

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND SEVENTEENTH LEGISLATURE

FIRST SPECIAL SESSION
November 28, 1995 to December 1, 1995

SECOND REGULAR SESSION
January 3, 1996 to April 4, 1996

THE GENERAL EFFECTIVE DATE FOR
FIRST REGULAR SESSION
NON-EMERGENCY LAWS IS
JULY 4, 1996

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

J.S. McCarthy Company
Augusta, Maine
1995

partnership, corporation or association that is a party to the contract or if that individual is financially involved in any transaction with the authority; except that this prohibition does not apply to the execution of agreements by banking institutions for the deposit or handling of authority funds in connection with any contract or to utility services for which rates are fixed or controlled by a governmental agency.

7. Report to the Legislature; department review; operating budget. Beginning January 1, 1998, the authority shall present an annual report to the Legislative Council and send copies to the joint standing committee of the Legislature having jurisdiction over state and local government matters and the commissioner. The report must include a description of the authority's activities for the preceding fiscal year, including a report of its receipts and expenditures from all sources.

Within 60 days of the date on which the directors are appointed and assume their duties, the authority shall present to the commissioner for the commissioner's approval a proposed operating budget for the remainder of the fiscal year. Beginning January 1, 1998, the authority shall present an annual proposed operating budget for the next fiscal year beginning July 1st to the commissioner for approval.

All expenditures of the authority are subject to audit by appropriate state agencies.

8. Termination of authority. The authority is not dissolved until:

A. The authority is terminated by the Legislature; and

B. All money borrowed from the Maine Municipal Bond Bank, pursuant to the Maine Revised Statutes, Title 30-A, section 5951, together with interest and premiums, has been repaid or a sufficient amount for repayment has been irrevocably set aside in trust for repayment of the sum borrowed, together with interest and premiums.

All funds, property interests or other assets held by the authority at the time of termination revert to the State.

Sec. 14. Funding. The Department of Administrative and Financial Services must designate, from the amounts appropriated to carry out the purposes of this Act, amounts sufficient to meet the requirements of the Maine Revised Statutes, Title 30-A, section 5685.

See title page for effective date.

CHAPTER 80

H.P. 1025 - L.D. 1440

An Act to Repeal the Gross Receipts Tax

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

Sec. 1. Proof of gross receipts tax repeal savings reduction of rates charged. All persons licensed by this State as a nursing home within the meaning of the Maine Revised Statutes, Title 22, section 1812-A prior to the repeal of Title 36, section 2822, subsection 2 who increased their rates by 7% after July 1, 1993 shall reduce rates charged to consumers of nursing home services by 7% and shall provide proof to those consumers that the rates charged for nursing home care no longer include an amount related to the gross receipts tax. The Department of Human Services shall send a letter to all nursing home consumers that notifies those consumers that the gross receipts tax of 7% has been repealed effective January 1, 1997. All persons licensed by the State as a nursing home must include a statement concerning the repeal of the 7% gross receipts tax on the first bill provided to consumers of those nursing homes in calendar year 1997.

See title page for effective date.

CHAPTER 81

H.P. 1330 - L.D. 1822

An Act to Authorize a Bond Issue to Encourage and Support Economic Development

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 provide funds for the capitalization of the Small Enterprise Growth Fund and the Agricultural Marketing Loan Fund.

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

Sec. 1. Authorization of bonds to provide for the capitalization of the Small Enterprise Growth Fund and the Agricultural Marketing Loan Fund. The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$11,000,000 to raise funds for the capitalization of the Small Enterprise Growth Fund and the

Agricultural Marketing Loan Fund to provide disbursements to enterprises in critical stages of growth, as authorized by section 7. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds. At the discretion of the Treasurer of State, with the approval of the Governor, any issuance of bonds may contain a call feature. The bonds, when paid at maturity or otherwise retired, may not be reissued, but may be refunded on terms more favorable to the State than those in the original issue.

Sec. 2. Records of bonds issued to be kept by the 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 of the bonds to the Treasurer of State. The Treasurer of State shall keep an account of each bond showing the number of the bond, the name of the successful bidder to whom sold, the amount received for the bond, the date of sale and the date when payable.

Sec. 3. 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 on behalf of the State. The proceeds of the sale of the bonds, which must be held by the Treasurer of State and paid by the Treasurer of State upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Act. Any unencumbered balances remaining at the completion of the project in section 7 lapse to the debt service account established for the retirement of these bonds.

Sec. 4. Taxable bond option. The Treasurer of State, at the direction of the Governor, shall covenant and consent that the interest on the bonds is 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 are subject to any limitations or restrictions of any law that may limit the power to covenant and consent.

Sec. 5. Interest and debt retirement. The Treasurer of State shall pay interest due or accruing on any bonds issued under this Act and all sums coming due for payment of bonds at maturity.

Sec. 6. Disbursement of bond proceeds. The proceeds of the bonds must be expended as set out in section 7.

Sec. 7. Allocations from General Fund bond issue. The proceeds of the sale of bonds must be expended as designated in the following schedule.

FINANCE AUTHORITY OF MAINE

Small Enterprise Growth Fund	\$5,000,000
Agricultural Marketing Loan Fund	\$6,000,000
TOTAL	\$11,000,000

Sec. 8. Contingent upon ratification of bond issue. Sections 1 to 7 do not become effective unless the people of the State have ratified the issuance of bonds as set forth in this Act.

Sec. 9. Appropriation balances at year-end. At the end of each fiscal year, all unencumbered appropriation balances representing state money carry forward. Bond proceeds that have not been expended within 10 years after the date of the sale of the bonds lapse to General Fund debt service.

Sec. 10. Bonds authorized but not issued. Any bonds authorized but not issued, or for which bond anticipation notes are not issued within 5 years of ratification of this Act, are deauthorized and may not be issued; except that the Legislature may, within 2 years after the expiration of that 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. 11. Referendum for ratification; submission at general election; form of question; effective date. This Act must be submitted to the legal voters of the State of Maine at the next general election in the month of November following passage of this Act. The municipal officers 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 general election, to vote on the acceptance or rejection of this Act by voting on the following question:

"Do you favor a \$11,000,000 bond issue to encourage job growth and economic vitality by providing access to capital for agricultural enterprises and small businesses with a significant potential for growth and job creation?"

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within a corresponding square below the word "Yes" or "No." The ballots must 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 a majority of the legal votes are cast in favor of the Act, the Governor shall proclaim the result without delay, and the Act becomes 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.

CHAPTER 82

S.P. 741 - L.D. 1849

An Act to Authorize a General Fund Bond Issue in the Amount of \$10,000,000 to Construct Water Pollution Control Facilities and to Address Environmental Health Deficiencies in Drinking Water Supplies

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 construct water pollution control facilities and to address environmental health deficiencies in drinking water supplies.

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

Sec. 1. Authorization of bonds to provide for funds to construct water pollution control facilities and to address environmental health deficiencies in drinking water supplies. The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$10,000,000 to raise funds to construct water pollution control facilities and to address environmental health deficiencies in drinking water supplies as authorized by section 6. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds. At the discretion of the Treasurer of State, with the approval of the Governor, any issuance of bonds may contain a call feature.

Sec. 2. Records of bonds issued to be kept by the Treasurer of State. The Treasurer of State shall keep an account of each bond showing the number of the bond, the name of the successful bidder to whom sold, the amount received for the bond, the date of sale and the date when payable.

Sec. 3. 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 on behalf of the State. The proceeds of the sale of the bonds, which must be held by the Treasurer of State and paid by the Treasurer of State upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Act. Any unencumbered balances remaining at the completion of the project in section 6 lapse to the debt service account established for the retirement of these bonds.

Sec. 4. Interest and debt retirement. The Treasurer of State shall pay interest due or accruing on any bonds issued under this Act and all sums coming due for payment of bonds at maturity.

Sec. 5. Disbursement of bond proceeds. The proceeds of the bonds must be expended as set out in section 6 under the direction and supervision of the Department of Environmental Protection and the Department of Human Services.

Sec. 6. Allocations from General Fund bond issue; construct water pollution control facilities; address environmental health deficiencies in drinking water supplies. The proceeds of the sale of bonds must be expended as designated in the following schedule.

ENVIRONMENTAL PROTECTION, DEPARTMENT OF

Construction of water pollution control facilities to provide the state match for \$10,000,000 in federal funds	\$8,000,000
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HUMAN SERVICES, DEPARTMENT OF

Address environmental health deficiencies in drinking water supplies	2,000,000
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TOTAL ALLOCATIONS	\$10,000,000
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Sec. 7. Contingent upon ratification of bond issue. Sections 1 to 6 do not become effective unless the people of the State have ratified the issuance of bonds as set forth in this Act.

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