

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 2105

S.P. 746

In Senate, March 30, 1999

An Act to Improve the Maine Economy Through Small Businesses.

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator PINGREE of Knox.
Cosponsored by Speaker ROWE of Portland and
President LAWRENCE of York, Senator RAND of Cumberland, Representatives: DUGAY of
Cherryfield, SAXL of Portland, SHIAH of Bowdoinham.

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

4 Sec. 1. 5 MRSA c. 383, sub-c. II, Art. 2-A is enacted to read:

6 ARTICLE 2-A

8 MAINE MICROENTERPRISE INITIATIVE

10 §13063-D. Definitions

12 As used in this article, unless the context otherwise indicates, the following terms have the following meanings.

14 1. Community-based organization. "Community-based organization" means a nonprofit organization that has:

16 A. Developed a viable plan for providing training, access to financing and technical assistance to microenterprises;

18 B. Broad-based community support; and

20 C. An adequate source of operating capital.

22 2. Fund. "Fund" means the Maine Microenterprise Initiative Fund established in section 13063-E.

24 3. Microenterprise. "Microenterprise" means a business located in the State that produces goods or provides services and has fewer than 10 full-time equivalent employees and annual gross revenues of less than \$500,000.

26 §13063-E. Maine Microenterprise Initiative Fund

28 1. Fund established. The Maine Microenterprise Initiative Fund is established as a nonlapsing revolving fund administered by the department. The fund consists of money appropriated to it by the Legislature from the General Fund and eligible investment earnings from fund assets. The fund must be held separate from all other money, funds and accounts and all eligible investment earnings from fund assets must be credited to the fund.

30 2. Fund purposes. The department shall administer the fund to provide grants to community-based organizations to aid them in providing technical assistance, training and loans to microenterprises.

32 §13063-F. Application process

34 1. Process established. The department shall adopt rules

2 establishing an application process for fund grants for the
3 purposes set forth in section 13063-E, subsection 2. In
4 establishing the application process, the department shall
5 consult with business experts involved with microenterprises in
6 Maine.

7 2. Process requirements. The application process must be
8 competitive. An applicant shall specify whether a grant is
9 sought for microenterprise technical assistance, training, loans
10 or any combination thereof. In making grants, the department
11 shall give priority to applications that:

12 A. Are joint applications by 2 or more community-based
13 organizations or otherwise provide for cooperation among
14 community-based organizations;

15 B. Target aid to low-income individuals; or

16 C. Target aid to areas of high unemployment or underserved
17 areas of the State.

18 The department may establish other criteria for assessing
19 applications for fund grants.

20 3. Grant limitations. The department may not give a fund
21 grant for microenterprise loans unless the applicant:

22 A. Provides evidence that 25% of the grant amount for loans
23 will be matched by other money available to the applicant
24 for making microenterprise loans; and

25 B. Demonstrates that adequate technical assistance is
26 available to microenterprises eligible for loans.

27 **§13063-G. Rules**

28 The department shall adopt all rules necessary to carry out
29 this article. Rules adopted pursuant to this article are major
30 substantive rules as defined in Title 5, chapter 375, subchapter
31 II-A.

32 **Sec. 2. Appropriation.** The following funds are appropriated
33 from the General Fund to carry out the purposes of this Act.

34 **1999-00 2000-01**

35 **ECONOMIC AND COMMUNITY DEVELOPMENT,**
36 **DEPARTMENT OF**

2 **Maine Microenterprise Initiative Fund** \$1,500,000 \$1,500,000

4 Provides money for grants to
6 community-based organizations
8 for training, technical
 assistance and loans to
 microenterprises. These funds
 do not lapse.

10

12

SUMMARY

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16 This bill establishes the Maine Microenterprise Initiative
18 Fund in the Department of Economic and Community Development.
20 The department will give grants from the fund to community-based
22 organizations providing training, technical assistance and loans
24 to microenterprises. Priority consideration will be given to
26 grant applications that are joint or target low-income
 individuals or areas of high unemployment. The bill requires
 that grants for loans must be accompanied by a certain level of
 matching funds and adequate technical assistance. The department
 will adopt rules, subject to legislative review, to establish
 grant application procedures and criteria. The bill appropriates
 from the General Fund a nonlapsing \$1,500,000 per year of the
 biennium to the Maine Microenterprise Initiative Fund.