# MAINE STATE LEGISLATURE

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## **LAWS**

OF THE

# STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND FIFTEENTH LEGISLATURE

FIRST REGULAR SESSION
December 5, 1990 to July 10, 1991

FIRST SPECIAL SESSION July 11, 1991 to July 18, 1991

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PUBLISHED BY THE REVISOR OF STATUTES
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TITLE 3, SECTION 163-A, SUBSECTION 4.

J.S. McCarthy Company Augusta, Maine 1991

# **PUBLIC LAWS**

OF THE

# STATE OF MAINE

AS PASSED AT THE

FIRST SPECIAL SESSION

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JULY 11, 1991 to JULY 18, 1991

any bonds or any instrument as security therefor, except as is provided in this chapter or in the code, if applicable.

#### §11457. Act liberally construed

This chapter being necessary for the welfare of the State and its inhabitants must be liberally construed so as to effect its purposes.

Sec. 7. 20-A MRSA c. 430, as amended, is repealed.

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

Effective July 30, 1991.

#### **CHAPTER 604**

S.P. 134 - L.D. 272

#### An Act to Revise the Small Claims Laws

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

Whereas, limiting the number of small claims filed in a single time period seriously hampers access to the courts; and

Whereas, small claims actions require vast amounts of time from the already overburdened District Court clerks; and

Whereas, it is in the public interest to guarantee access to the Maine courts while providing the resources necessary to ensure that the access is meaningful as soon as possible; 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. 14 MRSA §7484-A, sub-§1,** as enacted by PL 1991, c. 9, Pt. E, §12, is amended to read:

1. Rules by Supreme Judicial Court. The procedures with respect to the commencement of the action, the fee, the notice to the parties, the settlement or hearing, the judgment, appeal and post judgment postjudgment proceedings must be set forth in rules of procedure adopted by the Supreme Judicial Court. Rules

adopted under this section may not restrict the number of claims that may be filed in any given period.

**Sec. 2. 14 MRSA §7484-A, sub-§2,** as enacted by PL 1991, c. 9, Pt. E, §12, is repealed.

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

Effective July 30, 1991.

#### **CHAPTER 605**

S.P. 331 - L.D. 887

## An Act to Strengthen Municipal Borrowing Alternatives

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

Sec. 1. 30-A MRSA §5902, sub-§1, ¶A, as amended by PL 1989, c. 104, Pt. C, §§8 and 10, is further amended to read:

A. To foster and promote by all reasonable means the provision of adequate capital markets and facilities for borrowing money by counties, municipalities, School Administrative Districts, community school districts, quasi-municipal corporations and other governmental units and for the financing of to finance their respective public improvements and other municipal purposes within the State from proceeds of bonds of, notes, any other form of debt or leases issued by those governmental units;

- Sec. 2. 30-A MRSA §5903, sub-§6-C is enacted to read:
- 6-C. Municipal bond insurance fund. "Municipal bond insurance fund" means any fund or funds established by the bank to provide reserves to insure payment of any state or municipal issuance of debt, pursuant to a bond insurance program established by the bank.
- Sec. 3. 30-A MRSA §5953, sub-§1, ¶¶B and C, as amended by PL 1989, c. 104, Pt. C, §§8 and 10, are further amended to read:
  - B. Authorize and issue its bonds and notes payable solely from the revenues or funds available to the bank for that purpose; and
  - C. Otherwise assist governmental units as provided in this chapter; and
- Sec. 4. 30-A MRSA §5953, sub-§1, ¶D is enacted to read:

- D. Borrow money and make the borrowing proceeds available to the municipality at terms agreed upon by the bank and the municipality.
- **Sec. 5. 30-A MRSA §5953-A, sub-§1,** as enacted by PL 1989, c. 48, §§19 and 31, is amended to read:
- 1. Loan application. A municipality may apply for a loan from the revolving loan fund, the proceeds of which shall must be used to acquire, design, plan, construct, enlarge, repair or improve a publicly owned sewage or water system, sewage or water treatment plant or to implement a related management program.

The bank may prescribe any application form or procedure required of a municipality for a loan under this section. The application shall must include any information that the bank determines necessary for the purpose of implementing this section and section 6006-A.

- **Sec. 6. 30-A MRSA §5953-A, sub-§2, ¶A,** as enacted by PL 1989, c. 48, §§19 and 31, is amended to read:
  - A. The bank may make loans from the revolving loan fund to a municipality for one or more of the purposes set forth in subsection 1. Each of the loans shall be made is subject to the following conditions.
    - (1) The total amount of loans outstanding at any one time from the revolving loan fund may not exceed the balance of the fund, provided that the proceeds of bonds or notes of the bank deposited in the fund and binding financial commitments of the United States to deposit money in the fund are included in determining the fund balance.
    - (2) The loan shall must be evidenced by a municipal bond, payable by the municipality over a term not to exceed 20 years with annual principal and interest payments commencing not later than one year after the project being financed is completed or such other agreement or instrument as the bank determines necessary or advisable.
    - (3) The rate of interest charged for the loans shall must be at or below market interest rates.
    - (4) Subject to the limitations of subparagraph (3), the rate of interest charged for the loans made to municipalities under this section or the manner of determining the rate of interest shall must be established from time to time by direction of the bank, taking into consideration the current average rate on outstanding marketable obligations, as well as the policies of the Department of Environmental Protection.

Sec. 7. 30-A MRSA §5953-B is enacted to read:

## §5953-B. Loans from safe drinking water revolving loan fund

1. Loan application. In addition to the other forms of financial assistance available under section 6006-B, a water utility may apply for a loan from the safe drinking water revolving loan fund, in this section called the "fund," the proceeds of which must be used to acquire, design, plan, construct, enlarge, repair, protect or improve drinking water supplies or treatment systems owned by the applicant, or for any actions required under the federal Safe Drinking Water Act of 1974, 42 United States Code, Sections 300f to 300j-9, as amended.

The bank may prescribe an application form or procedure for a water utility to apply for a loan under this section. The application must include any information that the bank determines necessary for the purpose of implementing this section and section 6006-B.

For purposes of this section, the term "water utility" has the same meaning as defined in Title 35-A, section 102, subsection 22.

- 2. Loan; loan agreements. Loans from the fund are subject to this subsection.
  - A. The bank may make loans from the fund to a water utility for one or more of the purposes set forth in subsection 1. Each of the loans is subject to the following conditions.
    - (1) The total amount of loans outstanding at any one time from the fund may not exceed the balance of the fund, provided that the proceeds of bonds or notes of the bank deposited in the fund, revenues from other sources deposited in the fund and binding financial commitments of the United States to deposit money in the fund are included in determining the fund balance.
    - (2) The loan must be evidenced by a municipal bond or other debt instrument, payable by the water utility over a term not to exceed 40 years with annual principal or interest payments commencing not later than one year after the project being financed is completed.
    - (3) The rate of interest charged for the loans must be at or below market interest rates.
    - (4) Subject to the limitations of subparagraph (3), the rate of interest charged for the loans made to water utilities under this section or the manner of determining the rate of interest must be established from time to time by direction of the bank, taking into consideration

the current average rate on outstanding marketable obligations.

- B. Loans made to a water utility by the bank under this section must be evidenced by and made in accordance with the terms and conditions specified in a loan agreement to be executed by the bank and the water utility. The loan agreement must specify the terms and conditions of disbursement of loan proceeds. The loan agreement must state the term and interest rate of the loan, the scheduling of loan repayments and any other terms and conditions determined necessary or desirable by the bank.
- 3. Eligibility certification. A loan to a water utility may not be made under this section until:
  - A. The applicant certifies to the bank that it has secured all permits, licenses and approvals necessary to construct the improvements to be financed by the loan;
  - B. The applicant demonstrates to the bank that it has established a rate, charge or assessment schedule that generates annually sufficient revenue to pay, or has otherwise provided sufficient assurances that it pays, the principal of and interest on the municipal bond or other debt instrument that evidences the loan made by the bank to the water utility pursuant to the loan agreement under this section and to pay reasonably anticipated costs of operating and maintaining the financed project and the system of which it is a part; and
  - C. The applicant certifies to the bank that it has created a dedicated source of revenue that may constitute general revenues of the applicant through a general obligation pledge of the applicant for repayment of the loan.
- Sec. 8. 30-A MRSA §5954, sub-§1, ¶¶N and O, as amended by PL 1989, c. 104, Pt. C, §§8 and 10, are amended to read:
  - N. Fix and prescribe any form of application or procedure to be required of a governmental unit for the purpose of any loan or the purchase of its municipal securities, and fix the terms and conditions of any such loan or purchase and to enter into agreements with governmental units with respect to any such loan or purchase; and
  - O. Do all acts and things necessary, convenient or desirable to carry out the powers expressly granted or necessarily implied in this chapter: and
- Sec. 9. 30-A MRSA §5954, sub-§1, ¶P is enacted to read:
  - P. In accordance with the limitations and restrictions of this chapter, cause any of its powers, duties, pro-

- grams or operations to be carried out by one or more nonprofit corporations. Nonprofit corporations acting at the direction of the bank must be organized and operated under the Maine Nonprofit Corporation Act.
- **Sec. 10. 30-A MRSA \$5955, sub-\$2,** as amended by PL 1989, c. 104, Pt. C, **\$\$8** and 10, is further amended to read:
- 2. Charges. Impose and collect charges, whether or not the loan is made or evidence of borrowing or program participation is shown, or the municipal securities are purchased, for its costs and services, in review or, consideration or servicing of any proposed loan to a governmental unit or purchase of municipal securities of the governmental unit, whether or not the loan is made or the municipal securities are purchased;:
  - A. Any proposed or outstanding loan;
  - B. A loan agreement to borrow on behalf of a municipality; or
  - C. A program participation agreement with a governmental unit.
- Sec. 11. 30-A MRSA §5959, sub-§1, as enacted by PL 1989, c. 48, §§20 and 31, is amended to read:
- 1. Rules. The Department of Environmental Protection Appropriate state agencies and the bank may adopt rules and policies necessary to implement sections 5953-A and 6006-A to ensure the self-sustaining nature of the fund-created under section 6006-A and also to ensure compliance with the Federal Water Pollution Control Act, Title VI.:
  - A. Implement sections 5953-A, 6006-A and 6006-B to ensure the self-sustaining nature of the funds created under sections 6006-A and 6006-B; and
  - B. Ensure compliance with the Federal Water Pollution Control Act, Title VI and the Federal Safe Drinking Water Act and their amendments.
- **Sec. 12. 30-A MRSA §5959, sub-§2, ¶C,** as enacted by PL 1989, c. 48, §§20 and 31, is amended to read:
  - C. The bank is designated by the State as the instrumentality empowered to administer the revolving loan fund in conjunction with the Department of Environmental Protection to accept capitalization grants made under the Federal Water Pollution Control Act, Title VI and to manage the revolving loan fund in accordance with that Act.:
    - (1) Administer the revolving loan funds, in conjunction with the Department of Environmental Protection;

- (2) Accept capitalization grants or other deposits of funds from the Federal Government or any other source made under the Federal Water Pollution Control Act, Title VI or the Federal Safe Drinking Water Act; and
- (3) Manage the revolving loan funds in accordance with applicable federal and state laws, rules and regulations.

**Sec. 13. 30-A MRSA §6006, sub-§1-A, ¶C,** as enacted by PL 1989, c. 48, §§25 and 31, is amended to read:

- C. The minimum amount of any capital reserve fund shall must be equal to the amounts required under the resolutions pursuant to which the bonds secured by the capital reserve fund are issued. These amounts are referred to in this chapter as the "required minimum reserve." With respect to bonds secured by a capital reserve fund for which the resolution authorizing the issuance of those bonds states that the provisions of subsection 5 apply, the required minimum reserve shall must be, as of any date of computation, an aggregate amount equal to at least the largest amount of money required by the terms of all contracts between the bank and its bondholders of the bonds to be raised in the then current or any succeeding calendar year for the payment of interest on and maturing principal of that portion of the outstanding bonds, the proceeds of which were applied solely to the purchase of municipal securities or municipal bonds and sinking fund payments required by the terms of any such contracts to sinking funds established for the payment or redemption of the bonds, all calculated on the assumption that the bonds will cease to be outstanding after the date of the computation because of the payment of the bonds at their respective maturities and the payments of the required money to sinking funds and the application thereof in accordance with the terms of all such contracts to the retirement of the bonds. The required minimum reserve for bonds secured by a capital reserve to which the provisions of subsection 5 apply may be less than that required by this paragraph if the bank so determines and only when the reserve is applied to:
  - (1) Any bond or note sold to fund a municipal lease pool whose term is 5 years or less;
  - (2) Any bond for which no principal is paid to bondholders until final maturity; or
  - (3) Any loan, bond, lease or evidence of participation that has a term of 5 years or less.

Sec. 14. 30-A MRSA §§6006-B, 6006-C and 6013-A are enacted to read:

#### §6006-B. Safe drinking water revolving loan fund

- 1. Establishment; administration. A safe drinking water revolving loan fund is established as provided in this section.
  - A. There is established in the custody of the bank a special fund to be known as the safe drinking water revolving loan fund to provide financial assistance under subsection 2 for the acquisition, design, planning, construction, enlargement, repair, protection or improvement of drinking water supplies or treatment facilities including any of those actions required under the federal Safe Drinking Water Act of 1974, 42 United States Code, Sections 300f to 300j-9, as amended.
  - B. The bank shall administer the fund. The fund must be invested in the same manner as permitted for investment of funds belonging to the State or held in the State Treasury. The fund must be established and held separate from any other funds or money of the State or the bank and used and administered exclusively for the purpose of this section and section 5953-B. The fund consists of the following:
    - (1) Sums that are appropriated by the Legislature or transferred to the fund from time to time by the Treasurer of State;
    - (2) Principal and interest received from the repayment of loans made from the fund;
    - (3) Capitalization grants and awards made to the State or an instrumentality of the State by the Federal Government for any of the purposes for which the fund has been established. These amounts must be paid directly into the fund without need for appropriation by the State;
    - (4) Interest earned from the investment of fund balances;
    - (5) Private gifts, bequests and donations made to the State for any of the purposes for which the fund is established;
    - (6) The proceeds of notes or bonds issued by the Maine Public Utilities Financing Bank under Title 35-A, chapter 29 for the purpose of deposit in the fund;
    - (7) The proceeds of notes or bonds issued by the bank for the purpose of deposit in the fund; and
    - (8) Other funds from any public or private source received for use for any of the purposes for which the fund has been established.

- C. For the purposes of this section, the term "water utility" is defined under Title 35-A, section 102, subsection 22.
- 2. Uses. The revolving loan fund may be used for one or more of the following purposes:
  - A. To make loans to water utilities under this section and section 5953-B;
  - B. To make loans to refund bonds or notes of a water utility issued after December 31, 1988 for the purpose of financing the construction of any capital improvement or management program described in section 5953-B, subsection 1;
  - C. To guarantee or insure, directly or indirectly, the payment of notes or bonds issued or to be issued by a water utility for the purpose of financing the construction of any capital improvement described in section 5953-B, subsection 1;
  - D. To guarantee or insure, directly or indirectly, funds established by water utilities for the purpose of financing construction of any capital improvement described in section 5953-B, subsection 1;
  - E. To invest available fund balances and to credit the net interest income on those balances to the revolving loan fund;
  - F. To invest as a source of revenue or security for the payment of principal and interest on general or special obligations of the bank if the proceeds of the sale of the obligations have been deposited in the fund or loaned to eligible participants in the programs financed with the fund, or as a source of revenue to subsidize municipal loan payment obligations;
  - G. To pay the costs of the bank associated with the administration of the revolving loan fund and projects financed by it provided that no more than the lesser of 2% of the aggregate of the highest fund balances in any fiscal year and 4% of any capitalization grants provided by the Federal Government for deposit in the revolving loan fund is used for these purposes; and
  - H. To pay the costs required under the federal Safe Drinking Water Act of 1974, 42 United States Code, Sections 300f to 300j-9, as amended, regarding the treatment of drinking water or other federal law or program that provides money for deposit to the fund for the purposes of this section.
- 3. Establishment of accounts. The bank may establish accounts and subaccounts within the fund as it determines desirable to effectuate the purposes of this section, including, but not limited to, accounts to segregate a portion or portions of the fund as security for

bonds issued by the bank for deposit in the fund and to be invested for the benefit of specified projects receiving financial assistance from the fund.

#### §6006-C. Municipal lease finance program

- 1. Establishment; administration. A municipal lease finance program under the jurisdiction and direction of the bank is established to provide or assist municipalities and governmental entities in the financing of leases by which a municipality may acquire or obtain the right to use personal or real property. The municipal lease finance program must provide methods of direct or indirect financing, insurance, borrowing, credit enhancement and other financial tools for the lease, lease-purchase, rental or right of use of any real or personal property or other authorized activity of a municipality.
- 2. Powers. The bank may make loans to municipalities or borrow money on behalf of municipalities for any of the purposes of this section. The bank may purchase, refinance or enter into leases with or on behalf of municipalities. The bank may purchase or refinance for or on the behalf of any municipality any municipal lease that may be held or issued by any 3rd party. The bank may issue its bonds or notes for the purchase of municipal leases on behalf of a municipality or group of municipalities or for the establishment of a pool of funds to be used for the purchase, financing or other means of acquisition of leases used by a municipality or group of municipalities. The bank shall establish prudent standards for the terms and conditions of any lease financing made available to a municipality or group of municipalities. Terms and conditions include, but are not limited to, the general obligation of the municipality, and liens on any real or personal property held by the municipality whether being financed by the specific lease or not, and sinking funds.
- 3. Application; eligibility. The bank may prescribe and require an application or procedure for a municipality to participate in any form of lease financing assistance made available under this section. An application must include any information that the bank decides is necessary for implementing this section, including, but not limited to, supporting documents, certifications, feasibility studies, financial data, utilization studies or other applicable information. A municipality is not eligible to participate in any lease finance assistance made available under this section unless, in the sole judgment of the bank, the municipality has satisfactorily demonstrated that it can assure that it will pay the principal, interest, fees and related charges on the bond, debt or other instrument issued by the bank on behalf of the municipalities or purchased by the bank from the municipality as well as the costs for operation and maintenance of any real or personal property acquired or made available for use by the municipality by virtue of the lease finance assistance. Satisfactory assurance can be demonstrated if a municipality has:

- A. Established a method of payment by assessment, rate, charges or other mechanism satisfactory to the bank; or
- B. Provided collateral sufficient to assure payment.
- 4. State not liable. Bonds, notes, leases or other forms of debt or liability entered into or issued by the bank under this section are not in any way a debt or liability of the State and do not constitute a loan of the credit of the State or create any debt or debts, liability or liabilities on behalf of the State or constitute a pledge of the faith and credit of the State. Each bond, note, lease or other evidence of debt or liability entered into by the bank must contain a statement to the effect that the bank is obligated to pay the principal, interest, redemption premium, if any. and other amounts payable solely from the sources pledged for that purpose by the bank, and that neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal, interest, premium, charge, fee or other amount on the bond, note, lease or other form of indebtedness, as the case may be.
- 5. Lease finance agreement. Lease financing and refinancing, lease purchase, loans and other forms of indebtedness or obligations incurred by a municipality due to the bank under the terms of this section must be evidenced by and be made in accordance with the terms and conditions specified in a lease finance agreement to be executed by the bank and the municipality or group of municipalities. The lease finance agreement must specify, among other things, the terms and conditions for the disbursement of lease finance proceeds, the term and interest rate of the lease, the scheduling of lease payments or bond payments as the case may be, and any other terms and conditions determined necessary or desirable by the bank.

#### §6013-A. Maine Municipal Bond Insurance Fund

- 1. Establishment. The Maine Municipal Bond Insurance Fund is established in the custody of the bank and under its jurisdiction and direction to provide credit enhancement in the form of bond insurance to municipalities, state instrumentalities and other governmental units on debt issued by them in the form of bonds, notes or other evidences of indebtedness.
- 2. Administration. The bank shall administer the Maine Municipal Bond Insurance Fund. The fund must be invested in the same manner as permitted for investment of funds belonging to the State or held in the State Treasury. The fund must be established and held separate and apart from any other funds or money of the State or the bank and must be used and administered exclusively for the purpose of this section. The fund consists of the following:
  - A. Sums that are appropriated by the Legislature or transferred to the fund from time to time by the Treasurer of State;

- B. Premiums, fees, charges, assessments received from municipalities that are obtaining directly or indirectly, in whole or in part, credit enhancement or other benefit from use of the fund:
- C. Interest or other gains realized from the investment of fund balances;
- D. Private gifts, bequests and donations made to the State for any of the purposes for which the fund has been established:
- E. The proceeds of notes or bonds issued by the bank for the purpose of deposit in the fund;
- F. Other funds from any public or private source received for use for any of the purposes for which the fund has been established;
- G. Other funds from any public or private source received as part of an agreement with the bank for a joint venture undertaken for any of the purposes for which the fund has been established; and
- H. Grants, awards or other payments made to the State or an instrumentality of the State by the United States for any of the purposes for which the fund has been established. These amounts must be paid directly into the fund without need for appropriation by the State.
- 3. Use and maintenance of the fund. The Maine Municipal Bond Insurance Fund must be used and maintained in the following manner.
  - A. All money held in the fund may be used only to make payments pursuant to bond insurance contracts. to pay any or all operating expenses of the administration and operation of the Maine Municipal Bond Insurance Fund and to maintain the fund at an amount equal to the minimum insurance reserve. The minimum insurance reserve is that amount determined by actuarial study solicited by the bank as being necessary and prudent for the operation of the program. The bank may not enter into any contract for bond insurance unless it certifies that at the time of execution the amounts of money required to meet reserve minimums, as determined by the most recent actuarial study, are in the fund or will be deposited in the fund as part of the execution of the contract. Any money in the fund in excess of that needed to maintain the minimum insurance reserve may be used by the bank for any of its authorized activities.
  - B. To ensure the maintenance of the fund, a required minimum reserve, valued at cost, market, amortized value or other methods as determined proper by the actuarial method, must be determined. An amount equal to the determined required minimum

reserve must be annually appropriated and paid for deposit in the fund. The amount of the minimum reserve deposit, if any, must be certified by the executive director of the bank to the Governor as the amount necessary to restore any fund to an amount equal to the required minimum reserve for the average aggregate amount of bond insurance contracts outstanding during the 12-month period prior to certification.

- 4. Operation and eligibility. The bond insurance program shall operate, determine eligibility and make payments as follows.
  - A. The bank is authorized to operate a bond insurance program and may:
    - (1) Establish fund insurance contracts;
    - (2) Charge and collect premiums;
    - (3) Make appropriate payments;
    - (4) Sell bonds and notes of the bank, regardless of any other limitations or restrictions in this chapter, the proceeds of which may be used to meet the minimum reserve requirement of the Maine Municipal Bond Insurance Fund authorized and created by this section; and
    - (5) Do all other things necessary, proper or desirable to administer and operate a municipal bond insurance program.
  - B. The bond insurance program may provide bond insurance to any public issuer of debt, including governmental units, municipalities, instrumentalities of the State, and the State. The bank may establish an application or procedure, requesting such information as it considers necessary or desirable, for eligible participants to apply for the benefits of the program. Acceptance of an applicant for participation in the program is in the sole judgment of the bank. Participation in the program must be evidenced by and made in accordance with the terms and conditions specified in a contract of insurance to be executed by the bank and the participating unit. The contract of insurance must state the terms and conditions under which insurance coverage is provided, the premiums, payments or assessments that may be due and payable or called for under the terms of the contract, the schedule upon which payments must be made and any other terms and conditions determined as necessary or desirable by the bank.
  - C. Contracts for insurance entered into under this section are not in any way a debt or liability of the State and do not constitute a loan of the credit of the State or create any obligation or obligations, debt or debts or liability or liabilities on behalf of the State or

constitute a pledge of the faith and credit of the State. All obligations to pay under the terms of any contracts of insurance entered into or issued under this chapter are payable solely from the revenues or funds pledged in the Maine Municipal Bond Insurance Fund and not from any other revenues, funds or assets of the bank or the State. There is no obligation implied, stated or expressed in this section from the bank or the State to make any payment to or on behalf of any 3rd party, including, but not limited to. bond holders, coinsurers, program participants or any other party whatsoever, from any source other than the bond insurance fund created in this section. Each bond insurance contract must contain on its face a statement to the effect that the bank is obligated to make any payments called for in the contract only from the assets and revenues available in the bond insurance fund and not from any other revenues or assets of the bank and that neither the full faith and credit of the bank or the State nor the taxing power of the State is pledged to make any payments of any type or kind called for in the contract of bond insurance.

Effective October 17, 1991.

#### **CHAPTER 606**

H.P. 1211 - L.D. 1769

#### An Act to Encourage Business Investments

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

Whereas, this Act establishes the Commission to Study State Permitting and Reporting Requirements; and

Whereas, to begin its work in a timely fashion, this commission must hold its first meeting no later than July 15, 1991; 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:

#### PART A

Sec. A-1. 30-A MRSA §5251, sub-§2-A is enacted to read:

2-A. State participation. Recognizing that the State, as well as municipalities, shares in the benefits of respon-