

MAINE STATE LEGISLATURE

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(EMERGENCY)

(New Draft of S.P. 725, L.D. 1997)
(New Title)

SECOND REGULAR SESSION

ONE HUNDRED AND ELEVENTH LEGISLATURE

Legislative Document

No. 2094

S.P. 776

In Senate, February 16, 1984

Reported by Senator Hichens of York from the Committee on State Government and printed under Joint Rule 2.

Original bill presented by Senator Violette of Aroostook.

Cosponsored by Representative Murray of Bangor, Representative Sproul of Augusta and Representative Paradis of Augusta.

JOY J. O'BRIEN, Secretary of the Senate

STATE OF MAINE

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

AN ACT Defining Rehabilitation of
Existing Building Projects under the Municipal
Securities Approval Program.

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

Whereas, the past session of this Legislature enacted the Finance Authority of Maine Act; and

Whereas, the preceding statute to the Finance Authority of Maine was unclear with respect to rehabilitation of office buildings and retail stores 50 years of age or older under the Municipal Securities Approval Program; and

1 Whereas, under the preceding statute to the Fi-
2 nance Authority of Maine Act, some projects were ap-
3 proved for funding under the Municipal Securities Ap-
4 proval Program that involved the rehabilitation of
5 existing office and retail store buildings at least
6 50 years of age; and

7 Whereas, the Finance Authority of Maine Act pro-
8 hibits these types of rehabilitation projects under
9 the Municipal Securities Approval Program; and

10 Whereas, several rehabilitation projects were
11 commenced under the authority of the predecessor
12 statute, but now bonds cannot be issued for these
13 projects; and

14 Whereas, it would be advantageous to the people
15 of the State and state businesses to make it clear
16 that these rehabilitation projects are eligible for
17 revenue bond financing under the Municipal Securities
18 Approval Program; and

19 Whereas, it is necessary to obtain clarification
20 from the Legislature to further the economic interest
21 of this State and the purposes of the Finance Author-
22 ity of Maine Act; and

23 Whereas, in the judgment of the Legislature,
24 these facts create an emergency within the meaning of
25 the Constitution of Maine and require the following
26 legislation as immediately necessary for the preser-
27 vation of the public peace, health and safety; now,
28 therefore,

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

31 Sec. 1. 10 MRSA §1001, sub-§7, as enacted by PL
32 1983, c. 519, §7, is amended to read:

33 7. Eligible project, subchapters III and IV.
34 "Eligible project," as used in subchapters III and
35 IV, means any type of project authorized for which
36 the proceeds of the revenue obligation securities may
37 be expended without causing the interest on the secu-

1 rities to lose its exemption from federal income
2 taxation under the United States Internal Revenue
3 Code, Section ~~103(b)~~ 103 and as provided in section
4 1041, subsection 1 and section 1061, subsection 1,
5 except:

6 A. Retail stores;

7 B. Office space of less than 30,000 square feet;
8 and

9 C. Office space in excess of 30,000 square feet
10 in which less than 1/2 of the employees occupying
11 the square footage do not represent new jobs.

12 Sec. 2. 10 MRSA §1001, sub-§26, as enacted by PL
13 1983, c. 519, §7, is repealed and the following en-
14 acted in its place:

15 26. Reconstruction of existing building project.
16 "Reconstruction of existing building project" means
17 the reconstruction, rehabilitation or remodeling of
18 any building or group of buildings that are adjacent
19 to or abutting one another and which meet the follow-
20 ing conditions.

21 A. The building or buildings are at least 50
22 years old.

23 B. The building or group of buildings contain in
24 the aggregate a minimum of 5,000 gross square
25 feet.

26 C. The building or buildings are to be recon-
27 structed, rehabilitated or remodeled for commer-
28 cial use and include all lands, property rights,
29 rights-of-way, franchises, easements and inter-
30 ests in lands which may be acquired by the munic-
31 ipality or a user for completion of the project.

32 Sec. 3. 10 MRSA §1041, sub-§1, as repealed and
33 replaced by PL 1983, c. 519, §14, is amended to
34 read:

35 1. Kinds of projects. Acquire, construct, recon-
36 struct, maintain, renew and replace eligible projects
37 authorized under the United States Internal Revenue

1 Code, Section 103(b) within the State as defined in
2 section 1001, subsection 7, whether or not now in ex-
3 istence, or assist a user to acquire, construct, re-
4 construct, renew and replace these projects; except
5 retail stores, office space of less than 30,000
6 square feet and office space of more than 30,000
7 square feet in which less than 1/2 of the employees
8 occupying the square footage do not represent new
9 jobs;

10 Sec. 4. 10 MRSA §1061, sub-§1, as repealed and
11 replaced by PL 1983, c. 519, §17, is amended to
12 read:

13 1. Kinds of projects. Acquire, construct, recon-
14 struct, renew and replace or provide financing for,
15 within the corporate limits of the municipality,
16 eligible projects permitted under the United States
17 Internal Revenue Code, Section 103(b) as defined in
18 section 1001, subsection 7, except retail stores, of-
19 fice space of less than 30,000 square feet and office
20 space of more than 30,000 square feet in which less
21 than 1/2 of the employees occupying the square
22 footage do not represent new jobs;

23 A. For the purposes of this subchapter only, a
24 municipality may undertake or provide for the fi-
25 ancing of reconstruction of an existing building
26 project as defined in section 1001, subsection 26
27 and section 1063, subsection 2, paragraph G.

28 Emergency clause. In view of the emergency cited
29 in the preamble, this Act shall take effect when ap-
30 proved.

31 STATEMENT OF FACT

32 The purpose of this new draft is to authorize under
33 the Municipal Securities Approval Program, recon-
34 struction of existing buildings which are at least 50
35 years old and which contain a minimum of 5,000 gross
36 square feet. The buildings may be used for commercial
37 purposes, including retailing, business and office
38 space.

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