

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND THIRTEENTH LEGISLATURE
FIRST REGULAR SESSION

December 3, 1986 to June 30, 1987

Chapters 1-542

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

Twin City Printery
Lewiston, Maine
1987

PUBLIC LAWS

OF THE

STATE OF MAINE

AS PASSED AT THE
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1985, c. 594, §8, is further amended to read:

12. Mortgage assistance payments. Pursuant to the purposes of this Act to provide housing for persons of low-income, the State Housing Authority shall have the power to make payments and binding commitments, subject to the authority's receipt of sufficient funds to honor ~~said~~ these commitments from periodic appropriations from appropriate sources, to continue ~~said~~ these payments if necessary over the life of the mortgage to mortgagors or to mortgagees on behalf of low-income persons to reduce interest costs on market rate mortgages to as low as 1%. No commitment made by the authority under this subsection shall be construed to commit the faith and credit of the ~~this State of Maine.~~

Persons benefiting from these mortgage assistance payments shall, according to guidelines to be included in ~~said~~ the mortgage agreements, be required to pay a larger interest payment as their ability to pay increases; ~~and~~

Sec. 2. 30 MRSA §4651, sub-§14, as enacted by PL 1985, c. 594, §9, is amended to read:

14. Allocation of federal ceilings. By rulemaking pursuant to Title 5, chapter 375, subchapter II, ~~the state authority shall have the power to establish a process that is different from the federal formula for allocating that portion of the ceiling on the issuance of certain tax-exempt bonds established by the United States Code, Title 26, which has been allocated to the state authority pursuant to Title 10, section 363, and may also limit the types of projects which are eligible to receive allocations or carry-forward designations from the state authority; and~~

Sec. 3. 30 MRSA §4651, sub-§15 is enacted to read:

15. State housing credit agency. ~~The state authority is designated the housing credit agency for the State and shall have the power to receive and allocate, according to a process established by rulemaking pursuant to Title 5, chapter 375, subchapter II, the annual state housing credit ceiling for the low-income housing credit established by the United States Code, Title 26.~~

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

Effective December 11, 1986.

CHAPTER 3

H.P. 5 — L.D. 5

AN ACT to Provide for Emergency Allocations of a Portion of the State Ceiling on Private Activity Bonds.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjourn-

ment unless enacted as emergencies; and

Whereas, the Maine Revised Statutes, Title 10, section 363, subsection 3, enacted by Public Law 1985, c. 594, provides that the Governor, with the approval of the Legislature, shall provide an emergency allocation of the state ceiling on private activity bonds established under federal law, including the Internal Revenue Code of 1986, as amended, during the interim period prior to the effective date of legislation as provided in the Maine Revised Statutes, Title 10, section 363, subsection 2; and

Whereas, there is an immediate need to provide for an allocation of the state ceiling so that issues of certain tax exempt bonds by the State and issuers within the State can continue prior to the effective date of legislation pursuant to the Maine Revised Statutes, Title 10, section 363, subsection 2; and

Whereas, there is a statewide need to assure that state ceiling can be allocated in a timely and efficient manner beginning immediately after January 1, 1987; 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 §363, sub-§3, as enacted by PL 1985, c. 594, §1, is amended to read:

3. Emergency allocation. With respect to any state ceiling established by federal formula which becomes effective applicable on or after January 1, 1987, and prior to the enactment effective date of legislation enacted after January 1, 1987, and prior to the enactment of legislation providing for the allocation of the state ceiling as provided in subsection 2, the Governor, with the approval of the Legislature, shall provide for emergency allocations for the interim period which shall be in effect until the allocation of the state ceiling is effective date of legislation enacted in accordance with the procedure established in subsection 2.

A. The Governor shall not allocate the state ceiling or any part of the state ceiling beginning January 1, 1987, except as provided in this section.

Sec. 2. 10 MRSA §363, sub-§8 is enacted to read:

8. Use of carryforward. In the event that any issuer has made a carryforward election under the United States Code, Title 26, Section 146(f), as amended, such issuer shall, to the extent possible and consistent with the purpose for which the carryforward was elected use the carryforward for issues subject to the state ceiling prior to allocating any portion of the state ceiling for the applicable calendar year to the issue.

Sec. 3. 10 MRSA §980-A, as amended by PL 1985, c. 594, §2, is further amended to read:

§980-A. Allocation of federal bond ceiling

The authority may, by rulemaking pursuant to Title 5, chapter 375, subchapter II, establish a process that is different from the federal formula for allocating that portion of the ceiling established by the United States Code, Title 26, Section 146, as amended, allocated to the authority pursuant to section 363. For purposes of this section, the authority may also limit the types of projects which are eligible to receive allocations of the ceiling and establish other requirements and limitations for assuring effective and efficient use of the ceiling. The authority shall include in its report pursuant to section 974 a description of its operations pursuant to this section for the most recent calendar year and of its plans, if any, to revise any allocation system established pursuant to this section. The chief executive officer is designated as the state official authorized to issue the certification under the United States Code, Title 26, Section 149(e)(2)(F), as amended, for allocations of the state ceiling allocated to the authority pursuant to section 363.

Sec. 4. Allocation to the Maine State Housing Authority. Fifty million dollars of the state ceiling for calendar year 1987 shall be allocated by the Governor pursuant to the Maine Revised Statutes, Title 10, section 363, subsection 3, to the Maine State Housing Authority to be used in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 4.

Sec. 5. Allocation to the Treasurer of State. Twenty million dollars of the state ceiling for calendar year 1987 shall be allocated by the Governor pursuant to the Maine Revised Statutes, Title 10, section 363, subsection 3, to the Treasurer of State to be used in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 5.

Sec. 6. Allocation to the Finance Authority of Maine. Fifty million dollars of the state ceiling for calendar year 1987 shall be allocated by the Governor pursuant to the Maine Revised Statutes, Title 10, section 363, subsection 3, to the Finance Authority of Maine to be used in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 6, for qualified small issue bonds only.

Sec. 7. Allocation to the Maine Municipal Bond Bank. Twelve million dollars of the state ceiling for calendar year 1987 shall be allocated by the Governor pursuant to the Maine Revised Statutes, Title 10, section 363, subsection 3, to the Maine Municipal Bond Bank to be used in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 7.

Sec. 8. Unallocated state ceiling. One hundred eighteen million dollars of the state ceiling for calendar year 1987 is unallocated and shall be reserved for allocation in accordance with subsequent legislation.

Sec. 9. Reallocation authorized. Amounts authorized to be allocated in this Act may be reallocated in accordance with subsequent legislation except for amounts allocated to specific issues of bonds prior to the effective date of the subsequent legislation, which allocations shall be final.

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

Effective December 11, 1986.

CHAPTER 4

H.P. 1 — L.D. 1

AN ACT Providing Conformity with the United States Internal Revenue Code under the Maine Income Tax Law for 1986.

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

Whereas, the 90-day period would delay the procurement and processing of 1986 income tax returns; and

Whereas, legislative action is necessary before January 1, 1987, in order to ensure continued and efficient administration of the Maine income tax law; 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. 5 MRSA §1514 is enacted to read:

§1514. Tax Adjustment Reserve Fund

1. Tax Adjustment Reserve Fund established. There is established a Tax Adjustment Reserve Fund which shall be maintained for the exclusive purpose of mitigating the impact of changes in individual and corporate income tax collections by the state occurring as a consequence of the State's conformity to the provisions of the Internal Revenue Code of 1986.

2. Transfers to the Tax Adjustment Reserve Fund. Notwithstanding any other provision of law, the State Controller shall transfer to the Tax Adjustment Reserve Fund, without deductions, that portion of undedicated General Fund revenues which is jointly certified by the State Budget Officer and the State Tax Assessor to be directly attributable to increased corporate or individual income tax collections resulting from conformity to the Internal Revenue Code of 1986.