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

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

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

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

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

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

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

§ 13056-H. Locating Businesses Downtown Loan Program

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

- A. "Fund" means the Communities for Maine's Future Fund established in section 13056-D, subsection 7.
- B. "Loan review panel" means the Locating Businesses Downtown Loan Review Panel established in subsection 3.
- C. "Program" means the Locating Businesses Downtown Loan Program established in subsection 2.

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

- A. Acquire, construct, repair, improve or lease real property located within a downtown area, village area or along a main street within the State for operation of a business; or
- B. Relocate an existing business operation to a downtown area, village area or along a main street within the State.

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

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

- A. The commissioner;
- B. The president of the Maine Development Foundation or the president's designee; and
- C. A representative from a statewide organization that advocates for economic development that preserves the quality of life in local communities, appointed jointly by the President of the Senate and the Speaker of the House.

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

- A. The loan review panel shall establish the deadline by which applications must be postmarked and received.
- B. Department staff shall undertake the initial review and preliminary scoring of applications.
- C. The loan review panel shall review the applications submitted and the preliminary scoring under paragraph B, select the finalists and allocate funding from the fund.

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

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

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

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

8. Rules. The department shall adopt rules to implement this section. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

SUMMARY

This bill establishes the Locating Businesses Downtown Loan Program within the Communities for Maine's Future Program to provide forgivable loans for businesses seeking to initially locate or to relocate in a downtown area, village area or along a main street within the State. Applications for loans under the program are evaluated by the Department of Economic and Community Development in conjunction with a loan review panel. Successful applicants must execute a loan agreement prepared by the department specifying the terms and conditions of the loan, including the length of time that a business must remain in the downtown area, village area or along a main street within the State for the loan to be forgiven.