

MAINE STATE LEGISLATURE

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R. d. S.

L.D. 1831

DATE: 3/25/96

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BUSINESS AND ECONOMIC DEVELOPMENT

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
117TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1337, L.D. 1831, Bill, "An Act to Create the Small Enterprise Growth Program"

Amend the bill in section 3 in that part designated "~~§384.~~" in subsection 1 in paragraph E in the 2nd line (page 2, line 28 in L.D.) by striking out the following: "as an" and inserting in its place the following: 'as a voting'

Further amend the bill in section 3 in that part designated "~~§385.~~" in subsection 1 in the 2nd line (page 2, line 46 in L.D.) by inserting after the following: "grants," the following: 'investments,'

Further amend the bill in section 3 in that part designated "~~§385.~~" in subsection 3 in the first line (page 3, line 8 in L.D.) by inserting after the following: "may" the following: 'not' and in the 2nd line (page 3, line 9 in L.D.) by striking out the following: ", but only if" and inserting in its place the following: 'unless'

Further amend the bill in section 3 in that part designated "~~§385.~~" in subsection 3 in the last line (page 3, line 11 in L.D.) by inserting after the following: "fund" the following: 'and the agreement between the board and the private enterprise contains a specific plan for the board to divest itself of the ownership at some future time'

COMMITTEE AMENDMENT

Further amend the bill in section 3 in that part designated "~~§386.~~" in subsection 1 in paragraph I in the last line (page 1, line 47 in L.D.) by inserting after the following: "program" the following: ', including, but not limited to, retail sales, tourism and agricultural production'

Further amend the bill in section 3 in that part designated "~~§386.~~" by striking out all of subsection 3 (page 4, lines 1 to 4 in L.D.) and inserting in its place the following:

'3. Need for assistance. The qualifying small business must provide evidence of each of the following:

A. Commitment of all reasonably available resources to the project;

B. A need for financial assistance from the fund to realize its projected growth and achievement of public benefits; and

C. Inability to access sufficient financial assistance from a financial institution.'

Further amend the bill in section 3 in that part designated "~~§387.~~" in the first paragraph in the 3rd line (page 4, line 19 in L.D.) by striking out the following: "approve or"

Further amend the bill in section 3 in that part designated "~~§387.~~" in the last line (page 4, line 22 in L.D.) by inserting after the following: "action." the following: 'The board may delegate authority to recommend approval of applications, but final approval may be given only by the board.'

Further amend the bill in that part designated "~~§388.~~" in subsection 4 in the 2nd line (page 5, line 2 in L.D.) by striking out the following: "periodically" and inserting in its place the following: 'at least annually'

Further amend the bill in that part designated "~~§391.~~" in subsection 1 in paragraph A in subparagraph (5) in the last line (page 6, line 17 in L.D.) by striking out the following: "or" and inserting in its place the following: 'and'

Further amend the bill by inserting at the end before the statement of fact the following:

FISCAL NOTE

Additional funding will be required to capitalize the Small Enterprise Growth Fund, which will be administered by the Finance Authority of Maine. Funding in the amount of \$5,000,000 has been

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2 proposed in L.D. 1822, "An Act to Authorize a Bond Issue to Encourage and Support Economic Development."

4 No additional appropriations or allocations are required by
6 the Finance Authority of Maine to support the costs of administering this fund.

8 Those state departments and independent agencies who are
10 required to participate as members of the Small Enterprise Growth Board or provide assistance and support to the board can absorb any associated costs within their existing budgeted resources.'

14 **STATEMENT OF FACT**

16 This amendment does the following.

18 1. It makes clear that the Commissioner of Economic and
20 Community Development or the commissioner's designee is a voting member of the Small Enterprise Growth Board.

22 2. It makes clear that the fund may accept investments.

24 3. It further restricts those instances in which the board
26 may hold an ownership interest in a private enterprise.

28 4. It makes clear that retail sales, tourism and
30 agricultural production are among those businesses that may qualify for a loan.

32 5. It adds inability to obtain private financing as a
34 criterion for qualifying for a loan.

36 6. It takes away from subcommittees the authority to approve loans.

7. It adds a fiscal note to the bill.

COMMITTEE AMENDMENT