

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

(EMERGENCY)
FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1298

H. P. 1055

House of Representatives, March 19, 1979

Speaker laid before the House and on Motion of Mrs. Prescott of Hampden, referred to the Committee on Health and Institutional Services. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Ms. Lund of Augusta.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT to Improve Investment Opportunities for Local Government Units.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, several Maine municipalities desire to have health care projects constructed to serve persons in their areas; and

Whereas, these municipalities desire to use the Municipal Securities Approval Act with respect to the financing thereof to obtain favorable interest costs; and

Whereas, minor revisions to the Municipal Securities Approval Act are necessary in order to obtain the requisite financing; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 30 MRSA § 5326, sub-§ 2-B, as enacted by PL 1975, c. 728, § 5, is amended to read:

2-B. Health care project. "Health care project" means the acquisition, construction, improvement, reconstruction or equipping of, or construction of, any structure or any addition or additions to any structure, designed for use as a hospital, clinic, nursing home, ambulatory care facility, or other health care or nursing facility, laboratory, laundry, nurses or interns' residence or other multi-unit housing facility for staff, employees, patients or relatives of patients admitted for treatment in such facility ~~to be operated by a municipality or nonprofit or charitable organization or institution~~ including parking and other facilities or structures essential or convenient for the orderly conduct of such facility and shall include all real and personal property, lands, improvements, driveways, roads, approaches, pedestrian access roads, rights-of-way, utilities, easements, parking lots, machinery and equipment, including transportation equipment, and all other appurtenances and facilities either on, above or under the ground which are used or usable in connection with the aforementioned structures, and shall include landscaping, site preparation, furniture, machinery and equipment and other similar items necessary or convenient for the operation of a particular facility or structure.

Sec. 2. 30 MRSA § 5326, sub-§ 3-A, as enacted by PL 1971, c. 210, § 2, is amended to read:

3-A. Combined project. "Combined project" means any combination of an industrial-commercial project, a pollution-control project, **a health care project** and a recreational project undertaken by a single municipality for a common lessee or group of lessees.

Sec. 3. 30 MRSA § 5326, sub-§ 4, as amended by PL 1971, c. 210, § 3, is further amended to read:

4. Project. "Project means industrial-commercial project, pollution-control project, **health care project**, recreational project or combined project as the context may permit or require.

Sec. 4. 30 MRSA § 5326, sub-§ 5, first sentence, as amended by PL 1973, c. 315, § 1, is further amended to read:

"Cost" as applied to an industrial-commercial, pollution-control, **health care**, recreational or combined project shall include the purchase price of any such project, the cost of construction, the cost of all labor, materials, machinery and equipment, the cost of improvements, the cost of all lands, property, rights, easements and franchises acquired, financing charges, premiums for lease rental insurance, interest prior to and during construction and, if deemed advisable by the municipal officers, for not more than one year after completion of construction, cost of plans and specifications, surveys and estimates of cost and of revenues, cost of engineering and legal services, reserves for payment of future

debt service on bonds of not more than the maximum amount of interest plus annual serial principal or sinking fund payment due in any 12-month period, and all other expenses necessary or incident to determining the feasibility or practicability of such construction, administrative expense and such other expenses as may be necessary or incident to the financing authorized.

Sec. 5. 30 MRSA § 5328, sub-§ 3, last sentence, as repealed and replaced by PL 1973, c. 788, § 150, is amended to read:

This requirement of certification by the Department of Environmental Protection, **or by the Department of Human Services or the Department of Mental Health and Corrections, or both**, shall likewise apply to any subsequent enlargement of or addition to such project, for which approval is sought from the authority.

Sec. 6. 30 MRSA § 5328, sub-§ 4, ¶ F, sub-¶ ¶ (1) and (2), as enacted by PL 1975, c. 728, § 9, are amended to read:

(1) That such project will be owned or operated by a municipality ~~or nonprofit or charitable institution or organization which is exempt from federal taxation pursuant to section 501 of the Internal Revenue Code of 1954, as amended, and which is~~ **or other person or organization** engaged in the operation of, or formed for the purpose of operating a health care facility in which health care is or will be rendered under the general direction of persons licensed to practice medicine in the State and which is, or will be upon completion, licensed as a health care facility under the laws of the State;

(2) That such project will enable or assist a municipality or ~~nonprofit institution~~ **other person** or organization to provide health care to the residents of the project's proposed or existing service area;

Sec. 7. 30 MRSA § 5340, as repealed and replaced by PL 1975, c. 223, § 5, is amended to read:

§ 5340. Leasehold or other interests of lessee taxable

The leasehold or other interest of the lessee of any industrial-commercial, pollution-control, **health care**, recreational or combined project or any multi-level private parking facility is subject to taxation in the manner provided for similar interests in Title 36, section 551, subject to Title 36, sections 652, 655 and 656.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

STATEMENT OF FACT

Under the present law, health care projects can only be financed under the Municipal Securities Approval Act if they are owned or operated by a municipality

or a nonprofit or charitable institution. This prevents financing by use of municipal revenue obligation securities where operation and eventual ownership of the facilities by a for-profit entity would be contemplated. At least 2 towns, having financing available through taxable lessees, are currently unable to use this method. This bill makes the Municipal Securities Approval Act available for all kinds of health care projects and makes a number of related technical changes for the same purpose.