

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

SECOND REGULAR SESSION-1994

Legislative Document

No. 1987

S.P. 767

In Senate, March 28, 1994

**An Act to Amend the Date of Repeal of State Increment Financing
Districts and to Allow the Finance Authority of Maine to Issue Revenue
Refunding Securities.**

(EMERGENCY)

Reported by Senator PINGREE of Knox for the Joint Standing Committee on Housing and
Economic Development pursuant to Joint Order S.P. 765.

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

JOY J. O'BRIEN
Secretary of the Senate

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

4
Whereas, the Maine Revised Statutes, Title 30-A, section
6 5254-A regarding state tax increment financing has been in effect
since 1991; and

8
Whereas, implementing legislation have not yet been adopted;
10 and

12
Whereas, Title 30-A, section 5254-A has not been utilized
due to the lack of implementing legislation; and

14
Whereas, legislation is in the process of being adopted so
16 that the statutory provisions can be utilized as originally
intended; and

18
Whereas, the designation of new state tax increment
20 financing districts will cease on June 30, 1994 unless extended
prior to that date; and

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

28
Be it enacted by the People of the State of Maine as follows:

30
Sec. 1. 10 MRSA §1041, sub-§4, as amended by PL 1985, c. 593,
32 §1, is further amended to read:

34
4. **Refunding securities.** Issue revenue refunding obligation
36 securities as provided to refund any outstanding revenue
obligation securities issued under this subchapter or under
subchapter IV or under previous chapter 104 or to refund any
38 obligations or securities of any municipality;

40
Sec. 2. 10 MRSA §1048, as amended by PL 1985, c. 593, §2, is
further amended to read:

42
§1048. Revenue refunding securities

44
The authority may provide for the issuance of revenue
46 refunding securities of the authority to refund any outstanding
revenue obligation securities issued under this subchapter ~~or~~
48 ~~under~~ subchapter IV or under previous chapter 104 or to refund
any obligations or securities of any municipality, including the
50 payment of any redemption premiums and any interest accrued or to

2 accrue to the date of redemption, and, if deemed considered
3 advisable by the authority, to construct or enable the
4 construction of improvements, extensions, enlargements or
5 additions of the original project. The authority may provide for
6 the issuance of revenue obligation securities of the authority
7 for the combined purpose of refunding any outstanding revenue
8 obligation securities or revenue refunding securities issued
9 under this subchapter ~~or under~~, subchapter IV or under previous
10 chapter 104 or to refund any obligations or securities of any
11 municipality, including the payment of redemption premiums and
12 interest accrued or to accrue and paying all or any part of the
13 cost of acquiring or constructing or enabling the acquisition or
14 construction of any additional project or part or any
15 improvements, extensions, enlargements or additions of any
16 project. The issuance of the securities, the maturities and other
17 details, the rights and remedies of the holders and the rights,
18 powers, privileges, duties and obligations of the authority shall
19 be are governed by the provisions of this subchapter insofar as
20 they are applicable.

21 Notwithstanding the foregoing, the authority may approve or
22 disapprove the issuance of revenue refunding securities without
23 any notice of the issuance being given by the authority, by the
24 applicant or otherwise, under section 1043, subsection 1; section
25 1044, subsection 1; or otherwise, and without having to hold any
26 public hearing or otherwise fulfill the requirements of section
27 1043, if the authority determines that no expansion of the
28 original project is involved and there will be no increase in the
29 original amount of the revenue obligation securities issued for
30 the project. Once the authority has made the determinations, it
31 may approve the issuance of revenue refunding securities by
32 issuing an amended certificate of approval.

33 If, in connection with any outstanding revenue obligation
34 securities issued under previous chapter 104, any predecessor to
35 the authority financed or guaranteed more than 90% of the total
36 value of a project, the authority, in connection with issuing its
37 revenue refunding securities, may continue to finance or
38 guarantee the corresponding percentage of the total value of the
39 project financed or guaranteed by its predecessor,
40 notwithstanding section 1026, subsection 2, paragraph B.

41 **Sec. 3. 30-A MRSA §5254-A, sub-§7, as amended by PL 1991, c.**
42 **856, §5, is further amended to read:**

43 **7. Repeal of state tax increment financing districts.** The
44 designation of new state tax increment financing districts ceases
45 June 30, 1994 1996, subject to review by the joint standing
46 committee on Governmental Operations.

1 committees of the Legislature having jurisdiction over economic
2 development and taxation matters. Designation of new state tax
3 increment financing districts may only be resumed by act of the
4 Legislature.

6
7 **Emergency clause.** In view of the emergency cited in the
8 preamble, this Act takes effect when approved.

10
11 **STATEMENT OF FACT**

12
13 This bill extends the date of cessation of the designation
14 of new state increment financing districts from June 30, 1994 to
15 June 30, 1996.

16
17 This bill also allows the Finance Authority of Maine to
18 issue revenue refunding securities to refund obligations or
19 securities issued by its predecessor, the Maine Guarantee
20 Authority, under the former Maine Revised Statutes, Title 10,
21 chapter 104, which was the predecessor of the present Title 10,
22 chapter 110, subchapter III, and if those obligations or
23 securities issued by the Maine Guarantee Authority involved
24 financing or a guarantee in excess of 90% of the total value of
25 the project, then the Finance Authority of Maine may continue
26 that percentage of guarantee or financing in connection with the
27 refunding, notwithstanding present percentage limitations. This
28 bill also allows the Finance Authority of Maine to issue revenue
29 refunding securities without issuing a certificate of approval,
30 holding a public hearing or giving notice, provided the original
31 project for which a certificate of approval was issued, notice
32 given and hearing held is not enlarged and the amount of the
securities originally authorized is not increased.