

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

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
FIRST REGULAR SESSION
of the
ONE HUNDRED AND THIRTEENTH LEGISLATURE
1987

rent authority. Thereafter, he may exercise as to assets in this State all powers of a local conservator and may maintain actions and proceedings in this State subject to any conditions imposed upon nonresident parties generally.

Effective September 29, 1987.

CHAPTER 393

S.P. 613 — L.D. 1807

AN ACT Providing for the 1987 Amendments to the Finance Authority of Maine Act.

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

Sec. 1. 10 MRSA §963-A, sub-§43-A is enacted to read:

43-A. Professional. "Professional," when used with reference to office space, means professions or professionals regulated or licensed under applicable state law.

Sec. 2. 10 MRSA §963-A, sub-§49-A is enacted to read:

49-A. Seller-sponsored loan. "Seller-sponsored loan" means a loan to one or more individuals or to a family farm corporation from the seller of agricultural land, which loan represents all or a significant portion of the purchase price for that land, provided that the authority has issued a certificate designating the loan as a seller-sponsored loan with respect to an identified seller after finding that the interest rate to be charged is reasonably consistent with current interest rates for loans for the purchase of agricultural land, and that the purchasers intend to use the land primarily for growing or raising plants or animals for business purposes. The loan shall cease to be a seller-sponsored loan if the land ceases to be used for agricultural purposes.

Sec. 3. 10 MRSA §1026-B, sub-§1, as amended by PL 1985, c. 714, §19, is further amended to read:

1. Scope of section. This section applies, in addition to other applicable provisions of this subchapter, when the original principal amount of the mortgage insurance is \$500,000 or less, but not when mortgage insurance is provided pursuant to section 1026-D.

Sec. 4. 10 MRSA §1026-B, sub-§5, as enacted by PL 1985, c. 714, §21, is amended to read:

5. Professional office building projects. The authority may insure mortgage loans for a professional office building project, provided that:

A. The principal amount of mortgage insurance for the project does not exceed \$200,000;

B. Less than 35% of the project is intended or planned for professional office space;

C. ~~In~~ Notwithstanding paragraph B, in the event that the project proposes that more than 35% of the project will be professional office space, the project is not attached or adjoined to any other professional office building, which has received an insured mortgage loan under this chapter; and

D. The applicant has not received mortgage insurance under this subsection for any other professional office building project.

Sec. 5. 10 MRSA §1026-C, sub-§1, as enacted by PL 1985, c. 344, §49, is repealed and the following enacted in its place:

1. Scope of section. This section applies in addition to and not to the exclusion of other applicable provisions of this subchapter, but not when mortgage insurance is provided pursuant to section 1026-D.

Sec. 6. 10 MRSA §1026-C, sub-§2, as amended by PL 1985, c. 714, §22, is further amended to read:

2. Insurance. The authority may provide mortgage insurance benefiting a veteran in an original principal amount of \$250,000 or less in addition or as an alternative to any amount provided pursuant to section 1026-B.

Sec. 7. 10 MRSA §1026-C, sub-§5, as enacted by PL 1985, c. 714, §23, is amended to read:

5. Professional office building projects. The authority may insure mortgage loans for a professional office building project, provided that:

A. The principal amount of mortgage insurance for the project does not exceed \$200,000;

B. Less than 35% of the project is intended or planned for professional office space;

C. ~~In~~ Notwithstanding paragraph B, in the event that 35% or more of the project will be professional office space, the project is not attached to or does not adjoin any other professional office building which has received an insured mortgage loan under this chapter; and

D. The applicant has not received mortgage insurance under this subsection for any other professional office building project.

Sec. 8. 10 MRSA §1026-D, sub-§3, ¶B, as amended by PL 1985, c. 714, §24, is further amended to read:

B. The original principal amount of the mortgage loan, including any mortgage loan secured by a coordinate or priority lien or security interest in the same eligible collateral which is proposed to secure repay-

ment of the insured mortgage loan, shall not exceed the sum of the following percentages of the cost or value, as determined by the authority at the time of application for mortgage insurance, of eligible collateral held, owned, controlled or used by any eligible enterprise:

- (1) One hundred percent of the cost or value of real estate designed as an industrial park or 100% of the value of cash, deposits of money, certificates of deposit or other cash equivalents, irrevocable letters of credit issued by financial institutions acceptable to the authority or loan guarantees from insurance companies or other institutions satisfactory to the authority;
- (2) Ninety percent of the cost or value of real estate;
- (3) Eighty percent of the cost or value of eligible collateral consisting primarily of one or more fishing or other vessels;
- (4) Seventy-five percent of the cost or value of eligible collateral consisting primarily of machinery and equipment;
- (5) Notwithstanding subparagraph (2), 75% of the cost or value of eligible collateral held, owned, controlled or used by a recreational enterprise; or
- (6) Sixty percent of the cost or value of other eligible collateral.

Sec. 9. 10 MRSA §1026-D, sub-§5, as enacted by PL 1985, c. 344, §49, is amended to read:

5. Office space. The authority may not insure any mortgage loan for a project 35% or more of which, as determined by the authority, is professional office space, as defined by the authority.

Sec. 10. 10 MRSA §1041-A, sub-§3, as enacted by PL 1985, c. 344, §62, is amended to read:

3. Professional office space. The authority may not use more than 35% of the proceeds of an issue of its revenue obligation securities to provide financial assistance for professional office space, as defined by the authority, except under the following circumstances:

- A. In the case of the reconstruction of an existing building project satisfying the requirements of subsection 4;
- B. In any case where there will be a 35% or more increase in jobs in a business where 50% or more of the products or services are or will be sold or used outside the State, as determined by the authority;
- C. In any case where provision of housing is likely to be facilitated as a result of a project constituting both housing and office space, as determined by the authority; or

D. Where the authority is an occupant of the project.

Sec. 11. 10 MRSA §1049, as enacted by PL 1981, c. 476, §2, is amended to read:

§1049. Tax exemption

Revenue obligation securities issued under this subchapter shall constitute a proper public purpose and the securities, their transfer and the income from them, including any profits made on their sale, shall at all times be exempt from taxation within the State, whether or not those securities, their transfer or the income from them, including any profits made on their sale, are subject to taxation under the United States Internal Revenue Code, as amended.

Sec. 12. 10 MRSA §1054, as amended by PL 1985, c. 593, §3, is further amended to read:

§1054. Taxable bond option

With respect to all or any portion of any issue of any bonds or any series of bonds which the authority may issue in accordance with the limitations and restrictions of this subchapter, the authority may covenant and consent that the interest on the bonds shall be includable, under the United States Internal Revenue Code of 1954 or any subsequent corresponding internal revenue law of the United States, in the gross income of the holders of the bonds to the same extent and in the same manner that the interest on bills, bonds, notes or other obligations of the United States is includable in the gross income of the holders under the United States Internal Revenue Code or any subsequent law. ~~The powers conferred by Bonds issued pursuant to this section shall not be subject to any limitations or restrictions of any law which may limit the authority's power to so covenant and consent issue those bonds or to the procedures set forth in section 1043 or in section 1044, subsections 1, 11 and 12.~~ The foregoing grant of power shall not be construed as limiting the inherent power of the State or its agencies under any other provision of law to issue debt, the interest on which is includable in the gross income of the holders of the interest under the United States Internal Revenue Code or any subsequent law.

Sec. 13. 10 MRSA §1061-A, sub-§2, as enacted by PL 1985, c. 344, §80, is amended to read:

2. Professional office space. A municipality may not use more than 35% of the proceeds of an issue of its revenue obligation securities to provide financial assistance for professional office space, as defined by the authority, except under the following circumstances:

- A. In the case of the reconstruction of an existing building project satisfying the requirements of subsection 3;
- B. In any case where there will be a 35% or more increase in jobs in a business where 50% or more of

the products or services are or will be sold or used outside the State, as determined by the authority; or

C. In any case where provision of housing is likely to be facilitated as a result of a project consisting of both housing and office space, as determined by the authority.

Sec. 14. 10 MRSA §1071, as enacted by PL 1981, c. 476, §2, is amended to read:

§1071. Tax exemption

Revenue obligation securities issued under this subchapter shall constitute a proper public purpose and the securities, their transfer and the income from ~~such securities, or from their transfer~~ them, including any profit made on their sale, shall at all times be exempt from taxation within the State, whether or not those securities, their transfer or the income from them, including any profits made on their sale, are subject to taxation under the United States Internal Revenue Code, as amended.

Sec. 15. 10 MRSA §1074, as enacted by PL 1985, c. 593, §7, is amended to read:

§1074. Taxable bond option

With respect to all or any portion of any issue of bonds or any series of bonds which any municipality may issue in accordance with the limitations and restrictions of this subchapter, the municipality may covenant and consent that the interest on the bonds shall be includable, under the United States Internal Revenue Code of 1954 or any subsequent corresponding internal revenue law of the United States, in the gross income of the holders of the bonds to the same extent and in the same manner that the interest on bills, bonds, notes or other obligations of the United States is includable in the gross income of the holders under the United States Internal Revenue Code or any subsequent law. ~~The powers conferred by Bonds issued pursuant to this section shall not be subject to any limitations or restrictions of any law which may limit the municipality's power to so covenant and consent~~ issue those bonds or to the procedures set forth in section 1063 or in section 1064, subsection 1. Any bonds or issue or series of bonds with respect to which the municipality covenants and consents that the interest on the bonds shall be includable, under the United States Internal Revenue Code of 1954 or any subsequent corresponding internal revenue law of the United States in the gross income of the holders of the bonds to the same extent and in the same manner that interest on bills, bonds, notes or other obligations of the United States is includable in the gross income of the holders under the United States Internal Revenue Code or any subsequent law shall be a properly authorized, legal, valid, binding and enforceable obligation of the municipality, regardless of whether the bonds were authorized, executed, delivered or issued prior to or after the effective date of this section. The foregoing grant of power shall not be construed as limiting the in-

herent power of municipalities under any other provision of law to issue debt, the interest on which is includable in the gross income of the holders of the interest under the United States Internal Revenue Code or any subsequent law.

Sec. 16. 12 MRSA §404, as enacted by PL 1983, c. 458, §1, is amended to read:

§404. Finance Authority of Maine

~~The Maine Guarantee Finance Authority of Maine~~ may not finance any energy generating system project under Title 10, chapter 110, if that project is located in whole or in part on any river listed in section 403.

Effective September 29, 1987.

CHAPTER 394

H.P. 737 — L.D. 1000

AN ACT Concerning Municipal Water Supplies.

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

Whereas, the trustees of public water supplies must take effective measures to protect the health and well-being of citizens who rely upon those water supplies; and

Whereas, nuisance growths of algae in public water supplies may most effectively be controlled by the application of copper sulfate during the summer months; and

Whereas, the Department of Environmental Protection lacks statutory authority to authorize the application of copper sulfate in a timely manner to control algae growth on public water supplies; 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. 38 MRSA §413, sub-§8 is enacted to read:

8. Emergency public water utility license. An emergency license may be issued pursuant to section 414-A to a certified public water supply operator for the purpose of discharging or causing to be discharged copper sulfate or related compounds into a public water supply.

Sec. 2. 38 MRSA §414-A, sub-§1-A is enacted to read: