

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1394

H. P. 1156

House of Representatives, March 30, 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 Total Aggregate Amount of Bonds which may be Outstanding to Fund the Industrial Building Mortgage Insurance Fund.

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

10 MRSA § 802, 3rd sentence, as repealed and replaced by PL 1975, c. 770, § 54 and as amended by PL 1975, c. 771, § 118, is repealed and the following enacted in its place:

If bonds are to be issued, the Governor shall order the Treasurer of State to issue bonds in the amount requested, but not exceeding in the aggregate at any one time outstanding the amount set forth in the Constitution of Maine, Article IX, Section 14-A or 14-B, whichever is applicable, as it may be from time to time amended, except that bonds issued under Section 14-A shall not exceed in the aggregate at any one time outstanding the amount of \$45,000,000 and bonds issued under Section 14-B shall not exceed in the aggregate at any one time outstanding the amount of \$17,000,000.

STATEMENT OF FACT

One significant factor affecting the development of an economically strong industry is the availability of capital. Capital for the construction of fish processing facilities, for the purchase of fishing vessels and for shipyard financing shall be readily available at reasonable rates to insure a healthy industry. In Maine, capital for the development of the fishing industry has come from 2 principal sources, the Federal Government and private banks.

A 3rd source, is private bank loans "guaranteed" by the State by the Maine Guarantee Authority.

The Maine Guarantee Authority is the state agency which could insure investment capital for expansion of the fishing fleet and fishing industry. To date, there has been no application for funds, although Title 10, section 801 et seq., authorizes the Maine Guarantee Authority to insure loans for such projects up to a limit of \$2,500,000, not exceeding 90% of the cost of real estate and 80% of the cost of real estate in the form of documented fishing vessels and 75% for equipment, machinery and gear necessary for fishing and operating the vessel.

The Maine Guarantee Authority has only \$3,945,000, in unallocated funds for all projects approvable under this section, which includes all industrial, manufacturing, fishing and agricultural projects.