

MAINE STATE LEGISLATURE

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STATE OF MAINE
LEGISLATURE



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December 18, 2001

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120th MAINE LEGISLATURE

SECOND REGULAR SESSION-2002

Legislative Document

No. 1868

H.P. 1420

House of Representatives, December 18, 2001

An Act to Provide Enhancements to the Small Enterprise Growth Program.

Submitted by the Finance Authority of Maine pursuant to Joint Rule 204.

Received by the Clerk of the House on December 14, 2001. Referred to the Committee on Business and Economic Development pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative RICHARDSON of Brunswick.
Cosponsored by Senator SHOREY of Washington and
Representatives: DORR of Camden, ROSEN of Bucksport.

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

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

1. **Disbursements.** Disbursements may ~~not exceed \$500,000 be~~ made to a qualifying small business, ~~including an affiliated~~ entity. The board may disburse additional amounts to a business in which the board has previously invested if the business evidences significant growth and continued potential for high growth. A business receiving such an additional investment may have more than 50 employees and sales in excess of \$5,000,000 annually. The Finance Authority of Maine 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.

SUMMARY

This bill modifies the Small Enterprise Growth Program by eliminating the cap on the amount the Small Enterprise Growth Board may invest in any one small business in Maine. The bill also allows the board to make additional investments in portfolio companies that have grown since the board's initial investment and that evidence a likelihood for continued high growth, letting the board make additional investments in companies that appear likely to provide significant returns on the board's investment.