

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

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Legislative Document

No. 161

H.P. 130

House of Representatives, January 11, 1999

**An Act to Establish a Lead Abatement Revolving Loan Fund and a Tax Credit for Day Care Facilities for Expenditures Required to Comply with the Lead Poisoning Control Act.**

(EMERGENCY)

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative COLWELL of Gardiner.  
Cosponsored by Senator GOLDTHWAIT of Hancock and  
Representatives: GAGNON of Waterville, HATCH of Skowhegan, O'BRIEN of Augusta,  
O'NEAL of Limestone, PIEH of Bremen, TWOMEY of Biddeford, WATSON of  
Farmingdale, Senator: MITCHELL of Penobscot.

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,** preschool and small preschool facilities are  
required to undertake lead abatement measures and do not have the  
financial resources required to do so; and

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10          **Whereas,** the safety and welfare of Maine's children depend  
in part on the availability of safe, healthy day care  
environments, some of which can be secured only with financial  
assistance; and

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14          **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,

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

22                 **Sec. 1. 30-A MRSA c. 201, sub-c. IX-C is enacted to read:**

24                                 **SUBCHAPTER IX-C**

26   **LEAD ABATEMENT REVOLVING LOAN FUND**

28         **§4929. Lead Abatement Revolving Loan Fund**

30                 The Lead Abatement Revolving Loan Fund is established under  
the jurisdiction of the Maine State Housing Authority. For the  
purposes of this subchapter, "fund" means the Lead Abatement  
Revolving Loan Fund and "state authority" means the Maine State  
Housing Authority.

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36                 1. Sources of fund. The following money must be paid into  
the fund:

38                         A. All money appropriated for inclusion in the fund;

40                         B. Subject to any pledge, contract or other obligation, any  
money that the state authority receives in repayment of  
loans or advances from the fund;

42                         C. Subject to any pledge, contract or other obligation, all  
interest, dividends and other income from investment of the  
fund; and

44                         D. Any other money, including federal money, deposited in  
the fund to implement the provisions of this subchapter.

2           2. Application of fund. The state authority may apply  
money in the fund for purposes authorized by this subchapter.  
4           Money in the fund not needed currently for purposes of this  
subchapter may be deposited with the state authority to the  
6           credit of the fund or may be invested in a manner as is provided  
by law.

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10           3. Accounts within fund. The state authority may divide  
funds into separate accounts as it determines necessary or  
convenient for carrying out this subchapter.

12  
14           4. Revolving fund. The fund is a nonlapsing revolving  
fund. The state authority shall continuously apply all money in  
the fund appropriated by the State to carry out this subchapter.

16           **§4930. Assistance from fund**

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20           The state authority shall provide through the fund  
assistance to preschool and small preschool facilities, as  
defined in Title 22, section 1315, subsections 6-B and 6-C, that  
22           are required to incur expenditures for lead abatement pursuant to  
Title 22, chapter 252.

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26           1. Operation. The state authority shall administer the  
fund, which may be operated in conjunction with other programs of  
the state authority. Other programs of the state authority may  
28           be used to supplement or work in conjunction with the fund to  
achieve the purpose of this subchapter.

30  
32           A. Money in the fund may be used as security for or be  
applied in payment of principal, interest, fees and other  
charges due on loans made or insured under this subchapter.

34  
36           B. Money in the fund may be used to provide assistance to  
owners or operators of preschool and small preschool  
facilities who qualify for grant assistance under this  
38           subchapter.

40           C. Money in the fund may be matched with federal money and  
money of political subdivisions of the State.

42  
44           2. Provisions governing use of money. The fund must be  
administered subject to the provisions in this section. Priority  
46           must be given to owners and operators of preschool and small  
preschool facilities who do not have access to adequate capital  
or credit to perform the required lead abatement.

48  
50           A. The state authority, by rules adopted in accordance with  
the Maine Administrative Procedure Act, shall establish

2 priorities of assistance to owners and operators of  
3 preschool and small preschool facilities. These priorities  
4 must be based on the assets of the owner or operator;  
5 availability to owners and operators of credit or assistance  
6 or income from other sources, including financial  
7 institutions, federal and state programs, investments, trust  
8 funds and other similar sources; the amount of abatement  
9 required to be performed; the immediacy of the need for  
10 assistance; and any other variables determined to be  
11 important by the state authority.

12 B. Loans from the fund may not exceed \$4,000 per owner or  
13 operator at rates of interest not to exceed 1% below the  
14 prime rate.

16 C. Loans from the fund may be made for periods of up to 5  
17 years. In the event that an owner or operator cannot repay  
18 a loan in full within the 5-year period, the state authority  
19 may extend the repayment period if the state authority  
20 determines that the loan can be repaid during the extension  
21 period. The state authority may waive the payment of  
22 interest on any loan or portion of a loan for which the  
23 interest payment poses an undue hardship on an owner or  
24 operator.

26 D. Money in the fund may be used to reduce interest rates  
27 on loans provided by financial institutions located in this  
28 State to owners or operators who are required to perform  
29 lead abatement.

30 3. Loan insurance. The state authority may insure payments  
31 due under a loan and may pledge money in the fund as security for  
32 a loan, which may be in addition to or in lieu of insurance  
33 provided under other provisions of this chapter. Loans may not  
34 constitute any debt or liability on the part of the state  
35 authority or the State, except to the extent specifically  
36 provided by contract executed by the state authority.

38 4. Procedures. The state authority shall adopt rules in  
39 accordance with the Maine Administrative Procedure Act by which  
40 this subchapter is implemented. Rules adopted pursuant to this  
41 subchapter are routine technical rules as defined in Title 5,  
42 chapter 375, subchapter II-A.

44 Sec. 2. 36 MRSA §5217-C is enacted to read:

46 §5217-C. Lead abatement credit

48 A preschool or small preschool facility, as defined in Title  
50 22, section 1315, subsections 6-B and 6-C, that incurs

2 expenditures required for lead abatement pursuant to Title 22,  
3 chapter 252 is allowed a credit of up to a maximum of \$1,000  
4 against the tax otherwise due under this Part, including the tax  
5 imposed by section 5203-A, for the amount that the preschool or  
6 small preschool facility paid during the taxable year for lead  
7 abatement on the premises of the facility.

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

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14 This bill establishes the Lead Abatement Revolving Loan  
15 Fund to make loans to preschool and small preschool facilities  
16 that are required to incur lead abatement expenses. The fund is  
17 administered by the Maine State Housing Authority. The bill also  
18 allows a tax credit of up to \$1000 to a preschool or small  
19 preschool facility that incurs expenditures for lead abatement  
20 pursuant to the Maine Revised Statutes, Title 22, chapter 252.