

MAINE STATE LEGISLATURE

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ONE - HUNDRETH LEGISLATURE

Legislative Document

No. 250

S. P. 105

In Senate, January 12, 1961.

Referred to Committee on Industrial and Recreational Development. Sent down for concurrence and ordered printed.

CHESTER T. WINSLOW, Secretary

Presented by Senator Lovell of York.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-ONE

AN ACT Establishing the Maine Industrial Promotion Corporation Act.

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

R. S., c. 38-C, additional. The Revised Statutes are amended by adding a new chapter to be numbered 38-C, to read as follows:

'Chapter 38-C.

Maine Industrial Promotion Corporation Act.

Sec. 1. Title. This chapter shall be known and may be cited as the "Maine Industrial Promotion Corporation Act."

Sec. 2. Purpose. It is declared that there is a state-wide need for new industry to provide enlarged opportunities for gainful employment for the people in this State and to insure the preservation and betterment of the economy of the State and its inhabitants. It is further declared that there is a need to supply funds on loan to promote industrial activity in the State. The Maine Industrial Promotion Corporation is created to encourage the settlement, resettlement and the establishment of industry in this State and is authorized to make loans to communities and industries to achieve the purpose hereinbefore set forth.

Sec. 3. Credit of the State Pledged. The Maine Industrial Promotion Corporation is authorized to issue bonds in the amount not to exceed \$5,000,000 which will provide working capital for the purposes of the corporation. The corporation is authorized to make loans from these funds to industries in this State.

Sec. 4. Organization of the corporation. The Maine Industrial Promotion Corporation hereinafter in this chapter called the "corporation" is created and

established a body corporate and politic and is constituted a public instrumentality of the State and the exercise by the corporation of the powers conferred by this chapter shall be deemed and held to be the performance of essential governmental functions. The corporation shall consist of 11 directors who shall be appointed at large by the Governor with the advice and consent of the Council for a period of 4 years, provided that of the members first appointed 2 shall be appointed for a term of one year, 3 for a term of 2 years, 3 for a term of 3 years, and 3 for a term of 4 years. Vacancy in the office of an appointive member other than by expiration, shall be filled in like manner of original appointment but only for the remainder of the term of the retiring director. Appointive members may be removed by the Governor with the advice and consent of the Council for cause. The corporation shall elect one of its members as chairman, one as vice-chairman, one as treasurer and shall employ a manager, who shall be secretary. The secretary and treasurer shall be bonded as the corporation shall direct. Six members of the corporation shall constitute a quorum. The affirmative vote of 6 members present and voting shall be necessary for any action taken by the corporation. No vacancy in the membership of the corporation shall impair the right of the quorum to exercise all rights and to perform all of the duties of the corporation. All members of the corporation shall be reimbursed for the actual expenses necessarily incurred in the performance of their duties.

The manager shall be appointed by the corporation and his tenure of office shall be at the pleasure of the board of directors. He shall receive such compensation that shall be fixed by the corporation as shall be approved by the Governor and Council.

The manager shall be the chief administrative officer for the corporation and as such shall direct and supervise the administrative affairs and technical activities of the corporation in accordance with rules, regulations and policies as set forth by the corporation. It shall be the duty of the manager among other things to:

- I. Attend meetings and keep minutes. Attend all meetings of the corporation, and to act as its secretary and keep minutes of all its proceedings;
- II. Approve accounts and expenses. Approve all accounts for salaries, per diems, allowable expenses of the corporation or of any employee or consultant thereof, and expenses incidental to the operation of the corporation;
- III. Appoint employees. Appoint, under the Personnel Law, such employees as the corporation may require, and such assistants, agents or consultants as may be necessary for carrying out the purposes of this chapter;
- IV. Reports. To make to the corporation an annual report documenting the actions of the corporation, and such other reports as the corporation may request;
- V. Liaison with Department of Economic Development. To maintain a close liaison with the Department of Economic Development and provide assistance to the various divisions of that department to facilitate the planning and financing of industrial projects;

VI. Recommendations. To make recommendations and reports in cooperation with the Department of Economic Development to the corporation on the merits of any posed industrial loan in the status of local financial support and on meritorious industrial loans;

VII. Other duties. To perform such other duties as may be directed by the authority in the carrying out of the purposes of this chapter.

No member of the board of directors of the corporation shall participate in any decision involving a loan to an industry if the director has any interest or connection with said industry.

Sec. 5. Powers. The corporation is authorized and empowered:

I. By-laws. To adopt by-laws for the regulation of its affairs and the conduct of its business;

II. Seal. To adopt an official seal and alter the same at pleasure;

III. Office. To maintain an office at such place or places within the State as it may designate;

IV. Sue and be sued; service of process. To sue and be sued in its own name, plead and be impleaded;

Service of process in any action shall be made by service upon the manager of said corporation either in hand or by leaving a copy of the process at the office of the manager;

V. Employees. To employ such assistant, agents, consultants and other employees as may be necessary or desirable for its purposes and to fix their compensation; and to utilize the services of other governmental agencies; such employment shall be consistent with the Personnel Law;

VI. Enter into agreements. To enter into agreements with prospective borrowers and mortgagors for the purpose of loaning money to industry to acquire machinery and equipment, to provide working capital, to plan, design, construct or alter an industrial building, provide funds to enable an industry to relocate in Maine, and to loan money to industry for such other purposes as is deemed necessary by the corporation to effectuate the purposes heretofore set forth;

VII. Hold property; contracts, leases, etc. To acquire, hold and dispose of real and personal property and make and enter into all contracts, leases, agreements and arrangements necessary or incidental to the performance of its duties and the execution of its powers of this chapter;

VIII. Loans from and agreements with federal agency. To accept from a federal agency loans or grants and to enter into agreements with such agency regarding any such loans or grants;

IX. Advisability of industrial project. In connection with the loaning of any money to require for its guidance a finding of a planning board of a municipality, or in the absence thereof, a finding of the municipal officers of

the municipality in which the industry proposes to locate, or of the regional planning board of which such municipality is a member as to the expediency and advisability of such project;

X. Grants to communities. To make grants to communities that have prepared industrial sites and parks. Determination as to the eligibility of such communities shall be under such rules and regulations as the corporation shall make and its determination shall be final upon the approval of the Governor and Council;

XI. Express powers. To do all acts and things necessary or convenient to carry out the powers expressly granted in this chapter.

Sec. 6. Loan Fund. An industrial Loan Fund hereinafter in this chapter referred to as the fund which shall be used by the corporation as a non-lapsing, revolving fund for carrying out this chapter.

Sec. 7. Loans. The corporation is authorized upon the application of any industry to make loans to the industry upon such terms and conditions as the board of directors may prescribe provided that the aggregate amount of loans shall not exceed \$4,750,000.

The board of directors is authorized to fix interest rates on the loan. Such interest rates shall not be less than 2% nor more than 6%. The corporation may take mortgages, assignments, stock or bonds in the corporation as collateral for its loan. In order to safeguard such loans, the corporation is empowered to pursue any legal remedy available to a lender.

Sec. 8. Expenses. The corporation may in its discretion expend out of the fund such moneys as may be necessary for any expenses of the corporation, including administrative, legal, actuarial and other services. All such expenses incurred by the corporation shall be paid by the corporation and shall be charged to the fund or against the appropriate industrial loan. All proceeds received by the corporation from the sale or acquisition of property or moneys as a result of these loans shall be credited to the fund.

The corporation shall keep proper records of accounts and shall make an annual report of its condition to the State Banking Commissioner.