

# MAINE STATE LEGISLATURE

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10/11/69  
R. of S.

L.D. 1769

(Filing No. S-445)

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STATE OF MAINE  
SENATE  
115TH LEGISLATURE  
FIRST REGULAR SESSION

SENATE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to H.P. 1211, L.D. 1769, Bill, "An Act to Encourage Business Investments"

Amend the amendment by striking out all of the first paragraph after the title (page 1, lines 16 and 17 in amendment) and inserting in its place the following:

'Amend the bill by striking out all of Parts A and B and inserting in their place the following:'

Further amend the amendment in section A-3 by striking out all of subsection 6 (page 3, lines 25 to 32 in amendment) and inserting in its place the following:

'6. Program; administration. The Commissioner of Economic and Community Development shall administer a state tax increment financing program. The commissioner shall adopt rules pursuant to the Maine Administrative Procedure Act for implementation of the program, including, but not limited to, rules for determining and certifying eligibility and the amount of the tax increment attributable to particular districts. The commissioner may also establish by rule fees for administration of the program.'

Further amend the amendment by inserting after section A-4 the following:

**'PART B**

**Maine World Trade Association.** To the extent possible with available resources, the Maine World Trade Association will work to increase trade between Maine and Canada with special emphasis on Quebec.'

R. of S.

SENATE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to H.P. 1211, L.D. 1769

2 Further amend the amendment on page 4 by striking out all of  
4 the last paragraph (page 4, lines 47 and 48 in amendment) and  
inserting in its place the following:

6 'Further amend the bill in Part D by striking out all of  
8 section D-6 and inserting in its place the following:'

10 Further amend the amendment by striking out all of section  
D-5 (page 5, lines 1 to 4 in amendment).

12 Further amend the amendment by inserting after section D-6  
14 the following:

16 'Further amend the bill in Part D in section D-7 in the last  
line (page 7, line 32 in L.D.) by striking out the following:  
18 "December" and inserting in its place the following: 'November'

20 Further amend the bill in Part D by striking out all of  
section D-8 and inserting in its place the following:

22 'Sec. D-8. Appropriation. The following funds are  
24 appropriated from the General Fund to carry out the purposes of  
this Act.

26 1991-92

28 **LEGISLATURE**

30 **Commission to Study State Permitting  
and Reporting Requirements**

32	Personal Services	\$660
34	All Other	1,000

36 Provides funds to the Commission to Study  
38 State Permitting and Reporting Requirements  
for the per diem and expenses of legislative  
40 members, printing and miscellaneous  
commission expenses.

42 **LEGISLATURE  
TOTAL**

\$1,660'

44  
46 Further amend the amendment on page 5 by striking out all of  
the 4th indented paragraph (page 5, lines 17 and 18 in amendment)  
48 and inserting in its place the following:

H. of S.

SENATE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to H.P. 1211,  
L.D. 1769

2 'Further amend the bill by striking out all of Part F and  
inserting in its place the following:

4 'PART F'

6 Further amend the amendment in section F-1 in that part  
designated "§1026-I." by striking out the first paragraph (page  
8 6, lines 12 to 15 in amendment) and inserting in its place the  
following:

10 'The Maine Street Investment Program is established to  
12 provide loans to businesses for investments in downtown areas and  
14 business districts.'

16 Further amend the amendment in section F-1 in that part  
designated "§1026-I." by striking out all of subsections 2 and 3.

18 Further amend the amendment in section F-1 in that part  
designated "§1026-I." in subsection 4 by striking out the first 2  
20 lines (page 7, lines 47 and 48 in amendment) and inserting in  
their place the following:

22 '4. Eligibility for loans. Businesses may apply to the  
24 authority for loans under the program.'

26 Further amend the amendment in section F-1 in that part  
designated "§1026-I." by renumbering the subsections to read  
28 consecutively.

30 Further amend the amendment by inserting after section F-1  
the following:

32 'Sec. F-2. Effective date. This Part does not take effect  
34 unless bonds authorized for the purposes set forth in the Maine  
36 Revised Statutes, Title 10, section 1026-I are approved by the  
voters.'

38 Further amend the amendment by inserting after section G-3  
the following:

40 'PART H

42 **Sec. H-1. 5 MRSA c. 383, sub-c. III, Art. 5 is enacted to read:**

44 Article 5  
46 ECONOMIC OPPORTUNITY

48

2  
3 §13089. Economic Opportunity Fund

4 1. Creation. The Economic Opportunity Fund, referred to in  
5 this section as the fund, is created under the jurisdiction and  
6 control of the department.

7 2. Sources of money. The fund consists of the following:

8  
9 A. All money appropriated or allocated for inclusion in the  
10 fund, from whatever source;

11 B. Subject to any pledge, contract or other obligation, all  
12 interest, dividends or other pecuniary gains from investment  
13 of money from the fund;

14  
15 C. Subject to any pledge, contract, fee or other  
16 obligation, any money that the department receives in  
17 repayment of advances from the fund; and

18  
19 D. Any other money available to the department and directed  
20 by the department to be paid into the fund.

21  
22 3. Application of fund. Money in the fund may be applied  
23 to carry out any power of the department under or in connection  
24 with section 13090 or to pay obligations incurred in connection  
25 with the fund. Money in the fund not needed currently to meet  
26 the obligations of the department as provided in this section may  
27 be invested in a manner permitted by law.

28  
29 4. Accounts within fund. The department may divide the  
30 fund into separate accounts it determines necessary or convenient  
31 for carrying out this section.

32  
33 5. Revolving fund. The fund is a nonlapsing, revolving  
34 fund. All money in the fund must be continuously applied by the  
35 department to carry out this section and section 13090.

36  
37 §13090. Economic Opportunity Program

38  
39 The Economic Opportunity Program, referred to in this  
40 section as the "program," is established to provide loans to  
41 municipalities for public and private investments to stimulate  
42 economic growth.

43  
44 1. Eligibility for loans. Municipalities may apply to the  
45 department for loans under the program to be, in turn, loaned to  
46 business entities based on the following eligibility criteria.

47  
48 A. The projects to be financed must pertain to  
49 manufacturing, industrial, real estate development,  
50

2 recreational or natural resource enterprises or activities  
3 supporting those businesses, must be located in the State or  
4 establishing a presence in the State and must provide  
5 significant public benefit in relation to the amount of the  
6 loan, as determined by the department. Public benefits  
7 include, but are not limited to, increased opportunities for  
8 employment, increased capital flows, particularly capital  
9 flowing in from outside the State, increased state and  
10 municipal tax revenues, rehabilitation of blighted or  
11 underutilized areas and provision of necessary services.  
12 Loan proceeds may be used for any appropriate commercial  
13 purpose, as determined by the department, including working  
14 capital.

15 B. The department must determine that the borrower is a  
16 for-profit or nonprofit commercial entity, that it is  
17 creditworthy and reasonably likely to repay the loan.

18 C. The department must determine that the loan is necessary  
19 to implementation of the project either because the borrower  
20 has insufficient access to other funds or because the  
21 borrower demonstrates and the department determines that the  
22 project would not provide the projected public benefits  
23 without the availability of the loan.

24 D. The department must determine that the project will not  
25 result in a substantial detriment to existing business in  
26 the State. In making this determination, the department  
27 shall consider such factors it determines necessary to  
28 measure and evaluate the effect of the project on existing  
29 business, including considering:

30 (1) Whether a loan for a project should be approved  
31 if, as a result of the project, there will not be  
32 sufficient demand within the market area of the State  
33 to be served by the project to employ the efficient  
34 capacity of existing business; and

35 (2) Whether any adverse economic effect of the project  
36 on existing business or other municipalities is  
37 outweighed by the contribution that the project will  
38 make to the economic growth and vitality of the State.

39 The application has the burden of demonstrating a reasonable  
40 likelihood that the project will not result in a substantial  
41 detriment to existing business or other municipalities,  
42 except in cases where no interested parties object to the  
43 project, in which event the requirements of this paragraph  
44 are deemed satisfied. Interested parties must be given an  
45 opportunity, with or without a hearing at the discretion of

2 the department, to present their objections to the project  
3 on grounds that the project will result in a substantial  
4 detriment to existing business or other municipalities. If  
5 any such party presents such objections with reasonable  
6 specificity and persuasiveness, the department may divulge  
7 whatever information concerning the project that it deems  
8 necessary for a fair presentation by the objecting party and  
9 evaluation of such objections. If the department finds that  
10 the applicant has failed to meet its burden of proof as  
11 specified in this paragraph, the application must be denied.

12 2. Loan terms and conditions. The department may establish  
13 prudent terms and conditions for loans, including limits on the  
14 amount of loans for any one project and requiring adequate  
15 collateral for the loans. Loan terms may not exceed 20 years in  
16 the case of loans primarily secured by real estate, 10 years in  
17 the case of loans primarily secured by machinery and equipment  
18 and 7 years for other loans. The interest rate charged on each  
19 loan is determined on a case-by-case basis.

20 3. Rulemaking. The department shall establish rules for  
21 the implementation of the program established by this section.

22 Sec. H-2. Repeal. Unless the referendum for a bond issue in  
23 an amount not to exceed \$7,500,000 for the purposes of  
24 capitalizing the Economic Investment Fund and other funds is  
25 approved by the voters in November 1991, this Part is repealed on  
26 November 15, 1991.'

27 Further amend the amendment by striking out all of the  
28 fiscal note and inserting in its place the following:

29 **FISCAL NOTE**

30	31	32
33	<b>APPROPRIATIONS/ALLOCATIONS</b>	<b>1991-92</b>
34	General Fund	\$1,660

35 Part A of this bill expands the tax increment financing  
36 program to include state income and sales taxes by establishing a  
37 state tax increment contingent account. The State Tax Assessor  
38 must deposit up to 25% of the net annual gain in tax revenue  
39 resulting from the activities of designated businesses within a  
40 tax increment financing district. Since the amounts to be  
41 transferred into the contingent account will be new revenues not  
42 included in the budget estimates, as determined by the State Tax  
43 Assessor, this program will not appreciably affect General Fund  
44 revenues collected through income and sales taxes. The  
45 Department of Economic and Community Development will be able to  
46 administer the program through fees charged to applicants. The  
47  
48  
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2 dedicated revenues generated through these fees and the resulting  
3 allocations required by the Department of Economic and Community  
4 Development can not be determined at this time.

6 Part B requires the Maine World Trade Association to work to  
7 increase trade between Maine and Canada to the extent possible  
8 within existing resources.

10 Part C establishes the Jump Start Program to be administered  
11 by the Maine State Housing Authority. The program is to be  
12 funded by a set aside of funds from the proceeds of mortgage  
13 purchase bonds. No General Fund appropriations are required for  
14 administration.

16 Part D establishes the Commission to Study State Permitting  
17 and Reporting Requirements and provides a General Fund  
18 appropriation to the Legislature of \$1,660 for the per diem and  
19 expenses of legislative members, printing costs and other meeting  
20 expenses.

22 Part F establishes the Maine Street Investment Program to be  
23 administered by the Department of Economic and Community  
24 Development. No General Fund appropriations are required for  
25 program administration, as the department may establish fees for  
26 administration by rule. Funding for this program is contingent  
on the passage of a bond issue in a companion bill.

28 Part G establishes the Economic Opportunity Fund under the  
29 Department of Economic and Community Development. The fund would  
30 be capitalized by a companion bond issue.'

32  
34 **STATEMENT OF FACT**

36 This amendment removes the ability to make grants under the  
37 Maine Street Investment Program. This amendment would also  
38 transfer administration of the state tax increment financing  
39 program from the Finance Authority of Maine to the Department of  
40 Economic and Community Development.

42 This amendment establishes the Economic Opportunity Fund and  
43 the Economic Opportunity Program. Both are to be administered by  
44 the Department of Economic and Community Development to provide  
45 loans to municipalities for public and private investment.

46  
48 This amendment also deletes the appropriation to the Maine  
49 World Trade Association and encourages increased trade with  
50 Canada.



SENATE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to H.P. 1211,  
L.D. 1769

This amendment also replaces the fiscal note, removes  
language requiring that staff assistance be provided by the  
business community and changes the reporting date of the  
Commission to Study State Permitting and Reporting Requirements  
from December 1, 1991 to November 1, 1991.

(Senator BRANNIGAN)  
SPONSORED BY:

COUNTY: Cumberland

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