

MAINE STATE LEGISLATURE

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L.D. 2023

Date: 3/18/18

(Filing No. H-770)

AGRICULTURE, CONSERVATION AND FORESTRY

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
123RD LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1407, L.D. 2023, Bill, "An Act To Repeal the Cap on Rental Rates for State Submerged Lands"

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

Sec. 1. 12 MRSA §1862, sub-§2, ¶E, as amended by PL 2005, c. 134, §3, is further amended to read:

E. Beginning January 1, 1997, the maximum rent to which any lease is subject may not exceed \$1,200 per year. The \$1,200 limit does not apply to a large-scale project. The director shall establish through rulemaking criteria for determining a project's designation as a large-scale project and criteria for establishing rents for large-scale projects. Rules adopted pursuant to this paragraph are major substantive rules as defined in Title 5, chapter 375, subchapter 2-A. This paragraph is repealed June 30, 2009.

Sec. 2. Director of the Bureau of Parks and Lands to convene a working group to assist in the development of a fair and equitable rent structure for leasing submerged lands. The Director of the Bureau of Parks and Lands within the Department of Conservation shall convene a working group to advise and assist the Department of Conservation, Bureau of Parks and Lands in developing a rent structure for leasing submerged land that is fair and equitable. The working group may recommend a phase-in period to ease the transition into the new rent structure.

Based on the draft rent schedule developed and circulated by the bureau in 2007 and early 2008, the director shall invite representatives of the following groups of lessees to participate in the working group:

- 1. Two whose leases exceed \$10,000 annually;
- 2. Two whose leases are between \$3,000 and \$9,999; and
- 3. Two whose leases are between \$1,200 and \$2,999.

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 1407, L.D. 2023

1 In addition, the director shall also seek participation from members of the Submerged
2 Lands Advisory Board, representatives of marine trade groups and at least 2 members
3 from the general public. Assistance to the working group must be provided within
4 existing resources of the bureau.

5 **Sec. 3. Report to the Joint Standing Committee on Agriculture,**
6 **Conservation and Forestry.** No later than October 22, 2008, the Director of the
7 Bureau of Parks and Lands within the Department of Conservation shall provide the Joint
8 Standing Committee on Agriculture, Conservation and Forestry with a copy of the rent
9 schedule developed pursuant to section 2, including a summary of the working group's
10 meetings, the rationale for various rent categories and a timeline for phasing in the new
11 lease rates.

12 **SUMMARY**

13 This amendment replaces the bill. It delays the repeal of the cap on rental rates until
14 June 30, 2009 and directs the Director of the Bureau of Parks and Lands within the
15 Department of Conservation to convene a working group to assist in developing a
16 schedule of rental rates. It requires the director to report to the Joint Standing Committee
17 on Agriculture, Conservation and Forestry no later than October 22, 2008.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



123rd MAINE LEGISLATURE

LD 2023

LR 2980(02)

An Act To Repeal the Cap on Rental Rates for State Submerged Lands

Fiscal Note for Bill as Amended by Committee Amendment "A"
Committee: Agriculture, Conservation and Forestry
Fiscal Note Required: Yes

Fiscal Note

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
Revenue				
Other Special Revenue Funds	\$0	\$0	\$140,000	\$280,000

Fiscal Detail and Notes

This bill would repeal, on June 30, 2009, the current cap of \$1,200 per year on rental rates for submerged lands leased from the State. The Department of Conservation will develop the amount and rate of increase for these leases by October 28, 2008. It is estimated that Other Special Revenue Funds revenue would increase by an additional \$140,000 per year starting in fiscal year 2009-10 over the next 5 years to a maximum annual revenue increase of \$700,000.