

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 889

S.P. 297

In Senate, February 22, 2005

An Act To Create the County Government Capital Improvements Revolving Loan Fund

Reference to the Committee on State and Local Government suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator WESTON of Waldo.

Cosponsored by Senators: DAMON of Hancock, DAVIS of Piscataquis, Representatives: ASH of Belfast, FAIRCLOTH of Bangor, KAELIN of Winterport.

2
3 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 30-A MRS §6006-G** is enacted to read:

5 **§6006-G. County Government Capital Improvements Revolving Loan**
6 **Fund**

7 **1. Establishment; administration.** The County Government
8 Capital Improvements Revolving Loan Fund, referred to in this
9 section as "the fund," is established in the custody of the bank
10 as a special fund as provided in this section.

11
12 **A.** The purpose of the fund is to provide financial
13 assistance under subsection 2 for the acquisition, design,
14 planning, construction, enlargement, repair, protection and
15 improvement of public service infrastructure and capital
16 improvements.

17
18 **B.** The bank shall administer the fund. The fund must be
19 invested in the same manner as permitted for investment of
20 funds belonging to the State or held in the State Treasury.
21 The fund must be established and held separate from any
22 other funds or money of the State or the bank and used and
23 administered exclusively for the purpose of this section.
24 The fund consists of the following:

25
26 **(1)** Sums that are appropriated by the Legislature or
27 transferred to the fund from time to time by the
28 Treasurer of State;

29
30 **(2)** Principal and interest received from the repayment
31 of loans made from the fund;

32
33 **(3)** Capitalization grants and awards made to the State
34 or an instrumentality of the State by the Federal
35 Government for any of the purposes for which the fund
36 has been established. These amounts must be paid
37 directly into the fund without need for appropriation
38 by the State;

39
40 **(4)** Interest earned from the investment of fund
41 balances;

42
43 **(5)** Private gifts, bequests and donations made to the
44 State for any of the purposes for which the fund has
45 been established;

46
47 **(6)** The proceeds of notes or bonds issued by the State
48 for the purpose of deposit in the fund;

49
50

2 (7) The proceeds of notes or bonds issued by the bank
3 for the purpose of deposit in the fund; and

4 (8) Other funds from any public or private source
5 received for use for any of the purposes for which the
6 fund has been established.

8 2. Uses. The fund may be used for one or more of the
9 following purposes:

10 A. To make loans to counties for the acquisition, design,
11 planning, construction, enlargement, repair, protection and
12 improvement of public service infrastructure and capital
13 improvements;

14 B. To guarantee or insure, directly or indirectly, the
15 payment of notes or bonds issued or to be issued by a county
16 for the purpose of financing the construction of any capital
17 improvement described in this section;

18 C. To guarantee or insure, directly or indirectly, funds
19 established by counties for the purpose of financing
20 construction of any capital improvement;

21 D. To invest available fund balances and to credit the net
22 interest income on those balances to the fund;

23 E. To invest as a source of revenue or security for the
24 payment of principal and interest on general or special
25 obligations of the bank if the proceeds of the sale of the
26 obligations have been deposited in the fund or loaned to
27 eligible participants in the programs financed with the
28 fund, or as a source of revenue to subsidize county loan
29 payment obligations; and

30 F. To pay the costs of the bank associated with the
31 administration of the fund and projects financed by it as
32 long as no more than 2% of the aggregate of the highest fund
33 balance in any fiscal year is used for these purposes.

34 3. Establishment of accounts. The bank may establish
35 accounts and subaccounts within the fund as it determines
36 desirable to effectuate the purposes of this section, including,
37 but not limited to, accounts to segregate a portion of the fund
38 for grants and as security for bonds issued by the bank for
39 deposit in the fund and to be invested for the benefit of
40 specified projects receiving financial assistance from the fund.

41 4. Eligibility terms. The bank shall develop by rule the
42 terms of repayment of loans. A loan made pursuant to this section

2 may not carry an interest rate higher than 0%. The repayment
3 period may vary depending upon the financial condition of a
4 county as identified by the bank.

5 5. Rules. The bank shall adopt rules necessary to implement
6 this section. Rules adopted by the bank to implement this section
7 are major substantive rules pursuant to Title 5, chapter 375,
8 subchapter 2-A.

10 **SUMMARY**

11 This bill establishes the County Government Capital
12 Improvements Revolving Loan Fund.
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