

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND NINETEENTH LEGISLATURE

SECOND REGULAR SESSION
January 5, 2000 to May 12, 2000

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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
2000

CHAPTER 727

S.P. 1077 - L.D. 2681

**An Act to Require Rules on
Temporary Campgrounds to be
Major Substantive Rules****Be it enacted by the People of the State of
Maine as follows:**

Sec. 1. 22 MRSA §2496, as amended by PL 1977, c. 694, §351, is further amended by adding at the end a new paragraph to read:

Beginning March 1, 2001, rules regulating tent and recreational vehicle parks, agricultural fair camping facilities, temporary campgrounds and wilderness recreational parks are major substantive rules as defined in Title 5, chapter 375, subchapter II-A. This paragraph is repealed March 1, 2004.

See title page for effective date.

CHAPTER 728

S.P. 1079 - L.D. 2684

**An Act to Improve Oversight and
Accountability of Student Loan
Programs Funded with an Allocation
of the State Ceiling on Private
Activity Tax-exempt Bonds****Be it enacted by the People of the State of
Maine as follows:**

Sec. 1. 10 MRSA §363, sub-§1-A, as amended by PL 1999, c. 443, §1, is further amended to read:

1-A. Procedure. For each calendar year, the Legislature may establish a procedure for allocation of the entire amount of the state ceiling by allocating an amount of the state ceiling to the specific issuers designated in this section for further allocation by each specific issuer to itself or to other issuers for specific bond issues requiring an allocation of the state ceiling or for carryforward. This procedure supersedes the federal formula to the full extent that the United States Code, Title 26, authorizes the Legislature to vary the federal formula. Allocations may be reviewed by the Legislature periodically and unused allocations may be reallocated to other issuers; however, notwithstanding the existence of legislation allocating or reallocating all or any portion of the state ceiling, at any time during the period from September 1st to and including December 31st of any calendar year, and at any other time that the Legislature is not in session, a group consisting of a representative of each of the

issuers specifically identified in subsections 4 ~~to~~, 6 and 7; a representative of a corporation created pursuant to the former Title 20, section 2237 and Title 20-A, section 11407; and a representative of the Governor designated each year by the Governor may, by written agreement executed by no fewer than ~~5~~ 4 of the ~~6~~ 5 voting representatives, allocate amounts not previously allocated and reallocate unused allocations from one of the specific issuers designated in this section to another specific issuer for further allocation or carryforward, with respect to the state ceiling for that calendar year only. The issuer specifically identified in subsection 5 and a representative of the Department of Economic and Community Development designated each year by the Commissioner of Economic and Community Development shall participate as nonvoting members of the group of representatives described in this subsection with respect to agreements or recommendations for allocation or reallocation of the state ceiling. Except for records containing specific and identifiable personal information acquired from applicants for or recipients of financial assistance, the records of the group of representatives described in this subsection are public records and the meetings of the group of representatives described in this subsection are public proceedings within the meaning of Title 1, chapter 13, subchapter I.

Sec. 2. 10 MRSA §363, sub-§2-A, as amended by PL 1993, c. 671, §1, is further amended to read:

2-A. Recommendation of Governor and issuers. At any time action of the Legislature under subsection 1-A is necessary or desirable, the Governor shall recommend to the appropriate committee of the Legislature a proposed allocation or reallocation of all or part of the state ceiling. To assist the Governor in making a recommendation of proposed allocations of the ~~federal~~ state ceiling on private activity bonds, ~~the Finance Authority of Maine shall conduct an annual survey of the State's pulp and paper companies during the years 1994 through 2000 to determine what projects they are considering that are eligible for tax-exempt financing the group of 7 representatives described in subsection 1-A shall make a recommendation regarding allocation or reallocation of the state ceiling. The results of this survey must be taken into consideration in the Governor's recommendation. This recommendation must, including the results of the survey, be considered by the Legislature prior to taking any such action. In order to assist the group in making its recommendation and to assist the Governor and the Legislature, the State Planning Office shall prepare an annual analysis of the State's economic outlook, prevailing interest rate forecasts related to tax-exempt financing by the issuers specifically identified in subsections 4 to 8, the availability to those issuers of alternative financing from sources that do not require an allocation of the state ceiling and the~~

relationship of these factors and various public policy considerations to the allocation or reallocation of the state ceiling. In recommending any allocation or reallocation of the state ceiling to the Legislature, the Governor shall consider the requests and recommendations of those issuers of bonds within the State designated in this section ~~and shall explain the basis of any recommendation that varies from the requests and recommendation of those issuers, the recommendations of the group of representatives described in subsection 1-A and the annual analysis of the State Planning Office.~~

Sec. 3. 10 MRSA §363, sub-§§4 and 5, as repealed and replaced by PL 1987, c. 413, §4, are amended to read:

4. Allocation to Maine State Housing Authority. That portion of the state ceiling allocated under this section to the category of bonds for housing or housing-related purposes ~~shall~~ must be allocated to the Maine State Housing Authority, which may further allocate that portion of the state ceiling to bonds for housing-related projects ~~which that~~ require an allocation in order to qualify as tax-exempt bonds. Any further allocation or reallocation of any portion of the state ceiling from the Maine State Housing Authority to another specific issuer designated in this section must be done in accordance with the requirements in subsection 1-A.

5. Allocation to the Treasurer of State. That portion of the state ceiling allocated under this section to the category of general ~~obligations~~ obligation bonds of the State ~~shall~~ must be allocated to the Treasurer of State, who may further allocate that portion of the state ceiling to bonds of the State requiring an allocation in order to qualify as tax-exempt bonds. Any further allocation or reallocation of any portion of the state ceiling from the Treasurer of State to another specific issuer designated in this section must be done in accordance with the requirements in subsection 1-A.

Sec. 4. 10 MRSA §363, sub-§6, as amended by PL 1991, c. 603, §2, is further amended to read:

6. Allocation to the Finance Authority of Maine. That portion of the state ceiling allocated to the category of bonds ~~which that~~ are limited obligations of the issuer payable solely from the revenues of the projects financed with the proceeds of the bonds, other than for housing-related projects or issues included in an issue of the Maine Municipal Bond Bank, as well as that portion of the state ceiling allocated to bonds authorized to be issued by the Finance Authority of Maine pursuant to Title 20-A, chapter 417-B, must be allocated to the Finance Authority of Maine, which may further allocate that portion of the state ceiling to bonds requiring an

allocation in order to qualify as tax-exempt bonds. Any further allocation or reallocation of any portion of the state ceiling from the Finance Authority of Maine to another specific issuer designated in this section must be done in accordance with the requirements in subsection 1-A.

Sec. 5. 10 MRSA §363, sub-§7, as amended by PL 1989, c. 224, §1, is further amended to read:

7. Allocation to the Maine Municipal Bond Bank. That portion of the state ceiling allocated to the category of bonds ~~which that~~ are general obligations of issuers within the State, other than the State; ~~which that~~ are included in bond issues of the Maine Municipal Bond Bank; ~~which that~~ are included in bond issues of the Maine Public Utility Financing Bank; or ~~which that~~ are qualified redevelopment bonds as defined in the United States Code, Title 26, ~~shall~~ must be allocated to the Maine Municipal Bond Bank, which may further allocate that portion of the state ceiling to bonds requiring an allocation in order to qualify as tax-exempt bonds. Any further allocation or reallocation of any portion of the state ceiling from the Maine Municipal Bond Bank to another specific issuer designated in this section must be done in accordance with the requirements in subsection 1-A.

Sec. 6. 10 MRSA §363, sub-§8, as amended by PL 1999, c. 443, §2, is further amended to read:

8. Allocations for educational bonds. That portion of the state ceiling allocated to the categories of bonds providing funds for the purposes of a corporation created pursuant to ~~the former~~ Title 20, section 2237, and Title 20-A, section 11407, or of the Maine Educational Loan Authority must be allocated to that corporation or to the Maine Educational Loan Authority, or both, and each may further allocate the portion of the state ceiling allocated to it to bonds requiring an allocation to qualify as tax-exempt bonds. ~~That portion of the state ceiling allocated to the issuance of bonds for education loans for the Loans to Lenders Pilot Program must be allocated to the Finance Authority of Maine.~~ Any further allocation or reallocation of any portion of the state ceiling from the Maine Educational Loan Authority or a corporation created pursuant to former Title 20, section 2237 and Title 20-A, section 11407 to each other or to another specific issuer designated in this section must be done in accordance with the requirements in subsection 1-A.

A. Prior to ~~receiving~~ issuing loans funded through an allocation of the state ceiling for the issuance of education loans, an issuer or lender must provide to the appropriate agency within the Department of Professional and Financial Regulation examples of the disclosures to be made to loan recipients or obligors. The infor-

mation must be provided to the Bureau of Banking if the issuer or lender is a financial institution or credit union established pursuant to state or federal law or to the Office of Consumer Credit Regulation for all other issuers or lenders. This information must be provided to the appropriate agency within the Department of Professional and Financial Regulation upon request, or in the course of an examination of the issuer or lender by the agency, and must include a description of any interest rate or other discounts offered that clearly identifies all of the terms and conditions of obtaining any discount, a projection of the approximate number or percentage of loan obligors who are likely to benefit from the discounts and any other disclosures pursuant to guidelines established by the Bureau of Banking and the Office of Consumer Credit Regulation for the issuance of education loans that would benefit from an allocation of the state ceiling. The Bureau of Banking and the Office of Consumer Credit Regulation shall jointly adopt, to the extent allowed by law, rules to carry out the provisions of this paragraph by establishing uniform disclosure requirements and sanctions for non-compliance. Rules adopted pursuant to this paragraph are routine technical rules, as defined in Title 5, chapter 375, subchapter II-A. All information provided to the appropriate agencies within the Department of Professional and Financial Regulation must include the source of the information and the basis for any projections.

B. All education loans made under the federal Higher Education Act of 1965, 20 United States Code, Chapter 28 that are purchased or originated with proceeds of tax-exempt bonds using a portion of the state ceiling on private activity bonds must be guaranteed by the state agency designated as administrator of federal guaranteed student loan programs pursuant to Title 20-A, chapter 417, subchapter I, provided that this requirement does not apply to serial loans of a borrower that are guaranteed by a different guarantee agency and acquired or financed with tax-exempt bond proceeds prior to the effective date of this paragraph. The state agency designated as administrator of federal guaranteed student loan programs pursuant to Title 20-A, chapter 417, subchapter I shall use its best efforts to provide competitive rates for the guarantee function. This paragraph is repealed on July 15, 2000.

B-1. All education loans made under the federal Higher Education Act of 1965, 20 United States Code, Chapter 28 that are purchased or originated with proceeds of tax-exempt bonds using a portion of the state ceiling on private activity bonds must be guaranteed by the state agency

designated as administrator of federal guaranteed student loan programs pursuant to Title 20-A, chapter 417, subchapter I, provided that this requirement does not apply to serial loans of a borrower that are guaranteed by a different guarantee agency and acquired or financed with tax-exempt bond proceeds prior to the effective date of this paragraph. The state agency designated as administrator of federal guaranteed student loan programs pursuant to Title 20-A, chapter 417, subchapter I shall use its best efforts to provide competitive rates for the guarantee function.

Sec. 7. 10 MRSA §363, sub-§9, as amended by PL 1999, c. 443, §3, is further amended to read:

9. Use of carryforward. In the event that any issuer has made a carryforward election under the United States Code, Title 26, Section 146(f), as amended, the issuer shall use, to the extent possible and consistent with the purpose for which the carryforward was elected, the carryforward for issues subject to the state ceiling prior to allocating any portion of the state ceiling for the applicable calendar year to the issue. To the extent permitted by federal law, a group consisting of a representative of each of the issuers specifically identified in subsections 4 to 7; a representative of a corporation created pursuant to former Title 20, section 2237 and Title 20-A, section 11407; and a representative of the Governor designated each year by the Governor may reallocate, by written agreement executed by no fewer than ~~5~~ 4 of the ~~6~~ 5 voting representatives, carryforward amounts from one of the specific issuers designated in this section to another specific issuer.

Sec. 8. 10 MRSA §363, sub-§11, as enacted by PL 1999, c. 443, §4, is amended to read:

11. Annual review. By March 15th of each year, each issuer identified in subsections 4 to 8 shall deliver a report to the Governor, the group of representatives described in subsection 1-A and the joint standing committee of the Legislature having jurisdiction over business and economic development matters. Each report must include, without limitation, a review of what bonds have been issued in the most recent year, how the state ceiling was allocated or carried forward ~~and who has benefited from the proceeds of the tax exempt bonds in that year,~~ a demonstration of the benefits to the State of the allocation of the state ceiling to such issuer for the most recent year and a demonstration that allocation of the state ceiling is necessary to fulfill an unmet need for financing by the private sector. In addition, each report must be accompanied by the most recent annual audited financial statements of the issuer and by a letter from an independent accountant addressing the savings attributable to the use of tax-exempt financing and

how that savings was passed on to the entities or individuals benefiting from the bond proceeds.

Sec. 9. 10 MRSA §965, sub-§4-A is enacted to read:

4-A. Director; serving on more than one board. With the exception of a member serving in an ex officio capacity pursuant to subsection 4, a member may not serve at the same time as a director or officer of the Maine Educational Loan Authority, of any nonprofit corporation formed pursuant to the former Title 20, section 2237 and Title 20-A, section 11407 or of any entity that has a contract to provide a significant level of administrative services to the authority, to the Maine Educational Loan Authority or to any nonprofit corporation formed pursuant to the former Title 20, section 2237 and Title 20-A, section 11407.

Sec. 10. 20 MRSA §2237, as amended by PL 1989, c. 812, §2, is repealed.

Sec. 11. 20-A MRSA §11407, as amended by PL 1999, c. 443, §5, is further amended to read:

§11407. Authorization for Governor to request organizations of corporations to acquire loan notes

To the extent and for the purposes contemplated by the federal Internal Revenue Code of 1954, Section 103(e), as amended, and successor provisions thereto, including without limitation the federal Internal Revenue Code of 1986, Section 150(d), as amended, the Governor may on behalf of the State request the organization of one or more nonprofit corporations to operate exclusively for the purpose of acquiring student loan notes incurred under the federal Higher Education Act of 1965, 20 United States Code, Chapter 28, Title IV, Part B, as amended. ~~A nonprofit corporation formed under this section shall report annually on its activities during the previous fiscal year to the joint standing committee of the Legislature having jurisdiction over economic development matters, the joint standing committee of the Legislature having jurisdiction over appropriation matters and the joint standing committee of the Legislature having jurisdiction over education matters. That report must include a listing of the current directors and officers of the corporation, a summary of the corporation's purchases of loans in the secondary market during the previous fiscal year, a listing of the institutions from which loans were purchased during the previous fiscal year, a summary of the organization's direct student loans and a complete financial statement of the corporation's operations for the previous fiscal year, including a breakdown of income and costs, a breakdown of the administrative and operating costs of the corporation, a breakdown of the assets and liabilities of the corporation, total excess revenues~~

~~over expenditures for the previous fiscal year and the total accumulation of these revenues, total income derived from investments during the previous fiscal year and a breakdown showing the disposition and use of excess revenues and the proceeds from investments. That report must include similar information on all affiliated entities. That report must be provided annually in writing to the committee by December 1st. Notwithstanding the requirements of this section, if a nonprofit corporation formed under this section does not comply with the requirements of this section, the Governor may request on behalf of the State that one or more state agencies acquire student loan notes incurred under the federal Higher Education Act of 1965, 20 United States Code, Chapter 28, Title IV, Part B, as amended.~~

All education loan notes incurred under the federal Higher Education Act of 1965, 20 United States Code, Chapter 28 by a nonprofit corporation formed under this section that are acquired with proceeds of tax-exempt bonds using a portion of the state ceiling on private activity bonds must be guaranteed by the state agency designated as administrator of federal guaranteed student loan programs pursuant to ~~Title 20-A~~, chapter 417, subchapter I, provided that this requirement does not apply to serial loans of a borrower that are guaranteed by a different guarantee agency and acquired or financed with tax-exempt bond proceeds prior to the effective date of this paragraph. The state agency designated as administrator of federal guaranteed student loan programs pursuant to ~~Title 20-A~~, chapter 417, subchapter I shall use its best efforts to provide competitive rates for the guarantee function. This paragraph is repealed on July 15, 2000.

1. Origination of loans. A nonprofit corporation formed under this section may not originate loans or otherwise extend credit to any person. The corporation may not discriminate against any financial institution or credit union authorized to do business in this State or any other entity with respect to the acquisition of loans. The corporation shall adopt policies regarding conflict of interest.

2. Loan guarantee. All education loan notes incurred under the federal Higher Education Act of 1965, 20 United States Code, Chapter 28 by a nonprofit corporation formed under this section that are acquired with proceeds of tax-exempt bonds using a portion of the state ceiling on private activity bonds must be guaranteed by the state agency designated as administrator of federal guaranteed student loan programs pursuant to chapter 417, subchapter I, provided that this requirement does not apply to serial loans of a borrower that are guaranteed by a different guarantee agency and acquired or financed with tax-exempt bond proceeds prior to the effective date of this paragraph. The state agency designated as administrator of federal guaranteed student loan

programs pursuant to chapter 417, subchapter I shall use its best efforts to provide competitive rates for the guarantee function.

3. Board of directors. The board of directors of a nonprofit corporation formed under this section consists of 7 members. Four members representing the public with full voting rights must be appointed by the Governor, subject to review and approval by the joint standing committee of the Legislature having jurisdiction over business and economic development matters and confirmation by the Legislature. The initial terms of the members appointed by the Governor pursuant to this subsection begin on the date of the corporation's year 2000 annual meeting or on December 31, 2000, whichever date occurs first. The terms of the initial members must be staggered: 2 members must be appointed to 2-year terms and 2 members must be appointed to 3-year terms. On the expiration of a term of any member, a successor must be appointed to a 3-year term. A member serves until a successor is appointed and qualified. A member is eligible for reappointment. If a member is appointed to fill a vacancy in an unexpired term, that member may serve only for the remainder of that term until a successor is appointed. An officer, director or employee of a nonprofit corporation formed under this section may not at the same time serve as an officer, director or employee of the Maine Educational Loan Authority, of the state agency designated as administrator of federal guaranteed student loan programs pursuant to chapter 417, subchapter I or of any entity that has a contract to provide a significant level of administrative services to a nonprofit corporation formed under this section, to the Maine Educational Loan Authority or to the state agency designated as administrator of federal guaranteed student loan programs pursuant to chapter 417, subchapter I.

4. Public meetings and records. Except for records containing specific and identifiable personal information acquired from applicants for or recipients of financial assistance, the books and records of a nonprofit corporation formed under this section are public records and the meetings of such a corporation are public proceedings within the meaning of Title I, chapter 13, subchapter I.

5. Use of competitive bidding. A nonprofit corporation formed under this section may enter into contracts for loan administration, loan servicing and other substantial operating contracts through an open competitive bidding process in accordance with this subsection. The corporation shall adopt rules requiring that contracts may not be entered into without prior public notice and opportunity for interested persons to make proposals, and the corporation may not adopt the rules until after providing public notice and opportunity for public comment on the proposed rules. In adopting those rules, the

corporation shall consider to the extent possible the rules and procedures with respect to the competitive bidding process set forth in Title 5, chapter 155, subchapter I-A. Any contract must be approved by the board after review of the contract and an accompanying fairness opinion prepared by an independent 3rd party.

6. Annual report. A nonprofit corporation formed under this section shall report annually on its activities during the previous fiscal year to the joint standing committees of the Legislature having jurisdiction over business and economic development matters, appropriations matters and education matters. The report must include a listing of the current directors and officers of the corporation; a summary of the corporation's purchases of loans in the secondary market during the previous fiscal year; a listing of the institutions from which loans were purchased during the previous fiscal year; a summary of the corporation's direct student loans; and a complete financial statement of the corporation's operations during the previous fiscal year, including a breakdown of income and costs, the administrative and operating costs of the corporation, the assets and liabilities of the corporation, the total excess revenues over expenditures for the previous fiscal year and the total accumulation of these revenues, the total income derived from investments during the previous fiscal year, the disposition and use of excess revenues, the proceeds from investments and the geographic distribution and distribution between institutions of higher learning of its student loans among residents of this State. The report must demonstrate that all revenues, including reserves, that are acquired with proceeds of tax-exempt bonds using a portion of the state ceiling on private activity bonds are being used in a manner consistent with the public purpose for which the bonds are issued. The report must include similar information on all affiliated entities and must be provided annually in writing to the joint standing committees of the Legislature having jurisdiction over business and economic development matters, appropriations matters and education matters by December 1st. A nonprofit corporation formed under this section shall also file copies of the corporation's Internal Revenue Code forms and returns with the Attorney General and the joint standing committee of the Legislature having jurisdiction over business and economic development matters.

Sec. 12. 20-A MRSA §11413, sub-§16 is enacted to read:

16. Supplemental loan. "Supplemental loan" means a loan to a student or to a parent to finance the costs of higher education other than a loan guaranteed pursuant to the federal Higher Education Act of 1965, 20 United States Code, Chapter 28.

Sec. 13. 20-A MRSA §11415, sub-§2, as enacted by PL 1987, c. 807, §3, is amended to read:

2. Qualifications. Each member ~~shall~~ must be a resident of this State. One member ~~shall~~ must be the Treasurer of State, ex officio and nonvoting, or the Treasurer of State's designee. ~~One member shall be the president of the secondary market, ex officio, or the president of the secondary market's designee.~~ Of the remaining ~~5~~ 6 members to be appointed by the Governor, ~~2~~ 3 members ~~shall~~ must be trustees, directors, officers or employees of institutions of higher education, at least one of whom shall must be from an institution not owned or operated by the State or any of its political subdivisions and one of whom must be from a technical college owned or operated by the State. Each member of the authority, before entering upon that member's duties, shall take and subscribe the oath or affirmation required by the Constitution of Maine, Article IX, Section 1. A record of each oath ~~shall~~ must be filed in the office of the Secretary of State. With the exception of a member serving in an ex officio capacity, a member of the authority may not at the same time serve as an officer, director or employee of a nonprofit corporation formed under section 11407 and former Title 20, section 2237, of the state agency designated as administrator of federal guaranteed student loan programs pursuant to chapter 417, subchapter I or of any entity that has a contract to provide a significant level of administrative services to the authority, to a nonprofit corporation formed under section 11407 and former Title 20, section 2237 or to the state agency designated as administrator of federal guaranteed student loan programs pursuant to chapter 417, subchapter I.

Sec. 14. 20-A MRSA §11417, sub-§1, ¶H, as enacted by PL 1987, c. 807, §3, is amended to read:

H. In accordance with the limitations and restrictions of this chapter, cause any of its powers or duties to be carried out by one or more nonprofit corporations organized and operated under Title 13-B. This paragraph is repealed on March 15, 2001;

Sec. 15. 20-A MRSA §11417, sub-§4, as enacted by PL 1987, c. 807, §3, is amended to read:

4. Administration. In carrying out its powers under this chapter, the authority shall, whenever determined desirable by the authority, contract with the secondary market or other persons or entities for necessary clerical and administrative services. The contracts must be awarded by a competitive bidding process subject to approval by a vote of a majority of the members of the authority.

Sec. 16. 20-A MRSA §11417, sub-§§5 to 7 are enacted to read:

5. Loan origination. The powers of the authority set forth in subsection 1, paragraph B and in subsection 2 are limited as set forth in this subsection. The authority is authorized to originate supplemental loans.

6. Business plan. Within 90 days after the effective date of this subsection and thereafter within the period set forth in Title 5, section 8060, subsection 2, the authority shall prepare and distribute to persons who request it a statement of the authority's goals and objectives for the calendar year and a regulatory agenda in accordance with Title 5, section 8060.

7. Operating contracts. The authority shall adopt rules, after notice and hearing in accordance with Title 5, section 8053, providing that loan servicing and other substantial operating contracts may not be entered into without prior public notice and opportunity for interested persons to make proposals. In adopting rules, the members of the authority shall, to the extent possible, follow the rules and procedures with respect to the competitive bidding process set forth in Title 5, chapter 155, subchapter I-A. The authority may not enter into any contract except after review of the proposals by the members and approval of the contract by the members after consideration of written recommendations of the executive director. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter II-A.

Sec. 17. 20-A MRSA §11427, as enacted by PL 1987, c. 807, §3, is amended to read:

§11427. Accounts and reports

The authority shall keep full and accurate accounts of its activities and operations and shall, within 120 days after the end of each of its fiscal years, make and deliver a report to the Governor, the Speaker of the House, the President of the Senate and the joint standing committee of the Legislature having jurisdiction over education. The report ~~shall~~ must cover the preceding fiscal year and ~~shall~~ must include a complete operating and financial statement for that year and a breakdown showing the geographic distribution and distribution between institutions of higher learning of its student loans among residents of this State. The report must demonstrate that all revenues, including reserves, that are acquired with proceeds of tax-exempt bonds using a portion of the state ceiling on private activity bonds, are being used in a manner consistent with the public purpose for which the bonds are issued. The authority shall cause an audit of its books and accounts to be made at least once each year by independent certified public

accountants and the cost ~~shall~~ must be paid by the authority from funds available to it pursuant to this chapter.

Sec. 18. Study. The members of the Maine Educational Loan Authority, referred to in this section as "MELA," shall conduct a study and make recommendations with respect to the issue of whether the Maine Educational Loan Authority should be moved under the auspices of the Finance Authority of Maine or whether other changes to the structure and governance of MELA should be made. In conducting its study, the members of MELA shall consult with the Finance Authority of Maine as to the costs and other factors involved in moving MELA under its auspices. The members of MELA shall also examine the issue of MELA's need for statutory authority to delegate its powers and duties to a nonprofit corporation and recommend whether the language in the Maine Revised Statutes, Title 20-A, section 11417, subsection 1, paragraph H should be retained. A report and recommendations, including any necessary implementing legislation, must be submitted to the joint standing committee of the Legislature having jurisdiction over business and economic development matters no later than January 15, 2001. The joint standing committee of the Legislature having jurisdiction over business and economic development matters may report out legislation on this issue to the First Regular Session of the 120th Legislature.

Sec. 19. Existing rights and obligations. This Act may not in any way impair the contractual rights or obligations, existing on the effective date of this Act, of the Maine Educational Loan Authority or its bondholders or the nonprofit corporation formed under the Maine Revised Statutes, Title 20-A, section 11407 and the former Title 20, section 2237 or its bondholders. This Act may not be construed to affect the exclusion from gross income of interest on any bonds that were issued by either the Maine Educational Loan Authority or the nonprofit corporation formed under Title 20-A, section 11407 and former Title 20, section 2237 prior to the effective date of this Act.

Sec. 20. Retroactivity. Those sections of this Act that enact the Maine Revised Statutes, Title 10, section 363, subsection 8, paragraph B-1 and Title 20-A, section 11407, subsection 2 are retroactive to July 15, 2000.

Sec. 21. Repeal of the Maine Revised Statutes, section 2237. Upon the repeal of the Maine Revised Statutes, Title 20, section 2237, any nonprofit corporation organized at the request of the Governor pursuant to that section is deemed to have

been organized at the request of the Governor pursuant to Title 20-A, section 11407.

See title page for effective date.

CHAPTER 729

S.P. 1070 - L.D. 2663

An Act Relating to Reporting Requirements for Political Action Committees on the Flexibility of the Commission on Governmental Ethics and Election Practices to Assess Penalties

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

Sec. 1. 21-A MRSA §1013-A, sub-§1, ¶C, as enacted by PL 1995, c. 384, §1, is amended to read:

C. No later than 10 days after becoming a candidate, as defined in section 1, subsection 5, a candidate for the office of State House of Representatives or Senate shall file in writing a statement declaring ~~either~~ that the candidate agrees to accept voluntary limits on political expenditures or that the candidate does not agree to accept voluntary limits on political expenditures, as specified in section 1015, subsections 7 to 9, or that the candidate has filed a declaration of intent to become certified as a candidate under the Maine Clean Election Act.

The statement filed by a candidate who voluntarily agrees to limit spending must state that the candidate knows the voluntary expenditure limitations as set out in section 1015, subsection 8 and that the candidate is voluntarily agreeing to limit the candidate's political expenditures and those made on behalf of the candidate by the candidate's political committee or committees, the candidate's party and the candidate's immediate family to the amount set by law. The statement must further state that the candidate does not condone and will not solicit any independent expenditures made on behalf of the candidate.

The statement filed by a candidate who does not agree to voluntarily limit political expenditures must state that the candidate does not accept the voluntary expenditure limits as set out in section 1015, subsection 8.

The statement filed by a candidate who has filed a declaration of intent under the Maine Clean Election Act must state that the candidate will be bound by the expenditure limitations imposed by that Act.