

# MAINE STATE LEGISLATURE

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E I G H T Y - E I G H T H L E G I S L A T U R E

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Legislative Document

No. 254

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S. P. 179

In Senate, Feb. 3, 1937.

Referred to Committee on Judiciary and 500 copies ordered printed.  
Sent down for concurrence.

ROYDEN V. BROWN, Secretary.

Presented by Senator Spear of Cumberland.

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S T A T E O F M A I N E

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I N T H E Y E A R O F O U R L O R D N I N E T E E N H U N D R E D  
T H I R T Y - S E V E N

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**AN ACT Relating to Emergency Municipal Finance Board.**

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

**Sec. 1. P. L., 1933, c. 284, § 3, amended.** Section 3 of chapter 284 of the public laws of 1933, is hereby amended to read as follows:

**'Sec. 3. Audit may be made by the board.** The board is hereby authorized and empowered in the event that any city, town or plantation becomes 6 months in arrears in the payment of its taxes to the state in full or in part or defaults on any bond issue or payment of interest due thereon or refuses or neglects to pay school and other salaries due, to cause to be made an audit of the financial condition of said city, town or plantation at the expense of said city, town or plantation, **or an investigation of the financial affairs of such municipality that will reveal whether or not its affairs are in such condition that the interest of the state and public necessity in its judgment require that its affairs be taken over and administered under the terms of this act,** and to make such other investigation of the affairs thereof as it shall deem wise to determine the reason for such failure to pay such taxes and indebtedness.'

**Sec. 2. P. L., 1933, c. 284, § 6, amended.** Section 6 of chapter 284 of the public laws of 1933 is hereby amended to read as follows:

**'Sec. 6. May appoint temporary officials.** The commissioner or commissioners may, if in their opinion it will be advantageous to said city, town or plantation, declare the offices of auditor, treasurer, collector and assessors, **or any other official in said municipality**, vacant temporarily and appoint ~~from the registered voters of said city, town or plantation~~ successors to any or all of the said offices to serve at the pleasure of the commissioner or commissioners. The appointees shall receive ~~the same salaries on a pro rata basis~~ **such compensation** as the **commissioner or commissioners shall fix**, and the former incumbents ~~who shall not receive no~~ compensation during their absence from office. **The choice of managers, officers and agents shall be and remain with the board and their compensation shall be fixed by such board, any other statute to the contrary notwithstanding. In the event that the board shall consider it advisable it may appoint 1 officer, manager or agent to administer 2 or more cities, towns or plantations.'**

**Sec. 3. P. L., 1933, c. 284, § 7, amended.** Section 7 of chapter 284 of the public laws of 1933 is hereby amended to read as follows:

**'Sec. 7. May make loans; may make assessments to pay deficiencies and overdrafts; municipalities to be exempt from certain legal processes.** Said board is authorized after having taken over the administration of government and control of the financial affairs of any city, town or plantation, as provided hereinbefore, through the commissioner or commissioners in charge thereof, to make temporary loans to the extent of the constitutional debt limit of said city, town or plantation, **and he or they are further empowered to issue negotiable commissioners' certificates, such certificates to be a preferred claim against all the assets of said city, town or plantation operated by the commissioner or commissioners**, and to borrow from the state if and when an amendment to the constitution of the state is adopted authorizing the same, in a sufficient amount to pay the outstanding state taxes of said city, town or plantation and such expenses of said board as shall be allocated thereto, and for other lawful purposes; said obligations to be signed by said commissioner or commissioners and otherwise to be issued in the same manner and form as provided by law upon the terms to be determined by said board, and to thereby become the valid debt of such city, town or plantation. **In issuing temporary commissioners' certificates or any other acts pursuant to their duties in connection with the government of any city, town or plantation the board shall have the same authority**

as is vested in the municipal officers, and shall further have the right to issue the same as if authorized by the vote of the inhabitants of any such city, town or plantation at a regular election called for the purpose. Said board shall also have authority to lay assessments upon the property in said city, town or plantation, and to collect the same, for the purpose of paying deficiencies and accounts previously contracted by said city, town or plantation. During the time said commissioner or commissioners are in charge of the administration of any city, town or plantation, no suit shall be brought or maintained against such commissioner or commissioners nor against the said municipality, and the enforcement of all claims, liens, debts, judgments, attachments or other actions then pending or subsisting against said municipality shall be suspended and continued until said commissioner or commissioners shall have completed their duties and relinquished their authority over such municipality, except that they may authorize the payment of any such claims in their discretion prior to such relinquishment. During the period of the control by said commissioner or commissioners, the statute of limitations shall not run on any obligations of the city, town or plantation.'

Sec. 4. P. L., 1933, c. 284, § 8, amended. Section 8, of chapter 284 of the public laws of 1933 is hereby amended to read as follows:

'Sec. 8. Duration of power of board. Said board shall continue in charge of the government and financial affairs of said city, town or plantation until such time as its taxes due the state, or loans made therefor, expenses or obligations incurred by said commissioner or commissioners, or the board of emergency municipal finance shall have been paid and until in the opinion of the commissioner or commissioners, or the emergency municipal finance board, the financial affairs of said city, town or plantation may be resumed under local control.'

Sec. 5. The following section is hereby added to chapter 284 of the public laws of 1933:

'Sec. 9. Act to apply to unincorporated areas. This act shall apply to any towns or plantations that may be or may have been deorganized by act of the legislature.'