

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 1252

H.P. 926

House of Representatives, March 6, 2003

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

Reference to the Committee on Utilities and Energy suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative McLAUGHLIN of Cape Elizabeth.
Cosponsored by Senator MAYO of Sagadahoc and
Representatives: BLISS of South Portland, CRESSEY of Baldwin, LUNDEEN of Mars Hill,
NORBERT of Portland, O'NEIL of Saco, Senator: YOUNGBLOOD of Penobscot.

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

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 or a sale and leaseback transaction with respect to some or all of its real or personal property and may take all other action necessary or desirable, including, but not limited to, the granting of mortgages and liens, to effectuate the transaction.

3. Property of consumer-owned water utility. For property tax purposes, including the purposes under Title 36, section 651, property and any interest in the property, including the lessor's interest, if any, in property leased back to the consumer-owned water utility that is subject to a lease and leaseback or a sale and leaseback transaction under this section is property of the consumer-owned water utility.

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 or a sale and leaseback transaction with respect to some or all of its real or personal property 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 property tax purposes, including the purposes under Title 36, section 651, property and any interest in the property, including the lessor's interest, if any, in property leased back to the consumer-owned water utility that is subject to a lease and leaseback or a sale and leaseback transaction under this section is property of the consumer-owned water utility.

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

4 10. Lease of property. A sewer district may enter into a
6 lease and leaseback or a sale and leaseback transaction with
8 respect to some or all of its real or personal property and may
10 take all other action necessary or desirable, including, but not
12 limited to, the granting of mortgages and liens, to effectuate
14 the transaction. For property tax purposes, including the
16 purposes under Title 36, section 651, property and any interest
18 in the property, including the lessor's interest, if any, in
20 property leased back to the consumer-owned water utility that is
22 subject to a lease and leaseback or a sale and leaseback
transaction under this section is property of the consumer-owned
water utility.

SUMMARY

20 This bill specifically provides that a consumer-owned water
22 or wastewater district may enter into lease and leaseback or sale
 and leaseback transactions in furtherance of its responsibilities
 to the public.