

MAINE STATE LEGISLATURE

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**STATE OF MAINE
119TH LEGISLATURE**

SECOND REGULAR SESSION

**BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
APPROPRIATIONS AND FINANCIAL AFFAIRS**

JULY 2000

Staff:

J. Timothy Leet, Senior Legislative Analyst

**Office of Fiscal and Program Review
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TO: Members, Joint Standing Committee on Appropriations and Financial Affairs

FROM: J. Timothy Leet, Senior Legislative Analyst

DATE: July, 2000

RE: **BILL SUMMARIES, 119th LEGISLATURE, 2nd REGULAR SESSION**

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the Joint Standing Committee on Appropriations and Financial Affairs during the 2nd Regular Session of the 119th Legislature. The summary describes each bill or order and relevant amendments as well as the final action. Also included is a statistical summary of bill activity by the committee. Please note the effective date for all non-emergency legislation enacted in the 2nd Regular Session (unless a later date is specified in a particular law) is August 11, 2000. Joint Orders are effective when passed.

The bill summaries for your committee also include 4 bills that, although discussed in work sessions, were never referred. LD's 2589, 2646, 2664 and 2692 were discussed as part of your committee process and are therefore included in this document for your information.

The document is organized for convenient reference to information on bills handled by the committee this session. It is organized by bill (LD) number and two indices are located at the back of the document that group bills by subject and by LD number. Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

CON RES XXX Chapter # of Constitutional Resolution passed by both Houses
CONF CMTE UNABLE TO AGREE..... Committee of Conference unable to agree; bill died
DIED BETWEEN BODIES House & Senate disagree; bill died
DIED IN CONCURRENCE ... One body accepts ONTP report; the other indefinitely postpones the bill
DIED ON ADJOURNMENT..... Action incomplete when session ended; bill died
EMERGENCY Enacted law takes effect sooner than 90 days
FAILED EMERGENCY ENACTMENT/FINAL PASSAGE..... Emergency bill failed to get 2/3 vote
FAILED ENACTMENT/FINAL PASSAGE..... Bill failed to get majority vote
FAILED MANDATE ENACTMENT..... Bill imposing local mandate failed to get 2/3 vote
NOT PROPERLY BEFORE THE BODY Ruled out of order by the presiding officers; bill died
INDEF PP Bill Indefinitely Postponed
ONTP Ought Not To Pass report accepted
OTP ND Committee report Ought To Pass In New Draft
OTP ND/NT..... Committee report Ought To Pass In New Draft/New Title
P&S XXX..... Chapter # of enacted Private & Special Law
PUBLIC XXX Chapter # of enacted Public Law
RESOLVE XXX Chapter # of finally passed Resolve

UNSIGNED..... Bill held by Governor
VETO SUSTAINED..... Legislature failed to override Governor's Veto
READ AND PASSED Joint Order passed by the House and Senate
PASSED AS AMENDED..... Joint Order passed as amendment by the House and Senate

A complete summary of bills for all committees will be available in the very near future. Copies will be on file in the Law and Legislative Reference Library and Senate and House offices. You will also soon be able to access these bill summaries from our website.

I hope you find this information useful. If you have any questions or suggestions, please do not hesitate to contact this office.

Best wishes for an enjoyable summer.

Sponsor(s)Committee Report
ONTPAmendments Adopted

LD 2683 proposed the following:

PART A proposed to modify the Economic Recovery Program administered by the Finance Authority of Maine by making the programs more flexible to meet the needs of Maine businesses.

The modifications would have allowed the Finance Authority of Maine to establish repayment terms reflective of the risk of a particular loan by allowing the authority to use financing techniques such as obtaining repayment based on the performance of the company through royalty payments, repayment tied to actual cash flow or through a convertible debenture, which allows the debt to be converted to equity in the company.

It also proposed to repeal the requirement that an applicant must have been turned down by all other lenders. This would have allowed the Finance Authority of Maine to participate in financing packages with commercial lenders and other economic development agencies.

PART B proposed to modify the Maine Economic Development Venture Capital Revolving Investment Program Fund administered by the Finance Authority of Maine.

It proposed to clarify that capitalization of the fund may come from sources other than direct appropriations.

It proposed to amend the law to allow the authority to invest in newly established venture capital funds that show evidence of likelihood of success by the manager's background and other factors, as well as established venture capital funds.

It proposed to amend the law to require that a private venture capital fund receiving an investment from the authority certify to the authority that it would undertake to invest in an amount equal to the authority's investment in Maine manufacturers or Maine companies that are involved in the development or application of advanced technologies that provide a product or service that is sold or projected to be sold predominantly outside the State or that otherwise bring capital into the State.

It proposed to repeal the prohibition on an officer or employee of a private venture capital firm from participating in a decision on a project in which the officer or employee has a direct financial interest. It proposed to replace that provision with a requirement that the authority's contract with the private venture capital firm give the authority rights and access equal to all other investors in the venture capital firm.

It proposed to amend the law to allow the venture capital funds receiving an investment to use up to 4% annually of the funds received from the authority for administrative purposes.

It proposed to repeal a provision that requires that a private venture capital firm invest 80% of all its funds in a business that is eligible for the Maine Seed Capital Tax Credit.

It proposed to add a requirement that private venture capital funds that receive an investment from the authority report on the amount of funds invested in Maine manufacturers or Maine companies that are involved in the

development or application of advanced technologies, that provide a product or service sold or projected to be sold predominantly outside the State or that otherwise bring capital into the State.

It proposed to transfer funds that have revolved back into the Economic Recovery Program Fund to the Maine Economic Development Venture Capital Revolving Investment Program Fund.

PART C proposed to appropriate funds to the Department of Economic and Community Development for an information technology manager to work with the Maine Business Works program.

PART D proposed to appropriate funds to the Department of Economic and Community Development to allow the department to contract with a field representative to serve in a currently underserved and economically depressed area.

PART E proposed to direct the Maine Rural Development Council to provide advocacy for the social and economic needs of rural Maine communities and to develop community capacity building projects, and it proposed to appropriate \$125,000 to the council. The Maine Rural Development Council is a quasi-independent state agency whose members are representatives from intergovernmental and interagency associations concerning rural development issues.

PART F proposed to establish the Maine Microenterprise Initiative Fund in the Department of Economic and Community Development for grants to community-based organizations providing training and technical assistance to microenterprises. The department would be required to adopt rules to establish grant application procedures and criteria. The bill proposed to appropriate from the General Fund a nonlapsing \$1,000,000 to the Maine Microenterprise Initiative Fund.

PART G proposed to establish the Regional Economic Development Assistance Fund in the Department of Economic and Community Development for grants to nonprofit community organizations providing local or regional economic development programs. The bill proposed to appropriate \$500,000 from the General Fund to the fund.

PART H proposed to amend the law creating the Agricultural Products Utilization Commission by authorizing the commission to identify issues related to the development of agriculturally derived fuel industries in Maine, to identify agriculturally derived fuel development programs and to analyze the potential for agriculturally derived fuel production in Maine. It also proposed to add the chief executive officer of the Finance Authority of Maine to the commission membership and add a requirement to report to the joint standing committee of the Legislature having jurisdiction over business and economic development matters.

PART I proposed to appropriate funds to the Maine Technical College System for a pilot program for the Aroostook County Machine Tool Program.

While this bill was reported Ought Not to Pass, General Fund appropriations totaling \$1,500,000 in fiscal year 2000-01 were included in Public Law 1999, Chapter 731, Part VVV to enhance economic development in the State of Maine.

LD 2692

**An Act to Make Emergency Appropriations or Allocations in Fiscal
Year 1999-00 only for the Emergency Items**

**PUBLIC 732
EMERGENCY**