

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND EIGHTEENTH LEGISLATURE

SECOND REGULAR SESSION
January 7, 1998 to March 31, 1998

SECOND SPECIAL SESSION
April 1, 1998 to April 9, 1998

THE GENERAL EFFECTIVE DATE FOR
SECOND REGULAR SESSION
NON-EMERGENCY LAWS IS
JUNE 30, 1998

SECOND SPECIAL SESSION
NON-EMERGENCY LAWS IS
JULY 9, 1998

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

J.S. McCarthy Company
Augusta, Maine
1997

PUBLIC LAWS OF THE STATE OF MAINE
AS PASSED AT
THE SECOND REGULAR SESSION OF THE
ONE HUNDRED AND EIGHTEENTH LEGISLATURE
1997

CHAPTER 563

H.P. 1550 - L.D. 2179

**An Act Concerning Disaster
Assistance in 1998**

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the State has been declared to be a Federal Disaster Area as a result of an ice storm, which has resulted in massive power outages and significant damages to individuals, businesses and communities throughout most of the State; and

Whereas, a 2nd ice storm has caused further power outages and additional damages to businesses and individuals in southern Maine; and

Whereas, these natural disasters have had a serious adverse impact on many businesses, which require some assistance in order to recover from the damage suffered as a result of the storms and the resulting power outages; and

Whereas, without additional sources of financial assistance many businesses may not be able to continue operation or may have to reduce employment levels; and

Whereas, there may be other issues of an emergency nature that need to be addressed; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

PART A

Sec. A-1. 10 MRSA §1026-J, sub-§1, as enacted by PL 1991, c. 849, §1 and affected by §7, is amended to read:

1. Eligibility for loans. Businesses may apply to the authority for loans under the program.

A. The projects to be financed must pertain to manufacturing, industrial, recreational or natural resource enterprises, be located in the State and provide significant public benefit in relation to the amount of the loan, as determined by the authority. Public benefits include, but are not limited to, preservation of jobs, increased opportunities for employment, increased capital flows, particularly capital flowing in from outside the State, and increased state and municipal tax revenues. Loan proceeds may be used for any appropriate commercial purpose, as determined by the authority, including working capital and bridge loans pending other financing.

B. The authority must determine that the borrower is a for-profit or nonprofit commercial entity and, except as provided in subsection 4, that it is creditworthy and reasonably likely to repay the loan.

C. The authority must determine that the borrower has insufficient access to other funds and that the loan is necessary in order for the public benefits of the application to be realized.

D. ~~The~~ Except as provided in subsection 4, the authority must determine that the borrower has exhausted all other reasonably available sources of capital in order to minimize the amount of the loan from the fund.

Sec. A-2. 10 MRSA §1026-J, sub-§4 is enacted to read:

4. Business injured in 1998 ice storms. In order to provide timely and effective assistance to businesses injured by the 1998 ice storms, related power outages and other impacts, the authority is authorized to provide loans of up to \$10,000 in addition to and not to the exclusion of larger loans under the program. For purposes of this subsection, the authority may establish a streamlined application, loan approval and disbursement process for borrowers that demonstrate that:

A. They have been damaged by the storm;

B. They have insufficient access to conventional sources of capital or to federal disaster assistance in a timely manner; and

C. Their credit history demonstrates a reasonable willingness and ability to pay past debts and other obligations or that any past credit problems can be explained to the satisfaction of the authority.

The authority may require less than adequate collateral for loans under this subsection, may provide for deferral of payments of principal or both principal and interest, and may waive accrual of interest for a period of up to 12 months. In order to process loan requests as promptly as possible, the chief executive officer is authorized to act on behalf of the authority and may approve loans under this section on such terms and conditions as the chief executive officer determines necessary or prudent, without the need for rulemaking and without being limited by the provisions of existing rules adopted in accordance with subsection 3. Assistance under this subsection is limited to an aggregate of no more than \$2,000,000, and all applications under this subsection must be received no later than April 30, 1998.

PART B

Sec. B-1. 5 MRSA §1513, sub-§1-H is enacted to read:

1-H. Transfer from the Maine Rainy Day Fund; disaster assistance in 1998. The Finance Authority of Maine is authorized to request a transfer or transfers in an amount not to exceed \$2,000,000 in aggregate in fiscal year 1997-98 from the available balance in the Maine Rainy Day Fund for the purpose of replenishing funds in the Economic Recovery Program authorized in Title 10, section 1026-J, subsection 4. A transfer or transfers from the fund may take place only if funds are needed by the Finance Authority of Maine to meet the needs of Title 10, section 1026-J, subsections 1 to 3. Notwithstanding subsection 2 and section 1585, the Finance Authority of Maine may request such transfer or transfers to be made available by financial order, upon the recommendation of the State Budget Officer and approval of the Governor.

Sec. B-2. Repayment to Maine Rainy Day Fund. All funds transferred by operation of this Act to the Finance Authority of Maine from the Maine Rainy Day Fund must be repaid by the authority. As the amounts loaned using the Maine Rainy Day Fund proceeds are repaid, the Finance Authority of Maine must deposit those amounts, including interest, in the Maine Rainy Day Fund at the end of each fiscal quarter.

Emergency clause. In view of the emergency cited in the preamble, this Act takes effect when approved.

Effective January 29, 1998.

CHAPTER 564

H.P. 1549 - L.D. 2178

An Act to Meet Maine National Guard Payrolls Related to the Ice Storms of 1998

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the State of Maine has been declared to be a Federal Disaster Area as a result of at least one ice storm, which has resulted in massive power outages and significant damages to individuals, businesses and communities throughout most of the State; and

Whereas, the State of Maine has been impacted by additional storms in 1998 as well; and

Whereas, these natural disasters have had a serious adverse impact on the State, which has required the important services of the Maine National Guard; and

Whereas, upcoming Maine National Guard payrolls can not be met without additional funding; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 5 MRSA §1513, sub-§1-H is enacted to read:

1-H. Transfer from the Maine Rainy Day Fund; Maine National Guard payrolls in fiscal year 1997-98. Notwithstanding subsection 2 and section 1585, an amount not to exceed \$785,000 in fiscal year 1997-98 must be transferred from the available balance in the Maine Rainy Day Fund to the "Military Training and Operations" General Fund program in the Department of Defense, Veterans and Emergency Management to be made available by financial order, upon the recommendation of the State Budget Officer