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Legislative Document

No. 1501

S.P. 526

In Senate, April 20, 2017

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

Reference to the Committee on Labor, Commerce, Research and Economic Development suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator VITELLI of Sagadahoc.
Cosponsored by Representative PIERCE of Dresden and
Senators: JACKSON of Aroostook, WHITTEMORE of Somerset, Representatives:
MASTRACCIO of Sanford, RECKITT of South Portland, STANLEY of Medway, TEPLER of
Topsham.

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

2 **Sec. 1. 5 MRSA §§13063-J to 13063-L**, as enacted by PL 2001, c. 471, Pt. A,
3 §7, are amended to read:

4 **§13063-J. Definitions**

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

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

9 A. A viable plan for providing training and technical assistance to ~~microenterprises~~
10 small businesses;

11 B. Broad-based community support;

12 C. An adequate source of operating capital; ~~and~~

13 D. A demonstrated need for funding to provide training and technical assistance to
14 ~~microenterprises~~; small businesses; and

15 E. A demonstrated ability to leverage existing community-based resources and a plan
16 to promote collaboration and connection among entrepreneurs and community
17 resources.

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

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

26 **§13063-K. Maine Small Business Initiative Fund**

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

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

1 **§13063-L. Application process**

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

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

12 A. Are joint applications by 2 or more community-based organizations or otherwise
13 provide for cooperation among community-based organizations;

14 B. Target aid to low-income individuals; or

15 C. Target aid to areas of high unemployment or to underserved areas of the State or
16 areas with a higher percentage of small businesses with 5 or fewer employees and
17 low median household incomes.

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

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

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

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

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

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

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