

MAINE STATE LEGISLATURE

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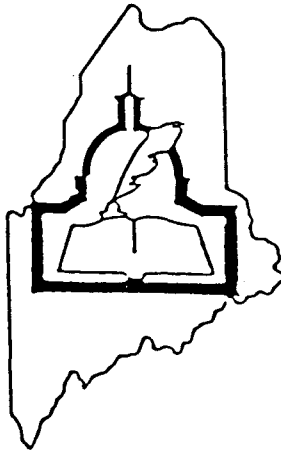
ONE HUNDRED AND ELEVENTH LEGISLATURE
SECOND REGULAR SESSION

JOINT STANDING COMMITTEE
BILL SUMMARIES
JUNE 1984

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees of the Maine Legislature, covering the Second Regular Session of the 111th Legislature. The summaries are arranged alphabetically, and indexed separately by committee.

STATE OF MAINE
ONE HUNDRED AND ELEVENTH LEGISLATURE
SECOND REGULAR SESSION

JOINT STANDING COMMITTEE ON
STATE GOVERNMENT
BILL SUMMARY



MAY, 1984

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<u>LD</u>	<u>TITLE</u>	<u>SPONSOR</u>	(Committee Report) <u>DISPOSITION</u>
1971	AN ACT AMENDING THE LAWS RELATING TO THE FINANCE AUTHORITY OF MAINE CONCERNING ELIGIBILITY OF SMALL BUSINESS FOR FINANCING	MacBride	OTP-ND LD 2194

SUMMARY: LD 1971 proposed to authorize, under the Municipal Securities Approval Program, the construction and rehabilitation of office buildings of less than 30,000 square feet which are currently ineligible for FAME financing. In addition, the bill proposed to allow the construction of office buildings of more than 30,000 square feet without the new job criterion of present law. While the purpose of the bill was to authorize the construction and rehabilitation of office buildings without any restrictions under the municipal and state revenue bond programs, the bill inadvertently omitted the authorizing provisions under the State Revenue Bond Program (Revenue Obligation Securities Program).

The committee reported the bill out in New Draft, LD 2194. The new draft proposed:

1. to exclude professional office buildings and retail stores from FAME Financing,
2. to distinguish between municipalities by size of population the type of office building that could be financed by tax exempt revenue bonds (state and municipal).
 - A. In Municipalities of less than 5,000 persons eligible office buildings would be office buildings of 5,000 square feet or more and in which 20% of the jobs represent new jobs either at the time of occupation or over a 3 year period prior to occupation of the new office building.
 - B. In municipalities of 5,000 or more persons, eligible office buildings would be ones of 10,000 square feet in which 25% of the jobs represent new jobs either at the time of occupation or over a 3 year period prior to occupation of the new office building.
3. to exclude any applicant who has access to and qualifies for conventional financing.

The intent of the Committee was to prevent the construction of new office buildings that primarily cause existing office buildings to be vacated and produce no new jobs. In addition, the committee opposed providing FAME financing to professional and other persons who, for the most part, can qualify for conventional loans or afford to build office building space.

The New Draft was amended in the House as follows:

1. the population differential was removed,
2. a minimum of 5,000 square feet was established as the qualifying construction/reconstruction size,
3. a minimum of 20% of the employees represent new jobs during a 3 year period prior to construction or within 1 year following construction of the office building was established as the "new jobs" qualifying factor,
4. Projects that do not significantly increase the number of jobs or contribute to the local economy are excluded from revenue obligation bond financing.