

# MAINE STATE LEGISLATURE

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# 124th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2010

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Legislative Document

No. 1659

S.P. 624

In Senate, December 21, 2009

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### An Act To Enhance the Small Enterprise Growth Fund

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Reference to the Committee on Business, Research 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 RECTOR of Knox.

Cosponsored by Representative SMITH of Monmouth and

Senators: COURTNEY of York, GOODALL of Sagadahoc, MILLS of Somerset, NASS of York, Representatives: PRESCOTT of Topsham, RICHARDSON of Warren.

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

2 **Sec. 1. 10 MRSA §382, sub-§3**, as enacted by PL 1995, c. 699, §3, is amended to  
3 read:

4 **3. Program.** "Program" means the Small Enterprise Growth Program, which  
5 encompasses the Small Enterprise Growth Fund and any side fund created by the board.

6 **Sec. 2. 10 MRSA §382, sub-§3-A** is enacted to read:

7 **3-A. Program funds.** "Program funds" means the Small Enterprise Growth Fund  
8 and any side funds created by the board.

9 **Sec. 3. 10 MRSA §382, sub-§5** is enacted to read:

10 **5. Side fund.** "Side fund" means a fund other than the Small Enterprise Growth  
11 Fund administered by the board that is invested as determined by the board.

12 **Sec. 4. 10 MRSA §383**, as enacted by PL 1995, c. 699, §3, is amended to read:

13 **§383. Program funds established**

14 **1. Creation of fund.** There is established the Small Enterprise Growth Fund, which  
15 is a revolving fund used to provide funding for disbursements to qualifying small  
16 businesses in the State seeking to pursue an eligible project. The fund must be deposited  
17 with and maintained and administered by the Finance Authority of Maine and consists of  
18 appropriations provided for that purpose, interest accrued on the fund balance, funds  
19 received by the board to be applied to the fund, all funds remaining in the Pine Tree  
20 Partnership Fund and any funds received from repayment, interest, royalties, equities or  
21 other interests in business enterprises, products or services. The fund is a nonlapsing  
22 fund.

23 **1-A. Creation of side funds.** The board may create one or more side funds for  
24 placement of certain funds received by the board. A side fund may be structured as a  
25 revolving fund in addition to the Small Enterprise Growth Fund or as a fund in which the  
26 investor will have funds drawn and returned over an agreed time period.

27 **2. Administrative expenses.** Costs and expenses of maintaining and servicing ~~the~~  
28 fund program funds and administering the Small Enterprise Growth Program established  
29 by this chapter may be paid out of amounts in the ~~fund~~ program funds.

30 **3. Management fees.** The board may charge and accept management fees for  
31 management of money placed in program funds other than money placed directly by the  
32 State.

33 **4. Agreements.** The board may enter into an agreement or contract with a 3rd party  
34 for investment in a side fund. The board may allocate ownership in a side fund through  
35 the agreement. The board may also repay money received and return profits according to  
36 terms in the agreement. The board may create a formula or terms for the sharing of  
37 profits on a side fund in the agreement.

1     5. Profits. The profits on a side fund retained by the board must be contributed to  
2     the fund.

3                                 **SUMMARY**

4                 This bill allows the Small Enterprise Growth Board to establish and manage separate  
5                 investment funds raised from entities other than the State.