

MAINE STATE LEGISLATURE

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STATE OF MAINE
114TH LEGISLATURE
FIRST REGULAR SESSION



BILL SUMMARY
JOINT STANDING COMMITTEE
ON
HOUSING AND ECONOMIC DEVELOPMENT
JULY 1989

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Sen. Thomas H. Andrews
Sen. Norman E. Weymouth

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Rep. Catharine Koch Lebowitz
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Rep. Harvey C. Donald

* Denotes Chair

Staff: Ted Potter, Legislative Analyst

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ONE HUNDRED AND FOURTEENTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE
BILL SUMMARIES
AUGUST 1989

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 for 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 abbreviated as follows:

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

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 Research Assistant Barbara McGinn, and secretaries: Charlene Brann, and Valarie Parlin, and especially Laurette Knox who coordinated preparation of the overall document.

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

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
CLARK N	OTP-AM	S-195
PERKINS		S-406 PEARSON
KILKELLY		
NADEAU G G		

SUMMARY

LD 821 proposed:

- A. To modify the definition of a qualifying small business under the Pine Tree Partnership Fund to allow the Pine Tree Board of Directors to make exclusions concerning determination of net worth;
- B. To raise from \$5,000 to \$15,000 the matching grant provided by the Pine Tree Partnership Fund Board to a small business;
- C. To remove from the law the list of programs that FAME administers;
- D. To add 2 new divisions to the authority:
 - 1) Division of Lending
 - 2) Division of Finance;
- E. To empower FAME to implement a new program that would match borrowers with potential investors (both public and private sector);
- F. To remove the requirement that FAME maintain a liaison with the Maine Natural Resource Corporation;
- G. To expand the confidentiality provisions of the FAME law to business records and tax returns of those borrowers and investors who are matched or brought together by FAME;
- H. To create a non lapsing-revolving fund entitled the Natural Resources Capital Investment Fund. This fund will provide funds for direct loans, and serve as security for commercial loans and equity investments to finance and develop natural resource projects;
- I. To create another non-lapsing revolving fund entitled, "The Innovation Finance Fund." This fund will finance research and development of new or higher quality products, new production processes, and new markets for products and services.

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
PRAY	OTP-AM	S-136 CLARK
CLARK N		S-83
DILLENBACK		
NADEAU G G		

SUMMARY

This bill provides for allocations of the state ceiling established by federal law on issuance of

private activity tax-exempt bonds within the State. The State is currently allocated \$150,000,000 in total volume of tax-exempt bonds per year for most categories of bonds not constituting the general obligation of the State or a municipality. These allocations are:

	1989	1990
Treasurer of State	\$20,000,000	\$20,000,000
Finance Authority of Maine	56,500,000	25,000,000
Maine Municipal Bond Bank	33,000,000	10,000,000
Maine Educational Loan Authority	13,500,000	30,000,000
Maine State Housing Authority	27,000,000	10,000,000
Unallocated	_____	<u>55,000,000</u>
Total	\$150,000,000	\$150,000,000

**LD 992 An Act to Encourage and Support the Development of
Affordable Housing Opportunities by Nonprofit Developers**

LV/WD

SPONSOR(S)

OLIVER
ANDREWS
HEESCHEN
BRANNIGAN

COMMITTEE REPORT

LV/WD

AMENDMENTS ADOPTED

SUMMARY

LD 992 proposes:

- A. The creation of a Division of Nonprofit Housing Development within the Maine State Housing Authority (MSHA) to work with nonprofit housing development corporations and to implement the affordable housing program.
- B. That the MSHA coordinate assistance from other sources to help nonprofit housing corporations. MSHA would also provide direct financial assistance in form of interest free loans. The MSHA would:
 - 1) review all proposals presented by the nonprofit corporations; and
 - 2) enter into contracts with nonprofit housing corporations for each project funded from the Affordable Housing Fund;
- C. That a total of \$250,000 be awarded to no more than 10 nonprofit corporations for administrative and start-up costs.
- D. That nonprofit corporations may purchase land/buildings, construct/reconstruct facilities, lease units, and operate and maintain housing projects.