

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 1241

S.P. 401

In Senate, April 13, 1987

Reference to the Committee on Taxation suggested and ordered printed.

JOY J. O'BRIEN, Secretary of the Senate  
Presented by Senator TWITCHELL of Oxford.  
Cosponsored by Representative CASHMAN of Old Town.

STATE OF MAINE

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

AN ACT Relating to the Capitalization of the  
Maine Capital Corporation.

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

Sec. 1. 10 MRSA §952, sub-§6, as amended by PL 1981, c. 364, §1, is further amended to read:

6. Payment of dividends. It shall not declare or pay any dividends to its shareholders during its first 5 years of operation and thereafter any dividends shall be paid only on common stock whose holders are not using the credit for investment in the Maine Capital Corporation allowed under Title 36, section 5216. Dividends paid shall be limited to a maximum of 50% of retained earnings, with the balance being reinvested according to subsections 1 and 2; and

1       Sec. 2. 10 MRSA §952, sub-§7, as amended by PL  
2       1983, c. 700, §3, is further amended to read:

3       7. Financial statement. It shall cause to be  
4       prepared an audited financial statement, certified by  
5       an independent certified public accountant, within 60  
6       days after the close of each fiscal year of its oper-  
7       ations, which report shall be distributed to the Gov-  
8       ernor and the committee of the Legislature having ju-  
9       risdiction over taxation and made available to the  
10      public, detailing its investment and financial activ-  
11      ities; and

12       Sec. 3. 10 MRSA §952, sub-§8 is enacted to read:

13       8. Capitalization. For purposes of this chap-  
14      ter, the term "capitalization" includes both equity  
15      and debt capital.

16                               STATEMENT OF FACT

17       The purpose of this bill is to clarify the mean-  
18      ing of the term "capitalization" in the law relating  
19      to the Maine Capital Corporation.

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