

# MAINE STATE LEGISLATURE

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**LAWS**  
**OF THE**  
**STATE OF MAINE**

**AS PASSED BY THE**

**ONE HUNDRED AND TWENTY-SIXTH LEGISLATURE**

**FIRST SPECIAL SESSION**  
**August 29, 2013**

**SECOND REGULAR SESSION**  
**January 8, 2014 to May 2, 2014**

**THE EFFECTIVE DATE FOR**  
**FIRST SPECIAL SESSION**  
**EMERGENCY LAW IS**  
**SEPTEMBER 6, 2013**

**THE GENERAL EFFECTIVE DATE FOR**  
**SECOND REGULAR SESSION**  
**NON-EMERGENCY LAWS IS**  
**AUGUST 1, 2014**

**PUBLISHED BY THE REVISOR OF STATUTES**  
**IN ACCORDANCE WITH THE MAINE REVISED STATUTES ANNOTATED,**  
**TITLE 3, SECTION 163-A, SUBSECTION 4.**

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**Augusta, Maine**  
**2014**

UNIVERSITY OF MAINE SYSTEM

University of Maine Cooperative Extension Service

Provides funds to assist Maine agriculture and to protect Maine farms through the creation of an animal and plant disease and insect control facility administered by the University of Maine Cooperative Extension Service.

Total \$8,000,000

Sec. 6. Contingent upon ratification of bond issue. Sections 1 to 5 do not become effective unless the people of the State ratify the issuance of the bonds as set forth in this Act.

Sec. 7. Appropriation balances at year-end. At the end of each fiscal year, all unencumbered appropriation balances representing state money carry forward. Bond proceeds that have not been expended within 10 years after the date of the sale of the bonds lapse to the Office of the Treasurer of State to be used for the retirement of general obligation bonds.

Sec. 8. Bonds authorized but not issued. Any bonds authorized but not issued within 5 years of ratification of this Act are deauthorized and may not be issued, except that the Legislature may, within 2 years after the expiration of that 5-year period, extend the period for issuing any remaining unissued bonds for an additional amount of time not to exceed 5 years.

Sec. 9. Referendum for ratification; submission at election; form of question; effective date. This Act must be submitted to the legal voters of the State at a statewide election held in the month of November following 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 Act by voting on the following question:

"Do you favor an \$8,000,000 bond issue to provide funds to assist Maine agriculture and to protect Maine farms through the creation of an animal and plant disease and insect control facility administered by the University of Maine Cooperative Extension Service?"

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 Act, the Governor shall proclaim the result without delay and this Act 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 Act necessary to carry out the purposes of this referendum.

Effective pending referendum.

CHAPTER 573

S.P. 710 - L.D. 1784

An Act To Reform Regulation of Consumer-owned Water Utilities

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

Sec. 1. 35-A MRSA §6105, sub-§§2 and 3, as enacted by PL 1987, c. 141, Pt. A, §6, are amended to read:

2. Just and reasonable rates. The governing body shall establish and file rates, tolls or charges which that are just and reasonable and which that provide revenue as may be required to perform its public utility service and to attract necessary capital on just and reasonable terms. The governing body shall provide the rate schedule and any changes to the rate schedule to the commission.

3. Uniform rates. The governing body shall establish and file rates which that are uniform within the territory supplied whenever the installation and maintenance of mains and the cost of service is substantially uniform. If, for any reason, the cost of construction and maintenance or the cost of service in a section of the territory exceeds the average, the governing body may establish and file higher rates for that section, but these higher rates shall must be uniform throughout that section. The governing body shall provide the rate schedule and any changes to the rate schedule to the commission.

Sec. 2. 35-A MRSA §6105, sub-§4, as corrected by RR 2011, c. 2, §39, is amended to read:

4. Purposes. The governing body may establish and file rates under this section to provide revenue for the following purposes, but no other:

A. To pay the current expenses for operating and maintaining the water system and to provide for normal renewals and replacements;

B. To provide for the payment of the interest on the indebtedness created or assumed by the utility;

C. To provide each year a sum equal to not less than 2% nor more than 10% of the term indebtedness represented by the issuance of bonds created or assumed by the utility, ~~which;~~ the sum ~~shall~~ must be turned into a sinking fund and there kept to provide for the extinguishment of term indebtedness. The money set aside in this sinking fund ~~shall~~ must be devoted to the retirement of the term obligations of the utility and may be invested in such securities as savings banks in the State are allowed to hold;

D. To provide for annual principal payments on serial indebtedness created or assumed by the utility;

E. To provide for a contingency allowance as provided in section 6112;

F. To provide for rate adjustments to reflect the cost of anticipated construction of plants or facilities required by the 1986 amendments to the United States Safe Drinking Water Act, Public Law 93-523, or related projects, except that rates established under this paragraph are not subject to section 6104; and

G. To provide for recovery of the amounts necessary to fund the replacement of water system infrastructure. Those funds must be deposited in a capital reserve account and used in accordance with section 6107-A.

**Sec. 3. 35-A MRSA §6107, sub-§3,** as amended by PL 1987, c. 490, Pt. B, §16, is further amended to read:

**3. Use of funds.** The funds generated by the system development charge ~~shall~~ must be deposited into a special account of the consumer-owned water utility dedicated to finance capital outlays for water system expansion caused by an increase in demand for service. The funds from the special account ~~shall~~ may be used only for the purpose of financing the expansion of the system and ~~shall~~ may not be used for the repair or replacement of existing facilities unless the replacement is required as a result of increased demand for service. The system development charge ~~shall~~ may not be treated as income of the consumer-owned water utility nor ~~shall~~ may it be considered part of the rates established and ~~filed~~ provided to the commission pursuant to section 6105.

**Sec. 4. 35-A MRSA §6114** is enacted to read:

**§6114. Exemption from requirements**

The commission may grant exemptions from portions of this Title to individual consumer-owned water utilities or a class of consumer-owned water utilities in accordance with this section. An exemption granted under this section must be granted pursuant to standards and procedures adopted by the commission by rule.

**1. General standards.** In order to grant an exemption, the commission must make specific findings that the exemption is in the public interest, will not result in unjust or unreasonable rates and will not have a negative impact on the provision of safe, adequate and reliable service and that the affected consumer-owned water utility or class of consumer-owned water utilities has the adequate technical, financial and administrative capacity to perform the waived function or requirement.

**2. Initiation of exemption.** The commission shall consider an exemption to an individual consumer-owned water utility at the request of a consumer-owned water utility. The commission shall require the consumer-owned water utility to notify its customers and hold a public hearing before approving the request for exemption. The commission may, on its own motion, grant an exemption to a class of consumer-owned water utilities. The commission shall adopt by rule standards and procedures for granting an exemption to a class of consumer-owned water utilities.

**3. Exceptions.** The commission may not grant an exemption under this section from any of the following sections of this Title:

A. Section 116;

B. Section 301, subsections 1 to 3;

C. Section 309, subsection 1;

D. Section 501;

E. Section 502;

F. Section 702;

G. Section 709;

H. Section 712;

I. Section 1101;

J. Section 1302;

K. Section 6105;

L. Section 6109;

M. Section 6109-B;

N. Section 6111-C; and

O. Section 6112.

**4. Consumer assistance division.** The commission shall ensure that customers of consumer-owned water utilities retain access to the services provided by the consumer assistance division within the commission.

**5. Rescission.** The commission shall establish by rule a process by which:

A. Customers of a consumer-owned water utility may petition the commission to rescind an exemp-

tion granted under this section to an individual consumer-owned water utility or to a class of consumer-owned water utilities; and

B. The commission may on its own motion rescind an exemption granted under this section to an individual consumer-owned water utility or to a class of consumer-owned water utilities.

A rescission may be in whole or in part and may be specific to an individual consumer-owned water utility.

Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

See title page for effective date.

**CHAPTER 574**

**H.P. 1260 - L.D. 1756**

**An Act To Authorize a General Fund Bond Issue To Support Biomedical Research in Maine**

**Preamble.** Two thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14 to authorize the issuance of bonds on behalf of the State of Maine to provide funds as described in this Act,

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

**Sec. 1. Authorization of bonds.** The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$10,000,000 for the purposes described in section 5 of this Act. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds.

**Sec. 2. Records of bonds issued; Treasurer of State.** The Treasurer of State shall ensure that an account of each bond is kept showing the number of the bond, the name of the successful bidder to whom sold, the amount received for the bond, the date of sale and the date when payable.

**Sec. 3. Sale; how negotiated; proceeds appropriated.** The Treasurer of State may negotiate the sale of the bonds by direction of the Governor, but no bond may be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the bonds, which must be held by the Treasurer of State and paid by the Treasurer of State upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Act. Any unencumbered balances remaining at the completion of the

project in this Act lapse to the Office of the Treasurer of State to be used for the retirement of general obligation bonds.

**Sec. 4. Interest and debt retirement.** The Treasurer of State shall pay interest due or accruing on any bonds issued under this Act and all sums coming due for payment of bonds at maturity.

**Sec. 5. Disbursement of bond proceeds from General Fund bond issue.** The proceeds of the sale of the bonds authorized under this Act must be expended as designated in the following schedule under the direction and supervision of the agencies and entities set forth in this section.

**ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF**

**Maine Technology Institute**

Provides funds, to be awarded through a competitive process and to be matched by \$11,000,000 in private and other funds, to expand the State's research capabilities in the areas of mammalian genetics and murine biometric analytics, make the State a global resource for precision medicine, improve the State's capacity to attract and retain young professionals and bring additional grant funding, private sector investment, job growth and economic activity to the State.

Total \$10,000,000

**Sec. 6. Contingent upon ratification of bond issue.** Sections 1 to 5 do not become effective unless the people of the State ratify the issuance of the bonds as set forth in this Act.

**Sec. 7. Appropriation balances at year-end.** At the end of each fiscal year, all unencumbered appropriation balances representing state money carry forward. Bond proceeds that have not been expended within 10 years after the date of the sale of the bonds lapse to the Office of the Treasurer of State to be used for the retirement of general obligation bonds.

**Sec. 8. Bonds authorized but not issued.** Any bonds authorized but not issued within 5 years of ratification of this Act are deauthorized and may not be issued, except that the Legislature may, within 2 years after the expiration of that 5-year period, extend the period for issuing any remaining unissued bonds for an additional amount of time not to exceed 5 years.

**Sec. 9. Report.** The Department of Economic and Community Development shall report by January 15th annually, until the bond proceeds authorized by this Act have been fully expended, to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the joint