

MAINE STATE LEGISLATURE

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STATE AND LOCAL GOVERNMENT

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STATE OF MAINE
SENATE
121ST LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 421, L.D. 1290, Bill, "An Act To Provide Requirements for Towns To Deorganize"

Amend the bill by striking out all of section 1.

Further amend the bill by striking out all of section 3 and inserting in its place the following:

'Sec. 3. 30-A MRSA §7205, sub-§3, as enacted by PL 1989, c. 216, §2, is amended to read:

3. Distribution of financial liabilities and assets. The deorganization procedure shall must provide for the distribution of all financial and other intangible liabilities and assets of the municipality, including liabilities and assets held by the municipality in any other political subdivision that are affected by the deorganization. These assets and liabilities include, but are not limited to, outstanding bonds, notes and any other contractual obligations that extend beyond the proposed date of deorganization. The service of all bonded indebtedness or other debt backed by a pledge of the full faith and credit duly authorized by the legal voters of the deorganizing municipality prior to deorganization remains the responsibility of the residents of the municipality and may not be transferred in whole or in part to the residents of a geographic area outside the boundaries of the deorganizing municipality unless that debt is properly reissued.

A. The commission is responsible for determining these assets and liabilities and incorporating these provisions in the deorganization procedure.

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B. Distribution of these assets and liabilities shall must be in accordance with chapter 303.

Sec. 4. 30-A MRSA §7205, sub-§7 is enacted to read:

7. Fiscal impact assessment. The municipality seeking to deorganize shall prepare a report that identifies and analyzes the service and tax burden effects on the deorganizing municipality, surrounding municipalities and the unorganized territory that is associated with the deorganization. The report must include:

A. The principal reason or reasons the inhabitants of the municipality are considering deorganization;

B. An assessment of the government services being provided to the residents of the deorganizing municipality, including education, water and sewer service, fire protection, police protection, street improvements and maintenance, administrative services and recreational facilities and the effect deorganization will have on the provision of those services to the residents of the deorganizing municipality;

C. An inventory of the municipally owned assets and a complete accounting of the municipality's debt and the financial plan for retiring that debt;

D. The fiscal and service delivery effects of deorganization on surrounding municipalities, special districts, the county and the communities within the county, including the unorganized territory; and

E. Any alternatives to deorganization that have been considered to address the cause of the deorganization effort.

Sec. 5. 30-A MRSA §7207, first ¶, as enacted by PL 1989, c. 216, §2, is amended to read:

The local committee may incorporate the comments and suggestions received from the commission into the deorganization procedure. The local committee shall immediately notify the municipal officers and the county commissioners of the county where the municipality considering deorganization is located when the deorganization procedure has been completed.

Sec. 6. 30-A MRSA §7207, sub-§2-A is enacted to read:

2-A. Advisory referendum in unorganized territory. After receiving notice from the local committee that the deorganization procedure is complete, the county commissioners may hold an

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2 advisory referendum on the deorganization in the unorganized
3 territory in the county according to the procedures provided in
4 this subsection. The county commissioners may not hold an
5 advisory referendum until a system for identifying voters in the
6 unorganized territory is established. Any advisory referendum
7 must be held within 60 days of the receipt of notice from the
8 municipality that the deorganization process is complete.

9
10 The method of voting must be by secret ballot in the manner
11 prescribed for state elections. The county commissioners shall
12 notify the residents of the unorganized territory of the date on
13 which the referendum will be held. The county clerk shall
14 prepare the ballots on which the following question must appear:

15 "Do you support the deorganization of (name of
16 municipality)?"

17
18 The legal voters of the unorganized territory shall vote by
19 ballot on this question and shall designate their choice by a
20 cross or check mark placed within a corresponding square below
21 the words "Yes" or "No." The ballots must be received, sorted
22 and counted by the county clerk, and the county commissioners
23 shall declare the results of the vote. The county clerk shall
24 file a certificate of the advisory referendum results with the
25 Secretary of State within 10 days of the advisory referendum.
26 The clerk shall forward the results of the advisory referendum to
27 the commission and to the executive director, who shall forward
28 the results of the vote to the joint standing committee of the
29 Legislature having jurisdiction over local government matters.

30
31 **Sec. 7. 30-A MRSA §7209, sub-§4 is enacted to read:**

32
33 **4. Limitation.** If the voters of a municipality reject
34 deorganization in an advisory referendum held pursuant to this
35 section, the municipality may not submit a deorganization plan to
36 the Legislature for a period of 3 years from the date of that
37 advisory referendum.'

38
39 Further amend the bill by relettering or renumbering any
40 nonconsecutive Part letter or section number to read
41 consecutively.

42
43 **SUMMARY**

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45 This amendment clarifies that all debt incurred by a
46 municipality prior to deorganization will be the responsibility
47 of the residents of the community and not the entire population
48 of the unorganized territory. It directs the deorganizing
49 community to conduct a fiscal impact analysis. It also
50

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2 authorizes the county commissioners in the county where the
municipality considering deorganization is located to hold an
advisory referendum on the deorganization. Finally, it requires
4 a municipality that has rejected the deorganization to wait 3
years before reinitiating the process.

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