

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
4

5 Legislative Document

No. 1366

6
7 S.P. 443

In Senate, March 29, 1983

8 Referred to the Committee on Business Legislation. Sent down for
9 concurrence and ordered printed.

10 JOY J. O'BRIEN, Secretary of the Senate

11 Presented by Senator Pray of Penobscot.

12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-THREE
16

17 AN ACT to Create a Commission on the
18 Financial Needs of Maine Small Businesses.
19

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

22 Sec. 1. Purpose and findings. The Legislature
23 finds that the general economic health of Maine's
24 small business community requires, in part, the quick
25 provision of necessary loans for expansion and
26 growth. The Legislature further finds that current
27 measures established for providing this type of
28 assistance is duplicative in some cases, is often not
29 appropriately tailored to the needs of these busi-
30 nesses and is slow in reacting to applications for
31 financial assistance. The Legislature therefore
32 finds that study of this area is necessary in order
33 to ensure the prompt and efficient provision of
34 financial assistance to qualified small businesses.

1 **Sec. 2. Commission established.** There is hereby
2 created the Commission on the Financial Needs of
3 Maine Small Businesses to consist of 15 members: The
4 Managers of the Veterans and Maine Small Business
5 Loan Authority and the Maine Guarantee Authority; the
6 Director of the State Development Office; the Direc-
7 tor of the State Planning Office; a representative of
8 the Small Business Administration; a representative
9 from the Maine Bankers' Association; a representative
10 from the Maine Savings Bank Association; a repre-
11 sentative of the Governor's office; 3 members of the
12 small business community to be appointed by the Gov-
13 ernor; and 4 Economic Development Directors repre-
14 senting the various geographic regions of the State,
15 to be appointed by the Governor. The Governor shall
16 designate the chairman of the commission.

17 **Sec. 3. Subjects of study.** The Commission on
18 the Financial Needs of Maine Small Businesses shall
19 investigate and study the total scope of financial
20 needs of Maine small businesses, including, but not
21 limited to, the following:

22 A. The effectiveness of the present system of
23 providing financial assistance to Maine small
24 businesses, including, but not limited to:

25 (1) The appropriateness of the present loan
26 ceilings;

27 (2) The paper work required to submit a
28 loan application;

29 (3) The response time of state agencies to
30 requests for financial assistance; and

31 (4) The level of coordination existing
32 among the various state and federal agencies
33 providing financial assistance or advice to
34 Maine small businesses;

35 B. The issue of loan guarantees versus direct
36 loans;

37 C. The definition of "small business" and
38 whether or not the term needs redefining;

1 D. The use patterns being made of existing
2 sources of business financing by Maine small
3 businesses;

4 E. The level of awareness of members of the
5 small business community in Maine of their cur-
6 rent available options regarding financing needs;
7 and

8 F. Such other matters and considerations as the
9 commission shall deem appropriate in providing to
10 the Legislature a full and accurate picture of
11 the financing needs of Maine small businesses.

12 Sec. 4. Report on findings and recommenda-
13 tions. The commission shall complete its study and
14 report its findings and recommendations and any
15 necessary implementing legislation on or before Janu-
16 ary 1, 1985, to the 112th Legislature. This report
17 shall address each of the matters set forth in this
18 Act and shall include proposed legislation in proper
19 draft form to be enacted by the Legislature to effec-
20 tuate the course of action the commission recommends.

21 Sec. 5. Professional assistance. The commission
22 may employ such professional staff and consultants as
23 it deems necessary to carry out the purposes of this
24 Act.

25 Sec. 6. Compensation. All members of the com-
26 mission who are not state employees shall be compen-
27 sated at the rate of \$60 per day for each day or sub-
28 stantial part thereof they engage in commission busi-
29 ness, in addition to their reasonable travel expenses
30 to and from commission proceedings.

31 Sec. 7. Appropriation. The following funds are
32 appropriated from the General Fund to carry out the
33 purposes of this Act.

	<u>1983-84</u>	<u>1984-85</u>
34		
35	<u>COMMISSION ON THE FINANCIAL</u>	
36	<u>NEEDS OF MAINE SMALL BUSINESSES</u>	
37	All Other	\$12,500 \$12,500

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STATEMENT OF FACT

The purpose of this bill is to establish a commission to study the financial needs of Maine small businesses. The commission is to report to the First Regular Session of the 112th Legislature with its recommendations.

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