

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

SECOND REGULAR SESSION-1992

Legislative Document

No. 2415

S.P. 949

In Senate, March 11, 1992

Reference to the Committee on Housing and Economic Development suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

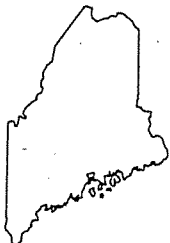
Presented by Senator CAHILL of Sagadahoc (GOVERNOR'S BILL).

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-TWO

An Act to Adopt the Recommendations of the Maine Jobs Commission.

(EMERGENCY)



2 **Emergency preamble. Whereas,** Acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and
4

6 **Whereas,** the unemployment rate in the State is high,
requiring special efforts to stimulate the economy and create
jobs; and
8

10 **Whereas,** this Act implements the recommendations of the
Maine Jobs Commission and initiates programs and activities that
will create jobs within the State; and
12

14 **Whereas,** in order to provide maximum benefit to the State's
economy, these programs and activities need to be initiated
before the expiration of the 90-day period; and
16

18 **Whereas,** in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
necessary for the preservation of the public peace, health and
safety; now, therefore,
22

Be it enacted by the People of the State of Maine as follows:
24

PART A
26

28 **Sec. A-1. 10 MRSA §965, sub-§1,** as amended by PL 1991, c. 511,
Pt. A, §1, is further amended to read:

30 1. **Selected board members.** ~~Six~~ Four members of the
authority to consist of:

32 A. ~~Two veterans selected by the Governor from the members~~
34 ~~of the Maine Veterans' Small Business Loan Board;~~

36 B. Two members selected by the Governor from the public
members of the Natural Resource Financing and Marketing
38 Board; and

40 C. Two members selected by the Governor from the appointed
members of the Maine Education Assistance Board.
42

44 **Sec. A-2. 10 MRSA §965, sub-§3,** as amended by PL 1987, c. 596,
§1, is further amended to read:

46 3. **At-large members.** Three Five members appointed by the
Governor and subject to review by the joint standing committee of
48 the Legislature having jurisdiction over economic development
matters and subject to confirmation by the Legislature shall must

2 be appointed from at large. Two of the at-large members must be
3 veterans.

4 **Sec. A-3. 10 MRSA §1026-A, sub-§1, ¶A**, as amended by PL 1985,
5 c. 714, §16, is further amended to read:

6
7 A. No A mortgage payment may not be applied in a manner
8 which that would, for any one project, increase the
9 percentage of mortgage payments insured by the authority,
10 except that this paragraph shall does not apply where when
11 insurance payments for any one project may not in the
12 aggregate exceed the lesser of 25% of the original principal
13 amount of the mortgage loan or:

14 (1) In the case of insurance provided pursuant to
15 section 1026-B, ~~\$125,000~~ \$250,000;

16 (2) In the case of insurance provided pursuant to
17 section 1026-C, \$25,000; or

18 (3) In the case of insurance provided pursuant to
19 section 1026-D, \$1,000,000;

20
21 **Sec. A-4. 10 MRSA §1026-A, sub-§3**, as enacted by PL 1985, c.
22 714, §18, is amended to read:

23
24 **3. Mortgage insured loan limitation for small businesses.**
25 Whenever an applicant applies for mortgage insurance under
26 sections 1026-B and 1026-C, the authority may insure mortgage
27 loans for which the combined principal amounts of mortgage
28 insurance of both sections does do not exceed ~~\$600,000~~ \$1,100,000.

29
30 **Sec. A-5. 10 MRSA §1026-B**, as amended by PL 1991, c. 511, Pt.
31 A, §§5 to 7, is further amended to read:

32 **§1026-B. Mortgage insurance of \$1,000,000 or less**

33
34 **1. Scope of section.** This section applies, in addition to
35 other applicable provisions of this subchapter, when the original
36 principal amount of the mortgage insurance is ~~\$500,000~~ \$1,000,000
37 or less, but not when mortgage insurance is provided pursuant to
38 section 1026-D.

39
40 **2. Insurance.** Any mortgage insurance provided pursuant to
41 this section is subject to the following:

42
43 A. The original principal amount of mortgage insurance must
44 may not exceed ~~\$500,000~~ \$1,000,000; and

2 B. The authority may insure no more than 85% 90% of the
mortgage payments.

4 **3. Mortgage eligibility.** The authority may insure mortgage
payments under this section provided that:

6 A. Repayment of the loan may be secured by less than full
8 collateral if the borrower or the principals of the borrower
are of good character and have good credit records;

10 B. The mortgage loan has a maturity satisfactory to the
12 authority; and

14 C. The borrower:

16 (1) In the case of an existing business, at the time
application is made for financing assistance, employs
18 20 50 persons or less or has gross sales not exceeding
\$2,500,000 \$5,000,000 per year; or

20 (2) In the case of a new business, at the time
22 application is made for financing assistance, projects
that, during the first 12 months of operation, it will
24 employ 20 50 persons or less or will have gross sales
not exceeding \$2,500,000 \$5,000,000.

26 **4. Retail store projects.** The authority may insure
28 mortgage loans for a retail store project, provided that:

30 A. The principal amount of mortgage insurance for the
project does not exceed \$200,000;

32 B. The project includes only one retail store that is not
34 attached or does not adjoin another retail store that has
received an insured mortgage loan under this chapter; and

36 C. The applicant has not received mortgage insurance under
38 this subsection for any other retail store.

40 **5. Professional office building projects.** The authority
may insure mortgage loans for a professional office building
42 project, provided that:

44 A. The principal amount of mortgage insurance for the
project does not exceed \$200,000;

46 B. Less than 35% of the project is intended or planned for
48 professional office space;

2 C. Notwithstanding paragraph B, in the event that the
project proposes that more than 35% of the project will be
4 professional office space, the project is not attached or
adjoined to any other professional office building that has
6 received an insured mortgage loan under this chapter; and

8 D. The applicant has not received mortgage insurance under
this subsection for any other professional office building
10 project.

12 **Sec. A-6. 10 MRSA §1026-C, sub-§2**, as amended by PL 1989, c.
857, §47, is further amended to read:

14 **2. Insurance.** The authority may provide mortgage insurance
benefiting a veteran in an original principal amount of \$250,000
16 or less in addition or as an alternative to any amount provided
pursuant to section 1026-B. The authority may insure 100% of
18 mortgage payments under this section ~~of~~ for a loan approved
~~pursuant to section 980-B of up to \$75,000.~~

20 **Sec. A-7. 10 MRSA §1100-T, sub-§1**, as enacted by PL 1987, c.
22 854, §§2 and 5, is amended to read:

24 **1. Legislative findings; authorization.** The Legislature
finds that the growth of new and existing small businesses in the
26 State results in increased job opportunities for Maine residents,
produces more spending in the State and increases municipal tax
28 bases. Businesses ~~which~~ that export their products or services
out of the State bring capital into the State and help to develop
30 export markets for Maine products. Small new and existing
businesses can provide significant economic benefits to the State
32 ~~provided that~~ if they can obtain sufficient seed equity financing
to carry them from start-up through the initial development
34 phases of a business. In order to encourage the increased
availability of risk equity capital to ~~these early growth stage~~
36 enterprises that bring capital into the State, the authority is
authorized to issue certificates of eligibility for the seed
38 capital investment tax credit permitted by Title 36, section
5216-B, subject to the requirements of this section. This
40 program ~~shall be~~ is known as the Maine Seed Capital Tax Credit
Program.

42 **Sec. A-8. 10 MRSA §1100-T, sub-§2, ¶¶B to D**, as enacted by PL
44 1987, c. 854, §§2 and 5, are amended to read:

46 B. The Maine business must be a manufacturer; must provide
a product or service which that is sold or rendered, or is
48 projected to be sold or rendered, predominantly outside of
the State; or must bring capital into the State, as
50 determined by the authority. ~~Businesses--which--bring~~

2 products--into--the--State--and--then--sell--the--same--products
outside---the---State---are---not---eligible,---Construction,
4 transportation,---financial---services,---insurance---and---real
estate---businesses---are---not---eligible,---Other---service
6 businesses---are---eligible---provided---that---the---customers---are
predominantly-out-of-the-State-and-the-employment-functions
are-carried-out-predominantly-in-the-State,
8

10 C. Aggregate investment eligible for tax credits shall may
not be less-than-\$25,000-~~nor~~ more than \$250,000 \$600,000 for
12 any one business as of the date of issuance of a tax credit
certificate.

14 D. The investment with respect to which any individual is
applying for a tax credit certificate shall-be may not less
16 than--\$10,000--~~nor~~ be more than an aggregate of \$50,000
\$100,000 in any one business, provided except that this
18 paragraph shall does not be--interpreted--to limit other
investment by any applicant for which that applicant is not
20 applying for a tax credit certificate.

22 **Sec. A-9. 10 MRSA §1100-T, sub-§2, ¶E,** as amended by PL 1989,
c. 765, §4, is further amended to read:
24

26 E. The business receiving the investment must have annual
revenues gross sales of \$200,000 \$2,000,000 or less and the
28 operation of the business must be the full-time professional
activity of the principal owner, as determined by the
30 authority. ~~Businesses with annual revenues of \$500,000 or
less may receive the investment, provided that credits for
investments in businesses with annual revenues between~~
32 \$200,001 and \$500,000 are claimed only during tax years
beginning on or after January 1, 1991. The principal owner
34 and the principal owner's spouse, parents, brothers, sisters
and children are not eligible for a credit for investment in
36 that business. ~~Businesses in which the principal owners are
not one or more individuals are not eligible.~~
38

40 **Sec. A-10. 10 MRSA §1100-T, sub-§2, ¶G,** as enacted by PL 1987,
c. 854, §§2 and 5, is amended to read:

42 G. The authority shall establish limits on repayment of the
investment,--requiring--at--a--minimum--that--the--investment
44 remain-in-the-business-for-at-least-5-years-with-no-current
income--to--the--investor--during--the--5-year--period. The
46 investment must be at risk in the business.

48 **Sec. A-11. 10 MRSA §1100-T, sub-§3,** as enacted by PL 1987, c.
854, §§2 and 5, is amended to read:
50

2 **3. Priority.** The authority shall may reserve \$500,000 in
3 tax credit authorization for "natural resource enterprises," as
4 defined in section 963-A, subsection 41, and shall may reserve an
5 additional \$500,000 in tax credit authorization for eligible
6 investments in businesses located in job opportunity zones
7 designated pursuant to Title 5, chapter 403, or in contiguous
8 communities designated by the Commissioner of Economic and
9 Community Development, as being entitled to zone benefits due to
10 special circumstances.

11 **Sec. A-12. 10 MRSA §1100-T, sub-§4,** as enacted by PL 1987, c.
12 854, §§2 and 5, is repealed and the following enacted in its
13 place:

14 4. Total of credits authorized. The authority may issue
15 tax credit certificates in an aggregate amount not to exceed
16 \$2,000,000.

17
18
19
20 **PART B**

21 **Sec. B-1. 10 MRSA §§1023-H and 1026-I** are enacted to read:

22 §1023-H. Maine Street Investment Program Fund

23
24 1. Creation. The Maine Street Investment Program Fund,
25 referred to in this section as the "fund," is created under the
26 jurisdiction and control of the authority.

27
28 2. Sources of money. The fund consists of the following:

29
30 A. All money appropriated or allocated for inclusion in the
31 fund, from whatever source;

32 B. Subject to any pledge, contract or other obligation, all
33 interest, dividends or other pecuniary gains from investment
34 of money from the fund;

35 C. Subject to any pledge, contract, fee or other
36 obligation, any money that the authority receives in
37 repayment of advances from the fund; and

38 D. Any other money available to the authority and directed
39 by the authority to be paid into the fund.

40
41 3. Application of fund. Money in the fund may be applied
42 to carry out any power of the authority under or in connection
43 with section 1026-I or to pay obligations incurred in connection
44 with the fund. Money in the fund not needed currently to meet

2 the obligations of the authority as provided in this section may
3 be invested in a manner permitted by law.

4 4. Accounts within fund. The authority may divide the fund
5 into separate accounts it determines necessary or convenient to
6 carry out the provisions of this section.

8 5. Revolving fund. The fund is a nonlapsing, revolving
9 fund. All money in the fund must be continuously applied by the
10 authority to carry out the provisions of this section and section
11 1026-I.

12 **§1026-I. Maine Street Investment Program**

14 The Maine Street Investment Program is established to
15 provide loans to businesses for investments in downtown areas and
16 business districts.

18 1. Definitions. As used in this section, unless the
19 context otherwise indicates, the following terms have the
20 following meanings.

22 A. "Business district" means any area zoned by a
23 municipality for business or industrial uses or, when no
24 zoning exists, where business or industrial uses are not
25 inconsistent with current uses as determined by the
26 authority.

28 B. "Downtown" means the area designated by a municipality
29 or generally considered to be the central business district
30 of a municipality as determined by the authority.

32 2. Eligibility for loans. Businesses may apply to the
33 authority for loans under the program.

36 A. The projects to be financed must pertain to
37 manufacturing, industrial, recreational or natural resource
38 enterprises; be located in the State; and provide
39 significant public benefit in relation to the amount of the
40 loan, as determined by the authority. Public benefits
41 include, but are not limited to, increased opportunities for
42 employment; increased capital flows, particularly capital
43 flowing in from outside the State; increased state and
44 municipal tax revenues; rehabilitation of blighted or
45 underutilized areas; and provision of necessary services.
46 Loan proceeds may be used for any appropriate commercial
47 purpose, as determined by the authority, including working
48 capital.

2 B. The authority must determine that the borrower is a
4 for-profit or nonprofit commercial entity, is creditworthy
6 and is reasonably likely to repay the loan. If the
8 authority determines that the proposed borrower is not
 creditworthy or is not likely to be able to repay the loan,
 the municipality may elect to either cosign the loan or
 borrow the money directly and relend the proceeds to the
 business, assuming the obligation to repay the loan to the
 authority.

10 C. The authority must determine that the loan is necessary
12 to implement the project either because the borrower has
14 insufficient access to other funds or because the borrower
16 demonstrates and the authority determines that the project
 will not provide the projected public benefits without the
 loan.

18 D. The authority must determine that the project will not
20 result in a substantial detriment to existing business in
22 the State. In making this determination, the authority
 shall measure and evaluate the effect of the project on
 existing business, including:

24 (1) Whether to approve a loan for a project if, as a
26 result of the project, there will not be sufficient
28 demand within the market area of the State to be served
 by the project to employ the efficient capacity of
 existing business; and

30 (2) Whether any adverse economic effect of the project
32 on existing business is outweighed by the contribution
34 that the project will make to the economic growth and
 vitality of the State.

36 The applicant has the burden of demonstrating a reasonable
38 likelihood that the project will not result in a substantial
40 detriment to existing business, except that when no
42 interested parties object to the project, the requirements
44 of this paragraph are deemed satisfied. Interested parties
46 must be given an opportunity, with or without a hearing at
48 the discretion of the authority, to present their objections
50 to the project on grounds that the project will result in a
 substantial detriment to existing business. If any party
 presents such objections with reasonable specificity and
 persuasiveness, the authority may divulge whatever
 information concerning the project it considers necessary
 for a fair presentation by the objecting party and
 evaluation of those objections. If the authority finds that
 the applicant has failed to meet its burden of proof as
 specified in this paragraph, the application must be denied.

2 assistance or other financial and nonfinancial assistance to
3 enhance the ability to market products overseas;

4 2. Maximum capitalization. The maximum capitalization of
5 the company may not exceed \$5,000,000 and consists of 50,000
6 shares of common stock having a par value of \$100 per share. All
7 shares offered for sale by the company must be offered for cash
8 at par value;

10 3. Limitations. The company may not have any business
11 dealings with any firm in which a person, or that person's spouse
12 or dependent children, who owns common stock of the company holds
13 a 25% or larger interest;

14 4. Board of directors. Before commencing business, the
15 company must establish a board of 11 directors: 7 members
16 elected by the shareholders; 2 members appointed by the Governor;
17 and 2 members appointed jointly by the President of the Senate
18 and the Speaker of the House of Representatives. All directors
19 shall represent the public interests of the State;

22 5. Amount of common stock held. A person, firm or
23 corporation may not subscribe for, own or directly or indirectly
24 hold more than 5,000 shares of the common stock of the company at
25 any time. For purposes of determining ownership under this
26 section, the attribution rules of the Internal Revenue Code,
27 Section 318 that are in effect on the effective date of this
28 section apply;

30 6. Payment of dividends. The company may not declare or
31 pay any dividends to its shareholders during its first 5 years of
32 operation and after that date dividends may be paid only to
33 holders of common stock who are not using the credit for
34 investment in the company allowed under Title 36, section
35 5215-A. Dividends are limited to a maximum of 50% of retained
36 earnings, with the balance being reinvested according to
37 subsections 1 and 3; and

38 7. Financial statement. The company shall prepare an
39 audited financial statement, certified by an independent
40 certified public accountant, within 60 days after the close of
41 each fiscal year of the company's operation. The audited
42 financial statement must detail the company's expenditures and
43 activities and must be submitted to the Governor and to the
44 Executive Director of the Legislative Council and made available
45 to the public.

48 **§947. Initial organization; approval**

50 For the initial organization of the company, the Governor
shall appoint a committee consisting of 5 members having business

2 background and experience to act as incorporators. The committee
3 shall file with the Secretary of State the articles of
4 incorporation of the corporation, which must reflect the purposes
5 established in this chapter. The committee shall submit the
6 proposed bylaws of the company to the Commissioner of
7 Professional and Financial Regulation, and those bylaws may not
8 be adopted or later amended without the approval of the
9 commissioner.

10 **§948. Subscription and sales of stock; first shareholders**
11 **meetings**

12 The committee established under section 947 may solicit and
13 receive subscriptions for the issuance and purchase of the shares
14 of the common stock of the company when practicable. If the
15 issue is oversubscribed by a termination date set by the
16 committee, subscriptions for amounts exceeding 100 shares must be
17 reduced pro rata among subscribers subscribing for more than 100
18 shares. When the committee has received subscriptions for at
19 least 10,000 shares, the committee may call and hold an
20 organizational shareholders meeting to adopt the proposed bylaws,
21 elect directors and officers, issue shares of stock and conduct
22 any other business that may properly come before the meeting.

23 Sec. C-2. 36 MRSA §5215-A is enacted to read:

24 **§5215-A. Maine Export Trading Company tax credit**

25 **1. Credit allowed.** A taxpayer is allowed a credit against
26 the tax otherwise due under this Part equal to 50% of the amount
27 of the taxpayer's investment in the Maine Export Trading Company
28 established by Title 10, chapter 107-B. In the case of a
29 partnership or a nontaxable trust, the individual partners or
30 beneficiaries are treated as the taxpayer under this section and
31 are allowed a credit against the tax otherwise due under this
32 Part in proportion to their respective interest in that
33 partnership or trust. Except as provided by subsections 2 and 3,
34 50% of the credit must be taken in the taxable year the
35 investment is made and 50% must be taken in the next taxable year.

36 **2. Limitation.** The amount of the credit allowed under this
37 section for any one taxable year may not exceed 50% of the tax
38 imposed by this Part on the taxpayer for the taxable year before
39 the application of the credit.

40 **3. Carry forward.** Credits not taken because of the
41 limitation in subsection 2 must be taken in the next available
42 tax year in which the credit may be taken, provided that the
43 limitation in subsection 2 also applies to the carry-forward
44 years. The carry-forward period may not exceed 15 years.

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PART D

Sec. D-1. 5 MRSA §17001, sub-§19-A is enacted to read:

19-A. Maine business. "Maine business" means a corporation, partnership or unincorporated association located in the State that operates as a commercial enterprise.

Sec. D-2. 5 MRSA §17153, sub-§3-A is enacted to read:

3-A. Investment in Maine. The board shall review the extent to which the assets of any state pension or annuity fund are invested in Maine businesses. The board shall recognize that investment in Maine businesses would provide public benefits that include, but are not limited to, preservation of jobs; increased opportunities for employment; increased capital flows, particularly capital flowing in from outside the State; and increased state and municipal tax revenues. The board shall:

A. Subject to the limitations imposed by subsection 3, invest at least 5% of its funds in Maine businesses. Notwithstanding the limitations of subsection 3, the board, in satisfaction of this requirement, may invest in or buy any loan, secured or unsecured, that is insured or guaranteed in any manner, in part or in full, by this State or any instrumentality of the State or for which there is a commitment to so insure or guarantee or for which a conditional guarantee has been issued, including but not limited to investing in or buying any mortgage loan involved in any secondary market operated by the Finance Authority of Maine; and

B. Beginning on November 1, 1992, report annually to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs:

(1) The names of all Maine businesses in which the assets of any state pension fund are invested, the amount invested in each and the nature of that investment and the amount invested in any secondary market program operated by the Finance Authority of Maine; and

(2) A list of all actions taken by the board to comply with this subsection.

PARTE

2

Sec. E-1. 38 MRSA §341-D, sub-§1, as enacted by PL 1989, c. 890, Pt. A, §13 and affected by §40, is amended to read:

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6

1. **Rulemaking.** Subject to the Maine Administrative Procedure Act, ~~Title-5, chapter-375,~~ the board shall adopt, amend or repeal reasonable rules and emergency rules necessary for the interpretation, implementation and enforcement of any provision of law that the department is charged with administering, except that the board may not adopt any rule or authorize any standard that contains a provision more stringent than one enacted or promulgated by the Federal Government unless specifically authorized to do so by law. The board shall also adopt, amend and repeal rules as necessary for the conduct of its business.

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PART F

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Sec. F-1. Special Commission on Workers' Compensation; established. There is established the Special Commission on Workers' Compensation, referred to in this Part as the "commission." The commission is established as an independent entity to design a workers' compensation system to replace the existing system in the State for consideration by the executive and legislative branches of government.

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Sec. F-2. Duties. The commission shall develop and present to the Governor and the Legislature by July 1, 1992 a final plan to replace the current workers' compensation system. The plan must be focused on the following 3 goals:

30

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1. **Cost reduction.** To reduce workers' compensation costs in the State to no more than 10% above the national average by 1995;

34

36

2. **Efficiency; fairness.** To streamline the workers' compensation system to make it more efficient and more fair to injured workers and to employers; and

38

40

3. **Effect on private market.** To restore stability, competition and predictability to the private insurance market.

42

44

Sec. F-3. Membership. The commission consists of 8 members. All members must be recognized national or state leaders with the ability to be independent and free from predisposition. A person who has been involved in legislative reforms of the State's workers' compensation system in the last 10 years is ineligible for appointment to ensure the commission's ability to be unbiased

46

48

2 and objective. The Governor shall appoint 4 members and the
President of the Senate and the Speaker of the House of
4 Representatives shall jointly appoint 4 members. The Governor
shall choose one member to serve as cochair and the President of
6 the Senate and the Speaker of the House of Representatives shall
choose one member to serve as cochair. No member of the
8 commission may be an official, employee, consultant or any other
individual employed or retained by the executive branch and no
10 member may be a member of the Legislature. Members must be
appointed within 48 hours of the effective date of this Part.
12 The cochairs shall call the first meeting of the commission
within 16 days after the effective date of this Part.

14 **Sec. F-4. Staff; expenses.** The commission shall retain the
services of a national expert in workers' compensation. The
16 commission may utilize additional staff of the State Planning
Office and of the Legislative Council for supplemental research
18 and reports. All agencies and departments of State Government,
including the Workers' Compensation Commission and the Department
20 of Professional and Financial Regulation, shall cooperate with
the commission and shall expeditiously provide the commission
22 with information and materials that it may need to carry out the
purposes of this Part. Funds appropriated for the purposes of
24 this Part may be expended only with the approval of the
cochairs. Members of the commission are entitled to compensation
26 for their expenses according to the Maine Revised Statutes, Title
5, chapter 379.

28 **Sec. F-5. Findings.** The commission shall report its findings,
30 including any proposed legislation, to the Governor and the
Legislature by July 1, 1992. The commission's proposed
32 legislation must be presented to the Legislature, which shall
vote on the commission's recommendations. Amendments to the
34 proposed legislation may not be offered, considered or adopted.

36 **Sec. F-6. Appropriation.** The following funds are appropriated
from the General Fund to carry out the purposes of this Part.

38 1991-92

40

EXECUTIVE DEPARTMENT

42

**Special Commission on Workers'
44 Compensation**

46

All Other \$100,000

48

Provides for staffing assistance and
consulting services. These funds may not
50 lapse but must be carried forward from year
to year to be expended for the same purposes.

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PART G

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6 **Sec. G-1. Commission to Review Environmental Standards;**
7 **established.** There is established the Commission to Review
8 Environmental Standards, referred to in this Part as the
9 "commission." The commission is charged to review all existing
10 environmental rules and standards administered by the Department
11 of Environmental Protection that may be more stringent than those
12 established by the Federal Government.

12

13 **Sec. G-2. Duties.** The commission shall conduct its review and
14 report its findings by December 1, 1992. These findings must
15 contain:

16

17 1. **State and federal rules and standards; stringency.** An
18 identification of all instances in which state rules or standards
19 coexist with federal regulations or standards and a delineation
20 of those instances in which state rules or standards are more
21 stringent than their federal counterparts; and

22

23 2. **Benefits and cost analysis.** An analysis of the benefits
24 and costs of those state rules or standards that are more
25 stringent than their federal counterparts, together with an
26 analysis of the benefits and costs that would occur by repeal of
27 the state rules or standards and adoption of their federal
28 counterparts.

30

31 **Sec. G-3. Membership.** The commission consists of 10
32 Legislators, 4 of whom must be members of the Senate appointed by
33 the President of the Senate and 6 of whom must be members of the
34 House of Representatives appointed by the Speaker of the House of
35 Representatives. At least 3 members must be of the minority
36 party. The President of the Senate and the Speaker of the House
37 of Representatives shall each appoint a cochair from among their
38 appointees. The cochairs must call the first meeting of the
39 commission within 30 days of the effective date of this Part.

40

41 **Sec. G-4. Staff.** The legislative Office of Policy and Legal
42 Analysis shall staff the commission. The various agencies and
43 departments of State Government are directed to assist the
44 commission as required.

44

45 **Sec. G-5. Findings.** The commission shall report its findings
46 in writing to the Legislature by December 1, 1992.

48

49 **Sec. G-6. Appropriation.** The following funds are appropriated
50 from the General Fund to carry out the purposes of this Part.

2

1991-92

4

LEGISLATURE

6

Commission to Review Environmental Standards

8

Personal Services

\$5,000

10

All Other

5,500

12

Provides for per diem and expenses for legislative members of the Commission to Review Environmental Standards and for miscellaneous commission expenses. These funds may not lapse but must be carried forward from year to year to be expended for the same purposes.

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**LEGISLATURE
TOTAL**

\$10,500

22

24

Emergency clause. In view of the emergency cited in the preamble, this Act takes effect when approved.

26

28

STATEMENT OF FACT

30

This bill contains multiple parts and provisions to implement the recommendations of the Maine Jobs Commission.

32

34

Part A of the bill contains proposals that revise the laws governing the operations of the Finance Authority of Maine. Part A:

36

38

1. Deletes the requirement that 2 members of the Board of Trustees of the Finance Authority of Maine be members of the Maine Veterans' Small Business Loan Board, which was repealed by Public Law 1991, chapter 622. The size of the board remains the same, with 5 members chosen from at large, at least 2 of whom must be veterans;

40

42

44

2. Increases the maximum amount of mortgage payment in the case of leveraged mortgage insurance to \$250,000;

46

48

3. Increases the maximum combined amount of small business mortgage insurance and mortgage insurance for veterans;

2 4. Increases the maximum amount of mortgage insurance
available in the small business mortgage insurance program to
\$1,000,000;

4
6 5. Reflects the increase in the maximum amount of mortgage
insurance available and increases to 90% the portion of the loan
the Finance Authority of Maine may insure;

8
10 6. Expands the eligibility criteria for small business
mortgage insurance to businesses that have 50 employees or less
or \$5,000,000 or less in sales;

12
14 7. Repeals a reference to the Veterans' Small Business Loan
Board, which was repealed by Public Law 1991, chapter 622, but
allows the Finance Authority of Maine to provide 100% guarantees
to veterans upon approval by the authority;

16
18 8. Expands the scope of the Maine Seed Capital Tax Credit
Program to include existing businesses bringing capital into the
State;

20
22 9. Expands the Maine Seed Capital Tax Credit Program to
include manufacturers and makes bringing capital into the State a
primary criterion;

24
26 10. Increases the aggregate investment eligible for tax
credits for any one business to \$600,000;

28
30 11. Deletes the minimum investment requirement for the
Maine Seed Capital Tax Credit Program administered by the Finance
Authority of Maine and increases the aggregate allowable
investment by a person in any one business to \$100,000;

32
34 12. Expands the businesses eligible to participate in the
Seed Capital Tax Credit Program to those with gross sales up to
\$2,000,000. The limitation that only businesses in which the
principal owners are one or more individuals is deleted;

36
38 13. Repeals the requirement that an investment remain in
the business for 5 years;

40
42 14. Allows the Finance Authority of Maine to reserve up to
\$500,000 in tax credit authorization for natural resource
enterprises; and

44
46 15. Provides for a total of \$2,000,000 in credits to be
issued.

48
50 Part B of the bill creates the Maine Street Investment
Program Fund under the Finance Authority of Maine to contain

2 proceeds of bonds and repayments of loans from the fund. Part B
3 also sets parameters for loans to businesses to be made from the
4 fund.

5 Part C of the bill creates the Maine Export Trading Company
6 to provide marketing assistance for companies located within the
7 State and establishes a limited tax credit for investors in this
8 company.

9 Part D of the bill requires the Maine State Retirement
10 System to review the extent of its investment in Maine
11 businesses, defines "Maine business," requires investment of 5%
12 of its funds in Maine businesses and requires the Board of
13 Trustees of the Maine State Retirement System to report annually
14 to the Joint Standing Committee on Appropriations and Financial
15 Affairs beginning November 1, 1992.

16 Part E of the bill limits the rule-making authority of the
17 Board of Environmental Protection by providing that the board may
18 not adopt a rule or policy that is more stringent than the
19 federal standards without the express approval of the Legislature.
20

21 Part F of the bill establishes the Special Commission on
22 Workers' Compensation. The commission is comprised of 8 unbiased
23 members. The commission must report a plan to the Governor and
24 the Legislature by July 1, 1992 that includes legislation to
25 replace the existing workers' compensation system with a new
26 system that brings costs in Maine in line with national averages
27 while providing fairness to employees and employers and restoring
28 stability to the private insurance market.
29

30 Part G of the bill establishes the Commission to Review
31 Environmental Standards, which will identify environmental rules
32 that are more stringent than federal standards and evaluate the
33 costs and benefits of continuing those rules as opposed to
34 adopting the federal standards.
35

36 There is a companion bond issue to this bill, "An Act to
37 Authorize a General Fund Bond Issue in the Amount of \$10,000,000
38 to Provide for Job Retention and Job Creation," LR 3808, that
39 provides for a bond issue for the creation of jobs.
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41
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