

§13090-B. Economic Opportunity Program

The Economic Opportunity Program, referred in this section as the "program," is established to provide grants to municipalities for public and private investments to stimulate economic growth. [PL 1991, c. 780, Pt. N, §1 (NEW).]

1. Eligibility for loans. Municipalities may apply to the department for grants under the program. Municipalities shall loan money from those grants to business entities based on the following eligibility criteria.

A. The projects to be financed must:

- (1) Pertain to manufacturing, industrial, real estate development, child care, recreational or natural resource enterprises;
- (2) Be located or establishing a presence in the State; and
- (3) Provide significant public benefit in relation to the amount of the loan, as determined by the department. Public benefits include, but are not limited to: increased opportunities for employment; increased capital flows, particularly of capital from outside the State; increased state and municipal tax revenues; rehabilitation of blighted or underutilized areas; and provision of necessary services.

Loan proceeds may be used for any appropriate commercial purpose, as determined by the department, including working capital. [PL 1999, c. 272, §2 (AMD).]

B. The department must determine that the borrower is a for-profit or nonprofit commercial entity and that it is creditworthy and reasonably likely to repay the loan. [PL 1991, c. 780, Pt. N, §1 (NEW).]

C. The department must determine that the loan is necessary to implement the project because the borrower either has insufficient access to other funds or demonstrates, and the department determines, that the project would not provide the projected public benefits without the availability of the loan. [PL 1991, c. 780, Pt. N, §1 (NEW).]

D. The department must determine that the project would not result in a substantial detriment to existing business in the State. In making this determination, the department shall consider factors it considers necessary to measure and evaluate the effect of the project on existing business, including:

- (1) Whether a loan for a project should be approved if, as a result of the project, there would not be sufficient demand within the market area of the State served by the project to employ the efficient capacity of existing business; and
- (2) Whether any adverse economic effect of the project on existing business or other municipalities is outweighed by the contribution that the project would make to the economic growth and vitality of the State.

The applicant for the loan has the burden of demonstrating a reasonable likelihood that the project would not result in a substantial detriment to existing business or other municipalities, except in cases in which no interested parties object to the project, in which event the requirements of this paragraph are satisfied. Interested parties must be given an opportunity, with or without a hearing at the discretion of the department, to present their objections to the project on grounds that the project would result in a substantial detriment to existing business or other municipalities. If such a party presents these objections with reasonable specificity and persuasiveness, the department may divulge whatever information concerning the project it considers necessary for a fair presentation by the objecting party and evaluation of such objections. If the department finds that

the applicant has failed to meet its burden of proof as specified in this paragraph, the application must be denied. [PL 1991, c. 780, Pt. N, §1 (NEW).]
[PL 1999, c. 272, §2 (AMD).]

2. Loan terms and conditions. The department may establish prudent terms and conditions for loans, including limiting the amount of loans for any one project and requiring adequate collateral for the loans. Loan terms may not exceed 20 years for loans primarily secured by real estate, 10 years for loans secured primarily for machinery and equipment and 7 years for other loans. The interest rate charged on each loan must be determined on a case-by-case basis.

[PL 1991, c. 780, Pt. N, §1 (NEW).]

3. Rulemaking. The department shall establish rules to implement the program.

[PL 1991, c. 780, Pt. N, §1 (NEW).]

4. Local and regional organizations.

[PL 1995, c. 40, §1 (NEW); MRSA T. 5 §13090-B, sub-§4 (RP).]

5. Nonprofit organizations.

[PL 1997, c. 590, §1 (NEW); MRSA T. 5 §13090-B, sub-§5 (RP).]

SECTION HISTORY

PL 1991, c. 780, §N1 (NEW). PL 1995, c. 40, §1 (AMD). PL 1997, c. 590, §1 (AMD). PL 1999, c. 272, §2 (AMD).

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