

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1872

H.P. 1305

House of Representatives, April 24, 2007

An Act To Preserve Maine's Quality Places

Reference to the Committee on Business, Research and Economic Development suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Speaker CUMMINGS of Portland.
Cosponsored by President EDMONDS of Cumberland and
Representatives: BARSTOW of Gorham, CONOVER of Oakland, KOFFMAN of Bar Harbor,
MIRAMANT of Camden, PINGREE of North Haven, PIOTTI of Unity, RAND of Portland,
RICHARDSON of Carmel, SIMPSON of Auburn, Senator: NUTTING of Androscoggin.

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

2 **PART A**

3 Sec. A-1. 30-A MRSA c. 225, sub-c. 5 is enacted to read:

4 SUBCHAPTER 55 QUALITY PLACES BONDS

6 §6051. Legislative findings

7 The Legislature finds that:

8 **1. People served.** The people of this State are served by investments to preserve and
9 protect the State's quality places, including revitalizing towns and cities, augmenting land
10 and farm conservation, protecting traditional uses of and access to the State's forests,
11 farms and lakes and promoting outdoor recreation and high-value tourism;

12 **2. Sufficient investments essential.** Ensuring sufficient investments in the
13 preservation and protection of quality places is essential to the continued vitality of the
14 economy of this State;

15 **3. Funding increased investment.** Funding increased investment in the
16 preservation and protection of quality places with increased taxes or by cutting essential
17 services to the most vulnerable citizens of this State is not in the best interests of the State
18 and would undermine the economy in this State; and

19 **4. Bonds.** Bonds as authorized in this subchapter are tax-exempt or taxable bonds
20 repaid as provided in this subchapter and therefore do not represent constitutional debt or
21 a pledge of the full faith and credit of the State.

22 **§6052. Bonds authorized**

23 Notwithstanding any other provision of law, the bank may issue up to \$190,000,000
24 plus financing costs of bonds to be repaid solely from funds provided in this subchapter.

25 The bank may issue bonds pursuant to a resolution to be adopted by the bank in the
26 amount and upon such terms as it considers appropriate. The terms of the bonds, their
27 repayment schedule and other provisions to facilitate their creditworthiness must be
28 determined by the bank.

29 The bonds must be in the form and bear interest at the rate or rates that, under the
30 United States Internal Revenue Code of 1986, as amended, in the opinion of bond counsel
31 to the bank may be included in or excludable from the gross income of the owners for
32 federal income tax purposes and state income tax purposes and must mature at the time
33 and have such other terms as are determined by the bank except that no pension cost
34 reduction bond may mature more than 20 years from the date of its issue.

1 Bonds issued pursuant to this subchapter are not, and may not be deemed to
2 constitute, a debt or liability of the State or of any political subdivision of the State, or a
3 pledge of the full faith and credit of the State or of any political subdivision of the State,
4 but are special obligations of the bank payable solely from the funds and revenues
5 pledged for those obligations.

6 Proceeds from any sale of the bonds must be deposited in accordance with the
7 following:

8 **1. Land for Maine's Future.** An amount equal to 45% of the bond proceeds must
9 be deposited into the Land for Maine's Future Fund established in Title 5, section 6323
10 for the acquisition of land and interest in land;

11 **2. Public Access to Traditional Uses Fund.** An amount equal to 5% of the bond
12 proceeds must be deposited into the Public Access to Traditional Uses Fund established
13 in Title 5, section 6203-B;

14 **3. Communities for Maine's Future Fund.** An amount equal to 45% of the bond
15 proceeds must be deposited into the Communities for Maine's Future Fund established in
16 Title 5, section 5156; and

17 **4. Office of Tourism.** An amount equal to 5% of the bond proceeds must be
18 distributed to the Department of Economic and Community Development, Office of
19 Tourism.

20 **§6053. Maine Municipal Bond Bank provisions**

21 The bank has the powers and duties provided by this chapter, modified and
22 supplemented as provided in this section for the purposes set forth in this section.

23 **1. Definitions.** As used in this subchapter, unless the context otherwise indicates,
24 the following terms have the following meanings.

25 A. "Ancillary obligation" means the obligation of the bank under any credit
26 enhancement or liquidity agreement, including any obligation in the form of bond
27 insurance, a letter of credit, standby bond purchase agreement, reimbursement
28 agreement, liquidity facility or other similar arrangement; under any remarketing
29 agreement, auction agent agreement, broker-dealer agreement or other agreement
30 relating to the marketing of the bonds, interest rate or other type of swap or hedging
31 contract; or under any investment agreement, forward purchase agreement or
32 similarly structured investment contract entered into by the bank in connection with
33 any bonds issued under this subchapter.

34 B. "Bonds" means any bonds, notes or other evidence of indebtedness issued by the
35 bank pursuant to this subchapter.

36 C. "Costs of issuance" means any item of expense directly or indirectly payable or
37 reimbursable by the bank and related to the authorization, sale or issuance of bonds,
38 including, but not limited to, underwriting fees and fees and expenses of professional
39 consultants and fiduciaries.

1 D. "Debt service fund" means the Quality Places Bonds Debt Service Fund
2 established by the bank pursuant to subsection 5.

3 E. "Financing costs" means all costs of issuance, capitalized interest, capitalized
4 operating expenses and debt service reserves, fees and costs of any ancillary
5 obligation and other fees, expenses and costs related to issuing, securing and
6 marketing the bonds.

7 **2. Declaration of purpose.** It is declared to be in the public interest and to be the
8 policy of the State to authorize the bank to issue bonds under this subchapter.

9 **3. Declaration of necessity.** It is declared that credit and municipal bond market
10 conditions may require the exercise of state powers by authorizing, but not requiring, a
11 state instrumentality to issue its bonds to finance all or a portion of the costs of preserving
12 and protecting the State's quality places under this subchapter.

13 **4. Lending and borrowing powers.** The bank may assist the State by borrowing
14 money to finance or refinance from time to time all or a portion of the costs of preserving
15 and protecting the State's quality places and make the proceeds of such borrowing
16 available to the State as set out in this subchapter. The principal of and interest on any
17 bonds issued by the bank and any ancillary obligation must be secured by the debt service
18 fund and capital reserve fund established pursuant to subsection 6 in accordance with and
19 as may be determined by resolution of the bank. Bonds, ancillary obligations or other
20 forms of debt or liability entered into or issued by the bank under this section are not in
21 any way a debt or liability of the State and do not constitute a loan of the credit of the
22 State or create any debt or debts or liability or liabilities on behalf of the State or
23 constitute a pledge of the faith and credit of the State. Each bond, ancillary obligation or
24 other evidence of debt or liability entered into by the bank must contain a statement to the
25 effect that the bank is obligated to pay the principal, interest, redemption premium, if any,
26 and other amounts payable solely from the sources pledged for that purpose by the bank,
27 and that neither the faith and credit nor the taxing power of the State is pledged to the
28 payment of the principal, interest, premium, charge, fee or other amount on the bond,
29 ancillary obligation or other form of indebtedness, as the case may be.

30 **5. Debt service fund.** The bank shall establish and maintain a debt service fund as a
31 trust fund called "the Quality Places Bonds Debt Service Fund" into which there must be
32 deposited directly money received from the Quality Places Reserve Fund established by
33 Title 5, section 1522, all proceeds of bonds required to be deposited in the debt service
34 fund by the terms of any contract between the bank and its bondholders or any resolution
35 of the bank with respect to the proceeds of bonds, any other money or funds of the bank
36 that it determines to deposit in the debt service fund and any other money or funds
37 transferred and made available to the bank only for the purposes of the debt service fund
38 from any other source or sources. Money in the debt service fund must be held and
39 applied solely to the payment of the interest on and principal of bonds secured by the debt
40 service fund as they become due and payable and for the retirement of bonds, including
41 the payment of any redemption premium required to be paid when any bonds are
42 redeemed or retired before maturity or, in accordance with the resolution authorizing the
43 issuance of the bonds, for the payment of ancillary obligations, except that, in each
44 month, to the extent there is money or funds in the debt service fund not needed in

1 accordance with the resolution, and subject in all respects to the provisions of the
2 resolution, the bank shall withdraw any excess money or funds and transfer it to accounts
3 identified by the State Controller.

4 **6. Capital reserve fund.** Pursuant to this chapter, a capital reserve fund, upon the
5 adoption of a resolution authorizing the issuance of pension cost reduction bonds, must be
6 created pursuant to section 6006, subsection 1-A with the same effect as provided in
7 section 6006 as if set forth fully in this subsection, including the provisions respecting the
8 restoration of the capital reserve fund, except that, in lieu of investments prescribed in
9 section 6006, subsection 3, the bank may provide for a surety on such terms and
10 conditions as prescribed by the resolution establishing the capital reserve fund.

11 **7. Transfer of funds.** So long as there are any bonds issued by the bank under this
12 subchapter outstanding, as defined by and under its resolution, and subject to
13 appropriation, if any, required by law, for payment and transfer to the debt service fund
14 established pursuant to subsection 5, the State Controller shall transfer immediately all
15 sums authorized by Title 5, section 1522.

16 **8. Corporate powers.** In addition to all other powers granted to the bank for
17 carrying out the purposes of this subchapter the bank may:

18 A. Make, enter into and enforce all contracts or agreements necessary, convenient or
19 desirable for the purposes of financing or refinancing the costs of preserving and
20 protecting the State's quality places;

21 B. Invest any funds or money of the bank not then required for funding the costs of
22 preserving and protecting the State's quality places in the same manner as permitted
23 for the investment of funds belonging to the State or held in the State Treasury,
24 except as otherwise permitted or provided by this subchapter; and

25 C. Fix and prescribe any form of application or procedure to be required of the State
26 or of any agency, political subdivision, instrumentality or department of the State
27 with respect to the costs of preserving and protecting the State's quality places and fix
28 the terms and conditions of the costs of preserving and protecting the State's quality
29 places and enter into agreements with the State or any agency, political subdivision,
30 instrumentality or department of the State or of any political subdivision of the State
31 in connection with the costs of preserving and protecting the State's quality places.

32 **9. Bonds of bank.** Notwithstanding the provisions of section 6003, the bank may
33 issue its bonds, including bonds to refund bonds, from time to time in any principal
34 amounts pursuant to and as prescribed by this subchapter.

35 **10. Agreements with financial institutions.** Notwithstanding the provisions of
36 section 6019, the bank may enter into any ancillary obligation or other agreements or
37 contracts with any commercial banks, trust companies or banking or other financial
38 institutions within or outside the State that are necessary, desirable or convenient in the
39 opinion of the bank to provide any other services to the bank to assist the bank in
40 effectuating the purposes of this subchapter. The bank may enter into, amend or terminate
41 any ancillary obligation as it determines to be necessary or appropriate to place the
42 obligations or investments of the bank, as represented by the bonds or the investment of

1 their proceeds, in whole or in part, on the interest rate, cash flow or other basis approved
2 by the bank. The obligation may include without limitation contracts commonly known
3 as interest rate swap agreements, forward purchase contracts or guaranteed investment
4 contracts and futures or contracts providing for payments based on levels of, or changes
5 in, interest rates. These contracts or arrangements may be entered into by the bank in
6 connection with or incidental to entering into or maintaining any agreement that secures
7 bonds of the bank or any investment or contract providing for investment of reserves or
8 similar facility guaranteeing an investment rate for a period of years not to exceed the
9 underlying terms of the bonds. The determination by the bank that an ancillary obligation
10 or the amendment or termination of an ancillary obligation is necessary or appropriate as
11 provided in this subsection is conclusive. Any ancillary obligation may contain such
12 payment, security, default, remedy, termination provisions and payments and other terms
13 and conditions as determined by the bank, after giving due consideration to the
14 creditworthiness of the counterparty or other obligated party, including any rating by any
15 nationally recognized rating agency, and to any other criteria as may be appropriate.

16 Bonds or any ancillary obligation may contain a recital that they are issued or executed,
17 respectively, pursuant to this subchapter. The recital is conclusive evidence of their
18 validity and of the regularity of the proceedings relating to them.

19 **11. Remedies of holders of bonds.** In addition to all other rights or remedies set
20 forth in section 6023, subsection 2, the trustee appointed pursuant to section 6023,
21 subsection 1 may, and upon written request of the holders of 25% in principal amount of
22 all outstanding bonds or holders of ancillary obligations in the percentage set forth in the
23 bank's authorizing resolution shall, in the trustee's or the bank's own name, by mandamus
24 or other suit, action or proceeding at law or in equity, enforce all rights of the
25 bondholders or holders of the ancillary obligations and require the bank to carry out any
26 other agreements with the bondholders or holders of such ancillary obligations and to
27 perform its duties under this subchapter, provided the bonds are limited revenue
28 obligations of the bank. The bank's obligations to make debt service payments do not
29 constitute a debt or liability of the State or any political subdivision of the State other than
30 the bank within the meaning of any constitutional or statutory limitation, or a loan of the
31 credit of the State, or a pledge of the faith and credit of the State or any political
32 subdivision of the State other than the bank, or a contractual obligation in excess of the
33 amounts deposited therein, and the State has no continuing legal or moral obligation to
34 appropriate money for said payments or other obligations of the bank. Payments of the
35 principal of, redemption premium, if any, and interest on the bonds must be made solely
36 from amounts derived from the debt service fund established pursuant to subsection 5.
37 Neither the faith and credit nor the taxing power of the State or of any political
38 subdivision of the State is pledged to the payment of the principal of, redemption
39 premium, if any, or interest on the bonds. The bank has no taxing power.

40 **§6054. Construction**

41 This subchapter and all powers granted by this subchapter must be liberally construed
42 to effectuate its intent and purposes without implied limitations. This subchapter
43 constitutes full and complete authority for all things contemplated to be done in this
44 subchapter. All rights and powers granted in this subchapter are cumulative with those
45 derived from other sources and may not, except as expressly stated in this subchapter, be

construed in limitation thereof. Insofar as the provisions of this subchapter are inconsistent with any other provision of law or the provisions of any other Act, general or special, the provisions of this subchapter are controlling.

Sec. A-2. Statutory referendum procedure; submission at election; form of question; effective date. This Part must be submitted to the legal voters of the State at a statewide election held in the month of November following the passage of this Act. The municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Part by voting on the following question:

"Do you favor directing the Maine Municipal Bond Bank to issue revenue bonds in the amount of \$190,000,000 to preserve and protect the State's quality places, including revitalizing towns and cities, augmenting land and farm conservation, protecting traditional uses and access to Maine forests, farms and lakes and promoting outdoor recreation and high-value tourism?"

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within a corresponding square below the word "Yes" or "No." The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns. If a majority of the legal votes are cast in favor of this Part, the Governor shall proclaim the result without delay and this Part becomes effective 30 days after the date of the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Part necessary to carry out the purposes of this referendum.

PART B

Sec. B-1. 5 MRSA §12004-I, sub-§6-G is enacted to read:

6-G.

Economic Development

**Communities for
Maine's Future
Advisory Board**

Legislative per
diem

30-A MRSA
§5154

Sec. B-2. 30-A MRSA c. 204 is enacted to read:

CHAPTER 204

COMMUNITIES FOR MAINE'S FUTURE

§5151. Definitions

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

1. Advisory board. "Advisory board" means the Communities for Maine's Future Advisory Board under section 5154.

2. Community infrastructure. "Community infrastructure" means infrastructure that promotes revitalization, redevelopment or preservation of sustainable communities, including but not limited to:

A. Building rehabilitation;

B. Creation or improvement of green space;

C. Sidewalk improvements;

D. Maintenance of recreational trails;

E. Signs;

F. Public facilities such as libraries, post offices, town offices, fire stations and public restrooms located in a downtown or in a designated growth area;

G. Streetscape improvements, including but not limited to lighting, benches and trash receptacles;

H. Parking;

I. Downtown housing;

J. Adaptive uses to ensure compliance with requirements of the federal Americans with Disabilities Act; and

K. Downtown access improvements and waterfront access points.

3. Department. "Department" means the Department of Economic and Community Development.

4. Fund. "Fund" means the Communities for Maine's Future Fund established in section 5156.

5. Program. "Program" means the Communities for Maine's Future program established in section 5152.

§5152. Communities for Maine's Future

The Communities for Maine's Future program is created within the department to provide grants and loans to municipalities or groups of municipalities for community infrastructure projects.

1 **§5153. Eligibility for grants or loans**

2 **1. Distribution of funds.** The department, in conjunction with the advisory board,
3 shall develop criteria and conditions for the award of grants and loans from the fund
4 consistent with this section. The criteria and conditions must include, but may not be
5 limited to, the furtherance of the following goals:

6 A. Revitalization, redevelopment, enhancement or historic preservation in
7 downtowns, designated growth areas or villages;

8 B. Creation or improvement of open and green spaces and parks;

9 C. Improvement of tourism services and attractions;

10 D. Creation or improvement of access to coastal waters and riverfronts; and

11 E. Support for community infrastructure needs that achieve the goals of
12 revitalization, redevelopment, enhancement, historic preservation and increasing
13 tourism.

14 **2. Eligibility for funding.** An applicant for funding under this chapter must
15 demonstrate:

16 A. That the applicant has approved comprehensive plans and growth management
17 plans and that the project to be funded is consistent with those plans; and

18 B. That any project relating to a library, post office, town office, public restroom or
19 public safety facility is located in a downtown or designated growth area of a
20 municipality.

21 **3. Priority.** The department, with input from the advisory board, shall establish
22 priorities for the award of grants and loans from the fund consistent with this subsection.
23 The priorities established under this subsection must give preference to projects that:

24 A. Promote the redevelopment or revitalization of a downtown, a designated growth
25 area or a village;

26 B. Leverage other private, federal or local funding;

27 C. Will produce economic gain to the community;

28 D. Have historic or cultural significance;

29 E. Will help a community reach goals set forth in that community's comprehensive
30 plan; or

31 F. Affect more than one community and have regional significance.

32 **§5154. Advisory board**

33 **1. Composition.** The Communities for Maine's Future Advisory Board, as
34 established in Title 5, section 12004-I, subsection 6-G, consists of 11 members, 6 of
35 whom are private citizens and 5 of whom are permanent members. The permanent
36 members are the Commissioner of Economic and Community Development, the Director
37 of the Maine Arts Commission, the Director of the Office of Tourism, the Director of the

1 State Planning Office within the Executive Department and the president of the Maine
2 Development Foundation.

3 2. Appointments. The 6 private citizens are appointed by the Governor and are
4 subject to review by the joint standing committee of the Legislature having jurisdiction
5 over business and community development matters and to confirmation by the
6 Legislature.

7 3. Qualifications. Members of the advisory board must be selected for their
8 dedicated commitment to community preservation and revitalization. Appointments must
9 provide broad geographic representation.

10 4. Terms; compensation. The private citizen members are appointed to 4-year
11 terms. Private citizen members may not serve more than 2 consecutive 4-year terms.
12 Private citizen members receive the legislative per diem pursuant to Title 5, chapter 379.

13 5. Board duties. The advisory board shall review applications for funding under
14 this chapter and make recommendations to the department on approval of such
15 applications for funding.

16 **§5155. Department duties**

17 1. Staffing assistance. The department shall provide staffing assistance to the
18 advisory board.

19 2. Coordination. The department shall coordinate the program with other grant and
20 loan programs with similar goals, including but not limited to the Municipal Investment
21 Trust Fund established in section 6006-D and the Land for Maine's Future program
22 established in Title 5, chapter 353.

23 3. Report. The department shall implement the program and shall report on the
24 program's activities annually by January 1st to the joint standing committees of the
25 Legislature having jurisdiction over state and local government matters, land use planning
26 matters and appropriations and financial affairs.

27 **§5156. Fund created**

28 The Communities for Maine's Future Fund is created within the department. The
29 fund consists of the proceeds from the sale of any bonds authorized for the purposes set
30 forth in section 5152 and any funds received as contributions from private and public
31 sources for those purposes. The fund must be held separate and apart from all other
32 money, funds and accounts. Eligible investment earnings credited to the assets of the
33 fund become part of the assets of the fund. Any balance remaining in the fund at the end
34 of any fiscal year must be carried forward to the next fiscal year.

35 **Sec. B-3. Staggered terms.** Notwithstanding the Maine Revised Statutes, Title
36 30-A, section 5154, subsection 4, of the original appointments of private citizen members
37 to the Communities for Maine's Future Advisory Board, 2 members serve for 2-year
38 terms, 2 members serve for 3-year terms and 2 members serve for 4-year terms.

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PART C

Sec. C-1. 5 MRSA §6201, sub-§3, as amended by PL 1993, c. 728, §3, is further amended to read:

3. Matching funds. "Matching funds" means any combination of public and private funds used in conjunction with the Land for Maine's Future Fund ~~or~~, the Public Access to Maine Waters Fund or the Public Access for Traditional Uses Fund for the purpose of this chapter, including, but not limited to: private contributions of cash or securities; money from municipal or other public agencies; money from a federal matching program, subject to the limitations of applicable federal and state laws, in an amount authorized by the federal program; contributions of real property, or interest in real property, that serves the acquisition needs of the State as determined by the Land for Maine's Future Board; in-kind contributions; or any combination of those funds. Contributions of land or interest in land must be valued, for purposes of this section, in the amount of their appraised value.

Sec. C-2. 5 MRSA §6203-B is enacted to read:

§6203-B. Public Access for Traditional Uses Fund

1. Fund established. The Public Access for Traditional Uses Fund, referred to in this section as "the fund," is created and is administered by the board. The fund consists of the proceeds from the sale of bonds authorized for the purposes set forth in subsection 3 and funds received as contributions from private and public sources for those purposes. The fund must be held separate and apart from all other money, funds and accounts. Eligible investment earnings credited to the assets of the fund become part of the assets of the fund. Any balance remaining in the fund at the end of a fiscal year must be carried forward to the next fiscal year.

2. Fund available. The fund is available to state agencies and designated cooperating entities upon authorization of the board for the purposes identified in subsection 3.

3. Fund proceeds. The proceeds of the fund may be applied and expended to:

A. Acquire property or interests in property that allow access to land for hunting, fishing and other traditional recreation purposes; and

B. Provide minor capital improvements on lands acquired by proceeds from the fund to provide public access or improve accessibility, as long as these improvements do not exceed 5% of the appraised value of the acquired property.

Sec. C-3. 5 MRSA §6204, sub-§6, as amended by PL 1993, c. 728, §6, is further amended to read:

6. Assistance. The Department of Conservation; the Department of Inland Fisheries and Wildlife; the Department of Transportation; the Department of Agriculture, Food and Rural Resources; the State Planning Office; and all other state agencies shall provide staff support and assistance considered necessary by the board to fulfill the objectives of this chapter. If agency assistance is not available, consultants may be hired from the

1 proceeds of either the Land for Maine's Future Fund ~~or~~, the Public Access to Maine
2 Waters Fund or the Public Access for Traditional Uses Fund to assist the board in
3 carrying out its responsibilities.

4 **Sec. C-4. 5 MRSA §6206, sub-§1**, as amended by PL 2005, c. 215, §1, is further
5 amended to read:

6 **1. Responsibilities.** The board shall:

7 A. Complete an assessment of the State's public land acquisition needs and develop
8 a strategy and guidelines, based on that assessment, for use in allocating the proceeds
9 of the Land for Maine's Future Fund ~~and~~, the Public Access to Maine Waters Fund
10 and the Public Access for Traditional Uses Fund. Both the assessment and the
11 development of a strategy and guidelines must be conducted with opportunities for
12 participation by interested state agencies and the public;

13 C. Receive and review funding requests from state agencies and cooperating
14 entities for acquisition projects meeting state guidelines;

15 D. In accordance with the strategy and guidelines developed under paragraph A,
16 authorize distribution of proceeds from the Land for Maine's Future Fund ~~and~~, the
17 Public Access to Maine Waters Fund and the Public Access for Traditional Uses
18 Fund for acquisitions of property or interests in property; and

19 E. On January 1st of every odd-numbered year, report to the joint standing
20 committee of the Legislature having jurisdiction over matters pertaining to state parks
21 and public lands on expenditures from the Land for Maine's Future Fund ~~and~~, the
22 Public Access to Maine Waters Fund and the Public Access for Traditional Uses
23 Fund and revisions to the strategies and guidelines. This report must include a
24 description of access to land and interest in land acquired during the report period. If
25 an acquisition has been made that does not include guaranteed public vehicular
26 access to the land acquired, the board must provide justification for that acquisition
27 and a plan for continuing efforts to acquire guaranteed public access to the land. This
28 report must include a summary of the board's experience during the reporting period
29 with projects funded pursuant to section 6203 or 6203-A and in which the land or
30 interest in land is acquired by a cooperating entity. This report must also include on a
31 county-by-county basis a summary of the expenditures made by the board and
32 acreage conserved through acquisition of fee or less-than-fee interest by the board
33 during the report period. Each report must include cumulative totals by county of
34 acreage conserved through acquisition of fee or less-than-fee interest through action
35 by the board.

36 **Sec. C-5. 5 MRSA §6207**, as amended by PL 2001, c. 564, §1, is further amended
37 to read:

38 **§6207. Acquisition criteria**

39 **1. Distribution of funds.** The board shall authorize the distribution of funds from
40 the Land for Maine's Future Fund ~~and~~, the Public Access to Maine Waters Fund and the
41 Public Access for Traditional Uses Fund to state agencies and cooperating entities for the
42 acquisition of natural lands that meet the criteria set forth in this chapter.

1 **2. Determination of state significance.** In determining whether a proposed
2 acquisition must be funded, in full or in part, by the Land for Maine's Future Fund ~~or~~, the
3 Public Access to Maine Waters Fund or the Public Access for Traditional Uses Fund, the
4 board shall consider whether the site is of state significance and:

5 A. Contains recreation lands, prime physical features of the Maine landscape, areas
6 of special scenic beauty, farmland or open space, undeveloped shorelines, wetlands,
7 fragile mountain areas or lands with other conservation, wilderness or recreation
8 values;

9 B. Is habitat for plant or animal species or natural communities considered rare,
10 threatened or endangered in the State; or

11 C. Provides nonmotorized or motorized public access to recreation opportunities or
12 those natural resources identified in this section.

13 **3. Priorities.** Whenever possible, the Land for Maine's Future Fund ~~and~~, the Public
14 Access to Maine Waters Fund and the Public Access for Traditional Uses Fund must be
15 used for land acquisition projects when matching funds are available from cooperating
16 entities, provided that the proposed acquisition meets all other criteria set forth in this
17 chapter. For acquisitions funded by the Land for Maine's Future Fund, the board shall
18 give priority to projects that conserve lands with multiple outstanding resource or
19 recreation values or a single exceptional value, provide geographic representation and
20 build upon or connect existing holdings.

21 When acquiring land or interest in land, the board shall examine public vehicular access
22 rights to the land and, whenever possible and appropriate, acquire guaranteed public
23 vehicular access as part of the acquisition.

24 **4. Nonqualifying expenditures.** The board may not fund:

25 A. Facilities for organized recreational activities, including, but not limited to,
26 ballparks, tennis courts or playgrounds;

27 B. Except as provided in section 6203, subsection 3, paragraph B and section 6203-
28 A, subsection 3, paragraph B, capital improvements on any publicly owned facilities;
29 and

30 C. The acquisition of land of which the primary use value has been and will be as
31 commercially harvested or harvestable forest land.

32 **5. Estimation of monitoring and management costs.** Prior to final approval of a
33 project under this chapter, a person submitting a proposal to acquire property or an
34 interest in property with funding from the Land for Maine's Future Fund ~~or~~, the Public
35 Access to Maine Waters Fund and the Public Access for Traditional Uses Fund shall
36 provide:

37 A. A description of the management envisioned for the property for the first 10
38 years following acquisition. When the application proposes acquiring an interest in
39 property, the application must provide a description of the anticipated management
40 responsibilities retained by the landowner and those to be assumed by the State or a
41 cooperating entity;

1 B. Preliminary estimates of the costs to the State or a cooperating entity of
2 managing the land for the uses proposed in the application; and

3 C. Preliminary estimates of the costs associated with monitoring compliance with
4 an easement when an interest in land is acquired.

5 **Sec. C-6. 5 MRSA §6209, sub-§1**, as amended by PL 1993, c. 728, §13, is
6 further amended to read:

7 **1. Uses of funds.** The board may use the Land for Maine's Future Fund ~~and~~ the
8 Public Access to Maine Waters Fund ~~and the Public Access for Traditional Uses Fund~~ to
9 acquire real property in both fee and less-than-fee simple interest, including, but not
10 limited to, conservation easements, access easements, scenic easements, other permanent
11 interests in land and long-term leases of at least 99 years, ~~provided that as long as~~ those
12 acquisitions are primarily natural lands meeting the criteria set forth in this chapter.

13 **Sec. C-7. 5 MRSA §6209, sub-§5**, as amended by PL 1993, c. 728, §13, is
14 further amended to read:

15 **5. Land evaluated.** All lands acquired with money from the Land for Maine's
16 Future Fund ~~or~~ the Public Access to Maine Waters Fund ~~and the Public Access for~~
17 ~~Traditional Uses Fund~~ must be evaluated for rare, threatened or endangered species of
18 plants and animals, exemplary natural communities, features of historic significance and
19 other high priority natural features and ecologic functions as determined by the board,
20 with reference to the best inventory data available to the State. Subsequent management
21 by state agencies holding properties found to have such important features and functions
22 must reflect the objective of maintaining and protecting those features and functions.

23 **PART D**

24 **Sec. D-1. 36 MRSA §1811, first ¶**, as amended by PL 2001, c. 439, Pt. TTTT,
25 §2 and affected by §3, is further amended to read:

26 A tax is imposed on the value of all tangible personal property and taxable services
27 sold at retail in this State. The rate of tax is 7% on the value of liquor sold in licensed
28 establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title
29 28-A, chapter 43; 7% on the value of rental of living quarters in any hotel, rooming house
30 or tourist or trailer camp; 10% on the value of rental for a period of less than one year of
31 an automobile; 7% on the value of prepared food; and 5% on the value of all other
32 tangible personal property and taxable services. An additional tax at the rate of 3% is
33 imposed on the value of rental of living quarters in any hotel, rooming house or tourist or
34 trailer camp, the revenue from which must be deposited in the Quality Places Reserve
35 Fund created in Title 5, section 1522. Value is measured by the sale price, except as
36 otherwise provided.

37 **PART E**

38 **Sec. E-1. 5 MRSA §1522** is enacted to read:

1 **§1522. Quality Places Reserve Fund**

2 **1. Fund established.** The Quality Places Reserve Fund is established and consists
3 of all resources transferred to the fund pursuant to Title 36, section 1811 and any other
4 resources made available to the fund.

5 **2. Uses of fund.** Funds in the Quality Places Reserve Fund must be held and applied
6 solely:

7 **A.** To the payment of the interest and principal on bonds secured by the debt service
8 fund in accordance with Title 30-A, chapter 225, subchapter 5; and

9 **B.** To the Department of Economic and Community Development, Office of
10 Tourism as provided in subsection 3.

11 **3. Office of Tourism.** An amount equal to 5% of the funds deposited in the Quality
12 Places Reserve Fund must be transferred monthly to the Department of Economic and
13 Community Development, Office of Tourism.

14 **PART F**

15 **Sec. F-1. Appropriations and allocations.** The following appropriations and
16 allocations are made.

17 **ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF**

18 **Office of Tourism**

19 Initiative: Allocates funds to promote outdoor recreation and high-value tourism through
20 branding and marketing.

21

22 QUALITY PLACES RESERVE FUND	2007-08	2008-09
23 All Other	\$5,000,000	\$0
24		
25 QUALITY PLACES RESERVE FUND TOTAL	\$5,000,000	\$0

26 **PART G**

27 **Sec. G-1. Contingent effective date.** Parts B to F of this Act take effect only if
28 Part A is approved by the voters at referendum in accordance with Part A, section 2. If
29 Part A of this Act is approved at referendum, Parts B to F of this Act take effect 90 days
30 after the Governor's proclamation regarding the voter approval of Part A.

31 **SUMMARY**

32 Part A of this bill directs the Maine Municipal Bond Bank to issue revenue bonds in
33 the amount of \$190,000,000 to preserve and protect the State's quality places, including
34 revitalizing towns and cities, augmenting land and farm conservation, protecting

1 traditional uses and access to Maine forests, farms and lakes and promoting outdoor
2 recreation and high-value tourism. The effect of Part A is contingent on voter approval of
3 the issuance of the revenue bonds.

4 Part B of this bill establishes the Communities for Maine's Future program in the
5 Department of Economic and Community Development to provide grants and loans from
6 the sale of any bonds authorized pursuant to Part A to municipalities and groups of
7 municipalities for community infrastructure projects.

8 Part C of this bill establishes the Public Access for Traditional Uses Fund within the
9 Land for Maine's Future program.

10 Part D imposes an additional tax of 3% on the value of lodging and directs that the
11 revenue from this additional tax be deposited in the Quality Places Reserve Fund.

12 Part E establishes the Quality Places Reserve Fund and specifies that an amount equal
13 to 95% of the revenue in the fund be applied solely to the payment of interest and
14 principal on the revenue bonds issued pursuant to Part A. An amount equal to 5% must
15 be transferred to the Office of Tourism.

16 Part F allocates \$5,000,000 from the Quality Places Reserve Fund to the Department
17 of Economic and Community Development, Office of Tourism to promote outdoor
18 recreation and high-value tourism through branding and marketing.

19 Part G specifies that Parts B, C, D, E and F are contingent on voter approval of the
20 issuance of the revenue bonds contained in Part A.