

MAINE STATE LEGISLATURE

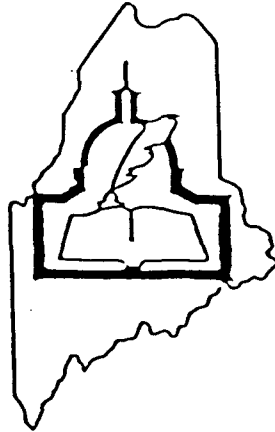
The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

STATE OF MAINE
ONE HUNDRED AND TWELFTH LEGISLATURE
SECOND REGULAR SESSION

JOINT STANDING COMMITTEE ON
STATE GOVERNMENT
BILL SUMMARY



MAY 1986

PREPARED BY:

Edward Potter, Legislative Analyst

OFFICE OF POLICY AND LEGAL ANALYSIS
STATE HOUSE, STATION 13 AUGUSTA, MAINE 04333
(207) 289-1670



HELEN T. GINDER, DIRECTOR
HAVEN WHITESIDE, ASST. DIRECTOR
GILBERT W. BREWER
DAVID C. ELLIOTT
MARTHA E. FREEMAN
JERI B. GAUTSCHI
CHRISTOS GIANOPOULOS
WILLIAM T. GLIDDEN, JR.

STATE OF MAINE
OFFICE OF POLICY AND LEGAL ANALYSIS
ROOM 101/107
STATE HOUSE STATION 13
AUGUSTA, MAINE 04333
TEL.: (207) 289-1670

JULIE S. JONES
JOHN B. KNOX
EDWARD POTTER
MARGARET J. REINSCH
LARS H. RYDELL
JOHN R. SELSER
ANDREA L. COLNES, Res. Asst.

ONE HUNDRED AND TWELFTH LEGISLATURE
SECOND REGULAR SESSION

JOINT STANDING COMMITTEE
BILL SUMMARIES
MAY 1986

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature, covering the Second Regular Session of the 112th Legislature. The summaries are arranged by LD number under each committee.

All Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor if it is a floor amendment or the designation "CA" if it is a committee amendment. If the amendment was adopted in the House, the letter H appears after the sponsor. If it was adopted in the Senate, the letter S appears.

Final action for each bill is listed to the right of the title. If final House action and Senate action differ, both are listed.

Key to Committee Reports and Floor Action:

OTP	Ought to Pass
OTP-ND	Ought to Pass in New Draft
OTP-ND-NT	Ought to Pass in New Draft, New Title
OTP-AM	Ought to Pass as Amended
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

The Departments of Conservation, Marine Resources, Inland Fisheries and Wildlife, and Transportation along with the Baxter State Park Authority are exempt from the provisions of the bill. As a result of the provisions of federal law and federal grants as well as special needs and facilities, these agencies were excluded from the bill.

LD
2105

AN ACT PROVIDING FOR THE 1986 AMENDMENTS TO THE
FINANCE AUTHORITY OF MAINE ACT

PL 1985
c. 714

Sponsor: MARTIN, J., McBreairty, Andrews, Pray
Committee Report: OTP-AM

H-613 CA H S
H-638 CARTER H S

SUMMARY: LD 2105 proposed to:

A. Establish a Loan Insurance Reserve Fund under FAME control to fund default payments and other obligations. A total of \$3,686,000 would be transferred from the Guarantee Reserve Fund (over which FAME does not have exclusive control) to the Loan Insurance Fund by July 1, 1988.

1) The Committee Amendment requires that \$3,700,000 be transferred by June 17, 1986.

B. Increase maximum amount of loan insurance for "small businesses" (less than 20 employees and \$2,500,000 in gross sales) from \$100,000 to \$500,000. Increase maximum additional loan insurance for veterans' small business from \$100,000 to \$250,000.

1) The Committee Amendment established a \$600,000 cap for any person or firm which qualifies under both programs.

C. Permit second lien or security interest as private collateral for an insured loan where loan insurance does not exceed \$1,000,000.

D. Amend Maine Natural Resource Capital Company (MNRCC) enabling legislation to enhance the marketability of company stock by increasing flexibility of use of tax credit for investment in the Company.

E. Permit action to be taken by the greater of five members, present and voting, or a majority of those members present and voting, with quorum remaining at seven.

F. Authorize insurance of loans for retail stores and office space, for which the principal amount of the loan does not exceed \$200,000.

1) This provision has been substantially changed by the committee amendment. The committee amendment requires that the applicant's project involve only 1 free-standing retail store and that the applicant has not received mortgage insurance for any other project.

G. Simplify the language regarding payments from the Mortgage Insurance Fund in cases of default. According to the bill, payments in times of default will be made according to the contracts or agreements between the Authority and the lender. In addition, payments at times of default can be made from the Loan Insurance Reserve Fund.

H. Remove the current requirement that applies when a "competitor" challenges a project and presents credible evidence that the project will have substantial detriment to existing business. In this case, under current law, the applicant has the burden of demonstrating by a preponderance of the evidence that existing business will not be substantially adversely affected.

Require the computation of the outstanding value of bonds due to bond holders be computed to reflect the actual or accounting balance due at the time the computation is required to be made. Currently, bonds that appreciate over a specified period of time until they mature are computed in value at their full value (for the entire period) rather than the proportional or actual year value of the bonds.

J. Remove the absolute prohibition against any project financed with industrial revenue bonds, that would hurt existing businesses in the market area where the applicant's project would be located.

K. Remove the 2 year term for board members of the job-start advisory board.

1) The board of Directors of the Job Start Program would establish the terms of office.

2) This provision has been removed. The board members may serve successive terms as provided by the committee amendment.

L. Eliminate the current reporting requirement of FAME to annually list the defaults, of any persons, firms, or corporations obtaining guaranteed loans, industrial revenue bond financing, or financing by the Maine Natural Resource Capital Company.

- 1) This reporting requirement would be replaced by a report of mortgage insurance payments made annually.
- 2) This provision has been significantly changed by the amendment which requires the listing of defaulting persons or firms.

LD AN ACT TO PROVIDE MORE COST EFFECTIVE DATA
2106 PROCESSING IN THE EXECUTIVE BRANCH

ND LD 2392
PL 1985
c. 785

Sponsor: PRAY, Diamond, J., Gill, Carter
Committee Report: OTP-ND-NT

SUMMARY: The original bill, LD 2106, proposed to reorganize the Department of Finance and Administration into two departments: the Department of Finance and the Department of Administration. In addition, the bill proposed to centralize all data processing and computer personnel and equipment in the newly created Department of Administration. The departments would consist of the organizations as shown below:

DEPARTMENT OF FINANCE

1. Bureau of Alcoholic Beverages
2. Bureau of Lottery
3. Bureau of Accounts & Control
4. Bureau of the Budget
5. Bureau of Taxation

DEPARTMENT OF ADMINISTRATION

1. Office of Information Services (Office of the Deputy Commissioner)
2. Bureau of Information Services
3. Bureau of Data Processing
 - a. Division of Data Processing Audits & Standards
 - b. Division of Data Processing Training
4. Bureau of Public Improvements
5. Bureau of Purchases
6. Bureau of Personnel
7. Bureau of Employee Relations
8. Division of Administrative Services
9. Division of Risk Management.