

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-TWO

—
H.P. 1341 - L.D. 1800

An Act To Amend the Laws Governing the Small Enterprise Growth Program

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

Sec. 1. 10 MRSA §382, sub-§4-A is enacted to read:

4-A. Qualifying venture fund. "Qualifying venture fund" means a venture capital fund that is managed by an entity other than the board and that the board finds demonstrates the potential to contribute venture capital funding in a manner that promotes economic growth in the State.

Sec. 2. 10 MRSA §383, sub-§1-B is enacted to read:

1-B. Investment in other funds. The board may invest program money in a qualifying venture fund subject to an agreement that directs a portion of the money in the qualifying venture fund into companies based in the State that employ 50 or fewer employees or that have gross sales not exceeding \$5,000,000 within the most recent 12 months for which financial statements are available.

Sec. 3. 10 MRSA §383, sub-§3, as enacted by PL 2009, c. 475, §4, is amended to read:

3. Management fees. The board may charge and accept management fees for management of money placed in ~~program funds~~ the fund or a side fund other than money placed directly by the State. The board may approve payment of management fees to a fund manager hired to manage a side fund or to a fund manager for a qualifying venture fund for which the board is a limited partner.

Sec. 4. 10 MRSA §384, sub-§2, as enacted by PL 1995, c. 699, §3, is amended to read:

2. Chair Officers. The board shall annually elect a chair, vice-chair and treasurer from among its members.

Sec. 5. 10 MRSA §384, sub-§3, as amended by PL 1999, c. 504, §3, is further amended to read:

3. Terms. The members other than the Commissioner of Economic and Community Development or the commissioner's designee serve for ~~2-year~~ 3-year terms and may be reappointed for up to ~~3~~ 2 consecutive terms. A member may serve for more than ~~3-2-year~~ 2 3-year terms if the terms are not consecutive.

Sec. 6. 10 MRSA §386, first ¶, as enacted by PL 1995, c. 699, §3, is amended to read:

A qualifying venture fund or a qualifying small business may be eligible to receive financial assistance under the program. In order to be eligible for financial assistance under the program, a qualifying venture fund must meet the requirements of section 383, subsection 1-B. In order for a qualifying small business to be eligible for financial assistance under the program, a qualifying small business must meet the following criteria must be met.

Sec. 7. 10 MRSA §388, sub-§1, as amended by PL 2001, c. 541, §2, is further amended to read:

1. Disbursements. Initial disbursements may not exceed \$500,000 to a qualifying venture fund or qualifying small business, including an affiliated entity. An initial disbursement plus any subsequent disbursements in the aggregate to a qualifying venture fund or 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, 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 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.

Sec. 8. 10 MRSA §389, as enacted by PL 1995, c. 699, §3, is amended to read:

§389. Cooperation and coordination

The University of Maine System, the Small Business Development Center Program, the Maine ~~World International~~ Trade Association and the Maine ~~Science and Technology Foundation~~ Center and the Maine Technology Institute shall provide such support and assistance as the board may request, within the expertise of each.

Sec. 9. Terms of current board members. Notwithstanding the Maine Revised Statutes, Title 10, section 384, a member of the Small Enterprise Growth Board serving on the effective date of this Act:

1. Shall serve a term ending on the 3rd anniversary of the date on which the member's term began; and
2. May be appointed to a term to begin immediately following the end of the member's term only if the member has not served for 6 consecutive years as of the date of the end of the term.