

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1284

H. P. 1049

House of Representatives, March 24, 1977

On motion of Mr. Curran of South Portland, referred to the Committee on State Government. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Greenlaw of Stonington.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT to Increase the Bond Limit of the Maine Guarantee Authority.

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

to MRSA § 803, sub-§ 2, ¶ A, as repealed and replaced by PL 1975, c. 566, § 14, is amended to read:

A. For industrial, manufacturing, fishing or agricultural projects, involve a principal obligation including initial service charges and appraisals, inspection and other fees approved by the authority, the guaranteed portion of which is not to exceed \$2,500,000 for any one project and not to exceed 90% of the cost of project related to real estate, except ~~80%~~ 90% of the cost of project in the case of real estate in the form of documented fishing vessels or vessels registered in the State and ~~75%~~ 90% of the cost of project related to machinery and equipment.

STATEMENT OF FACT

The Maine Guarantee Authority is limited in the percent of the cost of vessels and gear for which it can insure loans. The authority can insure loans up to 90% of the cost of real estate but only 80% and 75% of the cost of vessels and gear respectively. This bill, if enacted, will increase the percentage of the cost of a vessel or gear for which the authority can insure loans to 90%. Banks will more readily make loans when there is a guarantee program as provided by the authority. However, the limitation on the amount which the authority can guarantee, limits the use of the program because fishermen do not have 15% or 25% of the total cost as a down payment.