

Annual List of Rulemaking Activity
Rules Adopted January 1, 2018 to December 31, 2018
Prepared by the Secretary of State pursuant to 5 MRS §8053-A, sub-§5

Agency name: **Maine Rural Development Authority**
Umbrella-Unit: **99-626**
Statutory authority: 5 MRS §§ 13120-L, 13120-R
Chapter number/title: **Ch. 3**, Rural Manufacturing and Industrial Site
Redevelopment Program
Filing number: **2018-078**
Effective date: 5/9/2018
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

This rule implements PL 2017 ch. 174.

Basis statement:

This rule implements PL 2017 ch. 174, including the application and award process for the Rural Manufacturing and Industrial Site Redevelopment Program established in 5 MRS §13120-R(1).

Several comments were received during the public comment period. The comments were submitted by representatives of the municipalities of Madison, Bucksport, East Millinocket, Lincoln, Old Town, Ashland, Rumford, Millinocket, and Jay, Maine (collectively, the “Municipalities”). Each municipality submitted its own copy of a duplicate letter with identical comments as the letters from the other municipalities.

The Municipalities first commented that maximum population of a municipality that should be considered rural, and therefore a location in which an eligible project could be located, should be reduced from 50,000 to 10,000.

The Trustees considered the comment, but determined that municipalities with populations over 10,000, but under 50,000 (the maximum allowed by the draft rule) in Maine, despite their greater population, have rural attributes and suffer from the same types of impacts from mill closures as smaller municipalities. In addition, the Trustees found that other governmental programs, including programs administered by the US Department of Rural Development, define rural areas as those under 50,000 in population. Accordingly, the Trustees declined to make changes in response to this comment.

The Municipalities also commented, with respect to both planning and implementation grants, that the rule should require grant solicitations at least once per year. They further suggested that applications should be allowed to be considered at special meetings, rather than only at regular meetings. The Municipalities also recommended that scoring weights for consideration of grant applications be set before soliciting applications and included in the solicitation, rather than being determined before Authority review of applications.

The Trustees considered the comment and determined that the existing language gave the Authority needed flexibility to solicit grants as often as the Authority deemed prudent, without fixing a particular time frame. In addition, since the Authority meets monthly, the Trustees believed that reviewing grant applications at a regular meeting would be sufficient without the need for special meetings. As for scoring weights, The Trustees found that the existing language allowed the Authority to set and advertise scoring weights as part of the solicitation process, but also provided important flexibility to allow it to set weighting after solicitation, but before review, if it deemed that approach more desirable in a given grant solicitation round. The Trustees thus declined to make changes in response to this comment.

The Municipalities identified a typographical error in section numbering, namely the absence of section 4, which the Trustees corrected by renumbering the sections following section 3.

Annual List of Rulemaking Activity
Rules Adopted January 1, 2018 to December 31, 2018
Prepared by the Secretary of State pursuant to 5 MRS §8053-A, sub-§5

The Municipalities next commented that the language that permitted, but did not require the Authority to charge fees to grant applicants should be eliminated to avoid discouraging applications. The Trustees determined that effect on applications would be likely be a consideration when it decided whether and to what extent to impose applications fees, but did not believe that it was appropriate to eliminate the option to charge fees. Accordingly, the Trustees declined to make changes in response to this comment.

Finally, the Municipalities commented that the rule should not limit the aggregate amount of grants awarded under the Program. Because grants awarded under the Program would deplete funds available to be used by the Authority to provide loans under the Authority's other important programs, the Trustees believed that it was prudent to set an overall grant limit by rule to ensure sufficient funds would be available for the loan programs. Thus Trustees also determined that the limit could be changed in a later rule amendment should circumstances warrant. The Trustees thus declined to make changes in response to this comment.

Fiscal impact of rule:

The amendment will not impose any costs on municipalities or counties.