

Maine Revised Statutes
Title 30-A: MUNICIPALITIES AND COUNTIES
Chapter 225: MAINE MUNICIPAL BOND BANK

§5953-D. ASSISTANCE FROM MUNICIPAL INVESTMENT TRUST FUND

1. Application for public service infrastructure grants and loans. In addition to the other forms of financial assistance available under section 6006-D, an eligible municipality or group of municipalities may apply for a public service infrastructure grant or loan from the Municipal Investment Trust Fund, in this section called the "fund," the proceeds of which must be used to acquire, design, plan, construct, enlarge, repair, protect or improve public service infrastructure owned by the applicant.

The bank, in conjunction with the Department of Economic and Community Development, may prescribe an application form or procedure for an eligible municipality or group of municipalities to apply for a grant or loan under this section. The application must include all information necessary for the purpose of implementing this section and section 6006-D.

[1999, c. 776, §13 (AMD) .]

1-A. Application for downtown improvement grants and loans. In addition to the other forms of financial assistance available under section 6006-D, an eligible municipality or group of municipalities may apply for a downtown improvement grant or loan from the fund, the proceeds of which must be used to acquire, design, plan, construct, enlarge, repair or protect downtown improvements.

The bank, in conjunction with the Department of Economic and Community Development, may prescribe an application form or procedure for an eligible municipality or group of municipalities to apply for a grant or a loan under this subsection. The application must include all information necessary for the purpose of implementing this section and section 6006-D.

[2003, c. 288, §1 (AMD) .]

2. Loan; loan agreements. Loans from the fund are subject to this subsection.

A. The bank may make loans from the fund to an eligible municipality or group of municipalities for one or more of the purposes set forth in subsection 1 and subsection 1-A. Each of the loans is subject to the following conditions.

(1) The total amount of loans outstanding at any one time from the fund may not exceed the balance of the fund; the proceeds of bonds or notes of the bank deposited in the fund, revenues from other sources deposited in the fund and binding financial commitments of the United States to deposit money in the fund must be included in determining the fund balance.

(2) The loan must be evidenced by a municipal bond or other debt instrument, payable by the municipality over a term not to exceed 40 years with annual principal or interest payments commencing not later than one year after the project being financed is completed.

(3) The rate of interest charged for the loans must be at or below market interest rates.

(4) Subject to the limitations of subparagraph (3), the rate of interest charged for the loans made to municipalities under this section or the manner of determining the rate of interest must be established from time to time by direction of the bank, taking into consideration the current average rate on outstanding marketable obligations. [1999, c. 776, §13 (AMD) .]

B. Loans made to a municipality by the bank under this section must be evidenced by and made in accordance with the terms and conditions specified in a loan agreement to be executed by the bank and the municipality. The loan agreement must specify the terms and conditions of disbursement of loan

proceeds. The loan agreement must state the term and interest rate of the loan, the scheduling of loan repayments and any other terms and conditions determined necessary or desirable by the bank. [1993, c. 721, Pt. D, §3 (NEW); 1993, c. 721, Pt. H, §1 (AFF).]

[1999, c. 776, §13 (AMD) .]

3. Eligibility certification. The bank may not make a grant or loan to a municipality or group of municipalities under this section until:

A. The applicant certifies to the bank that it has secured all permits, licenses and approvals necessary to construct the improvements to be financed by the grant or loan; [1993, c. 721, Pt. D, §3 (NEW); 1993, c. 721, Pt. H, §1 (AFF).]

B. In the case of a loan, the applicant demonstrates to the bank that it has established a rate, charge or assessment schedule that generates annually sufficient revenue to pay, or has otherwise provided sufficient assurances that it pays, the principal of and interest on the municipal bond or other debt instrument that evidences the loan made by the bank to the municipality pursuant to the loan agreement under this section and to pay reasonably anticipated costs of operating and maintaining the financed project and the system of which it is a part; [1993, c. 721, Pt. D, §3 (NEW); 1993, c. 721, Pt. H, §1 (AFF).]

C. In the case of a loan, the applicant certifies to the bank that it has created a dedicated source of revenue that may constitute general revenues of the applicant through a general obligation pledge of the applicant for repayment of the loan; [1999, c. 776, §13 (AMD).]

D. In the case of a grant or loan, the Department of Economic and Community Development affirms that the applicant has met the conditions of this paragraph.

(1) A municipality is eligible to receive a grant or a loan, or a combination of both, if that municipality has adopted a growth management program certified under section 4347-A that includes a capital improvement program composed of the following elements:

- (a) An assessment of all public facilities and services, such as, but not limited to, roads and other transportation facilities, sewers, schools, parks and open space, fire and police;
- (b) An annually reviewed 5-year plan for the replacement and expansion of existing public facilities or the construction of such new facilities as are required to meet expected growth and economic development. The plan must include projections of when and where those facilities will be required; and
- (c) An assessment of the anticipated costs for replacement, expansion or construction of public facilities, an identification of revenue sources available to meet these costs and recommendations for meeting costs required to implement the plan.

(2) A municipality is eligible to receive a loan if that municipality:

- (a) Has adopted a comprehensive plan that is determined by the Executive Department, former State Planning Office or the Department of Agriculture, Conservation and Forestry to be consistent with section 4326, subsections 1 to 4.

(3) A municipality is eligible to receive a grant or a loan if that municipality is a service center community.

Subject to the limitations of this subsection, 2 or more municipalities that each meet the requirements of subparagraph (1), (2) or (3) may jointly apply for assistance under this section; and [2011, c. 655, Pt. JJ, §27 (AMD); 2011, c. 655, Pt. JJ, §41 (AFF); 2011, c. 657, Pt. W, §5 (REV).]

E. In the case of a downtown improvement grant or loan, the Department of Economic and Community Development affirms that the applicant has met the conditions of this paragraph. A municipality is eligible to receive a downtown improvement grant or loan if that municipality has:

- (1) Shown broad-based support for downtown revitalization;
- (2) Established a comprehensive downtown revitalization work plan, including a definition and a map of the affected area;
- (3) Developed measurable goals and objectives;
- (4) Demonstrated an historic preservation ethic;
- (9) Developed the capacity to report on the progress of the downtown program; and
- (10) Established the ability and willingness to support integrated marketing efforts for retailers, services, activities and events. [2003, c. 288, §2-A (AMD).]

[2011, c. 655, Pt. JJ, §27 (AMD); 2011, c. 655, Pt. JJ, §41 (AFF); 2011, c. 657, Pt. W, §5 (REV) .]

4. Criteria; conditions for public service infrastructure grants and loans. The Department of Economic and Community Development, in conjunction with the bank, shall develop criteria and conditions for the award of public service infrastructure loans and grants to eligible municipalities subject to the requirements of this section. The department shall:

A. [2001, c. 621, §1 (RP).]

A-1. Give highest priority equally to:

(1) Service center communities. For purposes of this section, "service center community" has the same definition as in section 4301; and

(2) Projects undertaken jointly by 2 or more municipalities; [2001, c. 621, §1 (NEW).]

B. Following the highest priority described in paragraph A-1, establish a preference for those municipalities eligible under subsection 3, paragraph D, subparagraph (1) over those municipalities eligible under subsection 3, paragraph D, subparagraph (2); [2001, c. 621, §1 (AMD).]

C. [2001, c. 90, §5 (RP).]

D. Following the preference described in paragraph B, establish a preference for capital investment projects that provide substantial regional benefits; [2001, c. 621, §1 (AMD).]

E. Adopt other criteria as it determines necessary to ensure that loans and grants made under this section maximize the ability of municipalities to accommodate planned growth and economic development; and [1993, c. 721, Pt. D, §3 (NEW); 1993, c. 721, Pt. H, §1 (AFF).]

F. Condition any loans and grants under this section on consistency with the municipality's comprehensive plan or local growth management program. [1993, c. 721, Pt. D, §3 (NEW); 1993, c. 721, Pt. H, §1 (AFF).]

[2001, c. 621, §1 (AMD) .]

4-A. Criteria; conditions for downtown improvement grants or loans. The Department of Economic and Community Development, in conjunction with the bank, shall develop criteria and conditions for the award of downtown improvement grants or loans to eligible municipalities after consultation with the state agencies listed in subsection 5 and subject to the requirements of this section. The department shall establish a preference for municipalities that are regional service centers or urban compact municipalities or have adopted a comprehensive plan consistent with section 4326.

[2003, c. 288, §3 (AMD) .]

5. Coordination. The bank shall coordinate the loans and grants made under this section with all other community assistance loans and grants administered by the Department of Economic and Community Development and with other state assistance programs designed to accomplish similar objectives, including

those administered by the Department of Education, the Department of Transportation, the Finance Authority of Maine, the Maine State Housing Authority, the Maine Historic Preservation Commission, the Department of Administrative and Financial Services, the Department of Agriculture, Conservation and Forestry and the Department of Environmental Protection.

[2011, c. 655, Pt. JJ, §28 (AMD); 2011, c. 655, Pt. JJ, §41 (AFF); 2011, c. 657, Pt. W, §5 (REV) .]

6. Municipal Capital Investment Advisory Commission.

[1999, c. 668, §117 (RP) .]

7. Report to the Legislature. The bank shall report to the joint standing committee of the Legislature having jurisdiction over natural resource matters no later than January 1st of each odd-numbered year on the loans and grants program. The bank may make any recommendations it finds necessary to more effectively achieve the purposes of this section, including the appropriation of any necessary additional funds.

[1999, c. 776, §13 (AMD) .]

SECTION HISTORY

RR 1993, c. 2, §27 (RNU). 1993, c. 721, §D3 (NEW). 1993, c. 721, §H1 (AFF). RR 1999, c. 2, §34 (COR). 1999, c. 668, §117 (AMD). 1999, c. 776, §13 (AMD). 2001, c. 90, §§4,5 (AMD). 2001, c. 406, §16 (AMD). 2001, c. 621, §1 (AMD). 2001, c. 667, §A49 (AMD). 2003, c. 288, §§1-3 (AMD). 2011, c. 655, Pt. JJ, §§27, 28 (AMD). 2011, c. 655, Pt. JJ, §41 (AFF). 2011, c. 657, Pt. W, §5 (REV).

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