

MAINE STATE LEGISLATURE

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128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 1343

S.P. 457

In Senate, April 6, 2017

**An Act To Promote Downtown Revitalization by Creating the
Locating Businesses Downtown Loan Program**

Reference to the Committee on Labor, Commerce, Research and Economic Development suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator CHENETTE of York.
Cosponsored by Representative FECTEAU of Biddeford and
Senators: BELLOWS of Kennebec, DESCHAMBAULT of York, Representatives: BAILEY of
Saco, DUNPHY of Old Town.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 5 MRSA §13056-D, sub-§1**, as enacted by PL 2009, c. 414, Pt. G, §1 and
3 affected by §5, is amended to read:

4 **1. Program established; administration.** The Communities for Maine's Future
5 Program, referred to in this section as "the program," is established within the department
6 to assist and encourage communities to revitalize and to promote community
7 development and enhance projects. The department shall administer the program to
8 provide funding for the rehabilitation, revitalization ~~and~~ enhancement and business
9 development of downtowns ~~and~~ village centers and main streets in the State in
10 accordance with this section, section 13056-E and section 13056-H. All funds received
11 for this program must be deposited into the Communities for Maine's Future Fund
12 established in subsection 7.

13 **Sec. 2. 5 MRSA §13056-D, sub-§7**, as enacted by PL 2009, c. 414, Pt. G, §1 and
14 affected by §5, is amended to read:

15 **7. Communities for Maine's Future Fund created.** The Communities for Maine's
16 Future Fund, known as "the fund," is established to provide funding for the rehabilitation,
17 revitalization ~~and~~ enhancement and business development of downtowns ~~and~~ village
18 centers and main streets in the State in accordance with this section, section 13056-E and
19 section 13056-H. The fund is a dedicated, nonlapsing fund, and all revenues deposited in
20 the fund remain in the fund and must be disbursed in accordance with this section, section
21 13056-E and section 13056-H.

22 **Sec. 3. 5 MRSA §13056-H** is enacted to read:

23 **§13056-H. Locating Businesses Downtown Loan Program**

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

26 A. "Fund" means the Communities for Maine's Future Fund established in section
27 13056-D, subsection 7.

28 B. "Loan review panel" means the Locating Businesses Downtown Loan Review
29 Panel established in subsection 3.

30 C. "Program" means the Locating Businesses Downtown Loan Program established
31 in subsection 2.

32 **2. Program established; purposes; forgiveness.** The Locating Businesses
33 Downtown Loan Program is established to assist businesses with the expenses of locating
34 or relocating a business in a downtown area, village area or along a main street within the
35 State. A business may apply for a loan from the fund, and the proceeds of the loan must
36 be used to:

37 A. Acquire, construct, repair, improve or lease real property located within a
38 downtown area, village area or along a main street within the State for operation of a
39 business; or

1 B. Relocate an existing business operation to a downtown area, village area or along
2 a main street within the State.

3 Loans under the program may be forgiven if the loan recipient satisfies criteria
4 established by the department in rules adopted under subsection 8 that, at a minimum,
5 require loan recipients to remain in downtown areas, village areas or along main streets
6 for a specified time after receiving the loan.

7 **3. Loan review panel.** The Locating Businesses Downtown Loan Review Panel is
8 established to evaluate applications from businesses for a loan from the program. The
9 loan review panel consists of:

10 A. The commissioner;

11 B. The president of the Maine Development Foundation or the president's designee;
12 and

13 C. A representative from a statewide organization that advocates for economic
14 development that preserves the quality of life in local communities, appointed jointly
15 by the President of the Senate and the Speaker of the House.

16 **4. Loan application review process.** The loan review panel shall review
17 applications for loans from the program in accordance with this subsection.

18 A. The loan review panel shall establish the deadline by which applications must be
19 postmarked and received.

20 B. Department staff shall undertake the initial review and preliminary scoring of
21 applications.

22 C. The loan review panel shall review the applications submitted and the preliminary
23 scoring under paragraph B, select the finalists and allocate funding from the fund.

24 In reviewing loan applications, department staff and the loan review panel shall use the
25 scoring system and criteria established under subsection 5.

26 **5. Loan application scoring system.** The department and the loan review panel
27 shall develop criteria and a scoring system for use by the department and the loan review
28 panel in evaluating applications for loans from the program. The criteria must be posted
29 on the department's publicly accessible website.

30 **6. Loan agreement.** To be eligible for a loan under the program, an officer or
31 authorized employee of a business selected as a loan recipient must execute a written loan
32 agreement prepared by the department. The loan agreement must clearly state the terms
33 and conditions of disbursement of loan proceeds established by the department in rules
34 adopted under subsection 8. The terms and conditions must include, at a minimum, the
35 term and interest rate of the loan, the scheduling of loan repayments and the requirements
36 for loan forgiveness.

37 **7. Loan repayments.** Principal and interest payments made to the department
38 pursuant to a loan agreement under subsection 6 must be deposited in the fund.

