

# MAINE STATE LEGISLATURE

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# 122nd MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2005

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Legislative Document

No. 1637

H.P. 1155

House of Representatives, May 3, 2005

### **An Act To Implement the Fund for the Efficient Delivery of Local and Regional Services**

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Reference to the Committee on State and Local Government suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative BARSTOW of Gorham. (GOVERNOR'S BILL)  
Cosponsored by Senator SAVAGE of Knox and Representatives: ADAMS of Portland,  
FARRINGTON of Gorham, WOODBURY of Yarmouth, Senators: BARTLETT of  
Cumberland, DAMON of Hancock, SCHNEIDER of Penobscot.

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

4 **Sec. 1. 30-A MRSA §5681, sub-§3**, as amended by IB 2003, c. 2, §2, is further amended to read:

6 **3. Revenue-sharing funds.** To strengthen the  
8 state-municipal fiscal relationship pursuant to the findings and  
10 objectives of subsection 1, there is established the Local  
12 Government Fund. To provide additional support for  
14 municipalities experiencing a higher-than-average property tax  
16 burden, there is established the Disproportionate Tax Burden  
Fund. To assist those municipalities that collaborate with other  
municipalities, counties or state agencies to obtain savings in  
the cost of delivering local and regional governmental services  
there is established the Fund for the Efficient Delivery of Local  
and Regional Services, which is administered pursuant to chapter  
231.

18 **Sec. 2. 30-A MRSA c. 231** is enacted to read:

20 **CHAPTER 231**

22 **FUND FOR THE EFFICIENT DELIVERY OF LOCAL**  
24 **AND REGIONAL SERVICES**

26 **§6201. Definitions**

28 As used in this chapter, unless the context otherwise  
30 indicates, the following terms have the following meanings.

32 **1. Commissioner.** "Commissioner" means the Commissioner of  
Administrative and Financial Services.

34 **2. Cooperative services grant.** "Cooperative services  
36 grant" means a grant award from the fund pursuant to section 6208  
to cover eligible costs of a qualifying project.

38 **3. Department.** "Department" means the Department of  
40 Administrative and Financial Services.

42 **4. Eligible applicant.** "Eligible applicant" means a  
municipality, county or regional government subdivision.

44 **5. Eligible costs.** "Eligible costs" means the actual and  
46 direct expenses incurred in implementing a cooperative services  
grant or a planning grant awarded under section 6208, including  
48 expenses incurred in connection with the following activities for  
cooperative services grants and planning grants.

2 A. Eligible costs for a planning grant include the expense  
3 of:

4 (1) Studies to examine alternative methods of  
5 achieving collaboration, including those adopted by  
6 other municipalities;

7 (2) Cost-benefit studies; and

8 (3) Facilitation of community meetings and public  
9 outreach and education.

10 B. Eligible costs for a cooperative services grant includes  
11 the expense of:

12 (1) Execution and implementation of an interlocal  
13 agreement under chapter 115, a tax base sharing  
14 arrangement or another regional government mechanism  
15 for achieving collaboration;

16 (2) Joint strategic planning or comprehensive or  
17 capital investment planning;

18 (3) Public outreach and education;

19 (4) Collaboration or consolidation of offices or  
20 services;

21 (5) Professional services, such as those provided by  
22 attorneys, consultants, facilitators and architects; and

23 (6) Administrative services and costs, such as  
24 photocopying, printing, telephone service and travel  
25 costs.

26 Administrative and other costs of ongoing operations that would  
27 otherwise be budgeted by a municipality, county or regional  
28 government subdivision are not eligible costs.

29 6. Fund. "Fund" means the Fund for the Efficient Delivery  
30 of Local and Regional Services established by section 5681,  
31 subsection 3.

32 7. Planning grant. "Planning grant" means a grant award  
33 from the fund pursuant to section 6208 to cover eligible costs of  
34 developing a qualifying project for a cooperative services grant.

35 8. Qualifying project. "Qualifying project" means a  
36 project designed to achieve significant and sustainable savings  
37 in the cost of delivering local and regional governmental

2 services that reduces the demand for property tax revenues  
3 through collaborative approaches to service delivery, enhanced  
4 regional delivery systems, consolidated administrative services,  
5 broad-based purchasing alliances and interlocal agreements.

6 9. Regional government subdivision. "Regional government  
7 subdivision" means:

8  
9  
10 A. A regional planning commission or regional council of  
11 governments established under chapter 119; or

12 B. A legal entity created by interlocal agreement pursuant  
13 to chapter 115.

14 **§6202. Fund source; nonlapsing; dedicated, special revenue**  
15 **account**

16  
17 The fund consists of revenues transferred from the Local  
18 Government Fund pursuant to section 5681, subsection 5-B and any  
19 funds received as contributions from private and public sources.  
20 Eligible investment earnings credited to the assets of the fund  
21 become part of the assets of the fund. Any balance remaining in  
22 the fund at the end of any fiscal year must be carried forward to  
23 the next fiscal year. The fund is a dedicated, special revenue  
24 account.

25  
26 **§6203. Fund administration**

27  
28 The department shall administer the fund. The fund must be  
29 held separate and apart from all other money, funds and accounts.

30  
31 **§6204. Uses of fund**

32  
33 Except as otherwise provided by this section and section  
34 5681, subsection 3, the fund is available solely for grants for  
35 qualifying projects. The department may use the fund to cover its  
36 costs of administration, including contracting for services to  
37 administer the grants.

38  
39 Grant funds may not be used for reimbursement of costs or  
40 expenses incurred prior to an award from the fund.

41  
42 **§6205. Eligibility; intergovernmental cooperation**

43  
44 In accordance with the request for proposals issued by the  
45 department under section 6209, an eligible applicant may apply  
46 for a planning grant or a cooperative services grant from the  
47 fund. In order to be eligible for a planning grant or a  
48 cooperative services grant, an eligible applicant must  
49 demonstrate in its application that the project for which it  
50 is applying for the grant is a project that is in the public

2 seeks a grant will be undertaken in cooperation with one or more  
3 municipalities, counties or regional government subdivisions.

4 An eligible applicant may contract with nongovernmental  
5 organizations and individuals for the purpose of carrying out  
6 projects supported by the fund.

8 In applying for a cooperative services grant, an eligible  
9 applicant must specify the type of qualifying project for which  
10 assistance is sought and how the project will reduce demand for  
11 property tax revenues.

12 **§6206. Local match**

14 The department may not require an eligible applicant to  
15 provide matching funds to be eligible for a cooperative services  
16 grant and may not give preference or priority to an eligible  
17 applicant whose proposal provides matching funds.

20 The department may require an eligible applicant to provide  
21 matching funds for a planning grant in an amount not to exceed  
22 50% of the total grant award requested, as determined by the  
23 department in accordance with a request for proposals issued  
24 under section 6209, and may give preference or priority to an  
25 eligible applicant whose proposal provides matching funds.

26 **§6207. Funding criteria**

28 1. Planning grants. In evaluating and ranking an  
29 application for a planning grant, the review panel established  
30 under section 6208 shall consider whether the technical  
31 assistance and facilitation for which assistance is sought is  
32 reasonably likely to result in development and subsequent  
33 submission of a proposal for a qualifying project; the projected  
34 estimate of the aggregate reduction in the demand for property  
35 tax revenue; and other related factors in accordance with a  
36 request for proposals issued by the department under section 6209.

38 2. Cooperative services grants. In evaluating and ranking  
39 each application for a cooperative services grant, the review  
40 panel established under section 6208 shall consider the aggregate  
41 reduction in the demand for property tax revenue in the  
42 geographical region covered by the municipalities, counties and  
43 regional government subdivisions cooperating in the qualifying  
44 project; and other related factors in accordance with a request  
45 for proposals issued by the department under section 6209.

46 **§6208. Review panel; review and decision on grant applications**

2 1. Composition of review panel. A review panel is  
established consisting of the following members:

4 A. The Director of the State Planning Office within the  
Executive Department or the director's designee;

6 B. The commissioner or the commissioner's designee;

8 C. The State Tax Assessor or assessor's designee; and

10 D. Three municipal officials and one official of a county  
12 or regional government subdivision, selected by the  
14 commissioner, each of whom has successfully engaged in a  
16 regionalization effort. The commissioner shall consider  
geographic diversity, including rural and service center  
representation.

18 2. Review panel duties. The review panel established in  
subsection 1 shall:

20 A. Determine whether each eligible applicant for a  
22 cooperative services grant or planning grant meets the  
24 eligibility criteria under section 6205 and provide written  
notice to that applicant of its eligibility determination;  
26 and

28 B. In accordance with the request for proposals issued  
under section 6209, review and rank proposals from  
30 applicants eligible for cooperative services grants and  
planning grants under section 6205 against the funding  
32 criteria defined in section 6207 and award cooperative  
services grants or planning grants to proposals that best  
34 meet the funding criteria in section 6207 subject to  
availability of funding.

36 **§6209. Request for proposals**

38 No later than November 1st of each year, the department  
shall issue a request for proposals in accordance with the Bureau  
40 of General Services Rules, Chapter 110 that includes the  
schedules for submission and action on applications for grants  
42 under this chapter; procedures for scoring and ranking those  
applications; and procedures and information requirements related  
44 to application submissions. The department shall provide  
reasonable notice to all eligible applicants about the  
46 availability of the fund and the solicitation of grant proposals.

48 **§6210. Report**

2 By October 1st of each year, the department shall provide an  
3 annual report to the Intergovernmental Advisory Group established  
4 by Title 5, section 12004-I, subsection 75-C. The annual report  
5 must:

6 1. Itemize disbursements. Itemize disbursements from and  
7 indicate the current balance of the fund;

8  
9 2. Describe barriers or incentives. Describe any barriers  
10 to or incentives for regionalization identified by the department  
11 through its administration of the fund;

12  
13 3. Identify lessons. Identify lessons from which other  
14 eligible applicants may learn and best practices that other  
15 eligible applicants may follow; and

16  
17 4. Describe efforts. Describe the effect of the grants  
18 awarded, including the success of regional efforts and the amount  
19 of documented and anticipated property tax savings.

## 22 SUMMARY

24 This bill provides for the administration and use of the  
25 Fund for the Efficient Delivery of Local and Regional Services.  
26 The fund is used to provide cooperative services and planning  
27 grants to fund projects that achieve significant and sustainable  
28 savings in the cost of delivery of services and that reduce the  
29 demand for property tax revenues through collaborative approaches  
30 to service delivery, enhanced regional delivery systems,  
31 consolidated administrative services, broad-based purchasing  
32 alliances and interlocal agreements.