

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Create Incentives for the Consolidation of Municipal Services

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

Sec. 1. 30-A MRS §6201, sub-§1-A is enacted to read:

1-A. Challenge grant. "Challenge grant" means a grant award from the fund pursuant to section 6207-A to cover eligible costs of a qualifying project.

Sec. 2. 30-A MRS §6201, sub-§5, as enacted by PL 2005, c. 266, §2, is amended to read:

5. Eligible costs. "Eligible costs" means the actual and direct expenses incurred in implementing a cooperative services grant ~~or~~, a planning grant awarded under section 6208 or a challenge grant awarded under section 6207-A, including expenses incurred in connection with the following activities for cooperative services grants ~~and~~, planning grants and challenge grants.

A. Eligible costs for a planning grant include the expense of:

- (1) Studies to examine alternative methods of achieving collaboration, including those adopted by other municipalities;
- (2) Cost-benefit studies; and
- (3) Facilitation of community meetings and public outreach and education.

B. Eligible costs for a cooperative services grant ~~includes~~include the expense of:

- (1) Execution and implementation of an interlocal agreement under chapter 115, a tax base sharing arrangement or another regional government mechanism for achieving collaboration;
- (2) Joint strategic planning or comprehensive or capital investment planning;
- (3) Public outreach and education;
- (4) Collaboration or consolidation of offices or services;
- (5) Professional services, such as those provided by attorneys, consultants, facilitators and architects; and

(6) Administrative services and costs, such as photocopying, printing, telephone service and travel costs.

C. Eligible costs for a challenge grant include the expense of:

(1) The start-up costs of consolidating the public works of multiple municipalities under integrated services; and

(2) Administration and delivery of integrated services.

Administrative and other costs of ongoing operations that would otherwise be budgeted by a municipality, county or regional government subdivision are not eligible costs except for a grant under paragraph C.

Sec. 3. 30-A MRS §6201, sub-§6-A is enacted to read:

6-A. Integrated services. "Integrated services" means public works provided to 3 or more municipalities by one administration under the direction of a county or a manager who develops a budget for and implements the delivery of the public works and is hired by and reports to a board composed of one member from each municipality receiving the integrated services.

Sec. 4. 30-A MRS §6201, sub-§7-A is enacted to read:

7-A. Public works. "Public works" means services provided by a local or regional government relating to the construction, repair and maintenance of public roads, bridges and sidewalks and associated lighting, storm water and traffic control systems within the jurisdiction of the local or regional government.

Sec. 5. 30-A MRS §6205, first ¶, as enacted by PL 2005, c. 266, §2, is amended to read:

In accordance with the request for proposals issued by the department under section 6209, an eligible applicant may apply for a planning grant or a cooperative services grant or a challenge grant from the fund. In order to be eligible for a planning grant or a cooperative services grant, an eligible applicant must demonstrate in its application that the project for which it seeks a grant will be undertaken in cooperation with one or more municipalities, counties or regional government subdivisions. In order to qualify for a challenge grant, an eligible applicant must demonstrate in its application that the project for which it seeks a grant will be undertaken in cooperation with 3 or more municipalities.

Sec. 6. 30-A MRS §6207-A is enacted to read:

§ 6207-A. Challenge grant funding

1. Challenge grants. The department shall award a challenge grant to an eligible applicant to consolidate into integrated services substantially all of the public works of 3 or more adjacent municipalities in accordance with a request for proposals issued by the department under section 6209.

2. Basic funding. For each of the first 3 fiscal years under the challenge grant, the department shall award from the fund to the administration of the integrated services an amount equal to \$1 times the combined population of the municipalities receiving the integrated services to be used to administer and deliver the integrated services.

3. County funding. For each of the first 6 years under the challenge grant, if a qualifying project consolidates substantially all of the public works of at least 3 municipalities that collectively represent more than 60% of the population of the county in which the municipalities are located into integrated services administered by the county, the department shall award from the fund to the county an amount equal to \$3 times the population of the municipalities receiving the integrated services to be used in the administration and delivery of the integrated services.

4. Adjustments. If a participating municipality terminates or a new municipality begins participation in integrated services awarded a challenge grant under this chapter, then the amount awarded under subsection 2 or 3 must be adjusted for the resulting population number for the year in which the municipality terminated or began participation.

5. Successive grant. A challenge grant under subsection 3 may be awarded in succession to a grant under subsection 2 for the same integrated services, but the first 3 years of the grant under subsection 3 must be reduced by the amounts awarded in the respective 3 years of the grant awarded under subsection 2.

SUMMARY

This bill creates a challenge grant to be awarded by the Department of Administrative and Financial Services from the Fund for the Efficient Delivery of Local and Regional Services for the start-up costs and first 3 years of the integration of public works services of 3 or more municipalities or 6 years if the municipalities comprise over 60% of the population of the county in which the municipalities are located and the county administers the integrated services.