

MAINE STATE LEGISLATURE

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L.D. 309

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DATE: 1/26/95

(Filing No. H- 9)

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the House.

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
117TH LEGISLATURE
FIRST REGULAR SESSION**

16
HOUSE AMENDMENT "B" to H.P. 230, L.D. 309, Bill, "An Act to
Encourage Major Business Expansion in Maine"

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Amend the bill in the emergency preamble in the 2nd indented
paragraph in the first line (page 1, line 5 in L.D.) by inserting
after the following: "incentives to" the following: 'retain
jobs and'

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Further amend the bill in the emergency preamble by
inserting after the 3rd indented paragraph the following:

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'Whereas, this legislation will serve an important public
purpose; and'

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Further amend the bill in section 7 in paragraph J in
subparagraph (1) in the 4th line (page 2, line 46 in L.D.) by
striking out the following: "reasonable certainty" and inserting
in its place the following: 'strong probability'

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Further amend the bill in section 7 in paragraph J in
subparagraph (2) in the 1st and 2nd lines (page 3, lines 1 and 2
in L.D.) by striking out the following: "reasonable certainty"
and inserting in its place the following: 'strong probability'

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Further amend the bill in section 7 in paragraph J by
inserting after subparagraph (4) the following:

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'(5) Whether the applicant meets or exceeds industry
average financial performance ratios commonly accepted
in determining creditworthiness in that industry;'

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Further amend the bill in section 7 in paragraph J by
renumbering the subparagraphs to read consecutively.

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Further amend the bill by striking out all of section 9 and
inserting in its place the following:

R 48

'Sec. 9. 10 MRSA §1054, as amended by PL 1987, c. 393, §12, is further amended to read:

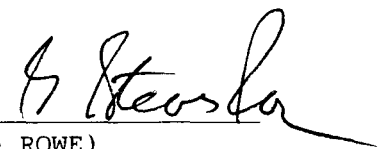
§1054. Taxable bond option

With respect to all or any portion of any issue of any bonds or any series of bonds which ~~that~~ the authority may issue in accordance with the limitations and restrictions of this subchapter, the authority may covenant and consent that the interest on the bonds shall ~~be~~ is includable, under the United States Internal Revenue Code of ~~1954~~ 1986 or any subsequent corresponding internal revenue law of the United States, in the gross income of the holders of the bonds to the same extent and in the same manner that the interest on bills, bonds, notes or other obligations of the United States is includable in the gross income of the holders under the United States Internal Revenue Code or any subsequent law. Bonds issued pursuant to this section shall ~~are~~ not be subject to any limitations or restrictions of any law which ~~that~~ may limit the authority's power to issue those bonds or to the procedures set forth in section 1043 or in section 1044, subsections 1, 11 and 12; except that the procedures set forth in section 1043 do apply with respect to major business expansion projects. The foregoing grant of power shall ~~may~~ not be construed as limiting the inherent power of the State or its agencies under any other provision of law to issue debt, the interest on which is includable in the gross income of the holders of the interest under the United States Internal Revenue Code or any subsequent law. Any action or proceeding in any court to contest the issuance of the securities, the approval by the authority of a project to benefit from issuance of the securities or the approval by the authority of mortgage insurance or the provision of a capital reserve fund for the securities for any reason must be started within 30 days after the date on which the members of the authority adopt a formal resolution approving issuance of the securities and otherwise must be governed by Title 5, chapter 375, subchapter VII. Once the authority has adopted a resolution to approve the issuance of securities pursuant to this section, any action by the authority to amend, alter or revise the resolution may not commence a new period of time within which any such action or proceeding may be commenced. Notwithstanding the provisions of section 969-A, subsection 11 and Title 5, chapter 375, subchapter VII, including, but not limited to, Title 5, sections 11002 and 11003, any such action or proceeding may be commenced only by first serving the petition for review upon the authority, in hand, within that 30-day period. After the expiration of the 30-day period of limitation, no right of action or defense founded upon the invalidity of the resolution or contesting any provision of the resolution, any amendment to the resolution or the issuance of the securities may be started or asserted nor may the resolution or the issuance of the securities be open to question in any court upon any grounds.'

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STATEMENT OF FACT

This amendment strengthens the applicable standards to be used by the Finance Authority of Maine in reviewing the financial ability of an applicant to repay a loan and clarifies that applications under the program require a certificate of approval process giving competitors an opportunity to object to a project. The amendment further establishes a process and time frame within which any suit, claim or proceeding regarding issuance of bonds must be commenced in order to allow bonds to be sold to bondholders without the risk of a lawsuit being filed after the sale to bondholders.

SPONSORED BY: 
(Representative ROWE)

TOWN: Portland