

# 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.

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Twin City Printery  
Lewiston, Maine  
1987

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**PUBLIC LAWS**

OF THE

**STATE OF MAINE**

AS PASSED AT THE  
FIRST REGULAR SESSION  
of the  
ONE HUNDRED AND THIRTEENTH LEGISLATURE  
1987

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the joint standing committee having jurisdiction over human resources at the First Regular Session of the 114th Legislature, no later than January 15, 1989.

**Sec. 9. Assistance.** The commission may contract for those professionals it requires to assist it. In addition, the commission may request staff assistance from the Legislative Council.

**Sec. 10. Compensation.** The members of the commission who are Legislators shall receive the legislative per diem, as defined in the Maine Revised Statutes, Title 3, section 2, for each day's attendance at commission meetings. All members of the commission, except the employees of State Government, shall receive reimbursement for expenses upon application to the Executive Director of the Legislative Council.

**Sec. 11. Appropriation.** The following funds are appropriated from the General Fund to carry out the purposes of this Act.

		1987-88	
<u>LEGISLATURE</u>			
	Commission to Study Health Care Systems in Maine		
	Personal Services	\$ 1,650	
	All Other	59,400	
	Total		\$61,050

Provides funds to allow the commission to contract with outside consultants, specialists or other individuals as required and pay the expenses of the commission. This appropriation shall carry forward to June 30, 1989.

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

Effective June 25, 1987.

## CHAPTER 441

S.P. 313 — L.D. 915

### AN ACT to Establish the Maine Job Development Program.

**Preamble.** Two thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14, to authorize the issuance of bonds on behalf of the State of Maine to establish a Maine Business Opportunity and Job Development Fund.

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

**Sec. 1. 10 MRSA c. 110, sub-c. II-B is enacted to**

read:

### SUBCHAPTER II-B

#### LOAN INCENTIVES TO MEET ECONOMIC DEVELOPMENT NEEDS

#### §1038. Maine Job Development Fund

1. Creation. There is created and established, under the jurisdiction and control of the authority, the Maine Job Development Fund.

2. Sources of fund. There shall be paid into the fund the following:

A. All money appropriated for inclusion in the fund;

B. Subject to any pledge, contract or other obligation, any money which the authority receives in repayment of advances from the fund;

C. Subject to any pledge, contract or other obligation, all interest, dividends or other pecuniary gains from investment of money of the fund; and

D. Any other money available to the authority and directed by the authority to be paid into the fund.

3. Application of fund. The authority may apply money in the fund for purposes authorized by this subchapter. Money in the fund not needed currently for purposes of this subchapter may be deposited with the authority to the credit of the fund or may be invested in such manner as is provided for by law.

4. Accounts within fund. The authority may divide the funds into such separate accounts as it determines necessary or convenient for carrying out this subchapter.

5. Revolving fund. The fund shall be a nonlapsing revolving fund. All money in the fund shall be continuously applied by the authority to carry out this subchapter.

6. Commitment and administrative fees. The authority may fix commitment fees in an amount not to exceed 1% of the initial principal amount of a loan made or insured under this subchapter. Such fees may, at the discretion of the authority, be deposited into the fund created under this section or into the Mortgage Insurance Fund or Loan Insurance Reserve Fund.

#### §1039. Maine Job Development Program

1. Operation. Upon appropriation of money for the Maine Job Development Fund created by section 1038, the authority shall operate the Maine Job Development Program. This program shall be operated in conjunction with or as a part of one or more other programs of the authority. This program shall be administered in cooperation with the State Development Office.

2. Permitted uses of fund. Money in the fund may be applied to carry out the powers of the authority, including:

A. Making loans to businesses eligible for assistance under this subchapter with such collateral as the authority may determine to be adequate; and

B. Providing financial assistance to businesses eligible for assistance under this subchapter. The financial assistance may be used to finance the production of new products and to help finance innovations, inventions and new processes which may lead to the production of new products or enable the applicant to significantly reduce production costs and increase market share for the product without reducing existing employment levels, provided that the authority shall have no liability to any claimant for claims arising directly or indirectly from the use or operation of the product or process.

3. Limitations. Financial assistance under this subchapter shall not exceed \$250,000 to any one business, or \$150,000 in the case of businesses assisted under subsection 2, paragraph B, nor may it exceed 50% of the total project costs as approved by the authority. At a minimum, 10% of the total project costs must be equity provided by the recipient of the loan or financial assistance.

4. Criteria. Program criteria and procedures shall be established by rulemaking pursuant to Title 5, chapter 375, suchapter II, and shall include limits on the amounts of financial assistance provided from the funds to any one business and requirements for sources of financial assistance in addition to the fund. The program shall be directed at small-sized and medium-sized businesses, as defined by the authority. The authority shall consult with the State Development Office in establishing incentives to:

A. Stimulate investment in geographical areas of the State deemed economically distressed by the State Development Office;

B. Stimulate investment in businesses in economically distressed industries in the State as identified by the State Development Office;

C. Provide benefits, in addition to those provided to a business, to the geographical area in which the business is located or to a business sector;

D. Solve problems widespread in particular business sectors;

E. Develop quality full-time jobs;

F. Minimize adverse environmental impact;

G. Provide for employee safety;

H. Make new or additional jobs available to Maine citizens, including economically disadvantaged persons;

I. Utilize a significant amount of financial assistance in addition to that provided from the fund;

J. Provide for training or retraining of displaced, dislocated or unskilled persons, in cooperation with the appropriate state agencies; and

K. Develop new products, technology, inventions or production processes which can help increase exports of Maine products and services out of the State.

With respect to any loan made under this subchapter, the authority, subject to rules promulgated under this subchapter, shall give preferred rates and terms to businesses meeting the criteria of this section based on the extent to which they meet these criteria.

5. Assistance to municipalities to generate economic growth. One million dollars from the proceeds of the sale of bonds will be provided to the State Development Office to provide municipalities with the resources for a program to generate jobs and business development. Potential uses of this money shall include, but not be limited to, infrastructure development, planning and technical assistance, marketing and other types of capacity building. Money available for the purpose of this subsection shall not be used to provide financial assistance to businesses.

6. Recovery. To the extent permitted by law, and except for financial assistance provided pursuant to subsection 2, paragraph B, the authority, by agreement, shall require repayment of amounts by any business on which behalf money from the fund has been applied or pledged to carry out this subchapter and, by agreement, shall require interest or other premium on those amounts at such rate as the authority may determine, and shall require such collateral to secure repayment as may be reasonably available, including junior liens as appropriate. The recovery may be deferred until such time as the authority shall determine.

7. Report. The authority shall file and present a report to the joint standing committee of the Legislature having jurisdiction over economic development matters showing the balance of the Job Development Fund, the status of all outstanding direct and insured loans and a report on all other program activities as part of the annual report required by section 974.

**Sec. 2. Issue of bonds to establish the Maine Job Development Fund.** The Treasurer of State may, under the direction of the Governor, issue from time to time registered bonds in the name and behalf of the State up to an amount not exceeding \$6,000,000 in the aggregate for the purpose of raising funds to fund the Maine Job Development Fund as authorized by section 1. The bonds shall be deemed a pledge of the faith and credit of the State. The bonds shall not run for a longer period

than 5 years from the date of the original issue. Any issuance of bonds may contain a call feature at the discretion of the Treasurer of State with approval of the Governor.

**Sec. 3. Records of bonds issued to be kept by State Auditor and Treasurer of State.** The State Auditor shall keep an account of the bonds, showing the number and amount of each, the date when payable and the date of delivery to the Treasurer of State who shall keep an account of each bond showing the number of the bond, the date of sale and the date when payable.

**Sec. 4. Sale, how negotiated; proceeds appropriated.** The Treasurer of State may negotiate the sale of the bonds by direction of the Governor, but no bond may be loaned, pledged or hypothecated in behalf of the State. The proceeds of the sale of the bonds, which shall be held by the Treasurer of State and paid by him upon warrants drawn by the Governor, are appropriated to be used solely for the purposes set forth in this Act.

**Sec. 5. Taxable bond option.** The Treasurer of State, at the direction of the Governor, shall covenant and consent that the interest on the bonds shall be includable, under the United States Internal Revenue Code, 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 this section shall not be subject to any limitations or restrictions of any law which may limit the power to so covenant and consent.

**Sec. 6. Interest and debt retirement.** Interest due or accruing upon any bonds issued under this Act and all sums coming due for payment of bonds at maturity shall be paid by the Treasurer of State.

**Sec. 7. Disbursement of bond proceeds.** The proceeds of the bonds shall be expended under the direction and supervision of the Finance Authority of Maine.

**Sec. 8. Appropriation balances at year end.** At the end of each fiscal year, all unencumbered appropriation balances representing state money shall carry forward from year to year. Bond proceeds which have not been expended within 10 years after the date of the sale of the bonds shall lapse to General Fund debt service.

**Sec. 9. Bonds authorized but not issued.** Any bonds authorized but not issued, or for which bond anticipation notes have not been issued within 5 years of the ratification of this Act, shall be deauthorized and may not be issued, provided that the Legislature may, within 2 years after the expiration of the 5-year period, extend the period for issuing any remaining unissued bonds or bond anticipation notes for an additional amount of time not to exceed 5 years.

**Sec. 10. Contingent upon ratification of bond issue.** Sections 1 to 9 shall not become effective until the people of the State have ratified the issuance of bonds as set forth in this Act.

**Sec. 11. Statutory referendum procedure; submission at statewide election; form of question; effective date.** This Act shall be submitted to the legal voters of the State of Maine at a statewide election to be held on the Tuesday following the first Monday of November following passage of this Act. The city aldermen, town selectmen and plantation assessors of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Act by voting on the following question:

"Shall the State create the Maine Job Development Program to be funded with a \$6,000,000 bond issue?"

The legal voters of each city, town and plantation shall vote by ballot on this question, and shall designate their choice by a cross or check mark placed within a corresponding square below the word "Yes" or "No." The ballots shall be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns and, if it appears that a majority of the legal voters are in favor of the Act, the Governor shall proclaim that fact without delay, and the Act shall become effective 30 days after the date of the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Act necessary to carry out the purpose of this referendum.

Effective pending referendum.

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## CHAPTER 442

H.P. 373 — L.D. 494

### AN ACT to Make Allocations from the Transportation Safety Fund for the Fiscal Years Ending June 30, 1988, and June 30, 1989.

**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 may not terminate until after the beginning of the next fiscal year; and

Whereas, certain obligations and expenses incident to the operation of the department will become due and payable on or immediately after July 1, 1987; and