

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

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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

CHAPTER 520

H.P. 446 — L.D. 599

AN ACT Relating to Agricultural Internship
and Training.

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

Sec. 7 MRSA c. 8-B is enacted to read:

CHAPTER 8-BAGRICULTURAL INTERNSHIP AND TRAINING§221. Establishment of Maine Agricultural Internship
and Training Program

The commissioner shall establish a Maine Agricultural Internship and Training Program.

§222. Responsibilities of the commissioner

The commissioner shall:

1. Information. Conduct studies and otherwise gather, maintain and disseminate information concerning farmland transfers, availability of farm labor, existence of farm internship and training programs, persons desiring to participate in that training, farmers retiring or otherwise ceasing farming operations, persons desiring to enter farming or associated employment and all other information deemed necessary to carry out this chapter;

2. Training. Provide and supervise opportunities for on-farm and off-farm training, through state-sponsored programs or in cooperation with other appropriate agencies and organizations. Training may include on-site experience under the guidance of approved farmer-supervisors or classroom instruction in farm management, finance, equipment use and maintenance, production and marketing principles and techniques and other relevant subjects;

3. Assistance. Provide assistance in matching retiring farmers with persons desiring to enter farming and recruit and place interns with farmer — supervisors; and

4. Cooperation. Cooperate with appropriate local, state and federal agencies and institutions and with farm organizations and interested individuals, including the Department of Educational and Cultural Services, the Department of Labor, the University of Maine and the Cooperative Extension Service, in carrying out this chapter.

Effective September 29, 1987.

CHAPTER 521

H.P. 1287 — L.D. 1763

AN ACT to Establish a Program of Financial
Assistance to Expedite the Removal of
Underground Oil Tanks.

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

Sec. 1. 10 MRSA §963-A, sub-§10, ¶¶H and I, as enacted by PL 1985, c. 344, §7, are amended to read:

H. Any pollution-control project; or

I. Any water supply system project; or

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

J. Any underground oil storage facility replacement project.

Sec. 3. 10 MRSA §963-A, sub-§§49-A and 49-B are enacted to read:

49-A. Underground oil storage facility. "Underground oil storage facility" means the same as set forth in Title 38, section 562, subsection 13.

49-B. Underground oil storage facility replacement project. "Underground oil storage facility replacement project" means the removal, disposal or replacement of all or any part of an underground oil storage facility which is used for marketing and distribution of oil, petroleum products or their by-products to persons or entities other than the owner of the facility.

Sec. 4. 10 MRSA §1023-D is enacted to read:

§1023-D. Underground Oil Storage Facility Replacement Fund

1. Creation. The Underground Oil Storage Facility Replacement Fund is created and established under the jurisdiction and control of the authority.

2. Sources of money. 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, all interest, dividends or other pecuniary gains from investment of money of the fund;

C. Subject to any pledge, contract or other obligations, any money which the authority receives in repayment of advances from 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. Money in the fund may be applied to carry out any power of the authority under or in connection with section 1026-F, including, but not limited to, pledge or transfer and deposit money in the fund as security for and to apply money in the fund in payment of principal, interest and other amounts due on insured loans. Money in the fund may be used for direct loans for all or part of underground oil storage facility replacement projects when the authority determines that:

A. The facility is leaking or removal is required by applicable law within 2 years from the date of application to the authority for a loan;

B. The applicant demonstrates a reasonable likelihood that it will not be able to obtain the funds necessary to undertake all or any part of the project from any other source, including a loan insured under section 1026-F;

C. There is a reasonable likelihood that the applicant will be able to repay the loan; and

D. The project will assist in creating or retaining jobs and will provide a more healthy environment.

The authority, pursuant to Title 5, chapter 375, subchapter II, shall adopt rules for determining eligibility, feasibility, terms, conditions and security for the loans. Money in the fund not needed currently to meet the obligations of the authority as provided in this section may be invested in such a manner as permitted by law.

4. Accounts within fund. The authority may divide the fund into such separate accounts as it determines are necessary or convenient for carrying out this section, including, but not limited to, accounts reserved for direct loan funds.

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 section and section 1026-F.

Sec. 5. 10 MRSA §1024, sub-§1, as repealed and replaced by PL 1985, c. 714, §13, is amended to read:

1. Request for funds. If at any time the money in the Mortgage Insurance Fund and the money in the Loan Insurance Reserve Fund, exclusive of the money pledged or assigned as security for specific obligations of the authority, is insufficient to meet expenses and obligations of the authority, as these expenses and obligations are projected by the authority to become due and payable, the authority shall in writing request the Governor to provide the necessary money. The Governor shall transfer sufficient money to the Mortgage Insurance Fund or Loan Insurance Reserve Fund, as directed by

the authority, from the State Contingent Account or the proceeds of bonds of the State issued pursuant to subsection 2. If at any time the money in the Underground Oil Storage Facility Replacement Fund, exclusive of any amounts reserved by law or rule for direct loans pursuant to section 1023-D, subsection 3, is insufficient to meet the expenses and obligations of the authority incurred pursuant to section 1026-F, as these expenses and obligations are projected by the authority to become due and payable, the authority shall in writing request the Governor to provide the necessary money. Within 30 days of receipt of the request, the Governor shall transfer sufficient money to the Underground Oil Storage Facility Replacement Fund from the Ground Water Oil Clean-up Fund or the proceeds of bonds of the State issued pursuant to subsection 2.

Sec. 6. 10 MRSA §1024, sub-§2, paragraph B, as repealed and replaced by PL 1985, c. 714, §13, is amended to read:

B. In the amount required, but not exceeding in the aggregate at any one time outstanding the amount set forth in:

(1) The Constitution of Maine, Article IX, Section 14-A, as it may be from time to time amended, except that bonds issued under that section and this subsection shall not exceed in the aggregate at any one time outstanding the principal amount of ~~\$77,500,000~~ \$82,500,000; and

(2) The Constitution of Maine, Article IX, Section 14-D, as it may be from time to time amended, except that bonds issued under that section and this subsection shall not exceed in the aggregate at any one time outstanding the principal amount of \$4,000,000;

Sec. 7. 10 MRSA §1025, first ¶, as amended by PL 1985, c. 714, §14, is further amended to read:

When, in the opinion of the authority, the action is necessary to safeguard the Mortgage Insurance Fund ~~or~~, Loan Insurance Reserve Fund ~~or~~ Underground Oil Storage Facility Replacement Fund and to maintain income from eligible projects, the authority may, in addition to its other powers:

Sec. 8. 10 MRSA §1026-F is enacted to read:

§1026-F. Mortgage insurance for underground oil storage facility replacement projects

1. Insurance. In addition to its other powers under this chapter, subject to the limitations of this subchapter, except sections 1026-B to 1026-D, the authority may insure up to 100% of mortgage payments with respect to mortgage loans for underground oil storage facility replacement projects when the authority determines that:

A. The facility is leaking or removal is required by applicable law;

B. The applicant demonstrates a reasonable likelihood that it will not be able to obtain a loan for the project on reasonable terms without insurance pursuant to this section;

C. The applicant demonstrates a reasonable likelihood that it will be able to repay the insured loan; and

D. The project will assist in creating or retaining jobs, providing a more healthy environment.

2. Limitation on mortgage insurance. The authority shall not at any time have, in the aggregate amount of principal and interest outstanding, mortgage insurance obligations pursuant to this section exceeding \$5,000,000 less the outstanding balance of any bonds issued under section 1024, subsection 2, with respect to obligations incurred under this section.

3. Mortgage eligibility. The authority, pursuant to Title 5, chapter 375, subchapter II, may adopt rules for determining eligibility, project feasibility, terms, conditions and security for insured mortgage loans under this section. Without limitation, the authority may establish a system for giving priority to applicants for facilities based on when removal or replacement is required by applicable law. The authority may accept less than adequate collateral when necessary to ensure the replacement of underground oil storage facilities required to be replaced under applicable law.

Sec. 9. 10 MRSA §1029, sub-§2, ¶A, as amended by PL 1985, c. 714, §27, is further amended to read:

A. Make the payment at the time and in the manner provided by the applicable contract or agreement, charging the payment to the Mortgage Insurance Fund or, Loan Insurance Reserve Fund, or, in the case of payments required under agreements issued pursuant to section 1026-F, to the Underground Oil Storage Facility Replacement Fund;

Sec. 10. 10 MRSA §1030, as amended by PL 1985, c. 344, §53, is further amended to read:

§1030. Incontestability

Any mortgage insurance commitment or contract executed and delivered by the authority under this subchapter shall be conclusive evidence of the eligibility of the mortgage for insurance subject to satisfaction of any conditions set forth in the mortgage insurance contract or commitment and that the requirements of sections 1026-A, 1026-B, 1026-C, 1026-D and 1026-E to 1026-F have, to the extent determined applicable by the authority, been satisfied or made conditions of the mortgage insurance commitment or contract, and the validity of any mortgage insurance commitment or contract so executed and delivered shall be incontestable in the hands of

an insured except for fraud or misrepresentation on the part of the insured.

Sec. 11. 38 MRSA §569, first ¶, as enacted by PL 1985, c. 496, Pt. A, §14, is amended to read:

The Ground Water Oil Clean-up Fund is established to be used by the department as a nonlapsing, revolving fund for carrying out the purposes of this subchapter. To this fund shall be credited all registration fees, fees for late payment or failure to register, penalties, transfer fees, reimbursements and other fees and charges related to this subchapter. To this fund shall be charged any and all expenses of the department related to this subchapter, including administrative expenses, payment of 3rd party damages covered by this subchapter, costs of removal of discharges of oil and costs of cleanup of discharges, including, but not limited to, restoration of water supplies and any obligations of the State pursuant to Title 10, section 1024, subsection 1.

Effective September 29, 1987.

CHAPTER 522

H.P. 190 — L.D. 234

AN ACT Relating to Taxation of Aircraft.

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

Whereas, the Legislature recognized the importance of resolving the disparity that existed in taxation treatment between leased and purchased aircraft; and

Whereas, the tax exemption provided by the Maine Revised Statutes, Title 36, section 1760, subsection 48, has allowed Maine's airline industry to compete effectively with other states; and

Whereas, the current tax exemption for leased aircraft is due to expire on July 1, 1987; and

Whereas, the repeal of the tax exemption on leased aircraft disrupts the development of the airline industry in Maine and places that industry at a severe competitive disadvantage with other states; and

Whereas, the repeal of the tax exemption places the repair and maintenance of aircraft in Maine at an economic disadvantage because of Maine's sales and use tax laws; 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,