

MAINE STATE LEGISLATURE

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MAJORITY
STATE AND LOCAL GOVERNMENT

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
119TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 885, L.D. 1242, Bill, "An Act to Establish Procedures for the Awarding of Loans and Grants to Municipalities and Other Entities"

Amend the bill in section 1 by striking out all of that part designated "~~§8051-B.~~" and inserting in its place the following:

§8051-B. Establishment of written loan and grant award procedures

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Grant" means funds offered to a designated pool of eligible applicants on a competitive or discretionary basis under which the award is predicated on the weighing of pertinent criteria and qualifications by the grantor through a formally established process.

B. "Loan" means funds that carry a subsidized interest rate and that are offered to a designated pool of eligible applicants on a competitive or discretionary basis. The award of such funds are based on established criteria and qualifications through a formal application process.

2. Establish written procedures. An agency that administers a loan or grant award program that is awarded on a

competitive or discretionary basis shall establish written procedures for the administration of the program. These written procedures must:

A. Establish and describe the objectives of the loan or grant award program;

B. Establish and describe the eligible applicants and activities that are eligible for receipt of the loan or grant awarded under each specific program;

C. Establish a schedule and procedures for applying for the loan or grant;

D. Establish a written application process for each loan and grant; and

E. Inform applicants of the criteria for awarding the loan or grant under the specific program.

Unless otherwise provided in state laws governing the program, written procedures established under this subsection are not considered rules as defined in section 8002, subsection 9.

3. Exemptions. All grants that are awarded pursuant to section 1831 are exempt from the requirements of this section. All loans and grants governed by criteria and procedures established under federal or state law that are in conflict with the provisions of this section are exempt from the requirements of this section.'

Further amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

This bill will require some state departments and agencies to establish written procedures for the administration of competitive or discretionary grant award or loan programs. The additional costs associated with establishing these procedures can be absorbed by the affected state departments and agencies utilizing existing budgeted resources.'

SUMMARY

This amendment amends the original bill by defining grants and loans as used in the Maine Revised Statutes, Title 5, section 8051-B. It further requires that agencies offering grants or

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loans on a discretionary or competitive basis establish a process
for awarding such loans and grants. The amendment also
establishes that the written procedures required under that
section are not rules as defined by Title 5, chapter 375,
subchapter II-A. The amendment also exempts grants or loans
awarded pursuant to Title 5, section 1831 and grants and loans
awarded pursuant to criteria and procedures established under
federal or state laws that conflict with that section.

COMMITTEE AMENDMENT