

MAINE STATE LEGISLATURE

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(Governor's Bill)
FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 1193

S. P. 401

In Senate, March 9, 1981

Referred to the Committee on State Government. Sent down for concurrence and ordered printed.

MAY M. ROSS, Secretary of the Senate

Presented by Senator Brown of Washington.

Cosponsors: Representative Lisnik of Presque Isle, Senator Pierce of Kennebec and Representative Brown of Bethel.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Improve the Community Industrial Building Program.

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

Sec. 1. 10 MRSA § 672, sub-§ 1-A is enacted to read:

1-A. Carrying costs. "Carrying costs" means reasonable costs incurred for the maintenance, protection and security of a community industrial building prior to occupancy including, but not limited to, insurance, taxes and interest.

Sec. 2. 10 MRSA § 672, sub-§ 2, as enacted by PL 1973, c. 633, § 26, is amended to read:

2. Community industrial building. "Community industrial building" shall mean means a building of flexible design erected and whose construction or carrying costs, or both, are financed pursuant to this chapter for the purpose of creating new jobs in a municipality through availability on the open market by sale or lease to a purchaser or tenant requiring industrial building facilities.

Sec. 3. 10 MRSA § 672, sub-2-A is enacted to read:

2-A. Development office. "Development office" means the State Development Office as created in Title 5, Part 16.

Sec. 4. 10 MRSA § 673, sub-§ 2, as enacted by PL 1973, c. 633, § 26, is repealed and the following enacted in its place:

2. Rules and regulations. To adopt rules and regulations to carry out the intent of this chapter and cause records of its proceedings to be kept; and

Sec. 5. 10 MRSA § 674, as enacted by PL 1973, c. 633, § 26, is amended by adding at the end a new paragraph to read:

There is created within the fund, 2 separate accounts for rural and urban areas, respectively called the "rural" and "urban" accounts, which shall be separately charged and credited as provided under this section according to the location in a rural or urban area of each community industrial building.

Sec. 6. 10 MRSA § 676, first 2 ¶¶, as enacted by PL 1973, c. 633, § 26, are repealed and the following enacted in their place:

Upon application of the development corporation, the authority may loan to the development corporation an amount, upon such terms and conditions as it may prescribe, for the purposes of financing construction or carrying costs of a community industrial building. Loans by the authority to the development corporation under this chapter shall be repaid in full, including interest and other charges within 90 days after the building is occupied. The authority shall not finance the construction of more than one unoccupied community industrial building project in a county at one time.

Before issuing any loan under this chapter, the authority shall determine that:

Sec. 7. 10 MRSA § 676, last ¶, as enacted by PL 1973, c. 633, § 26, is amended to read:

No community development corporation which has obtained a loan from the authority ~~for the construction of a community industrial building under this chapter~~ shall sell or lease such building without the express approval by the authority of the purchaser or lessee of ~~said~~ the building.

Sec. 8. 10 MRSA § 677, as enacted by PL 1973, c. 633, § 26, is amended to read:

§ 677. Promotion and development

The ~~Department of Commerce and Industry~~ development office shall undertake promotional and publicity activities on behalf of community industrial buildings to properly market such community industrial buildings to prospective purchasers or tenants. The ~~department~~ development office shall maintain a constant and continual effort to secure suitable tenants or purchasers for such buildings and shall prepare such advertising and promotional material as necessary. All expenses necessarily incurred by the ~~department~~ development office in carrying out the purposes of this section shall be charged to the Community Industrial Building Fund.

Sec. 9. 10 MRSA § 678, as amended by PL 1973, c. 677, § 3, is further amended by adding at the end a new sentence to read:

This section shall not apply to any community industrial building whose construction is not financed under this chapter.

Sec. 10. 10 MRSA § 679, as enacted by PL 1973, c. 633, § 26, is amended to read:

§ 679. Economically deprived areas

The Within the separate rural and urban accounts, the authority shall give preference to economically deprived areas within labor market districts declared to be in need of economic development assistance by the Department of Manpower Affairs.

Sec. 11. Transition provisions. Notwithstanding the Maine Revised Statutes, Title 5, section 1585, any moneys in the Community Industrial Building Fund which are not obligated on the effective date of this Act, and any changes or credits made to the Community Industrial Building Fund on or after the effective date in connection with the financing of a community industrial building under this chapter prior to the effective date, shall be divided equally between rural and urban accounts.

STATEMENT OF FACT

The Community Industrial Building Program has proven to be a very valuable economic development tool as used by the Maine Guarantee Authority and the State Development Office. This legislation is focused on improving the statute under which the program is currently operating and the legislation will accomplish 3 objectives. It divides the current program into 2 separate programs: Urban and rural. This clear division is necessary in order to rebut any assertion that the statute, as it currently reads, precludes the award of a building to a nonrural area. Secondly, the legislation appropriates \$500,000 from the General Fund for the program. Thirdly, the legislation clarifies the present statute by clearly stating that carrying costs may be financed under the Community Industrial Building Program.

It is estimated that enactment of this bill will cost \$500,000.

The appropriation for this bill is included in the Part II budget. Five hundred thousand dollars is requested for the Community Industrial Building Fund in fiscal year 1983.