DEORGANIZATION Title 30-A, MRSA, Chapter 302 INFORMATIONAL PAPER

STEP NUMBER 1- Petition for Deorganization Meeting

A written petition, signed by a number of voters equal to at least 50% of those voting in the last gubernatorial election (but not less than 10 signatures), is addressed to municipal officers requesting a municipal meeting for the purpose of discussing and determining whether the municipality should deorganize.

Although the law does not state so, it is strongly recommended that the municipal officers contact the Chair of the State Commission on Municipal Deorganization, Diane Steward (624-6250) prior to advertising a date. This should be done to ensure the attendance of the members of the State Commission at the first meeting in order to address the citizens' questions about deorganization.

After receiving the petition, the municipal officers should call and hold a special meeting in the manner provided for the calling and holding of town meetings to discuss deorganization of the municipality and to decide whether to develop a deorganization procedure. The municipal officers must twice publish a notice of the meeting in a newspaper of general circulation in the area. The first publication must be as close as possible to the 14th day before the meeting and the second notice as close as possible to the 7th day before the meeting.

STEP NUMBER 2- Deorganization Meeting

The deorganization meeting is to be conducted in accordance with Title 30—A, Section 2524. The sole purpose of the meeting is to discuss deorganization and its impact on the residents of the municipality along with the reasons for deorganizing.

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 that must be approved by the voters. If the article is approved by a majority vote, the next article for consideration is the election of three voters of the municipality nominated and elected by the voters at the meeting. In addition to the elected members, one municipal officer selected by the municipal officers; and one school board member designated by the school board shall serve on the local deorganization committee.

IF THE ARTICLE DOES NOT PASS BY A MAJORITY VOTE, THE DEORGANIZATION PROCESS IS ENDED.

STEP NUMBER 3- Notice to Legislature and Fiscal Administrator

The moderator of the deorganization meeting shall notify in writing the Fiscal Administrator of the Unorganized Territory, **Diane Steward**, Maine Department of Audit, 66 State House Station, Augusta ME 04333-0066; Telephone: 624-6250 and the Executive Director of the Legislative Council, **David Boulter**, 115 State House Station, Augusta, ME 04333-0115; Telephone: 287-1615 the results of the deorganization meeting and provide the reasons for deorganization of the municipality. It would also be helpful if the notice contained the names of the local deorganization committee, and specified a contact person on the local committee.

STEP NUMBER 4 - Deorganization Procedure

Within **90 days of the original deorganization meeting**, the local committee must develop a deorganization procedure with the **help of the State Commission on Municipal Deorganization** (comprised of the Fiscal Administrator of the Unorganized Territory within the Department of Audit or the administrator's designee; the Commissioner of Education or the commissioner's designee; the State Tax Assessor or the assessor's designee; the Director of the Land Use Regulation Commission or the director's designee; and the county commissioner whose district includes the municipality which is considering deorganization). This procedure is a written plan of action. It must contain, **at a minimum**, the following information:

- Establish a date on which deorganization will be effective.
- **Provision for educational services.** This deorganization procedure, which is **written and implemented by the Commissioner of Education**, shall provide for educational services, including transportation services for all students in the municipality for which deorganization is proposed. This procedure shall be in accordance with applicable laws.
- Distribution of financial liabilities and assets. This 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 State Commission on Municipal Deorganization is responsible for determining these assets and liabilities and incorporating these provisions in the deorganization procedure. Distribution of these assets and liabilities shall be in accordance with Title 30-A, Chapter 303 (See attached).

STEP NUMBER 4 (CONT'D)

- **Distribution of tangible assets and liabilities.** This 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. The State Tax Assessor is responsible for identification of all real and personal municipal property in the municipality and the appropriate distribution of this property in accordance with Title 30-A, Chapter 303 (See attached).
- Comprehensive Land Use Planning and Zoning. For municipalities not under the jurisdiction of the Maine Land Use Regulation Commission (LURC), LURC shall prepare a zoning map of the municipality within one year of the effective date of deorganization. NOTE: A natural resource and land use inventory is necessary for LURC to prepare such a zoning map. The municipality will be responsible for the cost of preparing such an inventory.
- Information about the municipality. This 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;
 - 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;
 - 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;
 - D. Property tax assessments and revenues, including amounts of land subject to reduced tax assessments and changes in tax rates and property valuation;
 - E. An explanation of the current services provided by the municipality and the impact of deorganization on these services; and
 - 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.

STEP NUMBER 4 (CONT'D)

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.

- **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;
 - 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;
 - 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;
 - 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
 - E. Any alternatives to deorganization that have been considered to address the cause of the deorganization effort.

As stated before, the proposed deorganization procedure is to be submitted to the State Commission on Municipal Deorganization within 90 days of the original meeting.

STEP NUMBER 5 - Commission on Municipal Deorganization

The Commission on Municipal Deorganization shall assist local deorganization committees in formulating deorganization procedures. The responsibilities of the commission are to assist municipalities in preparing deorganization procedures and provide the information required in Step 4; to review each deorganization procedure and provide comments and suggestions with respect to the procedure; and recommend alternatives to deorganization if the commission finds that feasible alternatives exist.

Response. Within **30 days after receiving** the proposed deorganization procedure from the local committee, the State Commission on Municipal Deorganization shall provide copies of its review and comments on the deorganization procedure to the municipal officers, the local deorganization committee and the Executive Director of the Legislative Council. The local committee may incorporate the comments and suggestions received from the State Commission on Municipal Deorganization 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.

STEP NUMBER 6 – Public Hearing on Deorganization Procedure

The municipal officers must schedule a public hearing to review the deorganization procedure. This public hearing must be at least 14 days but no more than 30 days **before** the actual vote on the procedure. This public hearing must be advertised by warrant and by publishing the notice of the hearing in a newspaper of general circulation. The first notice must be as close as possible to the 14th day before the hearing, and the second notice must be as close as possible to the 7th day before the hearing.

The full deorganization procedure should be discussed at the public hearing. If the State Commission on Municipal Deorganization made any comments or suggestions that were **not** included in the deorganization procedure, **those must be presented** by the local committee as well. The law implies that the municipal officers conduct the public hearing, but the municipal officers may want the deorganization committee to be on hand to answer questions.

STEP NUMBER 7 – 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 to vote on the proposed deorganization. The municipal officers must publish a notice of the town meeting twice in a newspaper of general circulation in the area. The first notice must be as close as possible to the 14th day before the meeting. The second notice must be as close as possible to the 7th day before the meeting.

At the town meeting, the voters vote on the proposed deorganization procedure. If a **majority** of the voters approve the deorganization procedure as presented or amended, the local committee shall send a copy of the proposed procedure to the commission, to the Fiscal Administrator of the Unorganized Territory, **Diane Steward**, Maine Department of Audit, 66 Statehouse Station, Augusta, ME 04333-0066; Telephone: 624-6250 and the **Executive Director** of the Legislative Council, **David Boulter**, 115 State House Station, Augusta, ME 04333-0115; Telephone: 287-1615. If the deorganization procedure approved at the hearing is **not** different from the one provided to the State Commission on Municipal Deorganization (Step 4), the local committee shall notify the commission that the voters approved the procedure as presented by the committee.

IF THE DEORGANIZATION PROCEDURE IS NOT ACCEPTED BY A MAJORITY OF THE VOTERS, THE PROCESS ENDS.

STEP NUMBER 8 - 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. 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 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 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.

STEP NUMBER 9 – Commission Review

The State Commission on Municipal Deorganization shall review the deorganization procedure. If it is different from the procedure presented to the State commission (Step #4), the State 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.

STEP NUMBER 10 – Approval by Legislature

Any municipality that has approved a deorganization procedure in accordance with the law shall request and must obtain approval by the Legislature before seeking approval by the voters of the municipality to deorganize. The **local committee** should contact the municipality's state legislators for assistance in this regard.

STEP NUMBER 11 – Final Approval by Voters

If the Legislature approves the deorganization, then the question is once again submitted to the voters of the town. This vote must be held at the next general election in November, and must be done by secret (Australian) ballot, even if the town has never adopted a secret ballot.

The question on the ballot is, "Shall the (name of municipality) be deorganized?"

To be effective, the vote to deorganize 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) must be at least 50% of the total number of votes cast for Governor in the municipality in the last gubernatorial election.

IF BOTH OF THESE CONDITIONS ARE NOT MET, THE VOTE TO DEORGANIZE IS NOT EFFECTIVE.

STEP NUMBER 12 – Declaration of Results

The municipal officers shall declare the result of the vote. The municipal clerk shall file a certificate of the election result with the Secretary of State **within 10 days of the vote.**

<u>LIMITATION</u>. If the voters of a municipality reject deorganization held pursuant to this section, the municipality may not submit a deorganization plan to the Legislature for a period of 3 years.

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, these municipalities may request the commission to develop the deorganization procedure for the municipality. Municipalities that request the commission to develop the deorganization procedure are subject to:
 - Step One- Petition.
 - Step Two- Deorganization Meeting (with the <u>exception</u> of the creation of the local deorganization committee).
 - Step Three Notice to the Legislature and the Fiscal Administrator.
 - Step Six Public Hearing on Deorganization Procedure.
 - Step Seven Deorganization Approval Vote.
 - Step Ten Approval by the Legislature.
 - Step Eleven Final Approval by the Voters.
 - Step Twelve- Declaration of Results
- 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 Step Seven 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 approved the deorganization procedure at the municipal meeting, the municipality shall request and must obtain approval by the Legislature as described in Step Ten and approval by the municipal voters under Step Eleven.

Updated by Diane Steward, Chair, Maine Commission on Municipal Deorganization

Attachments: Title 30-A, MRSA, Chapter 302 Title 30-A, MRSA, Chapter 303 Deorganization of Municipalities and Plantations Checklist

DEORGANIZATION OF MUNICIPALITIES AND PLANTATIONS

TITLE 30-A, CHAPTER 302

CHECKLIST

Step One: Petition for Deorganization Meeting

A written petition requesting a municipal meeting for the purpose of discussing and
determining whether the municipality should deorganize. This must be signed by a
number of voters equal to at least 50% of those voting in the last gubernatorial
election, but in no case less than 10 voters.

- Municipal officers should notify the Chair of the State Commission on Municipal Deorganization prior to advertising a date.
- The municipal officers should call and hold a special meeting to discuss deorganization of the municipality and to decide whether to develop a deorganization procedure.
- First publication notice advertised in a local newspaper 14 days prior to meeting date.
- Second publication notice advertised in a local newspaper 7 days prior to meeting date.

Step Two: Deorganization Meeting

- Discussion of deorganization and its impact on the residents of the municipality.
- Reasons for deorganizing shall be established and placed before the voters.
- Vote taken on the question of whether the municipality shall continue to pursue the process of deorganization by developing a deorganization procedure.

IF THE ARTICLE DOES NOT PASS BY A MAJORITY VOTE, THE DEORGANIZATION PROCESS IS ENDED.

Election of local deorganization committee members:

Three voters of the municipality:

 1.

 2.

 3.

		One municipal officer as designated by the municipal officers:
		One school board member as designated by the school board:
		in writing to Legislature and Fiscal Administrator of the results of the deorganization s for deorganizing, the names of the local deorganization committee and a contact person
	Notification to the Fiscal Administrator of the Unorganized Territory.	
	Notific	cation to the Executive Director of the Legislative Council.
Step Four: D	eorgani	ization Procedure
	Develop deorganization procedure (with the help of the State Commission or Municipal Deorganization) within 90 days of the original deorganization meeting containing at a minimum :	
		Established date on which deorganization will be effective.
		Provision for educational services – written and implemented by the <i>Commissioner of Education</i> .
	Distribution of financial liabilities and assets – The <u>State Commission</u> <u>Municipal Deorganization</u> is responsible for determining these assets a liabilities and incorporating these provisions in the deorganization procedure	
		Distribution of tangible assets and liabilities – The <u>State Tax Assessor</u> is responsible for identification of all real and personal municipal property and the appropriate distribution of this property.
		For municipalities not under the jurisdiction of the <u>Maine Land Use</u> <u>Regulation Commission, (LURC)</u> , LURC shall prepare a zoning map of the municipality within one year of the effective date of deorganization. NOTE: A natural resource and land use inventory is necessary for LURC to prepare such a zoning map. The municipality will be responsible for the cost of preparing such an inventory.

Step Four: Deorganization Procedures (cont'd)

Inform	Information about the municipality which shall include, at a minimum:		
	Explanation of the road network and costs to the municipality for road construction and maintenance for the most recent fiscal year;		
	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;		
	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;		
	Property tax assessments and revenues, including amounts of land subject to reduced tax assessments and changes in tax rates and property valuation;		
	An explanation of the current services provided by the municipality and the impact of deorganization on these services;		
	The status of leadership in the municipality, including municipal officers, school board members, road commissioners, social welfare officials and similar officials.		
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.			

- Fiscal Impact Assessment report identifying and analyzing the service and tax burden effects on the deorganizing municipality, surrounding municipalities and the unorganized territory that is associated with the deorganization. This report must include:
 - Principal reasons(s) the inhabitants of the municipality are considering deorganization;

Step Four: Deorganization Procedures (cont'd)

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;
An inventory of the municipally owned assets and a complete accounting of the municipality's debt and the financial plan for retiring that debt;
The fiscal and service delivery effects of deorganization on surrounding municipalities, special districts, the county and the

Any alternatives to deorganization that have been considered to Address the cause of the deorganization effort.

communities within the county, including the unorganized territory;

Step Five – Commission on Municipal Deorganization, Response

The Commission on Municipal Deorganization shall provide copies of its review and comments on the deorganization procedure to the municipal officers, the local deorganization committee and the Executive Director of the Legislative Council **within 30 days** after receiving the proposed deorganization procedure from the local committee.

The Local committee shall **immediately** notify the municipal officers and the county commissioners when the deorganization procedure has been completed.

Step Six – Public Hearing on Deorganization Procedure

	Schedule public hearing to review the deorganization procedure at least 14 days , be no more than 30 days before the actual vote on the procedure.				
		First public hearing notice shall be advertised in a local newspaper – 14 days prior to meeting date.			
		Second public hearing notice shall be advertised in a local newspaper – 7 days prior to meeting date.			
		Notify the deorganization committee to be on hand to answer questions.			
	Presentation of any comments or suggestions made by the State Commission of Municipal Deorganization not included in the deorganization procedure.				
Step Seven – Deorganization Approval Vote					
	Town meeting to vote on the deorganization procedure must be held between 15 and 30 days after the public hearing.				
		The municipal officers shall post a warrant calling for a town meeting to vote on the deorganization procedure.			
First public meeting notice prior to meeting date.		First public meeting notice shall be advertised in a local newspaper – 14 days prior to meeting date.			
		Second public meeting notice shall be advertised in a local newspaper -7 days prior to meeting date.			
	If a majority of the voters approve the deorganization procedure as presente amended, the local committee shall send a copy of the proposed procedure to Fiscal Administrator of the Unorganized Territory, and the Executive Director o Legislative Council.				
provided to the commission under Step 4 the local deorganiz		deorganization procedure approved at the hearing is not different from the one ed to the commission under Step 4 the local deorganization committee shall the commission that the voters approved the procedure as presented by the attee.			

IF THE DEORGANIZATION PROCEDURE IS NOT ACCEPTED BY A MAJORITY OF THE VOTERS, THE PROCESS ENDS.

Step Eight - 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. 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 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 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.

Step Nine– Commission Review

The State Commission on Municipal Deorganization shall review the deorganization procedure. If it is different from the procedure presented to the Commission (Step #4), the Commission will send a copy of its comments on the amended procedure to the local deorganization committee, the municipal officers and the Executive Director of the Legislative Council.

Step Ten – Approval by Legislature

Contact the municipality's State legislators for assistance in seeking approval by the Legislature.

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Step Eleven – Final Approval by Voters

Vote **must** be done by secret (Australian) ballot at the next general election in November.

Question on the ballot **must** read, **"Shall the (name of municipality) be deorganized?"**

Vote to deorganize 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) must be at **least 50%** of the total number of votes cast for Governor in the municipality in the last gubernatorial election.

IF BOTH OF THESE CONDITIONS ARE NOT MET, THE VOTE TO DEORGANIZE IS NOT EFFECTIVE.

Step Twelve – Declaration of Results



The municipal officers shall declare the results of the vote.

The municipal clerk shall file a certificate of the election results with the Secretary of State within ten (10) days after the vote.

<u>LIMITATION</u> - IF THE VOTERS OF A MUNICIPALITY REJECT DEORGANIZATION HELD PURSUANT TO THIS SECTION, THE MUNICIPALITY MAY <u>NOT</u> SUBMIT A DEORGANIZATION PLAN TO THE LEGISLATURE FOR A PERIOD OF THREE YEARS.

Process for Municipalities with a Population of 50 or Fewer

Step One:	Petition.
Step Two:	Deorganization Meeting.
Step Three:	Notice to Legislature and the Fiscal Administrator.
Step Six:	Public Hearing on Deorganization Procedure.
Step Seven:	Deorganization Approval Vote.
Step Ten:	Approval by the Legislature.
Step Eleven:	Final Approval by the Voters.
Step Twelve:	Declaration of Results.

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Maine Revised Statute Title 30-A, Chapter 302: DEORGANIZATION OF MUNICIPALITIES AND PLANTATIONS

30-A §7201. DEFINITIONS

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

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

[1989, c. 216, §2 (NEW) .]

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

[1989, c. 216, §2 (NEW) .]

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

[1989, c. 216, §2 (NEW) .]

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

[1989, c. 216, §2 (NEW) .] SECTION HISTORY 1989, c. 216, §2 (NEW).

30-A §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. [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. [1989, c. 216, §2 (NEW).]

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

30-A §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. [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.

[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.

[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; [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 [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. [1989, c. 216, $\S2$ (NEW).]

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[1989, c. 216, §2 (NEW) .]
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SECTION HISTORY 1989, c. 216, §2 (NEW).

30-A §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 Department of Audit and the executive director. The notice shall report the results of the deorganization meeting and provide the reasons for deorganization of the municipality. [1989, c. 216, §2 (NEW).]

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.

[1989, c. 216, §2 (NEW) .]

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

[1989, c. 216, §2 (NEW) .] SECTION HISTORY 1989, c. 216, §2 (NEW).

30-A §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. [1989, c. 216, $\S2$ (NEW).]

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

[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. [1989, c. 216, §2 (NEW); 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. [1989, c. 216, §2 (NEW).]

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

[1989, c. 216, §2 (NEW); 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. [1989, c. 216, §2 (NEW).]

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

[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. [1989, c. 216, $\S2$ (NEW).]

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

[1989, c. 216, §2 (NEW) .]

5. **Comprehensive land use planning and zoning.** For municipalities not under the jurisdiction of the Maine Land Use Regulation Commission, the Maine Land Use Regulation Commission shall prepare a zoning map of the municipality within one year of the effective date of deorganization.

[1989, c. 216, §2 (NEW) .]

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; [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; [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; [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; [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 [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. [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.

[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; [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; [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; [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 [2003, c. 297, §3 (NEW).]

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

[2003, c. 297, §3 (NEW) .]

SECTION HISTORY 1989, c. 216, §2 (NEW). 1989, c. 700, §A130 (AMD). 2003, c. 297, §§2,3 (AMD).

30-A §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. [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; [1993, c. 435, \$10 (AMD).]

B. The fiscal administrator of the unorganized territory within the Department of Audit or the administrator's designee; [1989, c. 216, §2 (NEW).]

C. The State Tax Assessor or the assessor's designee; [1989, c. 216, §2 (NEW).]

D. The director of the Maine Land Use Regulation Commission or the director's designee; and [1989, c. 216, §2 (NEW).]

E. The county commissioner whose district includes the municipality which is considering deorganization. [1989, c. 216, §2 (NEW).]

[1993, c. 435, §10 (AMD) .]

2. Responsibilities. The commission shall:

A. Assist municipalities in preparing deorganization procedures and provide the information required in section 7205; [1989, c. 216, §2 (NEW).]

B. Review each deorganization procedure and provide comments and suggestions with respect to the procedure; [1989, c. 216, §2 (NEW).]

C. Recommend alternatives to deorganization if the commission finds that feasible alternatives exist; [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 [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. [1989, c. 216, §2 (NEW).]

[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.

[1989, c. 216, §2 (NEW) .]

Deorganization Statutes Updated 4/12/10 **4**. **Fiscal agent.** The fiscal administrator of the unorganized territory within the Department of Audit shall be the fiscal agent for the commission.

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[ 1989, c. 216, §2 (NEW) .]
SECTION HISTORY
1989, c. 216, §2 (NEW). 1989, c. 700, §A131 (AMD). 1993, c. 435,
§10 (AMD).
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30-A §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. [2003, c. 297, $\S4$ (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. [1989, c. 216, S2 (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. [1989, c. 216, §2 (NEW).]

[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.

[1989, c. 216, §2 (NEW) .]

Deorganization Checklist Updated 4/12//10 **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.

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.

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[ 1989, c. 216, §2 (NEW) .]
SECTION HISTORY
1989, c. 216, §2 (NEW). 2003, c. 297, §5 (NEW). 2003, c. 297,
§§4,5 (AMD).
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30-A §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. [1989, c. 216, §2 (NEW).]

SECTION HISTORY 1989, c. 216, §2 (NEW).

Deorganization Statutes Updated 4/12/10

30-A §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. [1989, c. 216, $\S2$ (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?"

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.

[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.

[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.

[2003, c. 696, §16 (AMD) .]
SECTION HISTORY
1989, c. 216, §2 (NEW). 1989, c. 216, §2 (NEW). 2003, c. 297, §6
(AMD). 2003, c. 696, §16 (AMD).

30-A §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. [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.

[1989, c. 216, §2 (NEW) .] SECTION HISTORY 1989, c. 216, §2 (NEW).

30-A §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. [1989, c. 216, §2 (NEW).]

SECTION HISTORY 1989, c. 216, §2 (NEW).

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Chapter 303: DEORGANIZED PLACES (HEADING: PL 1987, c. 737, Pt. A, @2 (new))

§7301. Applicability to deorganization by Legislature

This chapter applies to any municipalities or plantations that are or have been deorganized by Act of the Legislature. [1987, c. 737, Pt. A, §2 and Pt. C, §106 (new); 1989, c. 6 (amd); c. 9, §2 (amd); c. 104, Pt. C, §§8, 10 (amd).]

§7302. Records surrendered

Whenever any municipality is deorganized, the municipality shall surrender all its records to the State Archivist. [1987, c. 737, Pt. A, §2 and Pt. C, §106 (new); 1989, c. 6 (amd); c. 9, §2 (amd); c. 104, Pt. C, §§8, 10 (amd).]

§7303. Debts of municipalities and school districts therein

When municipalities are deorganized by a repeal of their charters, and their liabilities are excepted and reserved by the repealing act, legal service of process to collect those liabilities may be made on any inhabitant of lawful age residing in the territory included in the municipality, provided that there are no legal officers in that territory on whom service can be made. This section extends to school districts in deorganized municipalities so far as applicable. [1987, c. 737, Pt. A, §2 and Pt. C, §106 (new); 1989, c. 6 (amd); c. 9, §2 (amd); c. 104, Pt. C, §§8, 10 (amd).]

§7304. Power and authority of State Tax Assessor

Whenever the organization of any municipality or plantation has been terminated by Act of the Legislature, the powers, duties and obligations relating to the affairs of that municipality or plantation are vested in the State Tax Assessor for not more than 5 years. The real and personal property of the municipality or plantation shall be held by the State Tax Assessor and used as described in this chapter. [1987, c. 737, Pt. A, §2 and Pt. C, §106 (new); 1989, c. 6 (amd); c. 9, §2 (amd); c. 104, Pt. C, §§8, 10 (amd).]

1. Powers of State Tax Assessor. The State Tax Assessor may:

A. Subject to the restriction in subparagraph (1), sell or otherwise dispose of any property which the municipality or plantation holds title to at the time of deorganization or may receive title to after deorganization. When disposing of property, the State Tax Assessor shall ensure that the interests of the residents of the unorganized territory are the most important consideration.

(1) In the case of school property, the State Tax Assessor shall consult with the Commissioner of Education; and

[1989, c. 6 (amd); c. 9, §2 (amd); c. 104, Pt. C, §§8, 10 (amd); c. 700, Pt. A, §132 (amd).]

B. Assess taxes any time after the act terminating the organization of the municipality or plantation takes effect by making assessment once a year under the laws relating to the

assessment of property taxes in unorganized territory.

(1) The State Tax Assessor may make additional assessments in the same manner against the property owners in the deorganized municipality or plantation to provide funds to pay the debts of the municipality or plantation.

[1987, c. 737, Pt. A, §2 and Pt. C, §106 (new); 1989, c. 6
(amd); c. 9, §2 (amd); c. 104, Pt. C, §§8, 10 (amd).]
[1989, c. 6 (amd); c. 9, §2 (amd); c. 104, Pt. C, §§8, 10 (amd);
c. 700, Pt. A, §132 (amd).]

2. Use of money. All money received under this section shall be applied:

A. To pay the necessary expenses of the State Tax Assessor in making assessments under subsection 1;

[1987, c. 737, Pt. A, §2 and Pt. C, §106 (new); 1989, c. 6 (amd); c. 9, §2 (amd); c. 104, Pt. C, §§8, 10 (amd).]

B. To pay any obligation of the municipality or plantation outstanding at the time its organization is terminated;

[1987, c. 737, Pt. A, §2 and Pt. C, §106 (new); 1989, c. 6 (amd); c. 9, §2 (amd); c. 104, Pt. C, §§8, 10 (amd).]

C. To pay taxes assessed against the municipality or plantation; and

[1987, c. 737, Pt. A, §2 and Pt. C, §106 (new); 1989, c. 6 (amd); c. 9, §2 (amd); c. 104, Pt. C, §§8, 10 (amd).]

D. To complete any public works of the municipality or plantation already begun.

[1987, c. 737, Pt. A, §2 and Pt. C, §106 (new); 1989, c. 6
(amd); c. 9, §2 (amd); c. 104, Pt. C, §§8, 10 (amd).]
[1987, c. 737, Pt. A, §2 and Pt. C, §106 (new); 1989, c. 6 (amd);

c. 9, §2 (amd); c. 104, Pt. C, §§8, 10 (amd).]

3. Surplus funds and property. At the end of the 5-year period, or when in the judgment of the State Tax Assessor final payment of all known accounts against the municipality or plantation has been made, any funds which have not been expended shall be deposited with the county commissioners as undedicated revenue for the unorganized territory fund of that county. Any property of the municipality or plantation which has not been sold shall be held by the State in trust for the unorganized territory or transferred to the county to be held in trust for the unorganized territory. Income from the sale or use of the property shall be used as described in Title 36, section 1604.

[1987, c. 737, Pt. A, §2 and Pt. C, §106 (new); 1989, c. 6 (amd); c. 9, §2 (amd); c. 104, Pt. C, §§8, 10 (amd).]

§7305. Cemetery trust funds

The State Tax Assessor may transfer any cemetery trust funds held by a municipality at the time of deorganization to a cemetery association, provided that association is formed under the laws of the State. If no such association exists, the State Tax Assessor may transfer the funds to the county commissioners. These funds are to be retained for the purpose of allowing the interest only to be

used in the same manner and for the same purposes for which the fund was originally accepted by the deorganized municipality. If the funds are in the care and custody of the county commissioners and a cemetery association is subsequently formed, the county commissioners may transfer the funds to the cemetery association. [1987, c. 737, Pt. A, §2 and Pt. C, §106 (new); 1989, c. 6 (amd); c. 9, §2 (amd); c. 104, Pt. C, §§8, 10 (amd).]

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Updated by Diane Steward, Chair, Maine Commission on Municipal Deorganization