

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
113TH LEGISLATURE  
SECOND REGULAR SESSION



BILL SUMMARY  
JOINT STANDING COMMITTEE  
ON  
ECONOMIC DEVELOPMENT

MAY 1988

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Sen. Judy C. Kany  
Sen. Robert C. Dillenback

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\* Denotes Chair

Staff: Ted Potter, Legislative Analyst

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**ONE HUNDRED AND THIRTEENTH LEGISLATURE  
FIRST & SECOND SPECIAL SESSIONS  
SECOND REGULAR SESSION**

**JOINT STANDING COMMITTEE  
BILL SUMMARIES  
MAY 1988**

*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. The summaries are arranged by LD number under each committee.*

*All Adopted Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor for floor amendments. Final action is listed to the right of the title. If final House and Senate action differ, both are listed. Committee Reports and Floor Action are indicated as follows::*

<b>OTP</b>	<b>Ought to Pass</b>
<b>OTP-ND</b>	<b>Ought to Pass in New Draft</b>
<b>OTP-ND-NT</b>	<b>Ought to Pass in New Draft, New Title</b>
<b>OTP-A</b>	<b>Ought to Pass as Amended</b>
<b>ONTP</b>	<b>Ought Not to Pass</b>
<b>LVWD</b>	<b>Leave to Withdraw</b>
<b>INDEF PP</b>	<b>Indefinitely Postponed</b>

*Each individual summary was prepared by the analyst assigned, as noted for each committee. But, this document was produced by the efforts of all the office staff, including Secretaries: Charlene Brann, Janet Jean, Earl Knox, Valarie Parlin; Research Assistant Hartley Palleschi. Finally, Secretary Lorette Knox, Legal Assistant Carolyn Chick, and Research Assistant Robert Dunn had special responsibilities in the preparation of the overall document.*

*Please give us your suggestions and comments on these summaries and tell us of any inaccuracies.*

**LD 2309** An Act to Remove the Statutory Loan Guarantee Ceiling on the Small Business Mortgage Insurance Program of the Finance Authority of Maine **PUBLIC 581 EMERGENCY**

SPONSOR(S) COMMITTEE REPORT AMENDMENTS ADOPTED  
 CROWLEY  
 ANDREWS

SUMMARY  
 This bill removed the \$4,500,000 ceiling on the Small Business Mortgage Insurance program administered by FAME. The ceiling was added by the Errors bill during the First Regular Session of the 113th Legislature as the result of a misunderstanding regarding two bills in conflict with each other.

During the First Regular Session of the 112th Legislature, LD 1280 and LD 1118 were enacted as PL 1985, chapter 198 and PL 1985, chapter 344 respectively. Both bills revised provisions relating to the Small Business Mortgage Insurance Program. LD 1280 raised the debt limit on the Small Business Loan Program from \$2,500,000 to \$4,500,000, while LD 1118 entirely repealed the debt limit.

Following the later enactment of LD 1118, FAME guaranteed small business loans of nearly \$10,000,000. The re-enactment of the small business loan debt limit jeopardized the program and the security of the bondholders.

**LD 2322** An Act to Preserve Existing Rental Units which have been Constructed with Federal Assistance and Tax Benefits for Moderate-Income and Low-Income People **PUBLIC 785**

SPONSOR(S) COMMITTEE REPORT AMENDMENTS ADOPTED  
 RAND OTP-AM MAJ H-679 MAJ REP  
 MILLS ONTP MIN H-693 CROWLEY  
 HOGLUND  
 ANDREWS

SUMMARY  
 LD 2322 proposed to give the Maine State Housing Authority (MSHA) and municipal housing authorities right of first refusal to purchase low income housing properties constructed with federal assistance authorizing prepayment of mortgages and the removal of low income housing requirements upon completion of these payments. The owner of low income housing constructed with federal assistance would be required to give the MSHA and the local housing authority 45 days notice prior to entering into any contract for the sale of the housing.

The MSHA and a municipal housing authority could purchase and maintain these low-income housing projects, or the Authority could provide no interest or low interest financing to any person or firm to purchase or reconstruct these projects, provided they maintain them for low and moderate income households.

No bank could finance the purchase of these low income housing units unless the Maine State Housing Authority and the municipal housing authority in the area of the property had been notified of the intent to sell.