

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

SECOND REGULAR SESSION-2002

Legislative Document

No. 2111

H.P. 1614

House of Representatives, February 19, 2002

An Act to Authorize County Extension Building Associations to Borrow Money.

(AFTER DEADLINE)

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

Reference to the Committee on Agriculture, Conservation and Forestry suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative SKOGLUND of St. George.

Cosponsored by Senator KILKELLY of Lincoln and

Representatives: CRABTREE of Hope, HALL of Bristol, McNEIL of Rockland, TRAHAN of Waldoboro, Senator: SAVAGE of Knox.

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

4 **Sec. 1. 7 MRSA §§196 to 199-B** are enacted to read:

6 **§196. Building associations authorized**

8 The county commissioners of a county or combination of 2
9 counties in which there is a county extension association are
10 authorized to form a county extension building association under
11 the nonprofit corporation law of the State. A county extension
12 building association is a public instrumentality of the State and
13 a constituted authority for purposes of the United States
14 Internal Revenue Code of 1986, Section 103. The purpose of a
15 county extension building association is to acquire, by purchase,
16 lease or otherwise, buildings and other real and personal
17 property to be used by the county extension association in
18 carrying out its public purposes under this chapter.

20 **§197. Borrowing authorized**

22 In order to carry out its purposes, a county extension
23 building association is authorized by a vote of the directors to
24 borrow money on behalf of either or both of the county or
25 counties comprising the affiliated county extension association
26 by the issuance of bonds or notes and to grant mortgages and
27 security interest in its property to secure the obligations. All
28 bonds or notes must be for a term not to exceed 30 years and
29 contain such terms and conditions as the directors of the county
30 extension building association may determine. The bonds or notes
31 may not be an obligation of or pledge the faith and credit of the
32 State, any county or political subdivision other than the county
33 extension building association.

34 **§198. Other powers and authority**

36 In addition to the powers and authority granted to a county
37 extension building association under this chapter, the county
38 extension building association has all other powers and authority
39 granted to nonprofit corporations under Title 13-B.

40 **§199. Directors chosen by county commissioners**

42 A majority of the directors of a county extension building
43 association must be appointed by county commissioners of the
44 county or counties comprising the affiliated county extension
45 association.

48 **§199-A. Conveyance to county**

50 No part of the net earnings of a county extension building
51 association may inure to the benefit of any member, director or
52 officer of the county extension building association, or any

2 private individual, except that reasonable compensation may be
4 paid for services rendered, and a member, director or officer of
6 a county extension building association, or any private
8 individual, is not entitled to share in the distribution of any
10 of the corporate assets on dissolution of the county extension
12 building association. On the dissolution of a county extension
14 building association or on the termination of its activities, the
16 assets of the county extension building association remaining
18 after the payment of its liabilities must be distributed to the
20 county in which the county extension building association is
22 housed.

12 **§199-B. No other approvals required**

14 Bonds or notes may be issued by the county extension
16 building association under this chapter without obtaining the
18 consent of any commission, board, bureau or agency of the State
20 or of the county or counties comprising the affiliated county
22 extension association, and without any other proceeding or the
24 happening of any other conditions than those proceedings or
26 conditions that are specifically required by this chapter.

24 **SUMMARY**

26 This bill authorizes a county extension building association
to borrow money.