

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIFTH LEGISLATURE

Legislative Document

No. 121

H. P. 81

House of Representatives, January 7, 1971

Referred to Committee on State Government. Sent up for concurrence and ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mr. Simpson of Standish.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-ONE

AN ACT to Clarify the Recreation Authority Act.

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

R. S., T. 10, § 6003, sub-§ 2, amended. Subsection 2 of section 6003 of Title 10 of the Revised Statutes, as enacted by section 1 of chapter 495 of the public laws of 1965, and as repealed and replaced by section 4 of chapter 481 and amended by section 2 of chapter 518, both of the public laws of 1967, is further amended to read as follows:

2. **Principal obligation; limit.** Involve a principal obligation, including initial service charges and appraisals, inspection and other fees approved by the authority, the guaranteed portion of which is in an amount of not less than \$100,000 nor more than 20% of the amount set forth in the Constitution, Article IX, section 14-B, as it may be amended from time to time, for any one project and not to exceed 75% of the cost of the project at the time the mortgage is executed; **provided that the above \$100,000 minimum shall not prevent the authority from increasing an existing guaranteed loan to an amount less than \$100,000;**

STATEMENT OF FACT

The Authority has found that the existing wording of the statute prevents it from agreeing to a minor increase in an existing guaranteed loan, which has been paid down to less than the required minimum. Inasmuch as the Authority insists on all the property within a project as its security, additional loans cannot be made from conventional sources due to lack of collat-

eral security. It, therefore, works a hardship on such projects which have paid up most of the guaranteed loan but need minor improvements or remodeling.