

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

Sec. 1. Separation and incorporation; Town of Chebeague Island. The residents of the following territory now within the Town of Cumberland and the County of Cumberland having expressed their intent, in a special referendum election of the voters of the territory of Chebeague Island lawfully conducted in accordance with the Maine Revised Statutes, Title 30-A, section 2171-D on November 8, 2005, to be separated from the Town of Cumberland and incorporated into a separate town by the name of the Town of Chebeague Island. The Town of Chebeague Island is separated in accordance with this Act. The Town of Chebeague Island, referred to in this Act as "Town of Chebeague Island" or "the secession territory," consists of: all of Great Chebeague Island and those other islands that lie, in whole or part, within the boundaries of the Town of Cumberland except those islands lying northwest of a line running from 70 degrees, 10 minutes, 18 seconds West, 43 degrees, 43 minutes, 44 seconds North to 70 degrees, 9 minutes, 35 seconds West, 43 degrees, 44 minutes, 29 seconds North.

The islands of Bates, Hope, Jewell (easterly portion), Little Jewell, Ministerial, Sand, Stave, Crow, Bangs, Stockman, West Brown Cow, Upper Green, Goose Nest, Rogues, Broken Cove and Little Chebeague (easterly portion) (hereafter the "outer islands"), and Great Chebeague are included in the secession territory.

The Town of Chebeague Island remains within Cumberland County.

This Act shall be effective July 1, 2007 (the "Effective Date").

Sec. 2. Report to Legislature. The residents of the secession territory have submitted their report as required by the Maine Revised Statutes, Title 30-A, Section 2172, the substance of which is that the secession representatives and the Town of Cumberland, as well as MSAD 51,

have reached agreement on the separation of Chebeague Island from both the Town and the SAD. The substance of which agreements are incorporated in this Act.

A. Municipal separation.

(1) Tangible Property. All real and personal tangible property owned by the Town of Cumberland and situated within the secession territory shall become the property of the Town of Chebeague Island on the Effective Date, and all real and personal tangible property owned by the Town of Cumberland and situated on the Cumberland mainland shall remain the property of the Town of Cumberland. Included in the personal property that shall be conveyed from the Town of Cumberland to the Town of Chebeague Island is a new fire truck that is in the process of being built and is anticipated to be delivered to the secession territory on or about Spring of 2006. The Town of Cumberland shall not have removed or remove, transferred or transfer, or convey any real or personal property located within the secession territory after the date of the enactment of this Act, except in the ordinary course of its operations. Any property so removed, transferred or conveyed shall be returned and assigned, transferred or conveyed to the Town of Chebeague Island on the Effective Date.

(2) Taxes. After the Effective Date, the Town of Chebeague Island shall pay to the Town of Cumberland on an annual basis, or on such other schedule as the Town of Cumberland and the Town of Chebeague Island may agree, fifty percent (50%) of the property taxes committed to the Town of Chebeague Island from the so-called, outer islands (the "Tax Payments"), as defined in Section 1 above for a period of fifty (50) years commencing on the Effective Date.

(3) Payment. The Town of Chebeague Island shall pay the sum of \$1.3 million (the “Financial Consideration”) to the Town of Cumberland within six (6) months of the Effective Date, but in no event later than December 31, 2007, for real and personal property, in full and final satisfaction of all outstanding obligations and liabilities expect for ongoing obligations expressly stated in this Act, and other good, and valuable consideration.

(4) Debt. In the event the Town of Cumberland’s proportional share of Cumberland County expenses and debt that existed on the date that this Act is enacted, or the contingent guaranty of Regional Waste Systems debt that existed on the date that this Act is enacted, becomes due and payable because of a default of the Town Cumberland due to circumstances beyond its control, the Town of Chebeague Island will pay on rightful demand by the holder of the debt thirteen percent (13%) of the Town of Cumberland’s proportional share of the defaulted debt (the “Contingent Assumed Debt”) to the holder of the debt.

(5) Transportation. The Town of Cumberland will assign its lease from the State of Maine, Department of Transportation, for the Blanchard lot, so-called, in Yarmouth to the Town of Chebeague Island, as well as responsibility for the Locally Administered Project Agreement in regard to Wharf Road in said Town of Yarmouth. The Town of Cumberland shall also transfer to the Town of Chebeague Island all of its right, title and interest, to the extent it has any, and obligations in regard to the Cousins Island Wharf, so-called, all of which the Town of Chebeague Island shall become fully responsible for.

(6) Waste Management. The Town of Cumberland shall maintain and be responsible for all licensing, testing and monitoring requirements related to the existing landfill located therein (the “Cumberland Landfill”). The Town of Cumberland shall hold harmless, defend and indemnify the Town of Chebeague Island against all claims, liabilities, costs, and damages arising from or related directly or indirectly to the Cumberland Landfill. The Town of Chebeague Island shall maintain and be responsible for all licensing, testing and monitoring requirements related to the existing landfill located therein (the “Chebeague Landfill”). The Town of Chebeague Island shall hold harmless, defend and indemnify the Town of Cumberland against all claims, liabilities, costs, and damages arising from or related directly or indirectly to the Chebeague Landfill. The respective transfer stations for each landfill will become the responsibility of each Town on the Effective Date. The Town of Cumberland will use its best efforts to have Regional Waste Systems or any successor entity offer membership to the Town of Chebeague Island based on the secession territory’s share of the current tonnage provided to Regional Waste Systems by the Town of Cumberland.

(7) Emergency Services. The Town of Cumberland and the secession territory will explore an interlocal agreement that will achieve efficient, consolidated and economical rescue support, 911 emergency dispatch services, firefighter training and other necessary emergency services to the Town of Chebeague Island at a reasonable cost.

(8) Future Liabilities. As of the Effective Date, the Town of Chebeague Island shall not be obligated to pay any amounts to the Town of Cumberland, other than Contingent Assumed Debt, the Financial Consideration, the Tax Payments, and potential indemnity payments related to the Chebeague Landfill, or be liable to the Town of Cumberland for any reason.

(9) Residents of the Town of Cumberland and the Town of Chebeague Island shall have equal access to municipally owned public lands for recreation, fishing and related activities, including shellfish rights as reserved to the inhabitants of those municipalities that were originally part of the Town of North Yarmouth.

B. School Administrative District No. 51 (“SAD No. 51) separation.

(1) Property. SAD No. 51 shall convey to the Town of Chebeague Island, by quitclaim bill of sale, all of SAD No. 51’s right, title and interest in all tangible personal property owned by SAD No. 51 and situated in the secession territory on the Effective Date. SAD No. 51 shall convey to the Town of Chebeague Island, by quitclaim deed, all of the SAD No. 51’s right, title and interest in all real property owned by SAD No. 51 and situated on Chebeague Island on the Effective Date. Said conveyances shall fully and finally satisfy all outstanding obligations and liabilities of SAD No. 51 to the Town of Chebeague Island except for ongoing obligations expressly stated in this Act. SAD No. 51 shall not remove, transfer or convey any real or personal property located on Chebeague Island after the date of enactment of this legislation except in the ordinary course of its operations. All real , personal and intangible property owned by SAD No. 51 that is not situated on Chebeague Island as of the Effective Date of this

legislation shall remain the property of SAD No. 51. SAD No. 51 shall assume all liabilities, known or unknown, arising from conditions currently existing or hereafter arising with respect to real and personal property that SAD No. 51 retains. The Town of Chebeague Island shall assume all liabilities, known or unknown, arising from conditions currently existing or hereafter arising with respect to real or personal property that SAD No. 51 conveys to the Town of Chebeague Island.

(2) Debt. With respect to all SAD No. 51 debt existing on the date this Act is enacted (collectively “the Assumed SAD No. 51 Debt”), the Town of Chebeague Island shall assume, and pay SAD No. 51, not less than 30 days before payments become due and payable by SAD No. 51, a percentage share of principal and interest of the Assumed SAD No. 51 Debt that at the time of payment equals the ratio of the State Valuation, as determined by the Bureau of Revenue Services pursuant to 36 M.R.S.A. § 305(1), of the Town of Chebeague Island to the combined State Valuations of the Town of Cumberland, the Town of North Yarmouth, and the Town of Chebeague Island. For purposes of this subsection, the Town of Chebeague Island’s percentage share of the Assumed SAD No. 51 Debt shall be determined using the most recent certified State Valuations as of July 1 in the fiscal year in which the payment becomes due.

(3) Students and Financial Consideration. In exchange for the acceptance of tuition students from the Town of Chebeague Island and for the turnover of various assets on Chebeague Island, in full and final satisfaction of all outstanding obligations and liabilities of the Town of Chebeague Island to SAD No. 51 except for ongoing obligations expressly stated in this Act, and for other good and valuable consideration,

the Town of Chebeague Island will pay to S.A.D. No. 51 the sum of \$3,500,000 (“the SAD Payment”) in full within six (6) months from the Effective Date but in no event later than December 31, 2007. The SAD No. 51 Board shall enter into a contract, to commence July 1, 2007 and to expire June 30, 2014, with the school committee of the Town of Chebeague Island for the education of any student residing with a parent or legal guardian in the Town of Chebeague Island from Grades 6 through 12 electing to attend school in SAD No. 51. The contract shall be binding upon the Board and the school committee of the Town of Chebeague Island without further authorization or approval. The contract shall be binding on the successors and assigns of the Town of Chebeague Island and SAD No. 51. Tuition for Chebeague Island students shall be covered by the payment described in this subsection, except that any additional costs attributable to special education students shall be paid by the Town of Chebeague Island. SAD No. 51 shall provide transportation to the Town of Chebeague Island students in accordance with the SAD No. 51 school schedule once daily each way from a ferry dock in the Town of Yarmouth designated by the school committee of the Town of Chebeague Island to the SAD No. 51 schools and from the schools back to the dock. All other transportation, including extra bus runs and ferry service, shall be provided by the Town of Chebeague Island. Nothing in this legislation shall prevent the School Committee of the Town of Chebeague Island from tuitioning students to or entering into tuition contracts with other school administrative units.

(4) Debt approved before the effective date and incurred after the effective date.

Should the Board conduct a referendum between the date of enactment and the Effective Date on any debt to be incurred after the Effective Date, the residents of the Secession Territory, having no interest in the outcome of the referendum, shall be excluded from the legislative body of SAD No. 51 for purposes of the referendum.

Sec. 3. Effective date of separation. The secession territory is separated from the Town of Cumberland and is incorporated as the Town of Chebeague Island on the Effective Date.

Sec. 4. Provision for first meeting. Within thirty (30) days after the Effective Date, a justice of the peace or notary public may issue a warrant to any legal voter in the Town of Chebeague Island directing that legal voter to notify the municipal inhabitants of a public meeting to select municipal officers and school board members and to transact municipal business to be held at a time and place specified in the warrant. Notice to the municipal inhabitants must be provided at least seven (7) days prior to the meeting. On the Effective Date, municipal officers and school board members selected at the meeting are vested with all of the powers and duties that other duly elected municipal officers and school board members have, including the power to raise, borrow and spend money.

Sec. 5. Form of government. The Town of Chebeague Island shall adopt the town meeting as its form of government.

This Act does not prevent the Town of Chebeague Island from voting to change its form of government without a further act of the Legislature.

Sec. 6. Education needs. Upon the Effective Date, the Town of Chebeague Island shall become a municipal school unit as defined in the Maine Revised Statutes, Title 20-A, Section 1, Subsection 19. No further referenda, legislation or dispensations by the State, or any of its officers, departments or agencies is required of the Town of Chebeague Island prior to its undertaking the education of its school-age children.

1. The Town of Chebeague Island shall start providing educational services in the manner described in its report to the Legislature pursuant to section 4 upon the date of its secession from the Town of Cumberland and incorporation as the Town of Chebeague Island.

2. The requirements of Title 20-A regarding the provision of public education to students, including, but not limited to, matters of curriculum, instruction, transportation, mainland student transition, attendance, student eligibility for enrollment, student records, audits, employee and applicant records, standards and assessment of student performance, health, nutrition and safety, immunization, school lunch programs, special education, school finances, gifted and talented students, career and technical education and adult and vocational education are all applicable to the educational services provided by the Town of Chebeague Island.

3. The Town of Chebeague Island's education plan must provide for the transition of administration and governance of the Chebeague Island School to the properly elected Chebeague Island School Committee.

4. This Act may not be construed to prevent the Chebeague Island School Committee from making changes to the provision of educational services and the education plan in accordance with the school committee's powers and duties pursuant to Title 20-A.

Sec. 7. Hold harmless provision. The municipal officers, municipal officials and residents of the Town of Cumberland; the directors and member municipalities of Maine School

Administrative District 51; the representatives of the secession territory; the municipal officers, municipal officials and residents of the Town of Chebeague Island; and all their agents are immune from liability for any action taken as a result of this Act.

Sec. 8. Enforcement. The Town of Chebeague Island, the Town of Cumberland or Maine School Administrative No. 51, or their successors in interest, may enforce this Act by civil action in Superior Court. In any action between the Town of Chebeague Island and the District, the Court shall award reasonable attorneys' fees to the prevailing party.

SUMMARY

This bill authorizes the separation of Chebeague Island and certain surrounding islands from the Town of Cumberland and their incorporation into the Town of Chebeague Island.