

STATE OF MAINE

IN THE YEAR OF OUR LORD

TWO THOUSAND NINETEEN

H.P. 779 - L.D. 1056

An Act To Update and Amend the Finance Authority of Maine Act**Be it enacted by the People of the State of Maine as follows:**

Sec. 1. 10 MRSA §963-A, sub-§§5-A, 5-B and 5-C, as enacted by PL 1997, c. 500, §1, are repealed.

Sec. 2. 10 MRSA §963-A, sub-§10, ¶O, as amended by PL 1997, c. 500, §2, is repealed.

Sec. 3. 10 MRSA §963-A, sub-§10, ¶Q, as corrected by RR 1999, c. 1, §7, is repealed.

Sec. 4. 10 MRSA §963-A, sub-§31-A, as amended by PL 2001, c. 417, §2, is repealed.

Sec. 5. 10 MRSA §1026-A, sub-§1, as amended by PL 2009, c. 124, §3, is further amended to read:

1. Insurance. The authority may make commitments and agreements to insure loan payments. Any loan insurance must be subject to the following:

A. Loan insurance may not exceed:

(1) One hundred percent of the principal amount of the loan made to any borrower including related entities for any of the following types of loans or projects:

(a) Loans to veterans and wartime veterans, except that the authority may not at any time have, in the aggregate amount of the principal and interest outstanding, loan insurance obligations pursuant to this division exceeding \$5,000,000;

(b) Underground and aboveground oil storage facility projects and projects to install equipment related to the improvement of air quality pursuant to requirements for gasoline service station vapor control and petroleum liquids

transfer vapor recovery, except that the authority may not at any time have, in the aggregate amount of the principal and interest outstanding, loan insurance obligations pursuant to this division exceeding \$5,000,000;

(c) ~~Clean fuel vehicle projects and sustainable~~ Sustainable biofuel vehicle projects, except that the authority may not at any time have, in the aggregate amount of the principal and interest outstanding, loan insurance obligations pursuant to this division exceeding \$5,000,000;

(d) Waste oil disposal site clean-up projects, except that the authority may not at any time have, in the aggregate amount of the principal and interest outstanding, loan insurance obligations pursuant to this division exceeding \$1,000,000; or

(e) The Plymouth waste oil remedial study, except that the authority may not at any time have, in the aggregate amount of the principal and interest outstanding, loan insurance obligations pursuant to this division exceeding \$1,000,000; and

(2) Ninety percent of the principal amount of the loan made to any borrower, including related entities for any other manufacturing enterprise, industrial enterprise, recreational enterprise, fishing enterprise, agricultural enterprise, natural resource enterprise or any other eligible business enterprise;

B. The loan must be serviced as required by the authority;

D. The authority must determine that there is a reasonable prospect that the loan will be repaid;

E. The loan must be in compliance with the credit policy of the authority;

F. Loan insurance payments may not exceed the lesser of:

(1) Principal, outstanding accrued interest and collection costs approved by the authority; and

(2) The original insured amount; and

G. Terms other than those specified in paragraphs A to F as may be required by law or by rule of the authority.

The authority may provide insurance for related entities of up to ~~\$7,000,000~~ \$7,500,000.

Notwithstanding any provision to the contrary in this chapter, the authority may provide special loan insurance benefits to veterans and wartime veterans determined by rule of the authority developed in consultation with the Department of Defense, Veterans and Emergency Management, Bureau of Maine Veterans' Services.

For all loan insurance liability in excess of \$1,000,000 and in other instances when the authority determines it is appropriate, the authority shall obtain a written assessment from the Department of Environmental Protection of the environmental conditions known by the department to exist at a project location so that the authority fully considers environmental risks when making its decisions. Environmental conditions posing risks that must be considered include, but are not limited to, licensing obligations, existing or historic regulatory noncompliance and site clean-up responsibilities.

Sec. 6. 10 MRSA §1043, sub-§2, ¶J, as amended by PL 2003, c. 506, §2, is repealed.

Sec. 7. 10 MRSA §1053, sub-§6, as amended by PL 2015, c. 504, §5, is further amended to read:

6. Securities outstanding. The principal amount of revenue obligation securities the authority may have outstanding at any one time, to which subsection 5 is stated to apply in the trust agreement or other document, may not exceed an aggregate principal amount equal to ~~\$912,000,000~~ \$762,000,000 as follows:

A. The sum of \$180,000,000 consisting of not more than \$150,000,000 for loans and up to \$30,000,000 for use of bond proceeds to fund capital reserve funds for revenue obligation securities issued pursuant to this subchapter relating to loans for electric rate stabilization projects, loans for energy generating system projects or loans for energy distribution system projects;

~~B. The sum of \$120,000,000 consisting of not more than \$100,000,000 for loans and up to \$20,000,000 for use of bond proceeds to fund capital reserve funds for revenue obligation securities issued pursuant to this subchapter relating to loans for major business expansion projects;~~

C. The sum of \$57,000,000 consisting of not more than \$45,000,000 for loans and up to \$12,000,000 for use of bond proceeds to fund capital reserve funds for revenue obligation securities issued pursuant to this subchapter relating to workers' compensation residual market mechanism projects;

D. The sum of ~~\$150,000,000~~ \$270,000,000 less the aggregate outstanding balance of mortgage loans secured by capital reserve funds pursuant to section 1032 for all other revenue obligation securities issued pursuant to this subchapter;

E. The sum of \$120,000,000 consisting of not more than \$100,000,000 for loans and up to \$20,000,000 for use of bond proceeds to fund capital reserve funds for revenue obligation securities issued pursuant to this subchapter relating to loans for paper industry job retention projects;

F. The sum of \$100,000,000 consisting of not more than \$85,000,000 for loans and up to \$15,000,000 for use of bond proceeds to fund capital reserve funds for revenue obligation securities issued pursuant to this subchapter relating to loans for transmission facilities projects as defined in section 963-A, subsection 49-H; and

G. The sum of \$35,000,000 consisting of not more than \$30,000,000 for the purposes stated in section 1020-A, subsection 1, paragraphs A and C and up to \$5,000,000 for use of bond proceeds to fund capital reserve funds for revenue obligation securities issued pursuant to section 1020-A, subsection 1, paragraph A.

The amount of revenue obligation securities issued to refund securities previously issued may not be taken into account in determining the principal amount of securities outstanding, as long as proceeds of the refunding securities are applied as promptly as possible to the refunding of the previously issued securities. In computing the total amount of revenue obligation securities of the authority that may at any time be outstanding for any purpose, the amounts of the outstanding revenue obligation securities

that have been issued as capital appreciation bonds or as similar instruments are valued as of any date of calculation at their then current accreted value rather than their face value.

Sec. 8. 10 MRSA §1054, as amended by PL 1995, c. 4, §9, is further amended to read:

§1054. Taxable bond option

With respect to all or any portion of any issue of any bonds or any series of bonds that the authority may issue in accordance with the limitations and restrictions of this subchapter, the authority may covenant and consent that the interest on the bonds is includable, under the United States Internal Revenue Code of 1986 or any subsequent corresponding internal revenue law of the United States, in the gross income of the holders of the bonds to the same extent and in the same manner that the interest on bills, bonds, notes or other obligations of the United States is includable in the gross income of the holders under the United States Internal Revenue Code or any subsequent law. Bonds issued pursuant to this section are not subject to any limitations or restrictions of any law that may limit the authority's power to issue those bonds or to the procedures set forth in section 1043 or in section 1044, subsections 1, 11 and 12; ~~except that the procedures set forth in section 1043 do apply with respect to major business expansion projects.~~ The foregoing grant of power may not be construed as limiting the inherent power of the State or its agencies under any other provision of law to issue debt, the interest on which is includable in the gross income of the holders of the interest under the United States Internal Revenue Code or any subsequent law. Any action or proceeding in any court to contest the issuance of the securities, the approval by the authority of a project to benefit from issuance of the securities or the approval by the authority of mortgage insurance or the provision of a capital reserve fund for the securities for any reason must be started within 30 days after the date on which the members of the authority adopt a formal resolution approving issuance of the securities and otherwise must be governed by Title 5, chapter 375, subchapter ~~VH~~ 7. Once the authority has adopted a resolution to approve the issuance of securities pursuant to this section, any action by the authority to amend, alter or revise the resolution may not commence a new period of time within which any such action or proceeding may be commenced. Notwithstanding the provisions of section 969-A, subsection 11 and Title 5, chapter 375, subchapter ~~VH~~ 7, including, but not limited to, Title 5, sections 11002 and 11003, any such action or proceeding may be commenced only by first serving the petition for review upon the authority, in hand, within that 30-day period. After the expiration of the 30-day period of limitation, no right of action or defense founded upon the invalidity of the resolution or contesting any provision of the resolution, any amendment to the resolution or the issuance of the securities may be started or asserted nor may the resolution or the issuance of the securities be open to question in any court upon any grounds.

Sec. 9. 24-A MRSA §2303-B, last ¶, as enacted by PL 1997, c. 500, §7, is amended to read:

For purposes of this section, "clean fuel vehicle" ~~has the same meaning as set out in Title 10, section 963-A, subsection 5-B~~ means a vehicle that may be propelled by a clean fuel or a fuel-cell electric vehicle that uses any fuel. For purposes of this paragraph, "clean fuel" means all products or energy sources used to propel motor vehicles, as

defined in Title 29-A, section 101, other than conventional gasoline, diesel or reformulated gasoline, that, when compared to conventional gasoline, diesel or reformulated gasoline, result in lower emissions of oxides of nitrogen, volatile organic compounds, carbon monoxide or particulates or any combination of these. "Clean fuel" includes, but is not limited to, compressed natural gas; liquefied natural gas; liquefied petroleum gas; hydrogen; hythane, which is a combination of compressed natural gas and hydrogen; dynamic flywheels; solar energy; alcohol fuels containing not less than 85% alcohol by volume; and electricity.