

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

DATE: 2-6-02

(Filing No. H-778)

BUSINESS AND ECONOMIC DEVELOPMENT

Reproduced and distributed under the direction of the Clerk of the House.

**STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1420, L.D. 1868, Bill, "An Act to Provide Enhancements to the Small Enterprise Growth Program"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

Sec. 1. 10 MRSA §382, sub-§4, as amended by PL 1999, c. 504, §2, is further amended to read:

4. Qualifying small business. "Qualifying small business" means, for the purpose of an initial disbursement by the board under section 388, a business employing 50 or fewer employees or having gross sales not exceeding \$5,000,000 within the most recent 12 months for which financial statements are available. For the purpose of a subsequent disbursement, "qualifying small business" means a business to which the board has previously made a disbursement and that, in the judgment of the board, evidences continued potential for high growth.

Sec. 2. 10 MRSA §388, sub-§1, as amended by PL 1999, c. 504, §6, is further amended to read:

1. Disbursements. Disbursements Initial disbursements may not exceed \$500,000 to a qualifying small business, including an affiliated entity. An initial disbursement plus any subsequent disbursements in the aggregate to a qualifying small business may not exceed an amount equal to 10 percent of the capitalization of the fund from all appropriations received for application to the fund, plus any funds received from repayment, interest, royalties, equities or other interests in business enterprises, products or services to the extent the repayment, interest,

COMMITTEE AMENDMENT

royalties, equities or other interests are in excess of the amount initially invested in the business making the payments, plus interest accrued on the fund balance and other funds received by the board to be applied to the fund. The Finance Authority of Maine board shall report annually by December 20th of each year to the joint standing committee of the Legislature having jurisdiction over business and economic development matters on all disbursements made under this subsection.'

Further amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

The additional costs associated with making modifications to the Small Enterprise Growth Program can be absorbed by the Finance Authority of Maine utilizing existing budgeted resources.'

SUMMARY

This amendment replaces the bill. The amendment allows the Small Enterprise Growth Board the discretion to make subsequent investments in companies that have benefited from an initial investment by the board. It maintains the current maximum initial disbursement that the board may make to a company at \$500,000, but allows a subsequent disbursement to equal up to 10% of the capitalization of the fund from appropriations, returns on successful investments and accrued interest. The amendment also adds a fiscal note to the bill.