

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

SECOND REGULAR SESSION - 1990

Legislative Document

No. 2426

H.P. 1761

House of Representatives, March 12, 1990

Reported by Representative ROLDE for the Joint Standing Committee on Audit and Program Review pursuant to the Maine Revised Statutes, Title 3, chapter 33.

Reference to the Joint Standing Committee on Audit and Program Review suggested and printing ordered under Joint Rule 18.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY

**An Act to Promote the Well-being and Rehabilitation of Children in
Need of Care, Treatment or Shelter.**



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

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Sec. 1. 5 MRSA §12004-I, sub-§36-A is enacted to read:

36-A. Human Treatment Expenses 10 MRSA
Services Loans For Only §1023-G
Children
Advisory
Committee

Sec. 2. 10 MRSA §963-A, sub-§5-A is enacted to read:

5-A. Children in need of care, treatment or shelter.
"Children in need of care, treatment or shelter" means any
individual who has not attained the age of 18 years who has
learning disabilities, behavioral disorders, mental or emotional
dysfunctions, or is in need of emergency shelter pursuant to
Title 22, chapter 1669.

Sec. 3. 10 MRSA §963-A, sub-§10, ¶K, as amended by PL 1989, c.
585, Pt. C, §5, is further amended to read:

K. Any overboard discharge replacement project; or

Sec. 4. 10 MRSA §963-A, sub-§10, ¶L, as amended by PL 1989, c.
585, Pt. C, §6, is further amended to read:

L. Any hazardous waste or solid waste recycling or
reduction project; or

Sec. 5. 10 MRSA §963-A, sub-§10, ¶M is enacted to read:

M. Any treatment loans for children project.

Sec. 6. 10 MRSA §963-A, sub-§49-F is enacted to read:

49-F. Treatment loans for children project. "Treatment
loans for children project" means any construction, renovation,
rehabilitation or expansion of a structure that will be used to
shelter children in need of care and to provide care or treatment
to those children and their families.

Sec. 7. 10 MRSA §1023-G is enacted to read:

§1023-G. Treatment Loans for Children Fund

1. Fund established. The Treatment Loans for Children
Fund, referred to in this section as the "fund," is established.
That fund must be used to provide funding to implement a
treatment loans for children project. The fund must be deposited
with, maintained and administered by the Finance Authority of
Maine and must contain appropriations provided for that purpose.

2 interest accrued on the fund balance, and funds received in
4 repayment of loans. The fund may receive gifts, grants, bequests
6 or devises from any source, including funds from the Federal
8 Government or any of its political subdivisions. This fund is a
10 noulapsing revolving fund. All money in the fund must be
12 continuously applied to carry out the purposes of this section.
14 The authority may divide the funds into separate accounts as it
16 determines necessary or convenient for carrying out the purposes
18 of this section.

20 2. Administrative expenses. Costs and expenses of
22 maintaining, servicing and administering the fund established by
24 this section may be paid out of amounts in the fund.

26 3. Treatment Loans for Children Advisory Committee. The
28 Treatment Loans for Children Advisory Committee is established,
30 referred to in this section as the "committee."

32 A. The committee shall advise the chief executive officer
34 of the authority on the development of treatment loans for
36 children project facilities, on the loans made from the
38 fund, and on any proposed change in the use of a project.

40 B. The committee consists of the following 9 members:

42 (1) The Director of the Bureau of Child and Family
44 Services or a designee;

46 (2) The Child Welfare Services Ombudsman or a designee;

48 (3) The chair of the Committee for the
50 Interdepartmental Coordination of Services to Children
52 and Families or a designee; and

(4) The following 6 members appointed by the Governor:

(a) One member representing a commercial lender
with experience in construction lending;

(b) Two members experienced in providing care,
treatment, shelter or education to children in
need of care, treatment or shelter;

(c) Two representatives of organizations and
agencies providing services to children in need of
care, treatment or shelter; and

(d) One member representing the public.

C. The Director of the Bureau of Child and Family Services,
the Child Welfare Services Ombudsman, and the member of the
Committee for the Interdepartmental Coordination of Services

2 to Children and Families or their designees are permanent
3 members who serve during their tenure in the position that
4 they represent on the committee. The remaining members are
5 appointed for terms of 3 years, except of those first
6 appointed, 2 are appointed for terms of 3 years, 2 are
7 appointed for terms of 2 years and 2 are appointed for terms
8 of one year. Any vacancy is filled for the unexpired term
9 of that position in the same manner as the original
10 appointment was made.

11 D. Members are entitled to compensation in accordance with
12 Title 5, section 12004-I, subsection 36-A.

13 4. Rules. The authority may promulgate rules in accordance
14 with the Maine Administrative Procedure Act to carry out the
15 purposes of this subchapter.

16 5. Loans. Loans are granted under the following conditions.

17 A. The authority may enter into loan agreements with any
18 individual, corporation or partnership that demonstrates
19 that:

20 (1) The loan will be used for a treatment loans for
21 children project; and

22 (2) The applicant has the ability to repay the loans.

23 B. The terms of a loan are as follows.

24 (1) A loan may not exceed 45% of the total project
25 cost.

26 (2) Loans may not bear interest at a rate greater than
27 the prime rate as established by major banks in Boston
28 minus 2%.

29 (3) The loans are for terms as the authority
30 determines prudent, but the maximum term of any loan
31 may not be longer than 15 years.

32 (4) The loans must meet other terms and conditions
33 prescribed by rule.

34 C. The authority may accept collateral as established by
35 rule. The authority may, in all instances, accept a
36 subordinate security interest in the project's real estate
37 and improvements.

38 D. The authority may charge a fee for administrative costs
39 at a rate set by rule in consultation with the committee.

2 E. Prior to approval, each project must have a
3 certification from the Committee for the Interdepartmental
4 Coordination of Services to Children and Families that:

5 (1) The project will provide appropriate care,
6 treatment and shelter for children in need of care,
7 treatment and shelter; and

8 (2) A sufficient number of children in need of care
9 and treatment will use the proposed project.

10 F. During the term of the loan, the Committee for the
11 Interdepartmental Coordination of Services to Children and
12 Families shall certify annually that the project is
13 providing suitable care, treatment and shelter for children
14 during the term of the loan.

15 6. Purposes of loans. The committee may award loans to
16 implement a project. Loan proceeds may be used to fund working
17 capital loans to implement a project. In each project a minimum
18 of 85% of the children served must be residents of the State.

19 **Sec. 8. Appropriation.** The following funds are appropriated
20 from the General Fund to carry out the purposes of this Act.

21 1990-91

22 **FINANCE AUTHORITY OF MAINE**

23 **Treatment Loans for Children Committee**

24	All Other	\$1,000
25	Provides funds for the expenses of the	
26	Treatment Loans for Children Advisory	
27	Committee	

28 **Sec. 9. Application; contingent on bond issue.** This Act takes
29 effect only if a \$5,000,000 general revenue bond issue to promote
30 the well-being and rehabilitation of children in need of care,
31 treatment or shelter is approved by the voters of the State.

32 **FISCAL NOTE**

33 This Act is contingent upon the passage of a bond issue
34 proposed by companion legislation before the Second Regular
35 Session of the 114th Legislature. If the bond fails to pass and
36 is not approved by the voters in the November general election,
37 these funds will not be appropriated.

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STATEMENT OF FACT

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6 This bill creates a revolving loan program under the Finance
8 Authority of Maine to administer the Treatment Loans for Children
10 Fund, to be funded by a bond issue. The fund will work in
12 partnership with commercial banks to provide start-up and working
14 capital loans to qualified individuals for the construction,
16 renovation, rehabilitation or expansion of structures that will
be used to shelter children in need of care and to provide care
and treatment to children and their families. In this way,
facilities needed to care and treat children and their families
will be available within the State, minimizing the need for
out-of-state placement.