

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 502

6
7 S.P. 184

In Senate, February 8, 1985

8 Referred to the Committee on State Government. Sent down for
9 concurrence and ordered printed. Ordered sent forthwith.

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

11 Presented by Senator Tuttle of York.

Cosponsored by Senator Pray of Penobscot, Senator Bustin of Kennebec
and Representative Martin of Van Buren.

12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-FIVE
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 as-
28 sistance 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 fi-
34 nancial assistance to qualified small businesses.

1 **Sec. 2. Commission established.** There is cre-
2 ated the Commission on the Financial Needs of Maine
3 Small Businesses to consist of 15 members: The Man-
4 agers of the Veterans and Maine Small Business Loan
5 Authority and the Maine Guarantee Authority; the Di-
6 rector of the State Development Office; the Director
7 of the State Planning Office; a representative of the
8 Small Business Administration; a representative from
9 the Maine Bankers' Association; a representative from
10 the Maine Savings Bank Association; a representative
11 of the Governor's office; 3 members of the small
12 business community to be appointed by the Governor;
13 and 4 Economic Development Directors representing the
14 various geographic regions of the State, to be ap-
15 pointed by the Governor. The Governor shall desig-
16 nate 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 wheth-
38 er 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 nec-
15 essary implementing legislation on or before January
16 1, 1987, to the 113th Legislature. This report shall
17 address each of the matters set forth in this Act and
18 shall include proposed legislation in proper draft
19 form to be enacted by the Legislature to effectuate
20 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.

34	<u>1985-86</u>	<u>1986-87</u>
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 113th Legislature with its recommendations.

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