

# MAINE STATE LEGISLATURE

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ACTS AND RESOLVES

AS PASSED BY THE

One Hundred and Fifth Legislature

OF THE

STATE OF MAINE

Published by the Director of Legislative Research in accordance with  
the Revised Statutes of 1964, Title 3 Section 164, Subsection 6.

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THE KNOWLTON AND MCLEARY COMPANY  
FARMINGTON, MAINE  
1971

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PUBLIC LAWS  
OF THE  
STATE OF MAINE  
AS PASSED BY THE  
One Hundred and Fifth Legislature  
1971

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§ 1028. Penalties

Any person who shall violate any of the provisions of this Article, except section 1017, subsection 1, paragraph B, or shall neglect or refuse to comply with the provisions thereof or any rule or regulation promulgated hereunder shall be punished by a fine of not more than \$1,000 for the first offense and not more than \$2,000 for each subsequent offense.

Effective September 23, 1971

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## Chapter 367

### AN ACT Relating to Rate of Interest on Property Taxes.

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

R. S., T. 36, § 505, sub-§ 4, repealed and replaced. Subsection 4 of section 505 of Title 36 of the Revised Statutes, is repealed and the following enacted in place thereof:

4. **When interest collected.** The date from and after which interest shall be collected. The rate of interest shall be specified in the vote and shall apply to delinquent taxes committed during the taxable year until those taxes are paid in full. The rate of interest shall not exceed the highest conventional rate of interest charged for commercial unsecured loans by Maine banking institutions on the first business day of the calendar year the vote is taken. The highest conventional rate of interest charged for commercial unsecured loans by Maine banking institutions on the first business day of each calendar year shall be determined in his best judgment by the Treasurer of State, who shall send a written notice of such rate of interest on or before January 20th of each year to the chief municipal officer of each municipality. Such interest shall be added to and become part of the taxes.

Effective September 23, 1971

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## Chapter 368

### AN ACT to Increase Amount of Real Estate Tax Exemption for Paraplegic Veterans.

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

R. S., T. 36, § 653, sub-§ 1, ¶ D-1, amended. The first sentence of paragraph D-1 of subsection 1 of section 653 of Title 36 of the Revised Statutes, as enacted by chapter 144 of the public laws of 1967 and as amended by chapter 341 of the public laws of 1969, is further amended to read as follows:

The estates up to the value of ~~\$10,000~~ \$20,000, having a taxable situs in the place of residence, but not exceeding the amount of the grant from the United States Government for specially adapted housing units, of veterans who served

in the Armed Forces of the United States during any federally recognized war period and who are paraplegic veterans, so called, within the meaning of the U. S. Code, Title 38, chapter 21, section 801, and who received a grant from the United States Government for such specially adapted housing, or of the unremarried widows of such veterans.

Effective September 23, 1971

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## Chapter 369

### AN ACT to Conform Maine's Corporation Law to the Internal Revenue Code to Permit Tax Exempt Status under Federal Law for Certain Corporations.

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

R. S., T. 13, § 937, additional. Title 13 of the Revised Statutes is amended by adding a new section 937 to read as follows:

§ 937. Prohibitions and requirements applicable to corporations which are private foundations

1. Prohibitions. No corporation which is a "private foundation" as defined in section 509 (a) of the Internal Revenue Code of 1954, shall:

A. Engage in any act of "self-dealing," as defined in section 4941 (d) of the Internal Revenue Code of 1954, which would give rise to any liability for the tax imposed by section 4941 (a) of the Internal Revenue Code of 1954;

B. Retain any "excess business holdings," as defined in section 4943 (c) of the Internal Revenue Code of 1954, which would give rise to any liability for the tax imposed by section 4943 (a) of the Internal Revenue Code of 1954;

C. Make any investment which would jeopardize the carrying out of any of its exempt purposes, within the meaning of section 4944 of the Internal Revenue Code of 1954, so as to give rise to any liability for the tax imposed by section 4944 (a) of the Internal Revenue Code of 1954; and

D. Make any "taxable expenditures", as defined in section 4945 (d) of the Internal Revenue Code of 1954, which would give rise to any liability for the tax imposed by section 4945 (a) of the Internal Revenue Code of 1954.

2. Requirements. Each corporation which is a "private foundation" as defined in section 509 of the Internal Revenue Code of 1954 shall distribute, for the purposes specified in its certificate of incorporation, for each taxable year, amounts at least sufficient to avoid liability for the tax imposed by section 4942 (a) of the Internal Revenue Code of 1954.

3. Application. Subsections 1 and 2 shall not apply to any corporation to the extent that a court of competent jurisdiction shall determine that such application would be contrary to the terms of the certificate of incorporation