

## CHAPTER 302

### DEORGANIZATION OF MUNICIPALITIES AND PLANTATIONS

#### §7201. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 1989, c. 216, §2 (NEW).]

**1. Commission.** "Commission" means the Commission on Municipal Deorganization as described in section 7206.

[PL 1989, c. 216, §2 (NEW).]

**2. Executive director.** "Executive director" means the Executive Director of the Legislative Council.

[PL 1989, c. 216, §2 (NEW).]

**3. Local committee.** "Local committee" means the local deorganization committee created under section 7203.

[PL 1989, c. 216, §2 (NEW).]

**4. Municipality.** "Municipality" means a city, town, village or plantation with a population of more than 50 people.

[PL 1989, c. 216, §2 (NEW).]

#### SECTION HISTORY

PL 1989, c. 216, §2 (NEW).

#### §7202. Petition for deorganization meeting

The voters of any municipality may petition for consideration of deorganization of the municipality by following the petition procedure of section 2528, subsection 5. On the written petition of a number of voters equal to at least 50% of the number of votes cast in the municipality at the last gubernatorial election, but in no case less than 10, requesting a municipal meeting for the purpose of discussing and determining whether the municipality should deorganize, the municipal officers shall call and hold a special meeting in the manner provided for the calling and holding of town meetings or city elections to discuss deorganization of the municipality and to decide whether to develop a deorganization procedure. [PL 2003, c. 297, §1 (AMD).]

The municipal officers shall also publish notice of the meeting in a newspaper of general circulation in the area. One notice shall be published as close to the 14th day before the meeting as possible, and the 2nd notice shall be published as close to the 7th day before the meeting as possible. [PL 1989, c. 216, §2 (NEW).]

#### SECTION HISTORY

PL 1989, c. 216, §2 (NEW). PL 2003, c. 297, §1 (AMD).

#### §7203. Deorganization meeting

The deorganization meeting shall be conducted in accordance with section 2524. The agenda of the meeting shall consist exclusively of the following. [PL 1989, c. 216, §2 (NEW).]

**1. Discussion and reasons for deorganization.** Discussion of deorganization and its impact on the residents of the municipality shall take place and the reasons for deorganizing shall be established and placed before the voters.

[PL 1989, c. 216, §2 (NEW).]

**2. Voting on question to develop deorganization procedure.** A vote shall be taken on the question of whether the municipality shall continue to pursue the process for deorganizing by developing a deorganization procedure which must be approved by the voters under sections 7207 and 7209.

[PL 1989, c. 216, §2 (NEW).]

**3. Creation of local deorganization committee.** If the majority of voters present and voting at this meeting approve the question to develop a deorganization procedure as provided in subsection 2, a local deorganization committee shall be created to develop the deorganization procedure. The local committee shall consist of the following 5 members:

A. One municipal officer selected by the municipal officers; [PL 1989, c. 216, §2 (NEW).]

B. One member of the local school board or committee selected by that board or committee, if one exists, or one member of a school board or committee who represents the municipality in a multi-municipality school administrative unit, selected by those members who represent the municipality upon that board or committee; and [PL 1989, c. 216, §2 (NEW).]

C. Three voters of the municipality, nominated and elected by the voters at the same town meeting or election which approved the development of a deorganization procedure. [PL 1989, c. 216, §2 (NEW).]

[PL 1989, c. 216, §2 (NEW).]

#### SECTION HISTORY

PL 1989, c. 216, §2 (NEW).

#### §7204. Notice to Legislature and fiscal administrator

If the voters approve the question to develop a deorganization procedure, the moderator shall notify the fiscal administrator of the unorganized territory within the Office of the State Auditor and the executive director. The notice shall report the results of the deorganization meeting and provide the reasons for deorganization of the municipality. [PL 1989, c. 216, §2 (NEW); PL 2013, c. 16, §10 (REV).]

**1. Notice to Legislature.** The executive director shall provide a copy of the notice to the joint standing committee of the Legislature having jurisdiction over local government matters.

[PL 1989, c. 216, §2 (NEW).]

**2. Notice to commission.** The fiscal administrator shall provide a copy of the notice to the commission.

[PL 1989, c. 216, §2 (NEW).]

#### SECTION HISTORY

PL 1989, c. 216, §2 (NEW). PL 2013, c. 16, §10 (REV).

#### §7205. Deorganization procedure

The local committee, with the assistance of the commission, shall develop a deorganization procedure which, at a minimum, shall consist of the following components. [PL 1989, c. 216, §2 (NEW).]

**1. Effective date.** The deorganization procedure shall establish a date on which deorganization will be effective.

[PL 1989, c. 216, §2 (NEW).]

**2. Provision of educational services.** The deorganization procedure shall provide for educational services, including school transportation services for all students in the municipality for which deorganization is proposed.

A. The Commissioner of Education is responsible for implementing this subsection for incorporation in the deorganization procedure. [PL 1989, c. 216, §2 (NEW); PL 1989, c. 700, Pt. A, §130 (AMD).]

B. The allowable tuition rate for students sent from one municipality to another in the former school administrative district shall be determined under Title 20-A, section 5805, subsection 1, except that it is not subject to the state per pupil average limitation in Title 20-A, section 5805, subsection 2. [PL 1989, c. 216, §2 (NEW).]

C. School transportation services are subject to Title 20-A, chapter 215. [PL 1989, c. 216, §2 (NEW).]  
[PL 1989, c. 216, §2 (NEW); PL 1989, c. 700, Pt. A, §130 (AMD).]

**3. Distribution of financial liabilities and assets.** The deorganization procedure must provide for the distribution of all financial and other intangible liabilities and assets of the municipality, including liabilities and assets held by the municipality in any other political subdivision that are affected by the deorganization. These assets and liabilities include, but are not limited to, outstanding bonds, notes and any other contractual obligations that extend beyond the proposed date of deorganization. The service of all bonded indebtedness or other debt backed by a pledge of the full faith and credit duly authorized by the legal voters of the deorganizing municipality prior to deorganization remains the responsibility of the residents of the municipality and may not be transferred in whole or in part to the residents of a geographic area outside the boundaries of the deorganizing municipality unless that debt is properly reissued.

A. The commission is responsible for determining these assets and liabilities and incorporating these provisions in the deorganization procedure. [PL 1989, c. 216, §2 (NEW).]

B. Distribution of these assets and liabilities must be in accordance with chapter 303. [PL 2003, c. 297, §2 (AMD).]  
[PL 2003, c. 297, §2 (AMD).]

**4. Distribution of tangible assets and liabilities.** The deorganization procedure shall provide for the distribution of all real and personal property and other tangible assets of the municipality, including real and personal property held by the municipality in any other political subdivision that is affected by the deorganization.

A. The State Tax Assessor is responsible for the identification of all real and personal municipal property in the municipality and the appropriate distribution of this property. [PL 1989, c. 216, §2 (NEW).]

B. This distribution shall be in accordance with chapter 303. [PL 1989, c. 216, §2 (NEW).]  
[PL 1989, c. 216, §2 (NEW).]

**5. Comprehensive land use planning and zoning.** For municipalities not under the jurisdiction of the Maine Land Use Planning Commission, the Maine Land Use Planning Commission shall prepare a zoning map of the municipality within one year of the effective date of deorganization. [PL 1989, c. 216, §2 (NEW); PL 2011, c. 682, §38 (REV).]

**6. Information about municipality.** The deorganization procedure shall include, at a minimum, the following information:

A. An explanation of the road network and costs to the municipality for road construction and maintenance for the most recent fiscal year; [PL 1989, c. 216, §2 (NEW).]

B. Population information, consisting of population changes since the latest Federal Decennial Census and any other population information, including ages of the population, numbers of households and similar information; [PL 1989, c. 216, §2 (NEW).]

C. Personal income, including individual and household income and changes in personal income derived from the United States Bureau of Census data and state agency estimates; [PL 1989, c. 216, §2 (NEW).]

D. Property tax assessments and revenues, including amounts of land subject to reduced tax assessments and changes in tax rates and property valuation; [PL 1989, c. 216, §2 (NEW).]

E. An explanation of the current services provided by the municipality and the impact of deorganization on these services; and [PL 1989, c. 216, §2 (NEW).]

F. The status of leadership in the municipality, including municipal officers, school board members, planning board members, road commissioners, social welfare officials and similar officials. [PL 1989, c. 216, §2 (NEW).]

In developing the deorganization procedure, the local committee shall work closely with the commission. The local committee shall submit the proposed deorganization procedure to the commission for review within 90 days of the meeting at which the voters approved the formulation of a deorganization procedure. If the local committee fails to develop a deorganization procedure within this period, the commission shall develop a procedure for the municipality and perform the duties of the local committee in submitting the procedure to the voters of the municipality. [PL 1989, c. 216, §2 (NEW).]

**7. Fiscal impact assessment.** The municipality seeking to deorganize shall prepare a report that identifies and analyzes the service and tax burden effects on the deorganizing municipality, surrounding municipalities and the unorganized territory that is associated with the deorganization. The report must include:

A. The principal reason or reasons the inhabitants of the municipality are considering deorganization; [PL 2003, c. 297, §3 (NEW).]

B. An assessment of the government services being provided to the residents of the deorganizing municipality, including education, water and sewer service, fire protection, police protection, street improvements and maintenance, administrative services and recreational facilities and the effect deorganization will have on the provision of those services to the residents of the deorganizing municipality; [PL 2003, c. 297, §3 (NEW).]

C. An inventory of the municipally owned assets and a complete accounting of the municipality's debt and the financial plan for retiring that debt; [PL 2003, c. 297, §3 (NEW).]

D. The fiscal and service delivery effects of deorganization on surrounding municipalities, special districts, the county and the communities within the county, including the unorganized territory; and [PL 2003, c. 297, §3 (NEW).]

E. Any alternatives to deorganization that have been considered to address the cause of the deorganization effort. [PL 2003, c. 297, §3 (NEW).]

[PL 2003, c. 297, §3 (NEW).]

## SECTION HISTORY

PL 1989, c. 216, §2 (NEW). PL 1989, c. 700, §A130 (AMD). PL 2003, c. 297, §§2,3 (AMD). PL 2011, c. 682, §38 (REV).

### §7206. Commission on Municipal Deorganization

The Commission on Municipal Deorganization, as established in Title 5, chapter 379, shall assist local deorganization committees in formulating deorganization procedures. In addition, the commission shall review these deorganization procedures as provided in this chapter. [PL 1989, c. 216, §2 (NEW).]

**1. Membership.** The commission shall consist of the following 5 members:

- A. The Commissioner of Education or the commissioner's designee; [PL 1993, c. 435, §10 (AMD).]
  - B. The fiscal administrator of the unorganized territory within the Office of the State Auditor or the administrator's designee; [PL 1989, c. 216, §2 (NEW); PL 2013, c. 16, §10 (REV).]
  - C. The State Tax Assessor or the assessor's designee; [PL 1989, c. 216, §2 (NEW).]
  - D. The director of the Maine Land Use Planning Commission or the director's designee; and [PL 1989, c. 216, §2 (NEW); PL 2011, c. 682, §38 (REV).]
  - E. The county commissioner whose district includes the municipality which is considering deorganization. [PL 1989, c. 216, §2 (NEW).]
- [PL 1993, c. 435, §10 (AMD); PL 2011, c. 682, §38 (REV); PL 2013, c. 16, §10 (REV).]

**2. Responsibilities.** The commission shall:

- A. Assist municipalities in preparing deorganization procedures and provide the information required in section 7205; [PL 1989, c. 216, §2 (NEW).]
  - B. Review each deorganization procedure and provide comments and suggestions with respect to the procedure; [PL 1989, c. 216, §2 (NEW).]
  - C. Recommend alternatives to deorganization if the commission finds that feasible alternatives exist; [PL 1989, c. 216, §2 (NEW).]
  - D. Within 30 days after receiving the proposed deorganization procedure, provide copies of its review and comments on the deorganization procedure to the municipal officers, the local deorganization committee and to the executive director, who shall provide it to the joint standing committee of the Legislature having jurisdiction over local government matters; and [PL 1989, c. 216, §2 (NEW).]
  - E. Develop a deorganization procedure, as provided in section 7205, subsection 6, for a municipality whose local deorganization committee fails to do so. [PL 1989, c. 216, §2 (NEW).]
- [PL 1989, c. 216, §2 (NEW).]

**3. Chair.** The 4 commission members who are state officials shall annually elect a chair from among those state officials.  
[PL 1989, c. 216, §2 (NEW).]

**4. Fiscal agent.** The fiscal administrator of the unorganized territory within the Office of the State Auditor shall be the fiscal agent for the commission.  
[PL 1989, c. 216, §2 (NEW); PL 2013, c. 16, §10 (REV).]

**SECTION HISTORY**

PL 1989, c. 216, §2 (NEW). PL 1989, c. 700, §A131 (AMD). PL 1993, c. 435, §10 (AMD). PL 2011, c. 682, §38 (REV). PL 2013, c. 16, §10 (REV).

**§7207. Public hearing and meeting on deorganization procedure**

The local committee may incorporate the comments and suggestions received from the commission into the deorganization procedure. The local committee shall immediately notify the municipal officers and the county commissioners of the county where the municipality considering deorganization is located when the deorganization procedure has been completed. [PL 2003, c. 297, §4 (AMD).]

**1. Public hearing.** The municipal officers shall hold a public hearing on the proposed deorganization procedure at least 14, but not more than 30, days before the municipal meeting or election called by the municipal officers under subsection 2.

- A. At least 14 days before the public hearing, the municipal officers shall announce the public hearing in the same manner as provided for the calling of town meetings or city elections. The

municipal officers shall also publish notice of the hearing in a newspaper of general circulation in the area. One notice shall be published as close as possible to the 14th day before the hearing, and the 2nd notice shall be published as close as possible to the 7th day before the hearing. [PL 1989, c. 216, §2 (NEW).]

B. If any of the comments and suggestions of the commission have not been incorporated in the deorganization procedure, the local committee shall present these comments and suggestions for discussion at the public hearing. [PL 1989, c. 216, §2 (NEW).]  
[PL 1989, c. 216, §2 (NEW).]

**2. Deorganization approval vote.** After receiving notice from the local committee that the deorganization procedure is complete, the municipal officers shall immediately call and hold a special meeting in the manner provided for the calling and holding of town meetings or city elections to vote on the proposed deorganization. The municipal officers shall also publish notice of the meeting in a newspaper of general circulation in the area. One notice shall be published as close as possible to the 14th day before the meeting, and the 2nd notice shall be published as close as possible to the 7th day before the meeting. If a majority of the voters approve the deorganization procedure as presented or amended, the local deorganization committee shall send a copy of the proposed procedure to the commission and to the executive director who shall forward the comments to the joint standing committee of the Legislature having jurisdiction over local government matters. If the deorganization procedure approved at the hearing is not different from the one provided to the commission under section 7205, the local deorganization committee shall notify the commission that the voters approved the procedure as presented by the committee.  
[PL 1989, c. 216, §2 (NEW).]

**2-A. Advisory referendum in unorganized territory.** After receiving notice from the local committee that the deorganization procedure is complete, the county commissioners may hold an advisory referendum on the deorganization in the unorganized territory in the county according to the procedures provided in this subsection. The county commissioners may not hold an advisory referendum until a system for identifying voters in the unorganized territory is established. Any advisory referendum must be held within 60 days of the receipt of notice from the municipality that the deorganization process is complete.

The method of voting must be by secret ballot in the manner prescribed for state elections. The county commissioners shall notify the residents of the unorganized territory of the date on which the referendum will be held. The county clerk shall prepare the ballots on which the following question must appear:

"Do you support the deorganization of (name of municipality)?"

The legal voters of the unorganized territory shall vote by ballot on this question and shall designate their choice by a cross or check mark placed within a corresponding square below the words "Yes" or "No." The ballots must be received, sorted and counted by the county clerk, and the county commissioners shall declare the results of the vote. The county clerk shall file a certificate of the advisory referendum results with the Secretary of State within 10 days of the advisory referendum. The clerk shall forward the results of the advisory referendum to the commission and to the executive director, who shall forward the results of the vote to the joint standing committee of the Legislature having jurisdiction over local government matters.  
[PL 2003, c. 297, §5 (NEW).]

**3. Commission review.** The commission shall review the deorganization procedure. If it is different from the procedure presented to the commission under section 7205, the commission shall send a copy of its comments on the amended procedure to the local deorganization committee, the municipal officers and the executive director who shall forward the comments to the joint standing committee of the Legislature having jurisdiction over state and local government matters.

[PL 1989, c. 216, §2 (NEW).]

#### SECTION HISTORY

PL 1989, c. 216, §2 (NEW). PL 2003, c. 297, §§4,5 (AMD).

#### **§7208. Approval by the Legislature**

Any municipality which has approved a deorganization procedure under section 7207 shall request and must obtain approval by the Legislature before seeking approval by the voters of the municipality under section 7209. [PL 1989, c. 216, §2 (NEW).]

#### SECTION HISTORY

PL 1989, c. 216, §2 (NEW).

#### **§7209. Final approval by the voters**

If the Legislature approves the deorganization, the question concerning deorganization shall be presented to the voters of the municipality in the next general election to be held in November. The election shall be called, advertised and conducted according to section 2528 or 2551. [PL 1989, c. 216, §2 (NEW).]

**1. Question posed to voters.** The municipal clerk shall prepare the ballots on which the following question shall appear:

"Shall the (name of municipality) be deorganized?"

[PL 1989, c. 216, §2 (NEW).]

**2. Requirements for approval.** The voters shall indicate their opinion on this question by a cross or check mark placed against the word "Yes" or "No." Before becoming effective, the deorganization must be approved by at least 2/3 of the voters voting in the general election and the total number of votes cast for and against deorganization at the election must equal or exceed 50% of the total number of votes cast in the municipality for Governor at the last gubernatorial election.

[PL 1989, c. 216, §2 (NEW).]

**3. Declaration of results.** The municipal officers shall declare the result of the vote. The municipal clerk or the assessors of plantations shall file a certificate of the election result with the Secretary of State within 10 days of the election.

[PL 1989, c. 216, §2 (NEW).]

**4. Limitation.** If the voters of a municipality reject deorganization in a vote held pursuant to this section, the municipality may not submit a deorganization plan to the Legislature for a period of 3 years from the date of that vote.

[PL 2003, c. 696, §16 (AMD).]

#### SECTION HISTORY

PL 1989, c. 216, §2 (NEW). PL 2003, c. 297, §6 (AMD). PL 2003, c. 696, §16 (AMD).

#### **§7210. Process for municipalities with a population of 50 or fewer**

Municipalities with a population of 50 or fewer may follow the entire process established in this chapter. Following voter approval to pursue the process of deorganization under section 7203, subsection 2, municipalities with a population of 50 or fewer may request the commission to develop the deorganization procedure for the municipality. Municipalities which request the commission to develop the deorganization procedure are subject to sections 7202; 7203, except subsection 3; 7204; 7208; and 7209. [PL 1989, c. 216, §2 (NEW).]

**1. Approval by voters.** The commission shall notify the municipal officers that a deorganization procedure has been developed. The municipal officers shall immediately call and hold a public hearing

and municipal meeting as provided in section 7207 for the purpose of presenting information to the voters with respect to deorganization and any alternatives to deorganization prepared by the commission for a municipality. If a majority of the voters approve the deorganization procedure at the municipal meeting, the municipality shall request and must obtain approval by the Legislature as described in section 7208 and approval by the municipal voters under section 7209.

[PL 1989, c. 216, §2 (NEW).]

#### SECTION HISTORY

PL 1989, c. 216, §2 (NEW).

#### **§7211. Calling of meeting if officers refuse**

If the municipal officers refuse to call any municipal meeting required by this chapter, a meeting may be called as provided in section 2521, subsection 4. [PL 1989, c. 216, §2 (NEW).]

#### SECTION HISTORY

PL 1989, c. 216, §2 (NEW).

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