

# MAINE STATE LEGISLATURE

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# 116th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1993

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Legislative Document

No. 1537

H.P. 1137

House of Representatives, May 24, 1993

**An Act to Establish a Development Authority for Loring Air Force Base.**

(EMERGENCY)

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Reference to the Committee on Housing and Economic Development suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Speaker MARTIN of Eagle Lake. (GOVERNOR'S BILL)  
Cosponsored by Senator PARADIS of Aroostook and  
Representatives: AHEARNE of Madawaska, ANDERSON of Woodland, BAILEY of Township  
27, CLUKEY of Houlton, DONNELLY of Presque Isle, GWADOSKY of Fairfield, JOY of  
Island Falls, KNEELAND of Easton, MacBRIDE of Presque Isle, MARTIN of Van Buren,  
MICHAUD of East Millinocket, PARADIS of Augusta, PINETTE of Fort Kent, ROBICHAUD  
of Caribou, THOMPSON of Lincoln, WHITCOMB of Waldo, YOUNG of Limestone,  
ZIRNKILTON of Mount Desert, Senators: CAHILL of Sagadahoc, CARPENTER of York,  
DUTREMBLE of York, KIEFFER of Aroostook, LUDWIG of Aroostook.

2       **Mandate preamble.** This measure requires one or more local  
units of government to expand or modify activities so as to  
4       necessitate additional expenditures from local revenues but does  
not provide funding for at least 90% of those expenditures.  
6       Pursuant to the Constitution of Maine, Article IX, Section 21,  
two thirds of all of the members elected to each House have  
determined it necessary to enact this measure.

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

12  
14       **Whereas,** the United States Department of Defense has  
announced its intention to close Loring Air Force Base in  
Aroostook County by September 1994; and

16  
18       **Whereas,** Loring Air Force Base is presently the largest  
employer in Aroostook County, employing some 5,000 persons; and

20       **Whereas,** the Loring Readjustment Committee has been working  
to assess the potential reuse of the air force base facility and  
22       the impact of its closure on surrounding communities; and

24       **Whereas,** a legal entity needs to be created to accept the  
assets of the facility and manage a locally driven process for  
26       its readjustment and reuse; and

28       **Whereas,** it is critical to implement a reuse and  
readjustment strategy for the facility to preserve the local  
30       economies of the affected communities; and

32       **Whereas,** the United States Department of Defense is prepared  
to begin transferring the assets for their reuse; and

34  
36       **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  
38       necessary for the preservation of the public peace, health and  
safety; now, therefore,

40  
42       **Be it enacted by the People of the State of Maine as follows:**

44       **Sec. 1. 5 MRSA c. 383, sub-c. III, art. 1-B is enacted to read:**

46                       Article 1-B

48                       LORING DEVELOPMENT AUTHORITY OF MAINE

50       §13080. Loring Development Authority of Maine established

2       The Loring Development Authority of Maine is established to  
3       carry out the purposes of this article. The authority is  
4       entrusted with acquiring and managing the properties within the  
5       geographical boundaries of Loring Air Force Base.

6       **§13080-A. Definitions**

8       As used in this article, unless the context otherwise  
9       indicates, the following terms have the following meanings.

10       1. Authority. "Authority" means the Loring Development  
11       Authority of Maine.

12       2. Base area. "Base area" means the area within the  
13       geographic boundaries of Loring Air Force Base.

14       3. Bond. "Bond" means a bond or note or other evidence of  
15       indebtedness authorized under this article, whether issued under  
16       or pursuant to a bond resolution, trust indenture, loan or other  
17       security agreement.

18       4. Department. "Department" means the Department of  
19       Economic and Community Development or its successor.

20       5. Governing body. "Governing body" means, for a  
21       municipality, the municipal legislative body as defined by Title  
22       30-A, section 2001 or, for a county, the board of county  
23       commissioners.

24       6. Loring Air Force Base. "Loring Air Force Base" or  
25       "base" means those properties and facilities within the  
26       geographic boundaries of the United States Department of Defense  
27       air force base at Limestone existing on the effective date of  
28       this section. "Base" also includes other geographically separate  
29       property that the authority determines should be deemed part of  
30       the base, if the municipality in which the property is located  
31       has chosen not to accept the property and utilize it for other  
32       purposes.

33       7. Operating revenues. "Operating revenues" means funds  
34       available to the authority from fees, fares, rental or sale of  
35       property and miscellaneous revenue and interest not otherwise  
36       pledged or dedicated.

37       8. Primary impact community. "Primary impact community"  
38       means the municipalities of Caribou, Caswell, Fort Fairfield,  
39       Limestone, Presque Isle and Van Buren and Aroostook County.

40       9. Readjustment or reuse. "Readjustment" or "reuse" means  
41       an alternative use of the base facility from its use as a  
42       military installation.

2           10. Real or personal property. "Real or personal property"  
4           means those properties and assets transferred by the United  
6           States Government or the United States Air Force pursuant to the  
            closure of Loring Air Force Base.

8           11. Reconstruct or reconstruction. "Reconstruct" or  
10           "reconstruction" means any activities undertaken to maintain the  
12           properties of Loring Air Force Base, or any part of those  
14           properties, as a modern, safe and efficient facility and  
            includes, but is not limited to, any rebuilding, redesign,  
            improvement or enlargement of the real properties or  
            environmental mitigation activities on base properties.

16           §13080-B. Loring Development Authority of Maine; powers;  
            membership; obligations

18           1. Powers. The authority is a body corporate and politic  
20           and may:

22           A. Sue and be sued;

24           B. Adopt bylaws or regulations consistent with this article  
            for the governance of its affairs;

26           C. Exercise all of the general powers of corporations under  
28           Title 13-A, section 202;

30           D. Exercise the power of eminent domain;

32           E. Provide for the public safety by imposing appropriate  
34           regulations, regulating appropriate use of the base  
            facilities and enforcing laws and regulations as they apply  
            to the use of the base facilities;

36           F. Charge and collect fees, charges and rents for the use  
38           of the properties and other services and use the proceeds of  
40           those fees, charges and rents for the purposes provided in  
42           this article, both subject to and in accordance with any  
            agreement with bondholders that may be made as provided in  
            this article;

44           G. Contract with the Federal Government or its  
46           instrumentalities or agencies, this State or its agencies,  
48           instrumentalities or municipalities, public bodies, private  
            corporations, partnerships, associations and individuals to  
            carry out the purposes of this article;

50           H. Accept the cooperation of the Federal Government or its  
            agencies in the construction, maintenance, reconstruction,

2 operation and financing of the readjustment of the base and  
take necessary actions to utilize that aid and cooperation;

4 I. Borrow money and apply for and accept advances, loans,  
grants, contributions and other forms of financial  
6 assistance from the Federal Government, the State, a  
8 municipality or other public body or from other sources,  
public or private, for the purposes of this article, give  
10 any security that is required and enter into and carry out  
contracts in connection with that financial assistance;

12 J. Borrow money, make, issue and sell at public or private  
sale negotiable notes, bonds and other evidences of  
14 indebtedness or obligation of the authority for the purposes  
under this article and secure the payment of that obligation  
16 or any part of that obligation by pledge of all or any part  
of the operating revenues of the authority;

18 K. Enter into loan or security agreements with one or more  
20 lending institutions, including, but not limited to, banks,  
insurance companies and pension funds, or trustees for those  
22 institutions for the purposes for which bonds may be issued  
and exercise with respect to those loan or security  
24 agreements all of the powers delineated in this article for  
the issuance of bonds;

26 L. Provide from operating revenues for the maintenance,  
28 construction or reconstruction of facilities to ensure the  
public safety for which the authority has not otherwise  
30 provided;

32 M. Use operating revenues to provide payment of  
34 obligations, if any, due to the United States to implement  
the readjustment or reuse of the facility; and

36 N. Take all other lawful action necessary and incidental to  
38 these powers.

40 2. Membership; appointment. The authority is governed by a  
board of trustees composed of 11 voting members appointed by the  
42 Governor and subject to review by the joint standing committee of  
the Legislature having jurisdiction over economic development  
44 matters and to confirmation by the Senate.

46 A. Trustees are appointed for 4-year terms except that, for  
initial appointments, 3 trustees are appointed to one-year  
48 terms, 3 trustees to 2-year terms, 2 trustees to 3-year  
terms, 2 trustees to 4-year terms and the commissioner  
50 designated pursuant to paragraph D serves at the pleasure of  
the Governor.

2 B. A trustee continues to hold office until a successor is  
3 appointed and qualified, but the term of the successor is  
4 not altered from the original expiration date of the  
5 holdover trustee's term.

6 C. The Governor shall make 10 appointments, of which no  
7 less than 7 must be from candidates who are residents of  
8 Aroostook County and are nominated by the primary impact  
9 communities. The Governor shall appoint members who reflect  
10 the diversity of interests represented by these communities.

11 D. The Governor shall designate a commissioner of a  
12 department of State Government to be a voting, ex officio  
13 member of the board of trustees.

14 3. Quorum. Six members constitute a quorum. Six  
15 affirmative votes are required for the board to take action.

16 4. Liability. The liability of the authority is governed  
17 by the Maine Tort Claims Act, Title 14, chapter 741.

18 5. Expenses. A trustee is not entitled to receive  
19 compensation for services to the authority but is entitled to  
20 receive reimbursement for necessary expenditures, including  
21 travel expenses, incurred in carrying out those services.

22 6. Officers; employees. The trustees shall elect a chair  
23 and vice-chair from among their members. The authority may  
24 employ an executive director, technical experts and other agents  
25 and employees, permanent and temporary, that it requires and may  
26 determine their qualifications, duties and compensation. For  
27 required legal services, the authority may employ or retain its  
28 own counsel and legal staff.

29 §13080-C. Use of operating revenues

30 1. Principal use of revenue. Operating revenue must be  
31 used principally to reinvest in the properties held by the  
32 authority.

33 2. Permitted liability limited. All expenses incurred in  
34 carrying out this article must be paid solely from funds provided  
35 under the authority of this article, and liability or obligation  
36 may not be incurred under this article beyond the extent to which  
37 money has been provided under the authority of this article.

38 3. Equal opportunity employers. Contractors and  
39 subcontractors on authority construction and reconstruction  
40 projects must be equal opportunity employers and, for contracts  
41 in excess of \$250,000, shall pursue in good faith affirmative  
42 action programs designed to remedy underrepresentation of  
43 minority and disadvantaged groups.

2 minorities, women and persons with disabilities. The authority  
3 may by rule provide for the enforcement of this requirement.

4 **§13080-D. Property of authority**

6 The authority shall hold and acquire property as follows.

8 1. Lease or sale. Properties may be leased or sold to  
9 accomplish the readjustment or reuse of the facilities as  
10 determined appropriate by the authority. Resources acquired as a  
11 result of the lease or sale of these properties become operating  
12 revenues or assets of the authority.

14 2. Entry upon lands. The authority and its authorized  
15 agents and employees may enter upon lands, waters and premises in  
16 the State for the purpose of making surveys, soundings, drillings  
17 and examinations it determines necessary or convenient for the  
18 purposes of this article. The entry is not a trespass, but the  
19 authority is liable for damages its entry creates.

20 3. Authority for transfers of interest in land to the  
21 authority. Notwithstanding any contrary provisions of law, upon  
22 the authority's request, on reasonable and fair terms and  
23 conditions and without the necessity for advertisement, order of  
24 court or action or formality other than the regular and formal  
25 action of the authorities concerned, counties, municipalities,  
26 public agencies or instrumentalities of the State, public service  
27 corporations and special districts may lease, lend, grant or  
28 convey to the authority real or personal property or rights in  
29 that property that may be necessary or convenient for the  
30 effectuation of the authorized purposes of the authority,  
31 including real and personal property or rights in that property  
32 already devoted to public use. As used in this subsection, the  
33 term "public service corporation" includes a public utility as  
34 defined in Title 35-A, section 102, subsection 13 and a  
35 corporation referred to in Title 13-A.

38 **§13080-E. Special utility districts**

40 The authority may form special utility districts and provide  
41 municipal utility services within its jurisdiction. The board of  
42 trustees of the authority has the authority of a municipal  
43 legislative body for these purposes.

44 1. Sewer services. The authority may provide sewer  
45 services as a sanitary district under Title 38, chapter 11,  
46 subchapters III and IV. The authority may establish a board of  
47 trustees for the district and appoint the members of the board or  
48 may act as the trustees of the district.

50

2           2. Solid waste disposal. The authority may provide solid  
waste disposal services as a refuse disposal district under Title  
38, chapter 17. The authority may establish a board of trustees  
for the district and appoint the members of the board or may act  
as the trustees of the district.

3. Water. The authority may provide water as a water  
district under Title 35-A, Part 6. The authority may establish a  
board of trustees for the district and appoint the members of the  
board or may act as the trustees of the district.

4. Revenue-producing services. The authority has all the  
powers of a municipality to provide services under Title 30-A,  
chapter 213.

**§13080-F. Other municipal powers**

1. Traffic ordinances. The authority has the power to  
enact traffic ordinances and regulate the operation of motor  
vehicles under Title 30-A, section 3009, to the extent that power  
is not inconsistent with other validly enacted municipal  
ordinances.

2. Operating expenses. The authority has all the powers of  
a municipality to raise and appropriate money under Title 30-A,  
sections 5722 and 5723.

3. Zoning. The authority may not adopt zoning or land-use  
ordinances but may coordinate zoning and land-use regulation with  
interested primary impact communities.

4. Highway maintenance. The authority may maintain,  
repair, plow and control public ways as a municipality under  
Title 23, Part 3. The authority shall consult and coordinate  
with the appropriate primary impact community in appointing a  
road commissioner.

**§13080-G. Eminent domain**

The authority may acquire by eminent domain all or any part  
of the real property within the base area when the authority  
determines that the acquisition of that real property is in the  
public interest or necessary for the public use.

1. Resolution; documents filed; damages determined. The  
necessity for the acquisition of the real property is  
conclusively presumed upon the authority's adoption of a  
resolution declaring that the acquisition of the real property  
described in the resolution is in the public interest and  
necessary for the public use.

2 A. Within 3 months after a resolution is adopted, the  
3 authority shall file in the appropriate registry of deeds:

4 (1) A copy of the resolution;

6 (2) A plat of the real property described; and

8 (3) A statement, signed by the chair, that the real  
9 property is taken under this article.

10  
11 B. When the materials are filed pursuant to paragraph A,  
12 the authority shall determine the damages for the real  
13 property taken in the same manner provided for land taken  
14 for highway purposes under Title 23, chapter 3 and shall  
15 file a statement of this determination in the Superior Court  
16 of the county.

17 2. Title vests in authority; bonds deposited. Title to the  
18 real property vests in the authority in fee simple absolute and  
19 the authority may take possession of the real property when:

21 A. The copy of the resolution and the plat and statement  
22 are filed in the registry of deeds;

24 B. The statement is filed in the Superior Court; and

26  
27 C. Bonds, to the use of persons entitled to them, are  
28 deposited in the Superior Court with surety satisfactory to  
29 the clerk of the court in amounts that the court determines  
30 sufficient to satisfy the claims of all persons interested  
31 in the real property. The court, in its discretion, may  
32 take evidence to determine the amounts of the bonds to be  
33 deposited.

34  
35 3. Service on owners; nonresidents; unknown owners. After  
36 the copy, plat and statement are filed, the sheriff or the  
37 sheriff's deputy shall serve notice of the taking of the real  
38 property upon the owners of the real property by leaving a true  
39 and attested copy of the description and statement with each  
40 owner personally or at the owner's last and usual place of  
41 residence in the State or with some person living there.

42  
43 A. If an owner is not a resident of the State, a true and  
44 attested copy of the notice must be sent by registered mail,  
45 return receipt requested, to that owner at the owner's last  
46 known address.

47  
48 B. If the ownership of the real property can not be  
49 ascertained after due and diligent search, an award must be  
50 made to persons unknown for the value of the property and  
bonds for that amount running to the treasurer of the

2 county, for the use of persons entitled to the bonds, must  
3 be deposited in the Superior Court. If, within 2 years  
4 after the bonds are deposited, no person has been able to  
5 prove ownership of the real property, the Superior Court  
6 shall order that those bonds be cancelled and delivered up  
7 to the authority.

8 4. Notice published. After the copy, plat and statement  
9 are filed, the authority shall have a copy of the resolution and  
10 statement published at least once a week for 3 successive weeks  
11 in a newspaper of general circulation in the county. The  
12 statement must set forth the names of the owners of the real  
13 property to be taken and the amount awarded to them.

14 5. Agreement and cancellation of bonds. When a person  
15 agrees with the authority on the price of the real property taken  
16 under this section and the amount agreed upon is paid by the  
17 authority, the court shall order that the bond deposited  
18 according to subsection 2, paragraph C be cancelled and delivered  
19 up to the authority.

20 6. Complaint to Superior Court; trial. An owner of real  
21 property taken under this section who does not agree with the  
22 authority on the price of the real property in which the owner is  
23 interested, within 3 months after personal notice of the taking  
24 or, if the owner has not received personal notice, within one  
25 year from the first publication of the copy of the resolution and  
26 statement under subsection 4, may file a complaint in the  
27 Superior Court in the county setting forth the taking of the real  
28 property and praying for an assessment of damages by a jury or,  
29 by agreement of the parties, by a referee or referees appointed  
30 by the court.

31 A. When a complaint is filed, the court shall give 20 days'  
32 notice of the pendency of the action to the authority by  
33 -serving the chair with a certified copy of the complaint.  
34 After the notice, the court may proceed to the trial of the  
35 action. The trial determines all questions of fact relating  
36 to the value and the amount of the real property and  
37 judgment must be entered upon the verdict of the jury.  
38 Execution must be issued for that judgment against the money  
39 deposited in the court under subsection 2, paragraph C.

40 7. Conflicting ownership. If the authority is in doubt as  
41 to conflicting ownership or interest, the authority may file a  
42 complaint in the Superior Court for a determination of the  
43 various rights and amounts due. If 2 or more conflicting  
44 plaintiffs claim the same real property or different interests in  
45 the same parcel of real property, the court, upon motion, shall  
46 consolidate their several complaints for trial at the same time  
47  
48  
49  
50

2 by the same jury and may frame all necessary issues for the trial  
3 of that action.

4 8. Appeal. Appeal from the decision of the Superior Court  
5 may be made in the same manner as provided for appeals in civil  
6 cases.

7 9. Property of infants or incapable persons. If the real  
8 property in which an infant or other person not capable in law to  
9 act in that person's own behalf has an interest is taken by an  
10 authority under this article, the Superior Court, upon the filing  
11 of a complaint by or in behalf of that infant or other person,  
12 may appoint a guardian ad litem for the infant or other person.  
13 The guardian may appear and be heard on behalf of the infant or  
14 other person and, with the consent of the Superior Court and upon  
15 terms the Superior Court prescribes, may release to the authority  
16 all claims for damages for the taking of the real property of the  
17 infant or other person. With the approval of the Probate Court  
18 having jurisdiction to authorize the sale of real property within  
19 the State of the infant or other person and before the filing of  
20 the complaint, a lawfully appointed, qualified and acting  
21 guardian or other fiduciary of the estate of an infant or other  
22 person may agree with the authority on the amount of damages  
23 suffered by the infant or other person by the taking of the real  
24 property and, upon receiving that amount, may release to the  
25 authority all claims for damages of the infant or other person  
26 for the taking.

27 10. Expediting proceedings; taking public property. In  
28 proceedings for the assessment of compensation and damages for  
29 real property taken or to be taken by eminent domain by the  
30 authority, the following provisions apply.

31 A. During the pendency of the action or proceedings, the  
32 authority or an owner may apply to the court for an order  
33 directing an owner or the authority to show cause why  
34 further proceedings should not be expedited. Upon this  
35 application, the court may order that the hearings proceed  
36 with all possible expedition.

37 B. If the real property included within the project is  
38 devoted to public use, it may nevertheless be acquired and  
39 the taking is effective, except that real property belonging  
40 to a municipality or any government may not be acquired  
41 without its consent and real property belonging to a public  
42 utility corporation may not be acquired without the approval  
43 of the Public Utilities Commission or an officer or tribunal  
44 having regulatory power over that corporation.

2 C. Real property already acquired by the authority may  
3 nevertheless be included within this taking for the purpose  
4 of acquiring outstanding interests in the real property.

6 **§13080-H. Bonds**

8 1. Hearing required. The authority may issue bonds to  
9 finance its activities only after giving notice of the proposed  
10 issuance and its terms at least twice in a newspaper of general  
11 circulation in the county and holding a duly advertised public  
12 hearing on the issuance.

14 2. Authority. The authority may issue bonds from time to  
15 time in its discretion to finance the undertaking of an  
16 authorized activity under this article, including but not limited  
17 to the payment of principal and interest upon advances for  
18 surveys and plans, and may issue refunding bonds for the payment  
19 or retirement of bonds previously issued.

20 A. The principal and interest of bonds must be made payable  
21 solely from the income, proceeds, revenues and funds of the  
22 authority derived from or held for activities under this  
23 article. Payment of the principal and interest of bonds may  
24 be further secured by a pledge of a loan, grant or  
25 contribution from the Federal Government or other source in  
26 aid of activities of the authority under this article and by  
27 a mortgage of an urban activity or a project or part of a  
28 project, title to which is in the authority.

30 B. Bonds issued under this section do not constitute an  
31 indebtedness within the meaning of any constitutional or  
32 statutory debt limitation or restriction and are not subject  
33 to other laws or charters relating to the authorization,  
34 issuance or sale of bonds. Bonds issued under this article  
35 are declared to be issued for an essential public and  
36 governmental purpose and, together with interest on and  
37 income from the bonds, are exempt from all taxes.

38 3. General characteristics. Bonds authorized under this  
39 section may be issued in one or more series. The resolution,  
40 trust indenture or mortgage under which the bonds are issued may  
41 include the following:

44 A. The date or dates borne by the bonds;

46 B. Whether the bonds are payable upon demand or mature at a  
47 certain time or times;

48 C. The interest rate or rates of the bonds;

50 D. The denomination or denominations of the bonds;

2           E. The form of the bonds, whether coupon or registered;  
4           F. The conversion or registration privileges carried by the  
6           bonds;  
8           G. The rank or priority of the bonds;  
10          H. The manner of execution of the bonds;  
12          I. The medium and place or places of payment;  
14          J. The terms of redemption of the bonds, with or without  
16          premium;  
18          K. The manner secured; and  
20          L. Any other characteristics of the bonds.  
22          4. Price sold. The bonds may be:  
24           A. Sold at not less than par at public sales held after  
26           notice has been published in a newspaper of general  
28           circulation in the area of operation and in any other medium  
30           of publication that the authority designates;  
32           B. Exchanged for other bonds on the basis of par; or  
34           C. Sold to the Federal Government at private sale at not  
36           less than par. If less than all of the authorized principal  
38           amount of the bonds is sold to the Federal Government, the  
40           balance may be sold at private sale at not less than par at  
42           an interest cost to the municipality that does not exceed  
44           the interest cost to the municipality of the portion of the  
46           bonds sold to the Federal Government.  
48          5. Signatures of outgoing officers; negotiability. If an  
50          official of the authority whose signature appears on a bond or  
        coupon issued under this article ceases to be an official before  
        the bond is delivered, the signature is nevertheless valid for  
        all purposes, as if the official had remained in office until the  
        delivery. Notwithstanding contrary provisions of law, bonds  
        issued under this article are fully negotiable.  
        6. Bond recitation; conclusive presumptions. In actions or  
        proceedings involving the validity or enforceability of a bond  
        issued under this article or the security for that bond, a bond  
        reciting in substance that it has been issued by the authority in  
        connection with an activity is conclusively deemed to have been  
        issued for that purpose and the activity is conclusively deemed

2 to have been planned, located and carried out in accordance with  
3 this article.

4 7. No personal liability; not debt of State or  
5 municipality. Neither the trustees of the authority nor the  
6 person executing the bonds is liable personally on the bonds by  
7 reason of the issuance of the bonds. The bonds and other  
8 obligations of the authority must have stated on their face that  
9 they are not a debt of the State and that the State is not liable  
10 on the bonds. The bonds or obligations may not be payable out of  
11 funds or properties other than those of the authority acquired  
12 for the purposes of this article.

14 8. Bonds as legal investments. Public officers, municipal  
15 corporations, political subdivisions and public bodies; banks,  
16 trust companies, bankers, savings banks and institutions,  
17 building and loan associations, savings and loan associations,  
18 investment companies and other persons carrying on a banking  
19 business; insurance companies, insurance associations and other  
20 persons carrying on an insurance business; and executors,  
21 administrators, curators, trustees and other fiduciaries may  
22 legally invest sinking funds, money or other funds belonging to  
23 them or within their control in bonds or other obligations issued  
24 by the authority under this article. These bonds or other  
25 obligations are authorized security for all public deposits. It  
26 is the purpose of this section to authorize persons, political  
27 subdivisions and officers, public or private, to use funds owned  
28 or controlled by them for the purchase of these bonds or other  
29 obligations. This section does not relieve a person of any duty  
30 or of exercising reasonable care in selecting securities.

32 9. Investment of funds; redemption of bonds. The authority  
33 may:

34 A. Invest, in property or securities in which savings banks  
35 may legally invest funds subject to their control, funds  
36 held in reserves, sinking funds or funds not required for  
37 immediate disbursement; and

38 B. Cancel its bonds by redeeming them at the redemption  
39 price established in the bonds or by purchasing them at less  
40 than redemption price.

41 **§13080-I. Interest of public officials, trustees or employees**

42 1. Acquisition of interest. An official, trustee or  
43 employee of the authority may not acquire or hold a direct or an  
44 indirect financial or personal interest in:

45 A. An authority activity;

2           B. Property included or planned to be included in the base  
3           area; or

4           C. A contract or proposed contract in connection with an  
5           authority activity.

6  
7           When an acquisition is involuntary, the interest acquired must be  
8           disclosed immediately in writing to the authority trustees and  
9           the disclosure must be entered in the board's minutes.

10  
11           2. Present or past interest in property. If an official,  
12           trustee or employee presently owns or controls, or owned or  
13           controlled within the preceding 2 years, a direct or an indirect  
14           interest in property known to be included or planned to be  
15           included in an authority activity, that official, trustee or  
16           employee must disclose this fact immediately in writing to the  
17           authority and the disclosure must be entered in the authority's  
18           minutes.

19           3. Recusal. The official, trustee or employee with an  
20           interest may not participate in an action by the authority  
21           affecting that property.

22  
23           4. Incompatible offices. A trustee or other officer of the  
24           authority may not hold elected office in a municipality in  
25           Aroostook County or in Aroostook County government.

26  
27           5. Violation. A violation of this section is a Class E  
28           crime.

29  
30           §13080-J. Exemption from taxes and execution

31  
32           1. Property exempt from execution. The property, including  
33           funds, of the authority is exempt from levy and sale by virtue of  
34           an execution. An execution or other judicial process may not be  
35           issued against the authority's property and a judgment against  
36           the authority may not be a charge or lien upon its property.

37  
38           2. Property exempt from taxation. The property of the  
39           authority is declared to be public property used for essential  
40           public and governmental purposes and the property and the  
41           authority are exempt from the taxes of a municipality, the State  
42           or a political subdivision of the State. The tax exemption  
43           provided in this section terminates when the authority sells,  
44           leases for more than 10 years or otherwise disposes of the  
45           property.

46  
47           3. Construction; limitation of application. This section  
48           does not:

49  
50

2 A. Prohibit the authority from making payments in lieu of  
taxes to the municipality; or

4 B. Apply to or limit the right of an obligee to foreclose  
or otherwise enforce a mortgage of the authority or to  
6 pursue remedies for the enforcement of a pledge or lien  
given by the authority on its rents, fees, grants or  
8 revenues.

10 **§13080-K. Designation as port of entry, international airport,**  
**foreign trade zone and free port area**

12  
14 1. Port of entry. The authority may apply to the Secretary  
of the Treasury of the United States for the purpose of having  
16 Loring Air Force Base or a portion of the base designated,  
established or constituted as a port of entry or an international  
18 airport pursuant to the Customs Reorganization Act, 19 United  
States Code, Section 1, as amended, and Section 58b, as amended,  
20 and regulations of the United States Customs Service, including  
19 Code of Federal Regulations, Sections 101.0 and 122.1, as  
amended.

22  
24 2. Foreign trade zone. The authority may apply to the  
Secretary of Commerce of the United States for the purpose of  
26 establishing, operating and maintaining foreign trade zones at  
Loring Air Force Base pursuant to the federal Free Trade Zone  
28 Act, 19 United States Code, Section 81, as amended, providing for  
the establishment, operation and maintenance of foreign trade  
30 zones in or adjacent to ports of entry of the United States for  
expediting and encouraging foreign commerce and for other  
purposes.

32  
34 A. The authority may select and describe the location of  
the zone, make regulations and take other actions concerning  
36 the operation, maintenance and policing of the zone as  
necessary to comply with the Free Trade Zone Act and the  
regulations promulgated under that Act.

38  
40 B. The authority may lease or may erect, maintain and  
operate structures, buildings or enclosures necessary for  
42 the establishment and operation of foreign trade zones.

44 3. Other tax-free provisions. The authority may establish  
an area at Loring Air Force Base in which personal property in  
46 transit is exempt from the provisions of the stock-in-trade tax  
and other taxes and customs normally levied in a port of entry.  
48 For the purposes of this section, personal property in transit  
through the area established by the port authority includes  
50 goods, wares and merchandise that:

