

# MAINE STATE LEGISLATURE

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(AFTER DEADLINE)  
SECOND REGULAR SESSION

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ONE HUNDRED AND THIRTEENTH LEGISLATURE

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Legislative Document

NO. 2315

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H.P. 1686 House of Representatives, February 19, 1988

Approved for introduction by a majority of the  
Legislative Council pursuant to Joint Rule 27.

Reference to the Committee on Appropriations and  
Financial Affairs suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative MELENDY of Rockland.

Cosponsored by Senators BUSTIN of Kennebec, GILL of  
Cumberland and ANDREWS of Cumberland.

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STATE OF MAINE

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

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1           **AN ACT to Authorize a Bond Issue to Provide**  
2           **Funds to Create an Adaptive Equipment Loan**  
3           **Program.**  
4

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5           **Preamble.** Two thirds of both Houses of the  
6           Legislature deeming it necessary in accordance with  
7           the Constitution of Maine, Article IX, Section 14, to  
8           authorize the issuance of bonds on behalf of the State  
9           of Maine to provide funds for loans which would allow  
10          disabled persons to purchase adaptive equipment.

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

3 Sec. 1. 5 MRSA §12004, sub-§8, ¶A, sub-¶(14-B)  
4 is enacted to read:

5	<u>(14-B)</u>	<u>Human</u>	<u>Adaptive</u>	<u>Expenses</u>	<u>10 MRSA</u>
6		<u>Services</u>	<u>Equipment</u>	<u>Only</u>	<u>\$373</u>
7			<u>Loan Program</u>		
8			<u>Fund Board</u>		

9 Sec. 2. 10 MRSA c. 11 is enacted to read:

10 CHAPTER 11  
11 ADAPTIVE EQUIPMENT LOAN PROGRAM

12 §371. Definitions

13 As used in this chapter, unless the context  
14 otherwise indicates, the following terms have the  
15 following meanings.

16 1. Board. "Board" means the Adaptive Equipment  
17 Loan Program Fund Board.

18 2. Fund. "Fund" means the Adaptive Equipment  
19 Loan Program Fund.

20 3. Qualifying borrower. "Qualifying borrower"  
21 means any individual, nonprofit corporation or  
22 partnership which demonstrates that the loan will  
23 assist one or more persons with disabilities to  
24 improve their independence or become more productive  
25 members of the community. The individual corporation  
26 or partnership must demonstrate credit worthiness and  
27 repayment abilities to the satisfaction of the board.

28 §372. Fund established

29 1. Creation of fund. There is established an  
30 Adaptive Equipment Loan Program Fund which shall be  
31 used to provide funding for adaptive equipment loans

1 to qualified borrowers within the State in order to  
2 acquire equipment designed to assist the borrower in  
3 becoming independent. The fund shall be deposited  
4 with, maintained and administered by the Finance  
5 Authority of Maine and shall contain appropriations  
6 provided for that purpose, interest accrued on the  
7 fund balance, funds received by the board to be  
8 applied to the fund and funds received in repayment of  
9 loans. This fund shall be a nonlapsing revolving  
10 fund. All money in the fund shall be continuously  
11 applied to carry out the purposes of this chapter.

12 2. Administrative expenses. Costs and expenses  
13 of maintaining, servicing and administering the  
14 Adaptive Equipment Loan Program Fund established by  
15 this chapter may be paid out of amounts in the fund.

16 §373. Board

17 1. Establishment; membership. There is  
18 established the Adaptive Equipment Loan Program Fund  
19 Board which shall consist of 9 members as follows: The  
20 Commissioner of Human Services or the commissioner's  
21 designee; the Treasurer of State or the Treasurer of  
22 State's designee; an experienced consumer lender; a  
23 certified public accountant; and 5 persons with a  
24 range of disabilities, all to be appointed by the  
25 Governor and confirmed by the Legislature. The board  
26 shall annually elect a chairman from among its members.

27 2. Terms. The members appointed by the Governor  
28 shall be appointed for terms of 4 years. All other  
29 members shall serve during their tenure in the  
30 position which they represent on the board. Any  
31 vacancy shall be filled in the same manner as the  
32 original appointment for the unexpired term of that  
33 position.

34 3. Compensation. Members shall be compensated  
35 according to Title 5, chapter 379.

36 §374. Duties of board

37 The board shall have the following powers and  
38 duties.

1        1. Receipt of money and property. The board may  
2 accept and receive gifts, grants, bequests or devises  
3 from any source, including funds from the Federal  
4 Government or any of its political subdivisions.

5        2. Contracts. The board may, with the approval  
6 of the Governor, enter into any necessary contracts  
7 and agreements with appropriate state or  
8 community-based groups dealing with disabled persons.

9        3. Administer loan program. The board shall  
10 administer the Adaptive Equipment Loan Program Fund  
11 established by this chapter and may contract with the  
12 Finance Authority of Maine and state or community  
13 -based groups dealing with disabled persons for such  
14 assistance in administering the program as the board  
15 may require.

16        4. Rules. The board may promulgate rules, in  
17 accordance with the Maine Administrative Procedure  
18 Act, Title 5, chapter 375, to carry out the purposes  
19 of this chapter, which will ensure that individuals,  
20 profit and nonprofit corporations and partnerships  
21 will be eligible for loans.

22        §375. Loans

23        1. Demonstration of purpose of loan. The board  
24 may enter into loan agreements with any qualifying  
25 borrower, who must demonstrate that:

26        A. The loan will assist one or more persons with  
27 disabilities to improve their independence or  
28 become more productive members of the community;  
29 and

30        B. The applicant has the ability to repay the  
31 loan.

32        2. Loan limit. Any necessary loan limitation  
33 shall be determined by the board.

34        3. Terms. All loans must be repaid within such

1 terms and at such interest rates as the board may  
2 determine to be appropriate in accordance with  
3 guidelines established by rulemaking pursuant to the  
4 Maine Administrative Procedure Act, Title 5, chapter  
5 375.

6 §376. Purposes for which loans may be awarded

7 The board may award loans to qualifying borrowers  
8 for purposes, including, but not limited to, the  
9 following:

10 1. Individual independence. To assist one or  
11 more persons with disabilities to improve their  
12 independence through the purchase of adaptive  
13 equipment; and

14 2. Productive members of community. To assist  
15 one or more persons with disabilities to become more  
16 independent members of the community and improve  
17 quality of life within the community through the  
18 purchase of adaptive equipment.

19 Sec. 3. Authorization of bonds to provide for  
20 loans for adaptive equipment. The Treasurer of State  
21 is authorized, under the direction of the Governor, to  
22 issue from time to time registered bonds in the name  
23 and behalf of the State in an amount not exceeding  
24 \$5,000,000 for the purpose of raising funds to create  
25 loans which would allow disabled persons to purchase  
26 adaptive equipment as authorized by section 9. The  
27 bonds shall be deemed a pledge of the full faith and  
28 credit of the State. The bonds shall not run for a  
29 period longer than 20 years from the date of the  
30 original issue of the bonds. Any issuance of bonds  
31 may contain a call feature at the discretion of the  
32 Treasurer of State with the approval of the Governor.

33 Sec. 4. Records of bonds issued to be kept by  
34 the State Auditor and Treasurer of State. The State  
35 Auditor shall keep an account of the bonds, showing  
36 the number and amount of each, the date when payable  
37 and the date of delivery of the bonds to the Treasurer  
38 of State who shall keep an account of each bond  
39 showing the number of the bond, the name of the

1 successful bidder to whom sold, the amount received  
2 for the same, the date of sale and the date when  
3 payable.

4 **Sec. 5. Sale; how negotiated; proceeds**  
5 **appropriated.** The Treasurer of State may negotiate  
6 the sale of the bonds by direction of the Governor,  
7 but no such bond may be loaned, pledged or  
8 hypothecated on behalf of the State. The proceeds of  
9 the sale of the bonds, which shall be held by the  
10 Treasurer of State and paid by the treasurer upon  
11 warrants drawn by the State Controller, are  
12 appropriated to be used solely for the purposes set  
13 forth in this Act. Any unencumbered balances  
14 remaining at the completion of the project in section  
15 9 shall lapse to the debt service account established  
16 for the retirement of these bonds.

17 **Sec. 6. Taxable bond option.** The Treasurer of  
18 State, at the direction of the Governor, shall  
19 covenant and consent that the interest on the bonds  
20 shall be includable, under the United States Internal  
21 Revenue Code, in the gross income of the holders of  
22 the bonds to the same extent and in the same manner  
23 that the interest on bills, bonds, notes or other  
24 obligations of the United States is includable in the  
25 gross income of the holders under the United States  
26 Internal Revenue Code or any subsequent law. The  
27 powers conferred by this section shall not be subject  
28 to any limitations or restrictions of any law which  
29 may limit the power to so covenant and consent.

30 **Sec. 7. Interest and debt retirement.** Interest  
31 due or accruing upon any bonds issued under this Act  
32 and all sums coming due for payment of bonds at  
33 maturity shall be paid by the Treasurer of State.

34 **Sec. 8. Disbursement of bond proceeds.** The  
35 proceeds of the bonds set out in section 9 shall be  
36 expended under the direction and supervision of the  
37 Adaptive Equipment Loan Program Fund Board.

38 **Sec. 9. Allocations from General Fund bond**  
39 **issue.** The proceeds of the sale of bonds shall be  
40 expended as follows.

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FINANCE AUTHORITY OF MAINE

Adaptive Equipment Loan  
Program Fund Board

All Other \$5,000,000

These funds will be used to create a revolving loan fund which will provide loans for persons with disabilities in order to enable these people to purchase adaptive equipment necessary for independent living.

Sec. 10. Contingent upon ratification of bond issue. Sections 1 to 9, shall not become effective unless and until the people of the State have ratified the issuance of bonds as set forth in this Act.

Sec. 11. Appropriation balances at year end. At the end of each fiscal year, all unencumbered appropriation balances representing state money shall carry forward from year to year. Bond proceeds which have not been expended within 10 years after the date of the sale of the bonds shall lapse to General Fund debt service.

Sec. 12. Bonds authorized but not issued. Any bonds authorized but not issued, or for which bond anticipation notes have not been issued within 5 years of ratification of this Act, shall be deauthorized and may not be issued, provided that the Legislature may, within 2 years after the expiration of that 5-year period, extend the period for issuing any remaining unissued bonds or bond anticipation notes for an additional amount of time not to exceed 5 years.



1           **Sec. 13.   Statutory        referendum        procedure;**  
2       **submission at general election; form of question;**  
3       **effective date.** This Act shall be submitted to the  
4       legal voters of the State of Maine at the next general  
5       election in the month of November following passage of  
6       this Act. The city aldermen, town selectmen and  
7       plantation assessors of this State shall notify the  
8       inhabitants of their respective cities, towns and  
9       plantations to meet, in the manner prescribed by law  
10      for holding a statewide election, to vote on the  
11      acceptance or rejection of this Act by voting on the  
12      following question:

13             "Do you favor a \$5,000,000 bond issue for the  
14             establishment of an Adaptive Equipment Loan  
15             Program which would enable persons with  
16             disabilities to purchase adaptive equipment  
17             necessary to their independence?"

18             The legal voters of each city, town and plantation  
19             shall vote by ballot on this question and shall  
20             designate their choice by a cross or check mark placed  
21             within a corresponding square below the word "Yes" or  
22             "No." The ballots shall be received, sorted, counted  
23             and declared in open ward, town and plantation  
24             meetings and returns made to the Secretary of State in  
25             the same manner as votes for members of the  
26             Legislature. The Governor shall review the returns  
27             and, if it appears that a majority of the legal voters  
28             are in favor of the Act, the Governor shall proclaim  
29             that fact without delay, and the Act shall become  
30             effective 30 days after the date of the proclamation.

31             The Secretary of State shall prepare and furnish  
32             to each city, town and plantation all ballots, returns  
33             and copies of this Act necessary to carry out the  
34             purpose of this referendum.

35    STATEMENT OF FACT

36             A variety of technological aids that enhance  
37             independence in the home, work place and other

1 environments are unavailable to the low-income and  
2 middle-income consumer with a disability due to the  
3 high costs.

4       This bill establishes the Adaptive Equipment Loan  
5 Program Fund Board which, in conjunction with the  
6 Finance Authority of Maine, will create a revolving  
7 loan fund of \$5,000,000 with proceeds of a state  
8 general obligation bond which may be used for both  
9 loans and program expenses.

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