

MAINE STATE LEGISLATURE

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L.D. 1766

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DATE: 2-11-04

(Filing No. H-686)

MAJORITY
BUSINESS, RESEARCH AND ECONOMIC DEVELOPMENT

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12 the House.

14 STATE OF MAINE
16 HOUSE OF REPRESENTATIVES
18 121ST LEGISLATURE
20 SECOND SPECIAL SESSION

22 COMMITTEE AMENDMENT "A" to H.P. 1288, L.D. 1766, Bill, "An
24 Act To Simplify the Finance Authority of Maine Act"

26 Amend the bill by inserting after section 22 the following:

28 'Sec. 23. 10 MRSA §1023-F, as repealed and replaced by PL
30 1989, c. 878, Pt. A, §25, is repealed.'

32 Further amend the bill in section 29 in that part designated
34 "§1026-A." by striking out all of subsection 1-A (page 14, lines
36 32 to 46 in L.D.) and inserting in its place the following:

38 ~~'1-A.--Coinsurance.--Notwithstanding subsection 1, paragraph
40 A, and section 1026-D, subsection 2, with respect to mortgage
42 loans securing revenue obligation securities of the authority
44 issued under subchapter III, the authority may insure an amount
not to exceed 50% of the original principal amount of the
mortgage loan, plus 50% of accrued interest, and may provide that
mortgage payments be applied so that the insured percentage of
the loan increases and that proceeds of collateral are applied
first to reduce the portion of the loan not insured by the
authority, provided that that insurance shall not exceed
\$3,500,000 in original principal amount for any loan and that the
authority shall not issue that insurance unless it determines
that the applicant is financially strong and credit worthy and
that the loan is adequately secured by collateral.'~~

COMMITTEE AMENDMENT

2 Further amend the bill in section 29 in that part designated
"§1026-A." in subsection 4 by striking out all of paragraph D
4 (page 15, line 43 in L.D.) and inserting in its place the
following:

6 'D. Residential housing, other than congregate or group
housing; or'

8
10 Further amend the bill by striking out all of section 36 and
inserting in its place the following:

12 'Sec. 36. 10 MRSA §1026-H, as enacted by PL 1989, c. 552,
§14, is repealed.'

14
16 Further amend the bill in section 48 in the first line (page
20, line 9 in L.D.) by striking out the following: "§1044." and
18 inserting in its place the following: '§1044,'

20 Further amend the bill by inserting after section 48 the
following:

22 'Sec. 49. 10 MRSA §1044, sub-§11, as enacted by PL 1985, c.
24 344, §71, is repealed and the following enacted in its place:

26 11. Environmental protection. For all revenue obligation
28 securities in excess of \$1,000,000 and in other instances when
30 the authority determines it is appropriate, the authority shall
32 obtain a written assessment from the Department of Environmental
34 Protection of the environmental conditions known by the
36 department to exist at a project location so that the authority
fully considers environmental risks when making its decisions.
Environmental conditions posing risks that must be considered
include, but are not limited to, licensing obligations, existing
or historic regulatory noncompliance and site clean-up
responsibilities.'

38 Further amend the bill by inserting after section 49 the
following:

40 'Sec. 50. 10 MRSA §1063, sub-§2, ¶E, as repealed and replaced
42 by PL 1989, c. 878, Pt. A, §28, is repealed and the following
enacted in its place:

44 E. For all revenue obligation securities in excess of
46 \$1,000,000 and in other instances when the authority
48 determines it is appropriate, the Department of
Environmental Protection has provided a written assessment
to the authority of the environmental conditions known by
the department to exist at a project location so that the

2 authority fully considers environmental risks when making
3 its decisions. Environmental conditions posing risks that
4 must be considered include, but are not limited to,
5 licensing obligations, existing or historic regulatory
6 noncompliance and site clean-up responsibilities.

8 **Sec. 51. Effective date.** This Act takes effect January 1, 2005.'

10 Further amend the bill by relettering or renumbering any
11 nonconsecutive Part letter or section number to read
12 consecutively.

14 **SUMMARY**

16 The amendment is the majority report of the committee. The
17 amendment makes involvement of the Department of Environmental
18 Protection consistent throughout the Finance Authority of Maine's
19 loan insurance programs. Additionally, the amendment repeals
20 redundant statutory sections and makes other technical changes.

FISCAL NOTE REQUIRED
(See attached)

**121st Maine Legislature
Office of Fiscal and Program Review**



LD 1766

An Act to Simplify the Finance Authority of Maine Act

LR 2611(02)

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Business, Research and Economic Development

Fiscal Note Required: Yes

Majority Report

Fiscal Note

Minor cost increase - General Fund

Fiscal Detail and Notes

Additional costs to the Finance Authority of Maine associated with rulemaking can be absorbed utilizing existing budgeted resources.

Additional costs to the Department of Defense, Veterans and Emergency Management associated with consulting with the Finance Authority of Maine can be absorbed utilizing existing budgeted resources.

Additional costs to the Department of Environmental Protection associated with providing written assessments of certain environmental conditions can be absorbed utilizing existing budgeted resources.