on population  
34 estimates provided by the State Planning Office and that  
35 municipality adopts a comprehensive plan by January 1, 1994;  
36 or

38 C. If neither paragraph A or B applies and the municipality  
39 adopts a comprehensive plan by January 1, 1998.

42 4. Grants criteria. The department shall develop criteria  
43 and conditions for the award of grants to eligible municipalities  
44 after consultation with the Municipal Capital Investment Advisory  
45 Commission and subject to the requirements of this article.

46 A. The department shall give priority to those  
47 municipalities that are experiencing rapid growth and that  
48 possess a public service infrastructure inadequate to  
49 accommodate that growth.  
50

2 B. The department shall establish a preference for those  
4 municipalities with higher local property tax burdens. The  
comparative local property tax burden shall be determined  
under the provisions of Title 30-A, section 5681.

6 C. The department shall condition any grants under this  
8 article on consistency with the municipality's comprehensive  
plan, including its capital investment plan.

10 D. The department shall establish a preference for capital  
12 investment projects undertaken jointly by 2 or more  
municipalities or that provide substantial regional benefits.

14 E. The department shall adopt other criteria as it  
16 determines necessary to ensure that grants made under this  
article maximize the ability of municipalities to  
18 accommodate planned growth and economic development.

20 5. Coordination. The department shall coordinate the  
grants made under this article with all other community  
22 assistance grants administered by the department and with other  
state assistance programs designed to accomplish similar  
24 objectives, including those administered by the Department of  
Educational and Cultural Services, the Department of  
26 Transportation and the Department of Environmental Protection.

28 **§13114. Municipal Capital Investment Advisory Commission**

30 There is established a Municipal Capital Investment Advisory  
Commission to provide expert assistance and input to the  
32 department on the development of grants criteria under this  
article. The commission is composed of 5 members who shall serve  
34 staggered 4-year terms except that the terms of the initial  
members shall be as follows: one member for 2 years; 2 members  
36 for 3 years; and 2 members for 4 years. The Governor shall  
appoint the members who shall each have expertise and experience  
38 in municipal government. The commission shall meet at least  
twice annually and shall review the grants criteria annually.

40 **§13115. Report to the Legislature**

42 The department shall report to the joint standing committee  
of the Legislature having jurisdiction over appropriations and  
44 financial affairs no later than January 1, 1991, and biennially  
thereafter, on the grants program. The department may make any  
46 recommendations it finds necessary to achieve more effectively  
the purposes of this article, including the appropriation of any  
48 necessary additional funds.

2           **Sec. 3. Application; contingent on bond issue.** This Act shall  
take effect only if a \$10,000,000 general revenue bond issue for  
4       municipal growth management and capital investment is approved by  
the voters of the State.

6  
8                                 **STATEMENT OF FACT**

10           This bill establishes a Municipal Growth Management and  
Capital Investment Fund to assist towns and cities to build the  
12       public facilities, including roads, water supply and other items,  
needed to accommodate growth and economic development. The  
14       intent is to support the fund initially with the proceeds of a  
\$10,000,000 general revenue bond issue if approved by the voters  
16       of the State. The effectiveness of this bill is contingent upon  
passage of such a bond issue.

18           The fund shall be administered by the Department of Economic  
and Community Development with the advice of a commission  
20       composed of persons with expertise and experience in local  
government. The department shall coordinate this grants program  
22       with the other local and regional assistance programs it  
24       currently administers.

26           All municipalities with comprehensive and capital investment  
plans shall be eligible for grants. Those municipalities with  
28       higher than average property tax burdens or experiencing rapid  
growth shall receive priority.  
30