

MAINE STATE LEGISLATURE

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SECOND SPECIAL SESSION

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

Legislative Document

No. 1640

H. P. 1127

House of Representatives, January 13, 1958

The Committee on Appropriations and Financial Affairs suggested.

HARVEY R. PEASE, Clerk

Presented by Mr. Elwell of Brooks.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FIFTY-EIGHT

AN ACT Clarifying Administrative Procedure for Ferry Service for North Haven, Vinalhaven, Islesboro and Swan's Island.

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

Sec. 1. P. & S. L., 1957, c. 190, § 2, amended. Section 2 of chapter 190 of the private and special laws of 1957 is hereby amended to read as follows:

'Sec. 2. Purchase of equipment and property. Suitable boats, wharves, landing places and all other necessary appurtenances shall be ~~secured~~ **acquired** by the Maine Port Authority through purchase, lease, condemnation or agreement so as to adequately provide for transporting vehicles, freight and passengers to and from said towns of North Haven, Vinalhaven, Islesboro and Swan's Island at ~~an estimated~~ a cost ~~of not to exceed~~ \$2,500,000. ~~Said cost and interest during the establishment of such ferry line or lines shall be taken and appropriated from the proceeds of bonds issued under authority of this act.~~

Any necessary condemnation proceedings shall be taken under the provisions of chapter 52, sections 11 to 22, of the Revised Statutes.

The costs incurred in establishing the ferry line or lines shall be paid by the Treasurer of State from the proceeds of the sale of the bonds herein authorized upon approval by the Maine Port Authority, in accordance with the provisions of chapter 15-A, section 19, of the Revised Statutes.'

Sec. 2. P. & S. L., 1957, c. 190, § 4, amended. Section 4 of chapter 190 of the private and special laws of 1957 is hereby amended to read as follows:

'Sec. 4. Tolls. The Maine Port Authority shall operate such ferry line or lines as a toll system to retire the bonds issued as provided by this act and to

provide for all the expenses and maintenance incurred hereunder. The Maine Port Authority shall charge and collect such tolls for the use of such ferry line or lines by vehicles, freight and passengers as may from time to time be determined and ordered by it, having due regard to the value of the services rendered, the cost of upkeep, maintenance, repairs and operation, and interest on the bonds issued.

All money collected as tolls shall be regularly deposited by the authority in some bank or trust company designated by the Treasurer of State, in accordance with the provisions of chapter 18, section 11, of the Revised Statutes.'

Sec. 3. P. & S. L., 1957, c. 190, § 5, amended. Section 5 of chapter 190 of the private and special laws of 1957 is hereby amended to read as follows:

'Sec. 5. Treasurer of State to issue bonds. The Treasurer of State is hereby authorized, under the direction of the Governor and Council, to issue from time to time serial coupon bonds in the name and behalf of the State to an amount not exceeding \$2,500,000 for the purpose of raising funds for the establishment and operation of said ferry line or lines and ~~interest~~ **the payment of interest due** during such establishment **as provided for in section 10.** Said bonds shall be deemed a pledge of the faith and credit of the State.'

Sec. 4. P. & S. L., 1957, c. 190, § 7, amended. Section 7 of chapter 190 of the private and special laws of 1957 is hereby amended to read as follows:

'Sec. 7. Sale, how negotiated; proceeds appropriated. The Treasurer of State may negotiate the sale of such bonds by direction of the Governor and Council; but no such bond shall be loaned, pledged or hypothecated in behalf of the State. The proceeds of the sales of such bonds, which shall be held by the Treasurer of State ~~and paid by him upon warrants drawn by the Governor and Council,~~ are hereby appropriated to be used solely for the purposes set forth in this act. Any balance unexpended shall not lapse, but shall be carried forward to the same account to be used only for the purposes set forth herein.'

Sec. 5. P. & S. L., 1957, c. 190, §§ 8, 9, 10, repealed and replaced. Sections 8, 9 and 10 of chapter 190 of the private and special laws of 1957 are hereby repealed and the following sections enacted in place thereof:

'Sec. 8. Proceeds of bonds and tolls not available for other purposes; must be kept in a separate fund. The proceeds of all bonds issued under the authority of this act, and the tolls collected hereunder, shall at all times be kept in a separate fund, distinct from all other moneys of the State and shall be drawn upon and be available only for purposes set forth in this act.

Sec. 9. Operations. The Maine Port Authority shall operate such ferry line or lines as a toll system to retire the bonds issued as provided by this act and to provide for all the expenses and maintenance incurred hereunder. The authority shall employ such persons and authorize such expenditures as shall be necessary for the upkeep, maintenance, repairs and operation of the ferry line or lines. The authority shall approve all expenditures for the upkeep, maintenance, repairs and operation of the ferry line or lines, which shall be paid by the Treasurer of State, from the fund, heretofore established, on warrants signed by the State Controller.

Sec. 10. Interest and debt retirement. Interest due or accruing upon any bonds issued under the provisions of this act and all sums coming due for payment of bonds at maturity shall be paid by the Treasurer of State. The interest charges on the bonds issued hereunder, that accrue before sufficient funds are available from tolls to pay them in full, shall be paid from the proceeds from the bonds issued under the provisions of this act until such time as the tolls of the ferry line or lines, applicable for the payment of interest, are sufficient for this purpose.'

Sec. 6. P. & S. L., 1957, c. 190, § 10-A, additional. Chapter 190 of the private and special laws of 1957 is amended by adding a new section 10-A, as follows:

'**Sec. 10-A. Damages suffered by Penobscot Bay Ferry.** The Maine Port Authority is hereby authorized to determine on petition, therefore, by the owner or owners of the Penobscot Bay Ferry, so called, after notice and hearing, the damages suffered by said owner or owners by reason of the construction and operation of a ferry line or lines under this act. When said damages are so ascertained, the Maine Port Authority shall forthwith authorize the payment of the amount thereof to the said owner or owners from proceeds of bonds issued under this act.'

SUMMARY STATEMENT

The original bill seeking to establish the ferry service to the four Penobscot Islands was written to be a function of the State Highway Commission. During the session the sponsors, because of the constitutional limitations on the use of highway funds, changed the responsibility from the Highway Commission to the Maine Port Authority, a general fund operation.

The purpose of this bill is to make such changes in the regular session legislation as to set up the operation as a Public Service Enterprise.