

MAINE STATE LEGISLATURE

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130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document

No. 857

H.P. 625

House of Representatives, March 8, 2021

**An Act To Create a Municipal Grant Program To Promote
Sustainable Economic Development**

Reference to the Committee on Innovation, Development, Economic Advancement and Business suggested and ordered printed.

A handwritten signature in black ink that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative BAILEY of Gorham.
Cosponsored by Representatives: COLLAMORE of Pittsfield, GERE of Kennebunkport,
HASENFUS of Readfield, Senator: STEWART of Aroostook.

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

2 **Sec. 1. 5 MRSA §13073-C** is enacted to read:

3 **§13073-C. Municipal Grant Fund**

4 The Municipal Grant Fund is established as a nonlapsing fund within the Office of
5 Community Development. The Director of the Office of Community Development shall
6 administer the Municipal Grant Fund, referred to in this section as "the fund."

7 **1. Fund purpose.** The purpose of the fund is to provide funding for municipalities
8 for projects that further the goals of sustainable economic development as outlined by the
9 Maine Economic Growth Council, established in Title 10, section 929-A and referred to in
10 this section as "the council," in the council's annual "Measures of Growth" report, or
11 successor report, and by the economic development strategy for the State as administered
12 by the department.

13 **2. Application process.** The department shall adopt rules establishing an application
14 process for municipalities for fund grants for the purposes set forth in this section.

15 **3. Competitive procedure.** Funds must be dispersed in accordance with a
16 competitive, quality-based selection procedure as established and administered by the
17 department.

18 **4. Preference in awards.** In awarding grants, the department shall give preference to
19 those projects that further the goals of the council as outlined in the council's "Measures of
20 Growth" report, or successor report, as well as goals related to the economic development
21 strategy for the State as administered by the department.

22 **5. Maximum award.** A grantee may not be awarded a total amount in excess of
23 \$50,000 in a legislative biennium.

24 **6. Rules.** The department shall adopt rules necessary to carry out this section. Rules
25 adopted pursuant to this section are routine technical rules as defined in chapter 375,
26 subchapter 2-A.

27 **Sec. 2. 30-A MRSA §5681, sub-§5-C,** as amended by PL 2013, c. 368, Pt. J, §1,
28 is further amended to read:

29 **5-C. Transfers to General Fund and Municipal Grant Fund.** For the months
30 beginning on or after July 1, 2009, \$25,383,491 in fiscal year 2009-10, \$38,145,323 in
31 fiscal year 2010-11, \$40,350,638 in fiscal year 2011-12, \$44,267,343 in fiscal year 2012-
32 13, \$73,306,246 in fiscal year 2013-14 and \$85,949,391 in fiscal year 2014-15 from the
33 total transfers pursuant to subsection 5 must be transferred to General Fund undedicated
34 revenue. For the months beginning on or after October 1, 2021, \$250,000 in fiscal year
35 2021-22 from the total transfers pursuant to subsection 5 must be transferred to the
36 Municipal Grant Fund established under Title 5, section 13073-C. The amounts transferred
37 to General Fund undedicated revenue or the Municipal Grant Fund each fiscal year
38 pursuant to this subsection must be deducted from the distributions required by subsections
39 4-A and 4-B based on the percentage share of the transfers to the Local Government Fund
40 pursuant to subsection 5. The reductions in this subsection must be allocated to each month
41 proportionately based on the budgeted monthly transfers to the Local Government Fund as
42 determined at the beginning of the fiscal year.

SUMMARY

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This bill establishes a fund to provide competitive grants funding for cities and towns for projects that further the goals of sustainable economic development as outlined by the Maine Economic Growth Council in the council's annual "Measures of Growth" report and by the economic development strategy for the State as administered by the Department of Economic and Community Development. The bill provides for the transfer of \$250,000 in fiscal year 2021-22 from state-municipal revenue sharing to support the fund.