

MAINE STATE LEGISLATURE

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Date: 5/8/19

INNOVATION, DEVELOPMENT, ECONOMIC ADVANCEMENT AND BUSINESS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 779, L.D. 1056, Bill, "An Act To Update and Amend the Finance Authority of Maine Act"

Amend the bill by striking out all of section 5 and inserting the following:

Sec. 5. 10 MRSA §1026-A, sub-§1, as amended by PL 2009, c. 124, §3, is further amended to read:

1. Insurance. The authority may make commitments and agreements to insure loan payments. Any loan insurance must be subject to the following:

A. Loan insurance may not exceed:

(1) One hundred percent of the principal amount of the loan made to any borrower including related entities for any of the following types of loans or projects:

(a) Loans to veterans and wartime veterans, except that the authority may not at any time have, in the aggregate amount of the principal and interest outstanding, loan insurance obligations pursuant to this division exceeding \$5,000,000;

(b) Underground and aboveground oil storage facility projects and projects to install equipment related to the improvement of air quality pursuant to requirements for gasoline service station vapor control and petroleum liquids transfer vapor recovery, except that the authority may not at any time have, in the aggregate amount of the principal and interest outstanding, loan insurance obligations pursuant to this division exceeding \$5,000,000;

(c) ~~Clean fuel vehicle projects and sustainable~~ Sustainable biofuel vehicle projects, except that the authority may not at any time have, in the aggregate amount of the principal and interest outstanding, loan insurance obligations pursuant to this division exceeding \$5,000,000;

COMMITTEE AMENDMENT

1 (d) Waste oil disposal site clean-up projects, except that the authority may
2 not at any time have, in the aggregate amount of the principal and interest
3 outstanding, loan insurance obligations pursuant to this division exceeding
4 \$1,000,000; or

5 (e) The Plymouth waste oil remedial study, except that the authority may not
6 at any time have, in the aggregate amount of the principal and interest
7 outstanding, loan insurance obligations pursuant to this division exceeding
8 \$1,000,000; and

9 (2) Ninety percent of the principal amount of the loan made to any borrower,
10 including related entities for any other manufacturing enterprise, industrial
11 enterprise, recreational enterprise, fishing enterprise, agricultural enterprise,
12 natural resource enterprise or any other eligible business enterprise;

13 B. The loan must be serviced as required by the authority;

14 D. The authority must determine that there is a reasonable prospect that the loan will
15 be repaid;

16 E. The loan must be in compliance with the credit policy of the authority;

17 F. Loan insurance payments may not exceed the lesser of:

18 (1) Principal, outstanding accrued interest and collection costs approved by the
19 authority; and

20 (2) The original insured amount; and

21 G. Terms other than those specified in paragraphs A to F as may be required by law
22 or by rule of the authority.

23 The authority may provide insurance for related entities of up to ~~\$7,000,000~~ \$7,500,000.

24 Notwithstanding any provision to the contrary in this chapter, the authority may provide
25 special loan insurance benefits to veterans and wartime veterans determined by rule of the
26 authority developed in consultation with the Department of Defense, Veterans and
27 Emergency Management, Bureau of Maine Veterans' Services.

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

35 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
36 section number to read consecutively.

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SUMMARY

This amendment increases the maximum amount of insurance the Finance Authority of Maine may provide to related entities from \$7,000,000 to \$7,500,000.

FISCAL NOTE REQUIRED

(See attached)



129th MAINE LEGISLATURE

LD 1056

LR 1067(02)

An Act To Update and Amend the Finance Authority of Maine Act

Fiscal Note for Bill as Amended by Committee Amendment *A(H-224)*
Committee: Innovation, Development, Economic Advancement and Business

Fiscal Note Required: Yes

Fiscal Note

Increased loan liability - Finance Authority of Maine

Fiscal Detail and Notes

This legislation allows the Finance Authority of Maine (FAME) to increase its maximum loan insurance amount through its Commercial Loan Insurance Program from \$7.0 million to \$7.5 million per entity. FAME has indicated that there are sufficient funds in its loan insurance reserve fund to support the increase.