

# MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 2234

H. P. 1766

House of Representatives, January 2, 1974

Referred to the Committee on State Government. Sent up for concurrence and ordered printed.

E. LOUISE LINCOLN, Clerk

Presented by Mr. Martin of Eagle Lake.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-FOUR

**AN ACT to Provide Financial Assistance to Nonprofit Nursing Homes.**

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

**Sec. 1. R. S., T. 22, § 2052, amended.** Section 2052 of Title 22 of the Revised Statutes, as enacted by section 1 of chapter 303 of the public laws of 1971, is amended to read as follows:

**§ 2052. Declaration of necessity**

It is declared that for the benefit of the people of the State, the increase of their commerce, welfare and prosperity and the improvement of their health and living conditions, it is essential that hospitals and nursing homes within the State be provided with appropriate additional means to expand, enlarge and establish health care, hospital, nursing home and other related facilities; and that it is the purpose of this chapter to provide a measure of assistance and an alternative method to enable hospitals and nursing homes to provide the facilities and structures which are sorely needed to accomplish the purposes of this chapter, all to the public benefit and good, and the exercise of the powers, to the extent and manner provided in this chapter, is hereby declared the exercise of an essential governmental function.

**Sec. 2. R. S., T. 22, § 2053, sub-§ 4-A, additional.** Section 2053 of Title 22 of the Revised Statutes, as enacted by section 1 of chapter 303 of the public laws of 1971, is amended by adding a new subsection 4-A, to read as follows:

**4-A. Nursing home.** "Nursing home" means any nonprofit or charitable institution or organization, public or private, engaged in the operation of, or

formed for the purpose of operating, a facility in which skilled nursing care and medical services are prescribed by or performed under the general direction of persons licensed to practice medicine or surgery in the State and which is, or will be upon completion, licensed as a nursing home under the laws of the State of Maine.

**Sec. 3. R. S., T. 22, § 2053, sub-§ 5, amended.** Subsection 5 of section 2053 of Title 22 of the Revised Statutes, as enacted by section 1 of chapter 303 of the public laws of 1971, is amended to read as follows:

**5. Participating hospital.** "Participating hospital" means a hospital or nursing home which, pursuant to this chapter, shall undertake the financing and construction or acquisition of a project or shall undertake the refunding or refinancing of existing indebtedness as provided in and permitted by this chapter.

**Sec. 4. R. S., T. 22, § 2053, sub-§ 6, amended.** Subsection 6 of section 2053 of Title 22 of the Revised Statutes, as enacted by section 1 of chapter 303 of the public laws of 1971, is amended to read as follows:

**6. Project.** "Project" in the case of a participating hospital means the acquisition, construction, improvement, reconstruction or equipping of, or construction of an addition or additions to, any structure designed for use as a hospital, clinic, nursing home or other health care or nursing care facility, laboratory, laundry, nurses or interns residence or other multi-unit housing facility for staff, employees, patients or relatives of patients admitted for treatment in such hospital or nursing home, doctors office building, administration building, research facility, maintenance, storage or utility facility or other structures or facilities related to any of the foregoing or required or useful for the operation of the project, or the refinancing of existing indebtedness in connection with any of the foregoing, including parking and other facilities or structures essential or convenient for the orderly conduct of such hospital or nursing home and shall include all real and personal property, lands, improvements, driveways, roads, approaches, pedestrian access roads, rights-of-way, utilities, easements, parking lots, machinery and equipment, and all other appurtenances and facilities either on, above or under the ground which are used or usable in connection with the aforementioned structures, and shall include landscaping, site preparation, furniture, machinery and equipment and other similar items necessary or convenient for the operation of a particular facility or structure in the manner for which its use is intended, but shall not include such items as food, fuel, supplies or other items which are customarily considered as a current operating charge.

**Sec. 5. R. S., T. 22, § 2053, sub-§ 7, amended.** Subsection 7 of section 2053 of Title 22 of the Revised Statutes, as enacted by section 1 of chapter 303 of the public laws of 1971, is amended to read as follows:

**7. Refinancing of existing indebtedness.** "Refinancing of existing indebtedness" means liquidation, with the proceeds of bonds or notes issued by the authority, of any indebtedness of a hospital or nursing home incurred to finance or aid in financing a lawful purpose of such hospital or nursing home not financed pursuant to this chapter which would constitute a project had

it been undertaken and financed by the authority, or consolidation of such indebtedness with indebtedness of the authority incurred for a project related to the purpose for which the indebtedness of the hospital or nursing home was incurred.

**Sec. 6. R. S., T. 22, § 2054, sub-§ 7, amended.** Subsection 7 of section 2054 of Title 22 of the Revised Statutes, as enacted by section 1 of chapter 303 of the public laws of 1971, is amended to read as follows:

7. **Conflict of interest.** Notwithstanding any other law to the contrary, it shall not be or constitute a conflict of interest for a trustee, director, officer or employee of a hospital or nursing home to serve as a member of the authority, provided such trustee, director, officer or employee shall abstain from deliberation, action and vote by the authority under this chapter in specific respect to the hospital or nursing home of which such member is a trustee, director, officer or employee.

**Sec. 7. R. S., T. 22, § 2061, sub-§§ 1 and 3, amended.** Subsections 1 and 3 of section 2061 of Title 22 of the Revised Statutes, as enacted by section 1 of chapter 303 of the public laws of 1971, are amended to read as follows:

1. **Assistance.** Such project will enable or assist a hospital or nursing home to fulfill its obligations to provide health care or nursing care facilities;

3. **Lease.** Such project will be leased to, or owned by, a hospital or nursing home within the State; and

**Sec. 8. R. S., T. 22, § 2064, amended.** The last sentence of section 2064 of Title 22 of the Revised Statutes, as enacted by section 1 of chapter 303 of the public laws of 1971, is amended to read as follows:

Except as may otherwise be provided in such resolution or such trust agreement, such sinking or other similar fund may be a fund for all such bonds or notes issued to finance projects at a particular participating hospital without distinction or priority of one over another, provided the authority in any such resolution or trust agreement may provide that such sinking or other similar fund shall be the fund for a particular project at a participating hospital and for the bonds issued to finance a particular project and may, additionally, permit and provide for the issuance of bonds having a subordinate lien in respect of the security herein authorized to other bonds of the authority, and, in such case, the authority may create separate sinking or other similar funds in respect of such subordinate lien bonds.

#### STATEMENT OF FACT

The purpose of this bill is reflected in the title.