

# MAINE STATE LEGISLATURE

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# 117th MAINE LEGISLATURE

## SECOND REGULAR SESSION-1996

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Legislative Document

No. 1746

S.P. 680

In Senate, January 30, 1996

**An Act to Encourage High-quality Maine Jobs through a 21st-century  
Maine Program.**

(EMERGENCY)

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26  
Reference to the Committee on Business and Economic Development suggested and  
ordered printed.

A handwritten signature in cursive script that reads "May M. Ross".

MAY M. ROSS  
Secretary of the Senate

Presented by Senator FAIRCLOTH of Penobscot.  
Cosponsored by Representative ROWE of Portland and  
Senators: CIANCHETTE of Somerset, GOLDTHWAIT of Hancock, Representative:  
POVICH of Ellsworth.



referred to in this Part as "the commission." The commission consists of the following 17 members:

1. One representative from the Finance Authority of Maine;
2. One representative from the Department of Economic and Community Development;
3. One representative from the Maine Science and Technology Foundation;
4. One representative from the Maine World Trade Association;
5. One representative from the Maine Chamber and Business Alliance;
6. Six representatives appointed by the Governor from emerging industries and technologies including aquaculture, biotechnology, software and forest product industries;
7. Two representatives appointed by the President of the Senate from local economic development agencies with experience in lending programs;
8. Two representatives from financial institutions appointed by the Speaker of the House of Representatives;
9. One representative from the Maine Technical College system; and
10. One representative from the University of Maine campuses with experience in research in emerging industry or technology.

**Sec. A-3. Duties.** The commission shall inventory and assess the availability of federal, state and private loan programs to small businesses and entrepreneurs in emerging industries and technologies in Maine. The commission shall define emerging industries and technologies on the basis of the Maine Science and Technology Foundation's action plan, the Department of Economic and Community Development's economic plan, the report from the Maine Chamber and Business Alliance on charting Maine's future, the Maine Economic Growth Council's annual report and any other information required by the commission to accomplish its mission. In conducting the review, the commission shall convene a meeting of representatives of federal, state and privately supported lending institutions to determine the following:

2 1. The extent of lenders' understanding of the unique  
merits of small businesses in emerging industries and  
technologies when evaluating their risk potential;

4  
6 2. The degree that emerging small businesses and  
entrepreneurs are aware of availability of loan programs and how  
important the programs can be to their growth potential; and

8  
10 3. How best to increase access to existing loan programs  
for small businesses and entrepreneurs in emerging industries and  
technologies.

12  
14 **Sec. A-4. Report.** By September 2, 1996, the commission shall  
submit a report to the Finance Authority of Maine that outlines  
16 its findings and recommendations including methods to increase  
access of emerging small businesses to low-interest loans; new  
18 lending evaluation standards that appropriately take into account  
the uniqueness of small businesses and entrepreneurs in emerging  
20 industries and technologies and their critical role in the  
economic future of the state; education initiatives to increase  
22 awareness of loan programs; and any necessary implementing  
legislation. The commission shall submit by September 2, 1996 a  
24 copy of any necessary implementing legislation to the Legislature  
for consideration in the 118th Legislature. Upon submission of  
the report the commission's authority expires.

26  
28 **PART B**

30 **Sec. B-1. Finance Authority of Maine; solicitation of funds.** The  
Finance Authority of Maine shall solicit funding from private  
32 industry to promote a Create Your Own Business Program, using as  
a model the similarly named program in Wisconsin. Upon raising  
34 funds in an amount it determines sufficient, the Finance  
Authority of Maine shall notify the Governor, the President of  
36 the Senate and the Speaker of the House of Representatives.

38 **Sec. B-2. Create Your Own Business Program Board established.**  
Upon the successful completion of fundraising set forth in  
40 section 1 of this Part, the Create Your Own Business Program  
Board, referred to in this Part as the "board," is established.  
42 The board consists of:

44 1. Five members appointed by the Governor:

46 A. One member on the entrepreneurial faculty of a technical  
college;

- 2           B. One community entrepreneur who began a successful  
business;
- 4           C. The president or chief executive officer of a private  
lending institution;
- 6           D. One University of Maine faculty member connected with  
8           business development issues; and
- 10          E. One citizen representative;
- 12          2. Two representatives of the Finance Authority of Maine;  
and
- 14          3. Two members representing private enterprise, one  
16          appointed by the President of the Senate and one appointed by the  
Speaker of the House of Representatives.

18           **Sec. B-3. Competition; awards.** The board shall establish a  
20          competition wherein entrepreneurs submit business plans outlining  
22          their proposed new businesses to compete for no-interest or  
low-interest loans and small grants. The board shall judge the  
submitted business plans on the following criteria:

- 24           1. Potential for job creation with a preference for a  
26          business created in communities with an unemployment rate higher  
than the statewide average;
- 28           2. Growth potential;
- 30           3. Issues associated with actual implementation;
- 32           4. Product and market knowledge of the applicant; and
- 34           5. Financial feasibility of the proposal.

36           **Emergency clause.** In view of the emergency cited in the  
38          preamble, this Act takes effect when approved.

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**STATEMENT OF FACT**

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This bill accomplishes the following:

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- 46           1. It establishes the Emerging Industry and Technology Loan  
Program Commission to help high potential businesses succeed in  
48          the State. It directs the commission to assess the availability  
of federal, state and private loan programs to businesses in  
emerging industries and technologies in Maine and to recommend  
50          methods to increase access to and awareness of loan programs.

2           2. It directs the Finance Authority of Maine to solicit  
4 funding from private industry to promote a Create Your Own  
6 Business Program, using as a model the similarly named program in  
Wisconsin.