# 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)

### FIRST REGULAR SESSION

#### ONE HUNDRED AND THIRTEENTH LEGISLATURE

# Legislative Document

No. 1299

S.P. 419

14

In Senate, April 21, 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.

## STATE OF MAINE

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

| 1<br>2<br>3    | AN ACT Relating to the Capitalization of the Maine Capital Corporation.  |
|----------------|--|
| 4<br>5         | Be it enacted by the People of the State of Maine as follows:  |
| 6<br>7         | Sec. 1. 10 MRSA §952, sub-§2, as amended by PI 1983, c. 700, §3, is further amended to read:   |
| 8<br>9<br>10   | <ol> <li>Investment limited. Its investment in any one<br/>Maine business firm shall be limited to a maximum of<br/>20% of its equity capital;</li> </ol>  |
| 11<br>12<br>13 | The Maine Capital Corporation shall not invest in any firm in which a person, or his or her spouse or dependent children, owning common stock of the Maine |

Capital Corporation holds over a 25% interest;

| 1<br>2                                       | Sec. 2. 10 MRSA §952, sub-§6, as amended by PL 1981, c. 364, §1, is further amended to read:  |
|--|---|
| 3<br>4<br>5<br>6<br>7<br>8<br>9<br>10<br>11  | 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 |
| 13<br>14                                     | <pre>Sec. 3. 10 MRSA §952, sub-§7, as amended by PL 1983, c. 700, §3, is further amended to read:</pre>   |
| 15<br>16<br>17<br>18<br>19<br>20<br>21<br>22 | 7. Financial statement. It shall cause to be prepared an audited financial statement, certified by an independent certified public accountant, within 60 days after the close of each fiscal year of its operations, which report shall be distributed to the Governor and the committee of the Legislature having jurisdiction over taxation and made available to the public, detailing its investment and financial activities; and                                      |
| 24   | Sec. 4. 10 MRSA §952, sub-§8 is enacted to read:  |
| 25<br>26<br>27                               | 8. Capitalization and capital. For purposes of this chapter, the terms "capitalization" and "capital" include both equity and debt capital.   |
| 28   | STATEMENT OF FACT   |
| 29<br>30<br>31                               | The purpose of this bill is to clarify the meaning of the terms "capitalization" and "capital" in the law relating to the Maine Capital Corporation.  |