

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND ELEVENTH LEGISLATURE

SECOND SPECIAL SESSION

November 18, 1983

AND AT THE

SECOND REGULAR SESSION

January 4, 1984 to April 25, 1984

AND AT THE

THIRD SPECIAL SESSION

September 4, 1984 to September 11, 1984

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J.S. McCarthy Co., Inc.
Augusta, Maine
1986

PUBLIC LAWS
OF THE
STATE OF MAINE

AS PASSED AT THE
SECOND REGULAR SESSION
of the
ONE HUNDRED AND ELEVENTH LEGISLATURE
JANUARY 4, 1984 TO APRIL 25, 1984

1. Kinds of projects. Acquire, construct, re-construct, maintain, renew and replace eligible projects within the State, as defined in section 1001, subsection 7, whether or not now in existence, or assist a user to acquire, construct, reconstruct, renew and replace these projects;

Sec. 4. 10 MRSA §1061, sub-§1, as repealed and replaced by PL 1983, c. 519, §17, is repealed and the following enacted in its place:

1. Kinds of projects. Acquire, construct, re-construct, renew and replace or provide financing for, within the corporate limits of the municipality, eligible projects, as defined in section 1001, subsection 7.

A. For the purposes of this subchapter only, a municipality may undertake or provide for the financing of reconstruction of an existing building project as defined in section 1001, subsection 26 and section 1063, subsection 2, paragraph G.

Effective July 25, 1984.

CHAPTER 700

H.P. 1608 - L.D. 2124

AN ACT to Provide More Venture Capital to Maine Business.

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

Whereas, it is in the best interest of the State to increase the availability of capital for business financings; and

Whereas, the laws relating to the Maine Capital Corporation need to be amended in order to permit increased capitalization; and

Whereas, these changes need to be effective immediately in order to take advantage of opportunities which are immediately available to the Maine Capital Corporation; and

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,

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

Sec. 1. 10 MRSA §950, as amended by PL 1979, c. 587, §§1 and 2, is further amended by adding at the end a new paragraph to read:

The Legislature further finds that it is prudent to permit the corporation to invest outside the State, except that the initial \$1,000,000 capitalization and 1/3 of any additional capitalization shall be reserved for investment in Maine businesses.

Sec. 2. 10 MRSA §951, as repealed and replaced by PL 1979, c. 587, §3, is amended to read:

§ 951. Formation; name; purposes

There is hereby authorized the formation, under Title 13-A, of a private investment corporation to be named "The Maine Capital Corporation" for the purpose of providing investment capital to new Maine business firms or in existing Maine business firms for purposes of expansion and for the purpose of investing outside the State, in accordance with section 952.

Sec. 3. 10 MRSA §952, as amended by PL 1981, c. 364, §1, is further amended to read:

§952. Limitations on purposes and powers

The Maine Capital Corporation shall have all of the general powers of business corporations enumerated in Title 13-A, section 202, except that:

1. Investments and related business dealings. ~~Its~~ The investment of the initial \$1,000,000 capitalization and 1/3 of any additional capitalization, shall be restricted to financings and related business dealings shall be restricted to of Maine business firms which, for the purposes of this chapter, shall be defined as Maine business entities, including, without limitation, corporations and limited partnerships, whether or not the same are subsidiaries of foreign corporations, which are doing business primarily in Maine or do substantially all of their production in Maine. Any funds so invested in

Maine business firms by purchase of stock or otherwise shall be used by the firms solely for the purpose of enhancing their productive capacities or ability to do business within the State, or to facilitate their ability to generate value added within the State to goods or services for export to out-of-state markets. The Maine Capital Corporation's financings may include, in any combination and without limitation, equity investments, loans, guarantees and commitments for such financings;

2. Investment limited. Its investment in any one Maine business firm shall be limited to a maximum of ~~\$200,000~~ 20% of its capital;

The Maine Capital Corporation shall not invest in any firm in which a person, or his or her spouse or dependent children, owning common stock of the Maine Capital Corporation holds over a 25% interest;

3. Maximum capitalization. Its ~~maximum~~ initial capitalization shall not exceed \$1,000,000 and shall consist of 10,000 shares of common capital stock having a par value of \$100 per share. All shares offered for sale by the corporation shall be for cash at their par value;

Any capitalization in excess of the initial \$1,000,000, except as provided, may be invested without geographical limitation.

4. Commencement of business. Before it commences doing business, the corporation shall have and thereafter maintain a board of 9 directors, 7 of whom shall be elected by the shareholders and 2 of whom shall be appointed by the Governor and shall represent the public interests of the State;

5. Amount of common stock held. No person, firm or corporation shall ~~may~~ subscribe for, own or hold directly or indirectly more than ~~1,000 shares~~ 20% of the common stock of the corporation at any time. For the purposes of determining ownership hereunder, the attribution rules of ~~section 318 of the Internal Revenue Code~~ the United States Internal Revenue Code, Section 318, in effect as of the effective date of this Act shall apply;

6. Payment of dividends. It shall not declare or pay any dividends to its shareholders during its first 5 years of operation and thereafter any dividends shall be paid only on common stock whose holders are not using the credit for investment in the Maine Capital Corporation allowed under Title 36,

section 5216. Dividends paid shall be limited to a maximum of 50% of retained earnings, with the balance being reinvested according to subsections 1 and 2; and

7. Financial statement. It shall cause to be prepared an audited financial statement, certified by an independent certified public accountant, within 60 days after the close of each fiscal year of its operations, which report shall be distributed to the Governor and ~~Legislative Council~~ the committee of the Legislature having jurisdiction over taxation and made available to the public, detailing its investment and financial activities.

Sec. 4. 10 MRSA §955 is enacted to read:

§955. Repeal

On December 31, 1988, chapter 108, except for section 955, shall be repealed, and the Maine Capital Corporation may continue as a general business corporation under Title 13-A. The initial \$1,000,000 of The Maine Capital Corporation and 20% of any additional capital shall be reserved for investment in Maine businesses in perpetuity.

Sec. 5. 36 MRSA §5216, sub-§1, as amended by PL 1983, c. 519, §26, is further amended to read:

1. Credit. A resident individual, resident estate or trust, or taxable corporation is entitled to a credit against the tax otherwise due under this Part equal to 50% of the amount of his or its investment in common stock of The Maine Capital Corporation or the Maine Natural Resource Capital Corporation. Twenty percent of the credit shall be taken in the taxable year of the investment and 20% in each of the next 4 taxable years. The credit allowed under this section shall be available only to the subscribers of the initial \$1,000,000 of capital in the common stock of the Maine Capital Corporation.

Sec. 6. 36 MRSA §5216, sub-§5 is enacted to read:

5. Repeal. On December 31, 1988, this section is repealed.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

Effective April 6, 1984.

CHAPTER 701

H.P. 1752 - L.D. 2314

AN ACT to Repeal the Law Requiring Adult Children to Care for Parents According to Ability.

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

Sec. 1. 19 MRSA §219, as amended by PL 1969, c. 433, §34, is repealed.

Sec. 2. 19 MRSA §442 is amended to read:

§442. Man's duty of support

Every man shall support his wife and his child, and his parent when in need.

Sec. 3. 19 MRSA §443 is amended to read:

§443. Woman's duty of support

Every woman shall support her child; and her husband and her parent when in need.

Sec. 4. 22 MRSA §4313, sub-§2, as enacted by PL 1983, c. 577, §1, is amended to read:

2. Burial. In the event of the death of an eligible person, the funeral director shall notify the overseer prior to making any burial preparations. Notwithstanding section 4305, subsection 3, paragraph C, a decision on any application for assistance with burial expenses need not be rendered until the overseer has verified that no relative or other resource is available to pay for the burial costs, but in no case shall the decision be rendered more than 10 days after receiving an application. The father, mother, grandfather, grandmother, children or grandchildren, by consanguinity, living within or owning real or tangible property within the State, shall be responsible for the burial costs of the eligible person in proportion to their respective abilities.