

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Increase Success and Promote Growth among Maine Small Businesses

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

Sec. 1. 5 MRSA §§13063-J to 13063-L, as enacted by PL 2001, c. 471, Pt. A, §7, are amended to read:

§ 13063-J. Definitions

As used in this article, unless the context otherwise indicates, the following terms have the following meanings.

1. Community-based organization. "Community-based organization" means a nonprofit organization that has:

- A. A viable plan for providing training and technical assistance to ~~microenterprises~~small businesses;
- B. Broad-based community support;
- C. An adequate source of operating capital; ~~and~~
- D. A demonstrated need for funding to provide training and technical assistance to ~~microenterprises~~small businesses; and
- E. A demonstrated ability to leverage existing community-based resources and a plan to promote collaboration and connection among entrepreneurs and community resources.

2. Fund. "Fund" means the Maine ~~Microenterprise~~Small Business Initiative Fund established in section 13063-K.

3. Small business. "~~Microenterprise~~Small business" means a business located in the State that produces goods or provides services and has 20 or fewer ~~than 10~~ full-time equivalent employees, including, but not limited to, contractors and independent consultants, particularly those in trades and technology industries; family-owned small businesses whose founders are nearing retirement; small businesses undergoing change of ownership; and small businesses engaged in agriculture, forestry or fishing.

§ 13063-K. Maine Small Business Initiative Fund

1. Fund established. The Maine ~~Microenterprise~~Small Business Initiative Fund is established as a nonlapsing fund administered by the department. The fund consists of money appropriated to it by the Legislature from the General Fund and eligible investment earnings from fund assets. The fund must be held separate from all other money, funds and accounts, and all eligible investment earnings from fund assets must be credited to the fund.

2. Fund purposes. The department shall administer the fund to provide grants to community-based organizations to aid them in providing technical assistance and training to ~~microenterprises~~small businesses or for training to small businesses that show a high potential for growth, including training to provide them with the network, resources and motivation required to build a sustainable business of size and scale.

§ 13063-L. Application process

1. Process established. The department shall adopt rules establishing an application process for fund grants for the purposes set forth in section 13063-K, subsection 2. In establishing the application process, the department shall consult with business experts involved with ~~microenterprises~~small businesses in the State.

2. Process requirements. The application process must be competitive. An applicant shall specify whether a grant is sought for ~~microenterprises~~small business technical assistance or training or a combination thereof or for training to small businesses that show a high potential for growth, including training to provide them with the network, resources and motivation required to build a sustainable business of size and scale. In making grants, the department shall give priority to applications that:

- A. Are joint applications by 2 or more community-based organizations or otherwise provide for cooperation among community-based organizations;
- B. Target aid to low-income individuals; or
- C. Target aid to areas of high unemployment or to underserved areas of the State or areas with a higher percentage of small businesses with 5 or fewer employees and low median household incomes.

The department may establish additional criteria for assessing applications for fund grants.

3. Requirement for applicant for grant to provide training to small businesses that show high potential for growth. An applicant for a grant to provide training to small businesses that show a high potential for growth must demonstrate a proven ability to increase the growth of small business training participants.

4. Eligibility requirements for a small business that shows a high potential for growth. In order to be eligible for training under this section, a small business with a high potential for growth must have been established for at least 3 years and have annual revenue between \$200,000 and \$5,000,000 per year.

5. Technical assistance and training. Technical assistance and training must address issues of regulatory compliance, personnel training and support, including wages, hours, benefits, health and wellness and environmental and safety issues, and other issues that affect performance, management and legal obligations of small business owners.

6. Match required. A community-based organization that receives a grant from the fund shall provide a 50% match in the form of cash, staff time and overhead expense directly attributable to small business training and technical assistance.

Sec. 2. Maine Revised Statutes headnote amended; revision clause. In the Maine Revised Statutes, Title 5, chapter 383, subchapter 2, article 2-B, in the article headnote, the words "Maine microenterprise initiative" are amended to read "Maine small business initiative" and the Revisor of Statutes shall implement this revision when updating, publishing or republishing the statutes.

Sec. 3. Maine Revised Statutes amended; revision clause. Wherever in the Maine Revised Statutes, Title 5, chapter 383, subchapter 2, article 2-B the word "microenterprise" appears, it is amended to read "small business" and the Revisor of Statutes shall implement this revision when updating, publishing or republishing the statutes.

SUMMARY

This bill makes the following changes to the laws governing the Maine Microenterprise Initiative Fund.

1. It changes the name of the Maine Microenterprise Initiative Fund to the Maine Small Business Initiative Fund.

2. It requires that a community-based organization have a demonstrated ability to leverage existing community-based resources and have a plan to promote collaboration and connection among entrepreneurs and community resources in order to be eligible to receive a grant from the fund.

3. It defines "small business" as a business located in the State that produces goods or provides services and has 20 or fewer full-time equivalent employees, including, but not limited to, contractors and independent consultants, particularly those in trades and technology industries; family-owned small businesses whose founders are nearing retirement; small businesses undergoing change of ownership; and small businesses engaged in agriculture, forestry or fishing.

4. It authorizes the Department of Economic and Community Development to award a grant from the fund to a community-based organization to aid that organization in providing training to small businesses that show a high potential for growth, including training to provide them with the network, resources and motivation required to build a sustainable business of size and scale. To be eligible for training, a small business with a high potential for growth must have been established for at least 3 years and have annual revenue between \$200,000 and \$5,000,000 per year.

5. It requires the department, when making grants from the fund, to give priority to applications that target aid to areas with a higher percentage of small businesses with 5 or fewer employees and low median household incomes.

6. It requires that an applicant for a grant to provide training to small businesses that show a high potential for growth must demonstrate a proven ability to increase the growth of small business training participants.

7. It requires that technical assistance and training must address issues of regulatory compliance, personnel training and support, including wages, hours, benefits, health and wellness and environmental and safety issues, and other issues that affect performance, management and legal obligations of small business owners.

8. It requires a community-based organization that receives a grant from the fund to provide a 50% match in the form of cash, staff time and overhead expense directly attributable to small business training and technical assistance.