



129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 1063

H.P. 786

House of Representatives, March 5, 2019

An Act To Support the Role of Municipalities in Expanding Broadband Infrastructure

Reference to the Committee on State and Local Government suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative McCREIGHT of Harpswell.
Cosponsored by Senator FOLEY of York and
Representatives: CAIAZZO of Scarborough, DOUDERA of Camden, FAY of Raymond,
GROHOSKI of Ellsworth, HANLEY of Pittston, HIGGINS of Dover-Foxcroft, MARTIN of
Sinclair, Senator: WOODSOME of York.

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

2 **Sec. 1. 30-A MRSA §5401, sub-§7, ¶B**, as enacted by PL 1987, c. 737, Pt. A, §2
3 and Pt. C, §106 and amended by PL 1989, c. 6; c. 9, §2; and c. 104, Pt. C, §§8 and 10, is
4 further amended to read:

5 B. Any of the following within or outside, or partly within and partly outside the
6 corporate limits of the municipality:

- 7 (1) A water system or part of that system;
- 8 (2) A sewer system or part of that system;
- 9 (3) An airport or part of an airport;
- 10 (4) A telecommunications system or part of that system; ~~or~~
- 11 (5) An energy facility or part of that facility; ~~or~~
- 12 (6) A community broadband system or part of that system.

13 **Sec. 2. 30-A MRSA §5402, sub-§1-A** is enacted to read:

14 **1-A. Need for broadband systems.** Access to affordable, reliable, high-speed
15 broadband Internet is necessary to the general welfare of the public, and the people of the
16 State and its economy require connection to existing publicly built infrastructure as a
17 means of cultivating entrepreneurial activity, attracting business, improving access to
18 modernized methods of education and health care and encouraging people to move to this
19 State;

20 **Sec. 3. 30-A MRSA §5403, sub-§13**, as amended by PL 2005, c. 556, §1, is
21 further amended to read:

22 **13. General powers.** Do all acts and things necessary or convenient to carry out the
23 powers expressly granted in this chapter; ~~and~~

24 **Sec. 4. 30-A MRSA §5403, sub-§14**, as enacted by PL 2005, c. 556, §2, is
25 amended to read:

26 **14. Community septic systems.** As a means of facilitating compact growth
27 patterns, including cluster developments, construct, maintain and operate a sewer system
28 that is composed of one or more subsurface wastewater collection, treatment and disposal
29 systems. The municipality may construct such a sewer system in anticipation of the
30 establishment of a community sanitary district under Title 38, chapter 11-A, to which the
31 municipality will transfer the system pursuant to Title 38, section 1232. For purposes of
32 this subsection, "cluster development" has the same meaning as in section 4301,
33 subsection 1-A; ~~and~~

34 **Sec. 5. 30-A MRSA §5403, sub-§15** is enacted to read:

35 **15. Communications services systems; community broadband systems.**
36 Construct, maintain and operate a municipal or multimunicipal system composed of

1 infrastructure capable of being utilized by communications service providers for the
2 provision of communications services. A municipality may not provide retail
3 communications services through community broadband systems to nonmunicipal
4 entities. For the purposes of this subsection, "communications service" has the same
5 meaning as in Title 35-A, section 9202, subsection 3 and "communications service
6 provider" has the same meaning as in Title 35-A, section 9202, subsection 4.

7 Nothing in this chapter restricts a municipality from purchasing, leasing, constructing or
8 equipping facilities that are designed to provide communications services. Nothing in
9 this chapter restricts a municipality from using community broadband systems for
10 internal municipal government purposes or, by written contract, leasing, selling capacity
11 in or granting other similar rights to communications service providers to use the
12 facilities in connection with the provider's offering communications services.

13 **Sec. 6. 30-A MRSA §5413**, as enacted by PL 1987, c. 737, Pt. A, §2 and Pt. C,
14 §106 and amended by PL 1989, c. 6; c. 9, §2; and c. 104, Pt. C, §§8 and 10, is further
15 amended to read:

16 **§5413. Exemption from taxation**

17 As proper revenue-producing municipal facilities are essential for the health and
18 safety of the inhabitants of the municipalities, and as the exercise of the powers conferred
19 to effect these purposes ~~constitute~~ constitutes the performance of essential governmental
20 functions, and as municipal facilities acquired or constructed under this chapter constitute
21 public property and are used for municipal purposes, no municipality may be required to
22 pay any taxes or assessments upon any parking facility or system, water or sewer system,
23 community broadband system or telecommunications system revenue-producing
24 municipal facility, or any part of such a system, whether located within or outside the
25 corporate limits of the municipality, or upon the income from those facilities. Any bonds
26 issued under this chapter, and their transfer and the income from the bonds, including any
27 profit made on the sale of the bonds, ~~shall at all times be~~ are free from taxation within the
28 State, ~~provided~~ except that nothing in this section exempts any lessee or person in
29 possession of a parking facility or part of a parking facility or the property so leased or
30 possessed from taxes or assessments payable under Title 36, section 551.

31 **SUMMARY**

32 This bill recognizes broadband Internet as a public necessity. It designates a
33 community broadband system or part of that system as a revenue-producing municipal
34 facility. It allows a municipality to construct, maintain and operate a municipal or
35 multimunicipal system composed of infrastructure capable of being utilized by
36 communications service providers for the provision of communications services. The bill
37 prohibits a municipality from providing retail communications services through
38 community broadband systems to nonmunicipal entities. The bill exempts community
39 broadband systems from taxation.