## MAINE STATE LEGISLATURE

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## 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

Legislative Document

No. 1884

S.P. 662

In Senate, March 16, 1999

An Act to Create a Matching Grant Fund to Provide Technical Assistance to Small Wood Products Manufacturers.

Reference to the Committee on Business and Economic Development suggested and ordered printed.

JOY J. O'BRIEN Secretary of the Senate

Presented by Senator MILLS of Somerset.
Cosponsored by Representative BAGLEY of Machias and
Senator NUTTING of Androscoggin, Representative: WHEELER of Bridgewater.

Be it	enacted by the People of the State of Maine as follows:
	Sec. 1. 10 MRSA c. 110, sub-c. XI is enacted to read:
	SUBCHAPTER XI
	SMALL WOOD PRODUCTS MANUFACTURERS FUND
<u>\$110</u>	0-Y. Definitions
	As used in this subchapter, unless the context otherwis
ndi	cates, the following terms have the following meanings.
	1. Authority. "Authority" means the Finance Authority o
Main	
	2. Fund. "Fund" means the Small Wood Product
Manu	facturers Fund established in section 1100-Z.
	2 C-11 business HCm-12 businessH was a famous
arad	3. Small business. "Small business" means a fores ucts manufacturer engaged in primary or secondary woo
	essing in the State that has fewer than 150 full-time
	-round employees.
	1. Fund established. There is established the Small Woo
	ucts Manufacturers Fund to be administered by the authority
	fund provides matching grants to small businesses to provid
	nical assistance to foster innovation, develop new markets of
	lop new technologies. The grants must be used to reduce ris permit access to specific technical expertise for product
	mology or business development that is not generall
	lable to small businesses. The fund is a revolving
	apsing fund.
	2. Selection criteria. The authority shall adopt rules for
	selection of eligible businesses for grants. These rule
must	include the following selection criteria:
	A The stated number of the small bushess for the same
	A. The stated purpose of the small business for the gran funding is limited to developing a new product, new market
	or new technology or a business plan that will increase
	competitiveness and foster employment; and
	B. The application of the small business must include the
	use of the grant for specific technical or busines expertise from a person or organization not employed by the small business, with preference given to an application that

	includes the use of expertise from a college or university
2	in the State.
4	Rules adopted pursuant to this subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter II-A.
6	
8	3. Limitations. The limitations on grant amounts and funding are as follows:
10	A. A grant is limited to a maximum of \$10,000;
12	B. The total grant funding for a small business may not exceed \$10,000 in any 5-year period;
14	C. Grant funding requires a 100% match from the recipient
16	<pre>small business:</pre>
18	D. No more than 30% of the grant may be used for salaries for technical or business experts;
20	E. No more than 30% of the grant may be used for indirect
22	costs:
24 26	F. No more than 30% of the grant may be used for travel expenses; and
28	G. The grant period may not exceed 2 years.
30	4. Report. A small business that receives a grant pursuant to this subchapter shall submit a semiannual report on the status of the grant to the authority.
32 34	Sec. 2. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.
36	1999-00
38	FINANCE AUTHORITY OF MAINE
40	Small Wood Products Manufacturers Fund
42	111 Ohbon #200 000
44	All Other \$300,000
46	Provides matching grants to businesses for the development of new products, markets or technology.

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## **SUMMARY**

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This bill establishes the Small Wood Products Manufacturers Fund that is administered by the Finance Authority of Maine. The fund provides matching grants to small wood products businesses to provide technical assistance to foster innovation or develop new markets or new technologies. The grants must be used to reduce risk and permit access to specific technical expertise for product, technology or business development that is not generally available to small wood products businesses. The grants are used to hire outside technical or business expertise with preference given to expertise from a college or university in the State. The grants are matching grants with no one grant to exceed \$10,000, no one small wood products business to receive more than \$10,000 in any 5-year period and the small business recipient to provide 100% matching funds for any grant received. Costs of the grant are limited to 30% for salaries for the outside experts, 30% to indirect costs and 30% to travel expenses. report semiannually on the status of their grant to the Finance Authority of Maine.