

MAINE STATE LEGISLATURE

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L.D. 1252

DATE: 5-9-03

(Filing No. H-316)

MAJORITY
UTILITIES AND ENERGY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
121ST LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 926, L.D. 1252, Bill, "An Act To Authorize Water and Wastewater Districts To Lease Their Assets"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

'Sec. 1. 35-A MRSA §6109-A is enacted to read:

§6109-A. Lease of property by consumer-owned water utility

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

A. "Charter" has the same meaning as set forth in section 6402, subsection 1.

B. "Consumer-owned water utility" has the same meaning as set forth in section 6101, subsection 1-A.

2. Agreements authorized. Notwithstanding any provision to the contrary in its charter, a consumer-owned water utility may enter into a lease and leaseback transaction with respect to some or all of its real or personal property, other than land, and may take all other action necessary or desirable, including, but not limited to, the granting of mortgages and liens, to effectuate the transaction. For purposes of this subsection, "lease"

includes a lease of any length, including leases that may be defined as sales for income tax purposes.

Sec. 2. 38 MRSA §1068 is enacted to read:

§1068. Lease of property by sanitary district

Nothing in this chapter is intended to limit the authority of a sanitary district to enter into a lease and leaseback transaction with respect to some or all of its real or personal property, other than land, and to take all other action necessary or desirable, including, but not limited to, the granting of mortgages and liens, to effectuate the transaction. For purposes of this section, "lease" includes a lease of any length, including leases that may be defined as sales for income tax purposes.

Sec. 3. 38 MRSA §1252, sub-§10 is enacted to read:

10. Lease of property. A sewer district may enter into a lease and leaseback transaction with respect to some or all of its real or personal property, other than land, and may take all other action necessary or desirable, including, but not limited to, the granting of mortgages and liens, to effectuate the transaction. For purposes of this subsection, "lease" includes a lease of any length, including leases that may be defined as sales for income tax purposes.'

SUMMARY

This amendment, which is the majority report of the Joint Standing Committee on Utilities and Energy, replaces the bill. It removes references to property tax exemptions, eliminates references to sale and leaseback transactions, limits leaseback transactions to property other than land and defines leases to include leases of any length, including leases that may be defined as sales for income tax purposes.

FISCAL NOTE REQUIRED
(See attached)



**121st Maine Legislature
Office of Fiscal and Program Review**

LD 1252

**An Act To Authorize Water and Wastewater Districts To Lease Their
Assets**

LR 1195(02)

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Utilities and Energy

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue