

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
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5 Legislative Document

No. 99

6
7 H.P. 79

House of Representatives, January 17, 1985

8 Submitted by the Joint Standing Committee on State Government
9 pursuant to Joint Rule 19. Approved by Legislative Council April 25, 1984.

10 Reported by Representative Gwadosky from the Committee on State
Government and printed under Joint Rule 19.

EDWIN H. PERT, Clerk

11
12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-FIVE
16

17 AN ACT to Consolidate State Business Loan
18 Programs into One Organization, the
19 Finance Authority of Maine.
20

21 Be it enacted by the People of the State of Maine as
22 follows:

23 Sec. 1. 5 MRSA §3305, sub-§1, ¶F, as repealed
24 and replaced by PL 1979, c. 127, §37, is amended to
25 read:

26 F. At its discretion, assist in planning and ex-
27 ecuting any public or private project involving
28 grants or loans; advise, confer and otherwise co-
29 operate with municipal planning boards, agencies,
30 officials, civic and other groups and citizens in
31 matters relating to urban renewal, zoning and
32 planning relating to schools, housing, health,
33 land use controls and other objectives;

34 Sec. 2. 5 MRSA §3307-A is enacted to read:

1 §3307-A. Exclusion of loans for business development
2 or expansion

3 The State Planning Office shall not make, partic-
4 ipate in, purchase or sell loans, or make commitments
5 to do so, to new or expanding businesses in the
6 State. Any loans, loan commitments or purchase or
7 sale of loans for new or expanding businesses shall
8 be referred to and the responsibility of the Finance
9 Authority of Maine, as described in Title 10, chapter
10 110.

11 Sec. 3. 5 MRSA §7002-A is enacted to read:

12 §7002-A. Exclusion of loans for business development
13 or expansion

14 The State Development Office shall not make, partic-
15 ipate in, purchase or sell loans, or make commit-
16 ments to do so, to new or expanding businesses in the
17 State. Any loans, loan commitments, or purchase or
18 sale of loans for new or expanding businesses shall
19 be referred to and the responsibility of the Finance
20 Authority of Maine, as described in Title 10, chapter
21 110.

22 Sec. 4. 10 MRSA §920, sub-§8, as enacted by PL
23 1977, c. 548, §1, is repealed and the following en-
24 acted in its place:

25 8. Equity investments. Make direct equity in-
26 vestments in regional economic development corpora-
27 tions and small and medium sized businesses;

28 Sec. 5. 10 MRSA §920-A is enacted to read:

29 §920-A. Exclusion of loans for business development
30 or expansion

31 The Maine Development Foundation shall not make,
32 participate in, purchase or sell loans, or make com-
33 mitments to do so, to new or expanding businesses in
34 the State. Any loans, loan commitments, purchase or
35 sale of loans for new businesses or expanding busi-
36 nesses shall be referred to and the responsibility of
37 the Finance Authority of Maine, as described in chap-
38 ter 110.

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Sec. 6. 10 MRSA §970-A is enacted to read:
§970-A. Loan agency of State Government
The Finance Authority of Maine is designated the exclusive organization authorized to make, participate in, purchase or sell loans or commitments to undertake any of these activities for new or expanding businesses for which state moneys or securities are involved. In the event that state moneys or securities are to be matched with or to participate with moneys or securities from any other source for loans to new or expanding businesses in the State, the Finance Authority of Maine is the sole authorized agency of the State to provide the moneys or securities.

STATEMENT OF FACT

In its study of economic development agencies and organizations in Maine, the Joint Standing Committee on State Government learned that there is little coordination of programs and activities among state economic development organizations. In some cases, 3 different agencies may extend loans to a business which may occur without the knowledge of any of the participating loan agencies.

The purpose of this bill, at a minimum, is to reduce the costs associated with duplication of efforts and to provide professional review of loans involving state moneys and securities to businesses. It is also hoped that this bill will provide more efficient administration of loan programs and encourage much greater coordination and cooperation among Maine's economic development organizations.

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