

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST SPECIAL SESSION-1997

Legislative Document

No. 1780

S.P. 602

In Senate, April 14, 1997

**An Act to Amend the Finance Authority of Maine Act and the Adaptive
Equipment Loan Program.**

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule
205.

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

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator JENKINS of Androscoggin.
Cosponsored by Representative VIGUE of Winslow and
Senators: ABROMSON of Cumberland, CASSIDY of Washington, CATHCART of
Penobscot, KILKELLY of Lincoln, MacKINNON of York, Representatives: SIROIS of
Caribou, USHER of Westbrook, WRIGHT of Berwick.

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

4 **Sec. 1. 10 MRSA §374, sub-§4**, as enacted by PL 1987, c. 817,
§2, is repealed and the following enacted in its place:

6 4. Rules. The board may adopt rules to carry out the
purposes of this chapter. Rules adopted pursuant to this
8 subsection are routine technical rules as defined by Title 5,
chapter 375, subchapter II-A. The rules must ensure that:

10 A. Individuals, for-profit and nonprofit corporations and
12 partnerships are eligible for loans; and

14 B. A preference is given for loans to qualifying
16 individuals.

18 **Sec. 2. 10 MRSA §375, sub-§4**, as enacted by PL 1989, c. 191,
§2, is repealed.

20 **Sec. 3. 10 MRSA §1013, sub-§2**, as repealed and replaced by PL
1989, c. 698, §10, is repealed and the following enacted in its
22 place:

24 2. Teachers for Maine Program. The Teachers for Maine
Program, as established in Title 20-A, chapter 428;

26 **Sec. 4. 10 MRSA §1013, sub-§10**, as amended by PL 1995, c. 462,
28 Pt. A, §17, is further amended to read:

30 **10. Student financial assistance counseling and outreach**
32 **program.** The student financial assistance counseling and
outreach program, as established in Title 20-A, chapter 430-B; and

34 **Sec. 5. 10 MRSA §1013, sub-§13**, as amended by PL 1991, c. 824,
Pt. C, §1, is further amended to read:

36 **13. Higher Education Loan Program.** The Higher Education
38 Loan Program, as established in Title 20-A, chapter 417-C, ; and

40 **Sec. 6. 10 MRSA §1013, sub-§14** is enacted to read:

42 14. University of Maine System Scholarship Fund. The
University of Maine System Scholarship Fund, as established by
44 Title 20-A, chapter 419-B.

46 **Sec. 7. 10 MRSA §1053, sub-§6**, as repealed and replaced by PL
1995, c. 289, §6, is repealed and the following enacted in its
48 place:

50 6. Securities outstanding. The principal amount of revenue

2 obligation securities the authority may have outstanding at any
3 one time to which subsection 5 is stated in the trust agreement
4 or other document to apply may not exceed an aggregate principal
5 amount equal to \$591,000,000 as follows:

6 A. The sum of \$264,000,000, consisting of not more than
7 \$220,000,000 for loans and up to \$44,000,000 for use of bond
8 proceeds to fund capital reserve funds for revenue
9 obligation securities issued pursuant to this subchapter
10 relating to loans for electric rate stabilization projects;

12 B. The sum of \$120,000,000, consisting of not more than
13 \$100,000,000 for loans and up to \$20,000,000 for use of bond
14 proceeds to fund capital reserve funds for revenue
15 obligation securities issued pursuant to this subchapter
16 relating to loans for major business expansion projects;

18 C. The sum of \$57,000,000, consisting of not more than
19 \$45,000,000 for loans and up to \$12,000,000 for use of bond
20 proceeds to fund capital reserve funds for revenue
21 obligation securities issued pursuant to this subchapter
22 relating to workers' compensation residual market mechanism
23 projects; and

24 D. The sum of \$150,000,000, less the aggregate outstanding
25 balance of mortgage loans secured by capital reserve funds
26 pursuant to section 1032 for all other revenue obligation
27 securities issued pursuant to this subchapter.

30 The amount of revenue obligation securities issued to refund
31 securities previously issued may not be taken into account in
32 determining the principal amount of securities outstanding
33 provided that proceeds of the refunding securities are applied as
34 promptly as possible to the refunding of the previously issued
35 securities. In computing the total amount of revenue obligation
36 securities of the authority that may at any time be outstanding
37 for any purpose, the amounts of the outstanding revenue
38 obligation securities that have been issued as capital
39 appreciation bonds or as similar instruments are valued as of any
40 date of calculation at their then current accreted value rather
41 than their face value.

44 SUMMARY

46 This bill makes changes to the laws governing the Adaptive
47 Equipment Loan Program Fund Board and the Finance Authority of
48 Maine.

50 It repeals an ambiguous provision requiring that 75% of the

2 loans made from the Adaptive Equipment Loan Program Fund be made
to individuals and further requiring that all for-profit entities
4 receiving a loan obtain at least 50% of the total project costs
from sources other than the fund, and replaces the provision with
6 a directive that the board adopt rules setting forth a preference
for individuals with disabilities to receive loans and requiring
8 that for-profit loan recipients provide a portion of project
costs from sources other than the Adaptive Equipment Loan Program
Fund.

10
12 It updates the list of education loan programs the authority
administers.

14 It restates the existing provisions with regard to the
amount of bonds supported by the moral obligation of the State
16 that the authority may issue to include up to \$264,000,000 for
electric rate stabilization projects, \$120,000,000 for major
18 business expansion projects, \$57,000,000 for workers'
compensation residual market mechanism projects and up to
20 \$150,000,000 minus the aggregate outstanding amount of mortgage
loans secured by capital reserve funds pursuant to the Maine
22 Revised Statutes, Title 10, section 1032 for all other projects.
It is not intended that this bill have any effect on any revenue
24 obligation securities issued at any time pursuant to Title 10,
section 1053, subsection 5.