

By Mr. Correia of Fall River, petition of Robert Correia, Albert Herren, Edward M. Lambert, Jr., and another for legislation to establish the needle trades industry loan board. Commerce and Labor.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Nine.

AN ACT ESTABLISHING THE NEEDLE TRADES INDUSTRY LOAN BOARD.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 23 of the General Laws is hereby
2 amended by inserting after section 11S the following section: —

3 There is hereby established within the department of labor
4 (department) a needle trades industry loan board. Said board shall
5 consist of eleven members, all of whom shall be appointed by the
6 governor. The members shall include five representatives of the
7 needle trades industry and five representatives of the unions
8 representing employees of the needle trades industry, including
9 one member from each of the two largest unions representing
10 employees of apparel manufacturers. The secretary of labor
11 (secretary) may make loans to business enterprises for capital
12 development projects which demonstrate a substantial likelihood
13 of providing long-term increases in net new employment
14 opportunities. For the purposes of this section, a capital
15 development project shall mean the land, buildings, equipment and
16 machinery and the working capital which is acquired, constructed,
17 renovated or used by a business enterprise as part of a for-profit
18 project or venture not of a mercantile or services-related nature,
19 except that business enterprises shall include international export-
20 related services and international export-related services and
21 mercantile ventures which will increase Massachusetts' national
22 or international market shares.

23 The board shall have the following powers and duties: (1) to
24 approve applications for needle trades industry loans to

25 manufacturers of apparel products; (2) to ensure that the needle
26 trades industry loans approved by the board are having their
27 desired impact and that the funds are being used in accordance
28 with the application approved by the board; (3) to establish, in
29 consultation with the department, procedures and application
30 forms to be used by those desiring assistance from the board.

31 Applications for loans shall be made to the board in the form
32 and manner as the secretary and the board may require; provided
33 that all applications shall specify the number of net employment
34 opportunities created or preserved by the proposed project. Upon
35 approval of the application by the board, the board shall forward
36 the application and all supporting documentation to the secretary
37 for review and final approval or disapproval.

38 All decisions of the secretary regarding the approval or
39 disapproval of loans under this act, including decisions regarding
40 eligibility of business enterprises and loan projects, shall be final.
41 The secretary shall, to the extent practicable, notify the board and
42 the applicant manufacturer of final approval or disapproval of
43 the loan application within thirty business days after the receipt
44 of the application. In the case of approval of a loan application,
45 the secretary, upon consultation with the board, shall arrange to
46 draw the loan amount from the capital loan fund to make the
47 advance available to the manufacturer in the form of a loan
48 transaction, which loan shall be evidenced by a note executed by
49 the manufacturer, be secured in a manner as the board and the
50 secretary shall require, and conform in all respects to the loan
51 package as approved by the board, the organization and the
52 secretary. If the secretary disapproves the application, the board
53 shall be notified, in writing, of the reason for the disapproval.

54 All needle trades industry loans shall be administered and
55 monitored by the board in accordance with policies and
56 procedures prescribed by the secretary. The board shall submit
57 reports to the secretary as the secretary shall require, but in no
58 case less than twice a year.

59 In the event that a manufacturer shall fail to comply with and
60 create or preserve the number of employment opportunities
61 specified in its approved application, the secretary shall impose
62 a penalty equal to an increase in the interest to two percent greater
63 than the current prime interest rate for the remainder of the loan

64 unless the penalty is waived by the secretary because the failure
65 is due to circumstances outside the control of the manufacturer.
66 The penalty shall be payable in installments which the secretary
67 deems appropriate. Immediate notice of penalties and waivers of
68 penalties, with reasons therefor, shall be submitted by the
69 secretary to the clerks of the senate and the house of
70 representatives.

71 The secretary shall promulgate rules and regulations governing
72 the disbursement of loans under this program and applications
73 for said loans including eligibility criteria for loan applicants. Said
74 regulations shall also set forth the criteria which shall form the
75 basis of approval or disapproval of applications. In addition, the
76 secretary shall adopt policies, procedures and guidelines for the
77 operation of the needle trades industry loan program. The
78 secretary shall submit to the house and senate committees on ways
79 and means for approval all rules and regulations established
80 pursuant to this section.

1 SECTION 2. Section 2 of chapter 199 of the acts of 1987 is
2 hereby amended by inserting after item 9400-0102 the following
3 item: —

9400-0103	For a revolving loan program to assist businesses in the needle trades industry	\$500,000
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