

MAINE STATE LEGISLATURE

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(EMERGENCY)
SECOND REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1972

S. P. 780

In Senate, March 3, 1980

The Committee on State Government suggested. Approved by a Majority of the Legislative Council pursuant to Joint Rule 27.

MAY M. ROSS, Secretary of the Senate

Presented by Senator Hichens of York.

Cosponsor: Senator Conley of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY

AN ACT to Amend the Maine Guarantee Authority Act.

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

Whereas, the original purpose of the Maine Guarantee Authority Act was to assist in meeting a statewide need to provide enlarged opportunities for gainful employment by the people of Maine and to thus insure the preservation and betterment of the economy of the State and its inhabitants; and

Whereas, in light of current financial conditions, there is a growing need to stimulate a larger flow of private investment funds from banks, investment houses, insurance companies and other financial institutions, including pension and retirement funds, to help finance expansion of industrial, manufacturing, fishing, agricultural and recreational enterprises; and

Whereas, current limitations applicable to projects in place since 1973 have been severly and detrimentally affected by inflation in the intervening years and adjustments are necessary in order to allow the Maine Guarantee Authority to continue to fulfill its original purpose; 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. 10 MRSA § 802, 3rd sentence, as amended by PL 1979, c. 228, § 4, is further amended to read:

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, as it may be from time to time amended, except that bonds issued under Section 14-A pursuant to this subchapter shall not exceed in the aggregate at any one time outstanding the amount of ~~\$40,000,000~~ **\$50,000,000**.

Sec. 2. 10 MRSA § 803, sub-§ 2, as amended by PL 1979, c. 228, § 5, is further amended to read:

2. Principal obligation; limit; exception

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~~ **\$7,000,000** for any one project and not to exceed 90% of the cost of project related to real estate, except 80% of the cost of project in the case of real estate in the form of documented fishing vessels or fishing vessels registered under state law, and 75% of the cost of project related to machinery and equipment.

B. For recreational 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 less than \$100,000 nor more than ~~\$2,500,000~~ **\$7,000,000** 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.

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

STATEMENT OF FACT

This bill increases the statutory limitation on the bonding authority of the Maine Guarantee Authority from \$40,000,000 to \$50,000,000, and the limit applicable to the guaranteed portion of an individual project from \$2,500,000 to \$7,000,000.