

STATE OF MAINE

IN THE YEAR OF OUR LORD
TWO THOUSAND AND FIFTEEN

H.P. 453 - L.D. 672

An Act To Improve Access to Capital**Be it enacted by the People of the State of Maine as follows:**

Sec. 1. 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 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~~ \$10,000,000.

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. 2. Funds deposited. Funds appropriated or allocated pursuant to this Act must be deposited in the Finance Authority of Maine Loan Insurance Reserve Fund set forth pursuant to the Maine Revised Statutes, Title 10, section 1023-C.

Sec. 3. Contingent effective date. This Act takes effect only upon the receipt by the Finance Authority of Maine Loan Insurance Reserve Fund of an appropriation, allocation or other funding source in the amount of at least \$37,000,000.