# **94-457 FINANCE AUTHORITY OF MAINE**

**Chapter 202: REVENUE OBLIGATION SECURITIES PROGRAM**

**Summary**: This Rule sets forth policies pursuant to which the Finance Authority of Maine (the Authority) may issue certificates of project approval and approve borrowers in response to applications by individuals, business enterprises and other eligible applicants requesting the Authority to issue tax-exempt or taxable revenue obligation securities to provide financing for eligible projects.

1. **Eligible Projects**

A. **General**. Projects are eligible for approval if they satisfy the requirements of the Finance Authority of Maine Act, 10 M.R.S.A. §961 and following (the Act), and other applicable law. Allocation of the State Ceiling imposed on the issuance of tax-exempt bonds is governed by Chapter 203 - Allocation of State Ceiling on Private Activity Bonds. Allocation of the national limitation on Recovery Zone Facility Bonds and Qualified Energy Conservation Bonds is governed by 10 MRSA §§ 1074-A and 1074-B, respectively, and the provisions of this Rule.

1. *[Repealed]*
2. *[Repealed]*

C-1. **Major Business Expansion Projects**. A project is eligible as a major business expansion project if it is any building, structure, machinery, equipment or facility proposed to be constructed, rehabilitated, expanded, modernized or acquired in the State by a business entity, that has a projected cost of $1,000,000 or more, that is projected to result in, directly or indirectly, a net gain of at least fifty (50) job opportunities within the State or the retention of at least fifty (50) jobs or a combination of at least fifty (50) jobs created or retained, and that benefits from financing assistance from the Authority pursuant to this rule including use of a capital reserve fund. A major business expansion project does not include electric rate stabilization projects, energy distribution system projects, or projects primarily involved in the provision of housing or retail sales to consumers. Financing assistance to a major business expansion project pursuant to this rule may not exceed $25,000,000.

C-2. **Energy Distribution System Projects**. A project is eligible as an energy distribution system project if it is an energy distribution system owned, in whole or in part, by an individual, municipality, corporation or other governmental entity or business association, that: (1) uses biomass, peat, solar, waste, water and related dams, wind, wood or coal, or (2) distributes or transmits oil, biofuels, propane, compressed natural gas, liquefied natural gas or natural gas. Financing assistance to any one energy distribution system project pursuant to this rule may not exceed $65,000,000. To be effective, a certificate of approval for an energy distribution system project must be issued, and the revenue obligation securities for such project must be issued (except for refunding securities issued solely to refund outstanding securities), prior to January 1, 2018.

1. **Reasonable Expectation**. At the time of issuance of the certificates of approval, the chief executive officer will determine whether a proposed project is an eligible project within the meaning of the Act. The chief executive officer's determination will be based on the reasonable expectations of projected use of the project set forth in the application and any additional documents required by the chief executive officer. A certificate of approval issued pursuant to this Rule and the Act shall be conclusive proof that a project is an eligible project within the meaning of the Act, but may not be relied upon as a determination that interest on the securities is exempt from Federal and State income taxation. The chief executive officer may issue a certificate of approval with conditions regarding the project or use of the project if he deems it necessary or desirable to ensure that the project is eligible.
2. **Priority as to certain projects**. Allocation of any national limitation on the issuance of bonds requiring allocation pursuant to Chapter 203 shall be awarded as provided in such Rule. For all other bonds, allocations shall be awarded on a first come, first served basis, with the following qualifications:

1) In the case of Recovery Zone Facility Bonds, allocations must comply with 10 MRSA §1074-A;

2) In the case of Recovery Zone Facility Bonds, in the event the Authority determines that the national allocation for the entire state is likely to be insufficient to allow award to all eligible applicants, the Authority may reserve allocations for certain projects regardless of order of application if the Authority determines in its discretion that such reservation is necessary to assure a reasonable geographic distribution of projects within the state.

3) In the case of bonds for energy distribution system projects, allocations of the amount permitted to be issued under 10 MRSA §1053(6)(A) shall be made upon issuance on a first come, first served basis, provided that the authority may reserve allocations to projects in advance of issuance if such projects have submitted a completed application that has been fully approved by the authority, for a period expiring at the earlier of: (a) the date upon which the project suffers a material adverse change, as determined by the authority; (b) the date upon which a material condition of issuance becomes reasonably unlikely to be fulfilled by the applicant within a year of the reservation, as determined by the authority; (c) the date which is 12 months from the date of the reservation; and (d) December 31, 2017.

4) In the case of bonds for major business expansion projects, allocations of the amount permitted to be issued under 10 MRSA §1053(6)(B) shall be made upon issuance on a first come, first served basis.

1. **Application**. In order to provide the Authority with a basis to make the determinations required by the Act and these regulations, an applicant shall make an application, in one or more parts, which will include the following:
   1. [*Repealed*]
   2. [*Repealed*]
   3. [*Repealed*]
   4. An application fee calculated pursuant to section 8. The application fee is non-refundable.
   5. A statement of the municipality in which the project is to be located that adequate provision is being made to meet any increased demand upon public facilities that might result from the project or that there is no increased demand.
2. A commitment from one or more purchasers or a letter of intent from one or more underwriters of the total amount of securities to be issued (required prior to scheduling a public hearing except for applications under Chapter 105 of the Authority's rules).
3. For securities exceeding $1,000,000, and other instances where the Authority deems appropriate, the Authority shall be provided with a written assessment from the Maine Department of Environmental Protection of the environmental conditions known by the Department to exist. The Authority will not issue a certificate of approval for any project until that department's assessment has been received and considered by the Authority.
4. A description of the proposed project.
5. A statement by the applicant explaining how the project will make a contribution to the economic growth of, the control of pollution in or the betterment of the health, welfare or safety of the inhabitants of the State. The statement should include information on payroll and the number of new or retained jobs.
6. A statement by the applicant explaining why the project will not result in a substantial detriment to existing business in the State. To the extent known to the applicant, the statement should describe the market to be served as a result of the proposed project and should set forth the names and addresses of any other businesses in the State known by the borrower to serve such market. If there are any such businesses known to the applicant, then to the extent known to the applicant, the statement should also describe the demand in such market, the capacity of such businesses serving such market, the efficiency of such businesses and why any arguably adverse economic effect of the project on such businesses is outweighed by the contribution which the project will make to the economic growth of, the control of pollution in or the betterment of the health, welfare or safety of the inhabitants of the State.
7. A breakdown of the purposes and amounts for which the proceeds of the issue will be expended.
8. A statement that the applicant will, to the extent possible, cooperate with representatives of the Department of Labor and the Department of Health and Human Services regarding opportunities for employment for recipients of services provided by those Departments.
9. With respect to Recovery Zone Facility Bonds, a statement by the applicant describing why the project will be beneficial to the county or counties in which it is located.

N. Such other information as the Authority may reasonably require, including such information as may be required for purposes of Chapter 203 - Allocation of State Ceiling on Private Activity Bonds, or for the purposes of 10 MRSA §§ 1074-A and 1074-B.

O. For credit enhanced projects, such financial and other information as the authority shall reasonably require regarding the financial condition or other aspects of the Borrower, Guarantors, and the Project, including but not limited to any information required by any other Rule of the Authority that may be applicable.

**3. Additional Information for Certain Applications**. With respect to certain types of projects, the Act requires the Authority to make additional determinations. Those projects include major business expansion projects, relocation of certain facilities, recycling and waste reduction projects, paper industry job retention projects, transmission facilities projects, pollution control facilities, energy generating system projects, energy distribution system projects and certain hydroelectric facilities. In these cases, the application must provide such information as the Authority may reasonably require as a basis for such determinations.

1. **Public Hearing**. Prior to issuing a certificate of approval, the chief executive officer of the Authority shall convene and conduct a public hearing with respect to the application. As required by the Act, the applicant shall notify any businesses identified pursuant to section 2, subsection J of the date, time and place of the hearing and provide the Authority with a copy of each notice. The chief executive officer may require such other or further notice as may be necessary or desirable to provide adequate notice to affected businesses.
2. **Contribution**. In determining whether or not to issue a certificate of approval for a project, the chief executive officer shall consider whether economic growth will be enhanced, jobs will be retained, pollution will be reduced or the health, welfare or safety of the inhabitants of the State will be improved.
3. **Detriment.** No certificate of approval will be issued for any project where the chief executive officer finds that implementation of the project is likely to cause economic detriment to one or more existing businesses, which detriment is substantial and would have a material adverse impact on such business. In determining whether or not to issue a certificate of approval, the chief executive officer shall consider whether the project serves a new market segment or a market segment not serviced by existing business in the State. In determining whether, as a result of the project, there will not be sufficient demand within the market area of the State to be served by the project to employ the efficient capacity of existing business, the chief executive officer shall consider whether the market is growing and whether the project would be likely to cause a significant, adverse change in the market shares of existing enterprises. For purposes of this section, "efficient capacity" means that part of the quantity of production or supply of services which is produced or supplied by businesses employing well-designed structures, equipment or techniques that are comparable to current practices.
4. **Creditworthiness**. In deciding whether to issue any securities for a project, the chief executive officer shall determine, on the basis of available information, that it is reasonable to expect that the applicant and any guarantor will be able to pay debt service upon the securities, or that adequate security is being provided to assure repayment of the securities. Where Authority credit enhancement is being provided, the following credit criteria shall apply in addition to those criteria set forth in Chapter 101 of the Rules of the Authority, as applicable:

A. No application will be approved unless the borrower, or the borrower and guarantor combined, meets or exceeds the following financial performance criteria, as determined by the Authority:

1) Profitability for the most recent three years of operations, if applicable, and projected profitability for 3 years;

2) Minimum ratio of current assets to current liabilities of 1.25 to 1;

3) Maximum ratio of total debt to net worth of 3 to 1;

4) Minimum debt service coverage ratio of 1.25 to 1 (net income after taxes, plus interest and depreciation, divided by annual debt service), both current (if applicable) and proposed;

5) Recent financial performance, if applicable, and projected financial performance consistent with the applicable median quartile of firms in comparable businesses as reported in Robert Morris Associates Annual Statement Studies.

1. In its discretion, the Authority may waive one or more of the above criteria if the Authority determines that the borrower has demonstrated a strong likelihood of being able to repay the loan, or in the event that the borrower causes to be provided to the Authority an irrevocable letter of credit or other similar instrument or undertaking which the Authority deems sufficient to provide adequate third party security for repayment of the loan and which is in form and content satisfactory to the Authority.

C. No more than 90% of the total loan funds being provided to borrower for an eligible project may be credit enhanced by the Authority [except with respect to Major Business Expansion Projects, Electric Rate Stabilization Projects, Worker’s Compensation Residual Market Mechanism Projects, Paper Industry Retention Projects, Transmission Facilities Projects, and Energy Distribution System Projects]. The balance of the loan funds shall be provided by a Lender the Authority finds will adequately monitor the Borrower’s performance of its loan obligations.

1. **Fees, Expenses and Interest Rate**
2. (i) **Due upon Application**. On submission of the application, the applicant shall pay a non-refundable administrative fee of $5,000 for conduit bonds, and if the project seeks the credit enhancement of the Authority (other than solely from the Loan Insurance Reserve Fund or Mortgage Insurance Fund under Chapter 101, in which case the application fee under that Chapter shall apply in addition to the administrative fee applicable to conduit issues herein), an additional non-refundable administrative fee of 1% of the amount of the requested securities.

(ii) **Due upon Issuance of Commitment for Credit Enhancement**. In the event the applicant seeks and the Authority issues a commitment to provide the credit enhancement of the Authority (other than solely from the Loan Insurance Reserve Fund or Mortgage Insurance Fund under Chapter 101, in which case the commitment fee under that Chapter shall apply in lieu of the commitment fee provided herein) the applicant shall pay a capital reserve commitment fee of 1% of the loan to benefit from the requested capital reserve fund. The additional administrative fee required with the application for credit enhanced bonds not subject to Chapter 101 may be credited against the commitment fee set forth in this subsection.

(iii) **Due upon Issuance**. In the event the Authority issues its certificate of approval, and upon the issuance of the securities, whether issued as conduit or credit enhanced bonds, the applicant shall pay to the Authority an additional non-refundable administrative fee as follows:

**Fee (as percentage of securities issued)**

**S**tate Bond Ceiling Allocation Required 0.30% (minimum of $10,000)

State Bond Ceiling Allocation Not Required 0.20% (minimum of $10,000)

(iv) **Ongoing Fees**. There shall be no ongoing fees for conduit bonds. For credit enhanced bonds (other than solely from the Loan Insurance Reserve Fund or Mortgage Insurance Fund under Chapter 101, in which case the annual insurance premium under that Chapter shall apply in lieu of the capital reserve fee provided herein), upon issuance and annually thereafter (in advance) for so long as the loan remains outstanding, the applicant must in pay a capital reserve fund fee of up to 2% of the amount of the loan benefiting from a capital reserve fund.

1. The chief executive officer may require the user to reimburse the Authority for its out-of-pocket expenses in connection with issuance, servicing or monitoring of the securities, including without limitation charges of special counsel and costs of copying, mailing, phone calls, advertising and travel.
2. The applicant may be required to pay interest on the loan up to the maximum rate allowed under Federal law, including any spread or interest rate override.
3. *[Repealed]*
4. *[Repealed]*
5. *[Repealed]*

**8-A.** *[Section repealed May 15, 1990]*

1. **Housing.** The Authority will not provide financing from proceeds of revenue obligation securities issued by the Authority for any housing which is eligible for financing by the Maine State Housing Authority except with respect to property which the Authority has acquired or may acquire on account or in anticipation of imminent or actual default under the mortgage insurance programs.
2. **Major Business Expansion Projects**. No application for a major business expansion project will be approved unless the Authority determines that the applicant is creditworthy and there is a strong likelihood that the revenue obligation securities will be repaid through the revenues of the project and any other sources of revenues and collateral pledged to the repayment of those securities. In order to make this determination, the Authority shall consider those factors necessary to measure and evaluate the sufficiency of the pledged revenues to repay the obligations, including:

A. Whether individuals or entities obligated to repay the obligations have demonstrated sufficient revenues from the project or from other sources to repay the obligations, and a strong probability that those revenues will continue to be available for the term of the revenue obligation securities;

B. Whether the applicant demonstrates a strong probability that the project will continue to operate and provide the public benefits projected to be created for the term of the revenue obligation securities;

1. Whether the applicant demonstrates that the benefits projected to be created by the project are enhanced through the use of financing assistance from the Authority;
2. Whether the applicant's creditworthiness is demonstrated by such factors as historical financial performance, management ability, its plan for marketing its product or service and its ability to access conventional financing;
3. Whether the applicant meets or exceeds industry average financial performance ratios commonly accepted in determining creditworthiness in that industry;
4. Whether the applicant demonstrates that the need for Authority assistance is due to the reduced cost and increased flexibility of the financing for the project that result from Authority assistance and not from an inability to obtain necessary financing without the capital reserve fund security provided by the Authority;
5. Whether collateral securing the repayment obligation is reasonably sufficient under the circumstances; and
6. Whether the applicant demonstrates that any project which claims a projected retention of jobs is one where those jobs are in jeopardy of being lost to the State without the Authority's financing.

**10-A.** **Energy Distribution System Projects**. In addition to any other applicable requirements of this rule, no Energy Distribution System Project will be approved unless the following conditions are met:

1. In the case of an energy distribution system project regulated by the Public Utilities Commission with respect to rates or terms of service or that requires, for construction or operation, authorization or certification from the commission:
   * + 1. The energy distribution system project has received all authorizations or certifications from the Public Utilities Commission necessary for construction and operation of the project. The authority may issue a certificate of approval for a project that has received conditional approvals or certifications from the commission, except that the authority's certificate becomes legally effective only upon fulfillment of the conditional provisions of the commission's certificates or approvals. If the commission has approved rates to be charged by the project or has issued a certificate of public convenience and necessity for the project, the authority shall take into consideration any findings and conclusions of law of the commission, including any findings and conclusions pertaining to the need for the project and the financial viability of the project; and
       2. The authority has reviewed and considered any comments provided by the Director of the Governor's Office of Energy Independence and Security and the Public Advocate.
2. The Authority has determined that the applicant is creditworthy and that there is a reasonable likelihood that the revenue obligation securities will be repaid through the revenues of the project and any other sources of revenues and collateral pledged to the repayment of those securities. In order to make these determinations, the authority shall consider such factors as it considers necessary and appropriate in light of the special purpose or other nature of the business entity owning the project and the specific purposes of the project to measure and evaluate the project and the sufficiency of the pledged revenues to repay the obligations, including, but not limited to:
3. Whether the individuals or entities obligated to repay the obligations have demonstrated sufficient revenues from the project or from other sources to repay the obligations and a reasonable probability that those revenues will continue to be available for the term of the revenue obligation securities;
4. Whether the applicant demonstrates a reasonable probability that the project will continue to operate and provide the public benefits projected to be created for the term of the revenue obligation securities;
5. Whether the applicant's creditworthiness is demonstrated by factors such as its historical financial performance, management ability, plan for marketing its product or service and ability to access conventional financing;
6. Whether the applicant meets or exceeds industry average financial performance ratios commonly accepted in determining creditworthiness in that industry;
7. Whether the applicant demonstrates that the need for authority assistance is due to the reduced cost and increased flexibility of the financing for the project that result from authority assistance and not from an inability to obtain necessary financing without the capital reserve fund security provided by the authority;
8. Whether collateral securing the repayment obligation is reasonably sufficient under the circumstances;
9. Whether the proposed project enhances the opportunities for economic development;
10. The effect that the proposed project financing has on the authority's financial resources;
11. The financial performance of similar projects;
12. The need for the project, as determined by the Public Utilities Commission and as indicated by any comments provided by the Director of the Governor's Office of Energy Independence and Security, other public officials and members of the public;
13. The nature and extent of customer commitment to use the project or the fuel or energy the project distributes or transmits;
14. The cost advantages to end users of the fuel or energy to be distributed or transmitted by the project, to the extent those advantages may affect market penetration by the project;
15. The nature and extent of the applicant’s equity contribution to payment of the costs of the project; such a contribution may not be less than 25% of the expected cost of the project; and
16. Whether it is prudent for the authority to provide the requested financing.
17. Notwithstanding any other provision of this Rule, the Board of Directors of the Authority must find the conditions of this Section 10-A have been met.
18. **Simultaneous Sale of Securities**. The Authority may provide financing by selling simultaneously more than one issue of its revenue obligation securities.
19. **Location of Collateral**. In the case of Major Business Expansion Projects, Energy Distribution System Projects or other projects that carry Authority credit enhancement (including loan insurance) or that require an allocation of State Bond Ceiling, real estate or stationary machinery or equipment constituting a significant portion of collateral for repayment of revenue obligation securities shall be located within the State. Mobile machinery or equipment, including vessels, constituting a significant portion of collateral for repayment of revenue obligation securities shall be registered with and taxed by the State or municipal authorities, if the State or municipal authorities register or tax machinery or equipment of a type similar to the collateral and shall be stored or berthed in the State when not in use. Other types of collateral constituting a significant portion of collateral for repayment of revenue obligation securities shall be owned by or provided for the benefit of a person or business association with a place of business in the State.
20. **Refunding Securities**. With respect to any issue of revenue refunding securities to refund securities issued under current law or any predecessor provision, the Authority will not ordinarily require issuance of a new certificate of approval where there is no expansion of the project and no increase in the outstanding principal amount of the securities.
21. **Credit Enhanced/§1053 Bonds**

A. Where an applicant requests that revenue obligation securities be secured pursuant to 10 M.R.S.A. §1053, or otherwise requests Authority credit enhancement for securities, the applicant shall submit an application. If the project seeks credit enhancement solely from the Loan Insurance Reserve Fund or Mortgage Insurance Fund, the applicant shall submit an application pursuant to the Authority's Mortgage Insurance Program Rule (Chapter 101), and the provisions of that rule shall apply in addition to those of this rule, except where expressly contradicted by this rule in which case the provisions of this rule shall govern. For all other requests for credit enhancement, the applicant shall submit an application providing all of the materials required for an application for Loan Insurance under Chapter 101, and any other materials required under this rule. For all credit enhanced projects, the criteria set forth in Section 5 of Rule 101, and Section 7 of this Rule shall apply to consideration of the application. In addition, for applications related to Major Business Expansion projects, the criteria in Section 10, above, and for Energy Distribution System Projects, the criteria in Section 10-A above, shall apply.

1) *[Repealed]*

1. *[Repealed]*
2. *[Repealed]*

4) *[Repealed]*

B. Pursuant to the capital reserve contract or other documentation, the Authority will require the applicable trustee or bond purchaser to notify the Authority of any default by the borrower. After passage of a period of time specified in the capital reserve contract or other documentation and upon performance of such obligations by the trustee as the Authority may by contract require, the Authority may require that it have the following options:

1. Cure one or more defaults up to a stated limit;

2) Purchase the entire loan on the terms specified in the contract and call the applicable bonds;

3) Arrange for payment of the remaining balance of the capital reserve fund liability, either in one lump sum or over the original term of the defaulted loan;

4) Such other options as the contract or documentation may provide

C. The Authority may select an insurer or letter of credit issuer to provide credit enhancement for a bond issue, with or without the backing of the Authority's authority under 10 M.R.S.A. §1053. Borrowers shall be required to pay any fees and expenses charged by the provider of credit enhancement.

D. In exercising the debt management powers of the Authority, the chief executive officer of the Authority shall be authorized to commit the Authority to enter into transactions or agreements in the form of interest rate swaps, rate exchanges, and such other such transactions or agreements as are necessary or desirable, in the opinion of the chief executive officer of the Authority, to reduce financing costs or to reduce the risk of price changes or interest rate fluctuations, including, but not limited to the purchase of financial futures contracts, options or other transactions which constitute offsetting positions with respect to such interest rate swaps or rate exchanges, all as shall not be inconsistent with the purposes of the Act.

1. A borrower shall also reimburse the Authority for its out-of-pocket expenses in connection with processing and underwriting an application for credit enhancement, including capital reserve fund security or with the capital reserve fund, including any fee payable in connection with servicing the loan, and all expenses in connection with the bond issue, including without limitation charges of consultants and counsel and costs of sale of bonds, copying, mailing, phone calls, advertising and travel.

F. Where application is made after issuance to obtain the Authority's and/or trustee's consent to transfer of collateral, if any, alteration of rights or other matters, the Authority may charge the borrower for the cost of the Authority's staff and trustee's staff utilized to review the application and for the Authority's and trustee's out-of-pocket expenses in connection with the application, including without limitation, charges of counsel.

G. Where the credit enhanced loan is projected in whole or in material part to finance a project involving construction or substantial renovation of a facility, and where such facility is a substantial part of the collateral for the insured Loan or is required to be functional to generate cash flow necessary to repay the loan, credit enhancement shall not be effective until construction is completed and all costs of construction are paid, unless the Loan is otherwise adequately secured or the completion of construction is adequately ensured by a Performance Bond, such that the Authority determines, in its discretion, that the risk of loss on account of construction related issues is *de minimus*.

**14-A. Limited Applicability of the Rule to Taxable Issues**: Except in the case of Major Business Expansion Projects or Energy Distribution System Projects, when an applicant requests that the interest on any issue of revenue obligation securities be includable in the gross income of the holders of the bonds, the following provisions of the Rule **shall not** apply to such application: 2(E), 2(G), 2(I), 2(J), 2(L), 3, 4, 5, and 6. Provided, however, that these exclusions shall not obviate the requirements of any other rule which might apply.

**14-B.** **Provisions applicable only to tax-exempt bond issues**. When application is made to the Authority to issue tax-exempt bonds, the Authority may contract with an underwriter for assistance in marketing the bonds and with bond counsel, and may select a trustee for the bondholders. All such selections shall be based primarily on demonstrated experience and ability on tax-exempt issuances. The Authority shall, in addition to the other requirements of this Rule, determine that the proposed financing qualifies as a tax-exempt bond under applicable provisions of the Internal Revenue Code, and shall require that the borrower covenant to take such action as may be necessary to preserve the tax-exempt status of the bonds.

**15.** **Implementation**. The members delegate to the chief executive officer the authority to take any action, in the name and on behalf of the Authority, necessary or convenient to carry out this program and any financing pursuant to this Rule and the Act. Such actions include making any determination required by this Rule and the Act and signing any certificate of approval, inducement certificate or agreement, endorsement of note, assignment of mortgage, security agreement, loan agreement, trust indenture and other document or certificates necessary or convenient for carrying out this program and any financing. The chief executive officer shall also be authorized to enter into any transactions or agreements in the form of rate swaps, rate exchanges, and other transactions or agreements that the chief executive officer determines appropriate to reduce the risk of price changes with interest rate fluctuations. The chief executive officer may not delegate the responsibility of signing any certificate of approval or inducement certificate or agreement to any other person. For the purposes of this Rule, the chief executive officer shall be defined as the chief executive officer of the Authority, or any person acting under the supervisory control of the chief executive officer.

**16.** **Appeal to the Members**. If an application for a certificate of approval is denied by the chief executive officer, the user shall have the right to appeal the decision of the chief executive officer to the members of the Authority. Notice of the appeal, together with a statement of the reasons why the chief executive officer's decision should be reversed or modified, shall be given to the chief executive officer in writing within twenty days after the date on which the chief executive officer mailed the notice of decision to the user. The appeal shall be heard at a meeting of the members, and the user must be present to support the appeal. The members ordinarily meet once each month. The appeal shall be based on the record before the chief executive officer on the date of the decision. The decision of the chief executive officer shall be final unless seven or more members determine that the decision by the chief executive officer was arbitrary, capricious or an abuse of discretion, in which event the members may overturn or modify the decision of the chief executive officer and may direct the chief executive officer to take further action with respect to the application.

STATUTORY AUTHORITY:10 M.R.S.A. §§ 969-A(14); 1043, 1044, 1053, 1054

EFFECTIVE DATE:

June 5, 1984

AMENDED:

October 22, 1984

January 18, 1985

May 8, 1985

June 11, 1985

June 30, 1985

December 28, 1985

April 20, 1986

September 22, 1986

November 4, 1987

May 29, 1988

May 15, 1990

August 23, 1994 (EMERGENCY)

June 11, 1995

October 29, 1994

EFFECTIVE DATE (ELECTRONIC CONVERSION):

May 4, 1996

NON-SUBSTANTIVE CORRECTIONS:

October 7, 1996 - minor spelling.

AMENDED:

January 26, 2000

August 22, 2005 – filing 2005-340

April 1, 2010 – Amendment 16, filing 2010-114 (EMERGENCY)

June 13, 2010 – Amendment 16, filing 2010-221

September 9, 2012 – Amendment 17, filing 2012-258

March 13, 2013 – Amendment 18, filing 2013-058

APAO WORD VERSION CONVERSION (IF NEEDED) AND ACCESSIBILITY CHECK: July 17, 2025