

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND TWENTY-FIRST LEGISLATURE

FIRST SPECIAL SESSION
August 21, 2003 to August 22, 2003

The General Effective Date For
First Special Session
Non-Emergency Laws Is
November 22, 2003

SECOND REGULAR SESSION
January 7, 2004 to January 30, 2004

The General Effective Date For
Second Regular Session
Non-Emergency Laws Is
April 30, 2004

SECOND SPECIAL SESSION
February 3, 2004 to April 30, 2004

The General Effective Date For
Second Special Session
Non-Emergency Laws Is
July 30, 2004

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TITLE 3, SECTION 163-A, SUBSECTION 4.

Penmor Lithographers
Lewiston, Maine
2004

CHAPTER 528

S.P. 649 - L.D. 1717

**An Act To Clarify Membership on
Boards of Directors for Maine
Financial Institutions**

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the Maine Business Corporation Act took effect July 1, 2003 and has standardized the corporate structure and governance of Maine corporations; and

Whereas, certain provisions in law remain inconsistent with that Act; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 9-B MRSA §326, first ¶, as corrected by RR 2001, c. 2, Pt. B, §10 and affected by §58, is amended to read:

Except as provided in this section and section 327, the management and operations of a financial institution organized under this chapter must be pursuant to Title 13-C, chapter 8.

Sec. 2. 9-B MRSA §326, sub-§1, ¶A, as amended by PL 1997, c. 398, Pt. D, §13, is further amended to read:

A. The number of directors on the board of a mutual financial institution may not be less than 5, ~~all of whom must be residents of the financial institution's geographic area or an area proximate to that geographic area.~~

Sec. 3. 9-B MRSA §326, sub-§1, ¶C, as enacted by PL 1975, c. 500, §1, is amended to read:

C. Vacancies on the board occurring during the year may be filled by the board until the next annual meeting of the incorporators or members, who shall elect a director at such time to fill such position for the remainder of the term. Any vacancy ~~which that~~ causes the number of directors to fall below the minimum required in paragraph A or in the institution's bylaws ~~shall or articles of incorporation must~~ be filled immediately.

Emergency clause. In view of the emergency cited in the preamble, this Act takes effect when approved.

Effective March 3, 2004.

CHAPTER 529

H.P. 1272 - L.D. 1750

**An Act To Improve the Ability of
Water Utilities To Maintain a
Contingency Allowance**

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

Sec. 1. 35-A MRSA §6105, sub-§4, ¶E, as corrected by RR 1991, c. 2, §131, is amended to read:

E. To provide for a contingency ~~reserve fund~~ allowance as provided in section 6112; and

Sec. 2. 35-A MRSA §6112, as renumbered by RR 1991, c. 1, §49, is amended to read:

§6112. Contingency allowance

1. Annual contingency allowance. A consumer-owned water utility may provide for an annual contingency allowance by including in rates ~~an amount up to 5% of the revenues required to operate the water utility. Each year any contingency allowance, which may not exceed 5% of the prior year's total revenue, must be credited to a contingency reserve fund. Other revenue may not be credited to the account.~~ the amounts as follows:

A. For a utility with total annual revenues up to \$85,000, an amount up to 10% of the revenues required to operate the utility; and

B. For a utility with total annual revenues in excess of \$85,000, an amount up to 5% of the revenues required to operate the utility.

~~**2. Contingency reserve fund maximum.** The maximum amount that may be accumulated in a contingency reserve fund is as follows:~~

~~A. For utilities with annual revenues of up to \$125,000, the maximum amount is 25% of the most recent year's annual revenues;~~

~~B. For utilities with annual revenues between \$125,001 and \$250,000, the maximum amount is 15% of the most recent year's annual revenues plus \$12,500;~~

~~C. For utilities with annual revenues between \$250,001 and \$375,000, the maximum amount is~~