

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

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Legislative Document

No. 1248

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H. P. 1006

House of Representatives, March 24, 1977

Speaker laid before the House and referred to the Committee on State Government. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Gillis of Calais.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-SEVEN

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AN ACT Concerning Community Industrial Buildings under the Maine  
Guarantee Authority Statutes.

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

Sec. 1. 10 MRSA § 680 is enacted to read:

§ 680. Interim lease of the project

If a community industrial building remains unoccupied, after construction and marketing efforts, and the local development corporation certifies to the authority that there is no prospect for sale in the foreseeable future, and if the authority concurs in that finding, the authority may permit an interim lease of the premises, upon such terms and conditions as it may deem appropriate for the protection of the community industrial building fund. The occupation of the premises under such an interim lease shall not require payment in full of the entire loan within 90 days after occupancy, as is provided in section 676.

Sec. 2. 10 MRSA § 703, sub-§ 3, ¶ A, as last amended by PL 1971, c. 343, § 1, is further amended to read:

A. Any lands, buildings, real estate improvements, including community industrial buildings constructed under chapter 102, or machinery and equipment, with auxiliary real and personal property, used by an industrial, manufacturing, fishing or agricultural enterprise for the manufacturing, processing, assembling or preparing for market of raw materials or other products, not including farm machinery or machinery used on a farm, including, but not limited to, an industry constructing sea-going ships and vessels, or for the purposes of research and development for such enterprises;

**Sec. 3. Appropriation.** There is appropriated from the General Fund to the Maine Guarantee Authority for fiscal years 1977-78 and 1978-79 the sum of \$400,000, to be used to carry out the purposes of Title 10, section 680. The breakdown shall be as follows:

	1977-78	1978-79
MAINE GUARANTEE AUTHORITY		
All Other	\$200,000	\$200,000

These funds are to be appropriated to the Maine Guarantee Authority if Title 10, section 680 is used to permit an interim lease of a community industrial building and each industrial community industrial building permitted an interim lease shall result in an appropriation of \$200,000 to the Maine Guarantee Authority. Any funds remaining unexpended on June 30, 1978 shall not lapse but shall be carried forward to the following fiscal year to be expended under the terms of this section.

#### STATEMENT OF FACT

The purpose of this bill is to facilitate the sale of community industrial buildings by permitting the sale to be financed under the guarantee program of the Maine Guarantee Authority. In addition, Title 10, section 680, contained in this bill, provides that the loan granted for a community industrial building shall be paid in full within 90 days after occupancy. It has been the experience of the authority that the possibility of outright sale within these limits is extremely limited and that under circumstances where the authority and the community feel that sale is not likely to take place, the authority should be presented with the alternative of entering into an interim lease, which would permit a return on the loan and utilization of the building.

As an interim lease under section 680 would result in the authority not being able to recoup its investment in the community industrial building leased, the bill appropriates to the Maine Guarantee Authority the sum of \$200,000 for each community industrial building leased. This appropriation will aid in the construction of another community industrial building in place of the one being leased.