

MAINE STATE LEGISLATURE

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SECOND SPECIAL SESSION

ONE HUNDRED AND THIRD LEGISLATURE

Legislative Document

No. 1855

S. P. 783

In Senate, January 9, 1968

Referred to Committee on Judiciary. Sent down for concurrence and ordered printed.

JERROLD B. SPEERS, Secretary

Presented by Senator Albair of Aroostook.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-EIGHT

**AN ACT Relating to Loans on Fishing and Agricultural Projects Under the
Maine Industrial Building Act.**

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

Sec. 1. R. S., T. 10, § 702, amended. The 2nd sentence of section 702 of Title 10 of the Revised Statutes, as amended by section 1 of chapter 142 of the public laws of 1965, is further amended to read as follows:

It is further declared that there is a need to stimulate a larger flow of private investment funds from banks, investment houses, insurance companies and other financial institutions including pension and retirement funds, to help finance industrial expansion of **industrial, manufacturing, fishing and agricultural enterprises.**

Sec. 2. R. S., T. 10, § 702, amended. The last sentence of section 702 of Title 10 of the Revised Statutes is amended to read as follows:

The Maine Industrial Building Authority is created to encourage the making of mortgage loans for the purpose of furthering ~~industrial~~ expansion of **such enterprises** in the State.

Sec. 3. R. S., T. 10, § 703, sub-§ 1, repealed and replaced. Subsection 1 of section 703 of Title 10 of the Revised Statutes, as amended, is repealed and the following enacted in place thereof:

1. Cost of project. "Cost of project" shall mean the cost or fair market value of lands, buildings, real estate improvements, fishing vessels, new machinery and

equipment including the installation thereof, used machinery and equipment, property rights, easements, franchises, financing charges, interest, engineering and legal services, plans, specifications, surveys, cost estimates, studies and other expenses as may be necessary or incident to the development, construction, financing and placing in operation of an eligible project.

Sec. 4. R. S., T. 10, § 703, sub-§ 3, repealed and replaced. Subsection 3 of section 703 of Title 10 of the Revised Statutes, as amended by section 2 of chapter 471 of the public laws of 1965, is repealed and the following enacted in place thereof:

3. Eligible project. "Eligible project" shall mean:

A. Any lands, buildings, real estate improvements or machinery and equipment, with auxiliary real and personal property, used by an industrial, manufacturing, fishing or agricultural enterprise for manufacturing, processing, assembling or preparing for market raw materials or manufactured products, or for the purposes of research and development for such enterprises;

B. Any ocean pier or terminal used by an industrial, manufacturing, fishing or agricultural enterprise for manufacturing, processing, assembling or preparing for market raw materials or manufactured products or used for the storage of transshipment of such materials or products before or after being so manufactured, processed, assembled or prepared for market by such enterprises. Said pier or terminal shall not be used by any person, corporation, association or other entity in competition with the ferry service supplied under the resolves of 1953, chapter 105;

C. Any agricultural machinery and equipment, whether or not used on a farm, and with a cost or fair market value, as determined by the authority, of not less than \$10,000;

D. Any fishing vessel documented or to be documented as a fishing vessel under the laws of the United States, which is designed to be used for catching, processing or transporting fish or any vessel outfitted for such activity.

Sec. 5. R. S., T. 10, § 703, sub-§ 4, amended. Subsection 4 of section 703 of Title 10 of the Revised Statutes is amended to read as follows:

4. Local development corporation. "Local development corporation" shall mean any organization, incorporated under Title 13, chapter 81, for the purposes of fostering, encouraging and assisting the physical location, settlement and resettlement of industrial ~~and~~, manufacturing, fishing, agricultural and other business enterprises within the State, and to whose members no profit shall enure.

Sec. 6. R. S., T. 10, § 703, sub-§ 6, repealed and replaced. Subsection 6 of section 703 of Title 10 of the Revised Statutes, as amended by section 3 of chapter 471 of the public laws of 1965, is repealed and the following enacted in place thereof:

6. Mortgage. "Mortgage" shall mean a first lien on an eligible project such as commonly given to secure advances on, or the unpaid purchase price of, real estate or personal property under the laws of the State of Maine or, in the case

of liens on fishing vessels, under the laws of the United States, together with the credit instruments, if any, secured thereby.

Sec. 7. R. S., T. 10, § 703, sub-§ 8, amended. Subsection 8 of section 703 of Title 10 of the Revised Statutes is amended to read as follows:

8. Mortgage payments. "Mortgage payments" shall mean periodic payments called for by the mortgage, **including but not limited to payments** covering interest, installments of principal, taxes and assessments, mortgage insurance premiums and hazard insurance premiums.

Sec. 8. R. S., T. 10, § 703, sub-§ 10, additional. Section 703 of Title 10 of the Revised Statutes, as amended, is further amended by adding a new subsection 10, to read as follows:

10. Mortgagor of agricultural equipment and documented fishing vessels. "Mortgagor of agricultural equipment and documented fishing vessels" shall mean the original borrower under a mortgage and his successors and assigns, but for the purposes of encouraging the making of loans on agricultural machinery or equipment and documented fishing vessels, as defined in subsection 3, paragraphs C and D, there shall be no necessity for the formation of a local development corporation and said loan may be made directly to the applicant.

Sec. 9. R. S., T. 10, § 751, sub-§§ 5 and 6, amended. Subsections 5 and 6 of section 751 of Title 10 of the Revised Statutes are amended to read as follows:

5. Liaison with Department of Economic Development. 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~~ **eligible** projects;

6. Recommendations. Make recommendations and reports in cooperation with the Department of Economic Development to the authority on the merits of any proposed ~~industrial~~ **eligible** project, on the status of local industrial development corporations, and on meritorious industrial locations;

Sec. 10. R. S., T. 10, § 752, sub-§§ 6 and 9, repealed and replaced. Subsections 6 and 9 of section 752 of Title 10 of the Revised Statutes are repealed and the following enacted in place thereof:

6. Agreements for eligible projects. To enter into agreements with prospective mortgagees and mortgagors, for the purpose of planning, designing, constructing, acquiring, altering and financing eligible projects;

9. Advisability of eligible project. In connection with the insuring of payments of any mortgage of industrial or agricultural real estate, to require for its guidance a finding of the planning board of the municipality, or if there is no planning board, a finding of the municipal officers of the municipality, in which the eligible project is proposed to be located, or of the regional planning board of which such municipality is a member, as to the expediency and advisability of such project;

Sec. 11. R. S., T. 10, § 753, amended. Section 753 of Title 10 of the Revised Statutes is amended to read as follows:

§ 753. Credit of State pledged

The Maine Industrial Building Authority is authorized to insure the payment of mortgage loans, secured by ~~industrial~~ **eligible** projects, and to this end the faith and credit of the State is pledged, consistent with the terms and limitations of the Constitution of the State of Maine, Article IX, section 14-A.

Sec. 12. R. S., T. 10, § 754, repealed and replaced. Section 754 of Title 10 of the Revised Statutes is repealed and the following enacted in place thereof:

§ 754. Expenses

The authority may in its discretion expend out of the fund such moneys as may be necessary for any expenses of the authority, including administrative, legal, actuarial and other services. All such expenses incurred by the authority shall be paid by the authority and shall be charged to the fund. All proceeds received by the authority from the disposal by sale or in some other manner of property it may have acquired in accordance with section 806 shall be credited to the fund.

Sec. 13. R. S., T. 10, § 803, sub-§§ 2 and 3, repealed and replaced. Subsections 2 and 3 of section 803 of Title 10 of the Revised Statutes, as amended by sections 6 and 7 of chapter 471 of the public laws of 1965, are repealed and the following enacted in place thereof:

2. **Principal obligation; limit.** Involve a principal obligation not to exceed \$8,000,000 for any one project and not to exceed 90% of the cost of the project related to real estate, 80% of the cost of the project related to documented fishing vessels, and 75% of the cost of the project related to machinery and equipment, except agricultural machinery and equipment which principal obligation shall not exceed \$8,000,000 for any one project and not to exceed 90% of the cost of said project as defined in section 703, subsection 1;

3. **Maturity; limit.** Have a maturity satisfactory to the authority but in no case later than 25 years from the date of the insurance on industrial and agricultural real estate mortgages, 20 years from the date of insurance on securities for documented fishing vessels and 10 years from the date of insurance on securities for machinery and equipment;

Sec. 14. R. S., T. 10, § 806, amended. Section 806 of Title 10 of the Revised Statutes is amended to read as follows:

§ 806. Acquisition and disposal of property

The authority may take assignments of insured mortgages and other forms of security and may take title by foreclosures or conveyance to any ~~industrial~~ **eligible** project when an insured mortgage loan thereon is clearly in default and when in the opinion of the authority such acquisition is necessary to safeguard the Mortgage Insurance Fund, and may sell, or on a temporary basis lease or rent, such ~~industrial~~ project for a use other than that specified in section 703, subsection 3.

Sec. 15. R. S., T. 10, § 808, amended. Section 808 of Title 10 of the Revised Statutes, as amended by section 8 of chapter 471 of the public laws of 1965, is further amended to read as follows:

§ 808. Local development corporations

When a local development corporation does not meet mortgage payments insured by the authority by reason of default under the terms of the lease of its ~~industrial~~ project, the authority, for the purpose of maintaining income from ~~industrial~~ projects on which mortgage loans have been insured by the authority and for the purpose of safeguarding the Mortgage Insurance Fund, may grant the local development corporation permission to lease or rent the property to a responsible lessee or tenant for a use other than that specified in section 703, subsection 3, such lease or rental to be temporary in nature and subject to such conditions as the authority may prescribe.

Sec. 16. R. S., T. 13, § 901, amended. Section 901 of Title 13 of the Revised Statutes, as amended by section 2 of chapter 495 of the public laws of 1965, is amended to read as follows:

§ 901. Organization

When 7 or more persons desire to be incorporated as proprietors of a social, military, literary, scientific or county law library; as a Masonic lodge or chapter of any order or degree; as a Masonic association consisting of members of different orders or degrees; as a lodge of the Independent Order of Odd Fellows; as a lodge of the Knights of Pythias; as a tribe of the Improved Order of Redmen; as a division of the Sons of Temperance; as a tent of the Rechabites; as a grange of Patrons of Husbandry; as a Council of the Sovereigns of Industry; as a lodge of the Benevolent and Protective Order of Elks; as a Grand Army Post; as an American Legion Post; as a Veterans of Foreign Wars Post; as a Council of the Boy Scouts of America; as a relief or benefit association for mutual assistance; as a cemetery association; as a monument or memorial association; as a society to promote temperance; as a village improvement society; as an association for the promotion of good municipal government; as a chamber of commerce or board of trade; as a chapter of the Disabled American Veterans; as a post of the American Veterans of World War II; as a local citizens' group to foster, encourage and assist the physical location, settlement or resettlement of ~~industry industrial~~, manufacturing, fishing, agricultural and other business enterprises and recreational projects in any locality within the State; as a yacht club; or for the purpose of preserving and maintaining a family homestead and the rights of descendants and of members of the family therein; or for any literary, scientific, musical, charitable, educational, social, military, agricultural, moral, religious or benevolent purpose; they may apply in writing to any justice of the peace in the county, who may issue his warrant, directed to one of said applicants, requiring him to call a meeting thereof at such time and place as the justice may appoint.

Sec. 17. R. S., T. 13, § 932, amended. The first sentence of the 2nd paragraph of section 932 of Title 13 of the Revised Statutes is repealed and the following enacted in place thereof:

Corporations formed under this chapter for the purposes of fostering, encouraging and assisting the physical location, settlement and resettlement of industrial, manufacturing, fishing, agricultural and other business enterprises and recreational projects in any locality within the State shall have the power to use, sell, convey, mortgage, lease or rent real or personal property and to do any and all things necessary to carry out the purposes of such corporation.