

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 Improve Assistance for Technology-based Entrepreneurs**

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

**Sec. 1. 5 MRSA §12004-G, sub-§33-E**, as amended by PL 2005, c. 19, §1, is repealed.

**Sec. 2. 5 MRSA §15321**, as amended by PL 2007, c. 597, §7, is further amended to read:

### **§ 15321. Technology centers**

**1. Establishment; purpose.** The technology centers, referred to in this section as the "centers," are established. The purpose of the centers is to ~~permitsupport~~ support early-stage development of technology-based businesses ~~while minimizing or eliminating debilitating overhead expenses~~. The self-managed, state-coordinated centers, strategically placed throughout the State, are an integral component of the State's efforts to foster new technology-based businesses. The goals of the centers include the following:

- A. The retention of successful start-up businesses in the State;
- B. The improvement of opportunities for workers through the creation of technologically advanced jobs; and
- C. The encouragement of private-sector initiatives;
- D. ~~The renovation and utilization of vacant commercial real estate; and~~
- E. ~~The generation of new sources of revenue for local and state tax bases.~~

**2. Administration.** The following provisions govern the administration of the centers.

~~B. The Department of Economic and Community Development shall establish a Technology Center Coordinating Board that consists of interested parties in the State to coordinate center activities. The Technology Center Coordinating Board consists of at least the following members:~~

~~(1) The Commissioner of Economic and Community Development or the commissioner's designee;~~

~~(3) A representative from each technology center, chosen by that center;~~

~~(4) A representative from the University of Maine System, chosen by the Chancellor of the University of Maine System;~~

~~(5) A representative of the Maine Community College System, chosen by the President of the Maine Community College System;~~

~~(6) A representative of a nonprofit organization that is funded by the State and promotes the State to business entities, chosen by that organization;~~

~~(7) An attorney, chosen by the Commissioner of Economic and Community Development;~~

~~(8) A financial expert, chosen by the Commissioner of Economic and Community Development; and~~

~~(9) A representative of the institute.~~

C. Each technology center is governed by its own board of directors. Each board of directors shall ~~establish standards for the selection of tenants~~determine services to be provided pursuant to subsection 3, paragraph E.

~~D. The Department of Economic and Community Development shall determine where the technology centers are to be located.~~

E. The Department of Economic and Community Development shall determine assistance criteria and desired program outcomes and establish an application process so that technology centers possessing personnel with applicable skills can be chosen to best deliver services to technology-based entrepreneurs within a respective area.

**3. Technology centers.** The following provisions govern technology centers.

A. A technology center may be incorporated as a nonprofit organization, be part of a nonprofit organization, be incorporated as a for-profit organization or be part of a for-profit organization. The following provisions govern a for-profit technology center.

(1) Services made available to a technology center by the center director must be made available to all ~~tenants~~clients of a for-profit center.

(2) A for-profit center in a targeted technology may apply for available funding. A for-profit center selected for funding shall accept the funding as a loan that may be paid back in the form of cash, equity or royalties as agreed upon by the for-profit center and the Department of Economic and Community Development.

~~C. Each technology center shall provide shared, low-cost space to selected tenants and be designed to be self-sufficient with regard to operational costs and structural maintenance. Existing real estate must be considered where suitable. Specific business support tailored to each tenant must~~

~~be provided by existing organizations such as the small business development centers and regional economic development districts. Each technology center must have simultaneous-broadcast or interactive-television capability or access to these capabilities nearby to facilitate common training for the system.~~

D. The records and proceedings of the technology centers are public for the purposes of Title 1, chapter 13 except that the following records are designated as confidential for the purposes of Title 1, section 402, subsection 3, paragraph A:

(1) A record obtained or developed by a technology center prior to receipt of a written application or proposal in a form acceptable to the technology center for assistance from the technology center. After receipt by the technology center of the application or proposal, a record pertaining to the application or proposal may not be considered confidential unless it is confidential under another provision of this paragraph;

(2) A peer review or analysis or other document related to the evaluation of a grant application or proposal;

(3) A record that the person, including the technology center, to whom the record belongs or pertains has requested be designated confidential and that the technology center has determined contains proprietary information, trade secrets or commercial or financial information, the release of which could be competitively harmful to the submitter of the information, could impair the technology center's ability in the future to obtain similar necessary information solely through the voluntary provision of such information and could affect other technology center interests, such as program effectiveness and compliance. For purposes of this subparagraph, the following terms have the following meanings.

(a) "Commercial or financial information" means information related to businesses, commerce, trade, employment, profits or finances, including personal finances.

(b) "Trade secret" means a secret, commercially valuable plan, formula, process or device that is used for the making, preparing, compounding or processing of trade commodities and that can be said to be the end product of either innovation or substantial effort. There must be a direct relationship between the trade secret and the productive process;

(4) A financial statement, credit report or tax return of an individual or other record obtained or developed by the technology center, the disclosure of which would constitute an invasion of personal privacy as determined by the technology center;

(5) A record, including a financial statement or tax return obtained or developed by the technology center in connection with a monitoring or servicing activity of the technology center, pertaining to financial assistance provided or to be provided by or with the assistance of the technology center;

(6) A record obtained or developed by the technology center that contains an assessment by a person who is not employed by the technology center of the creditworthiness or financial condition of a person or project;

(7) A financial statement or business and marketing plan in connection with a project receiving or to receive financial or other assistance from the technology center, if the person to whom the statement or plan belongs or pertains has requested that the record be designated confidential; and

(8) Those employee personnel records made confidential pursuant to section 957, subsection 5 and section 17057.

E. The technology centers shall provide support for early-stage technology-based businesses in the State through at least one of the following mechanisms:

(1) One-on-one sessions;

(2) Peer networks;

(3) Classroom training on subjects unique to technology commercialization and the management of high-growth enterprises;

(4) Mentor programs that link senior technology executives with entrepreneurs; and

(5) Networking opportunities.

**4. Funding.** The following provisions govern funding for technology centers.

~~A. An applicant may not receive more than \$750,000 in an initial funding for a technology center.~~

C. Funding for the technology centers must be commensurate with the level of assistance provided.

D. All funding must be provided on a competitive basis.

**5. Relationship with academic institution.** A technology center shall establish a relationship with at least one academic institution in this State. The ~~Technology Center Coordinating Board~~Department of Economic and Community Development shall establish guidelines for such a relationship and determine whether a technology center has met the requirements of this subsection.

**6. Rule-making authority.** The Department of Economic and Community Development may adopt rules to carry out the purposes of this section. Rules adopted pursuant to this section are routine technical rules as defined in chapter 375, subchapter 2-A.

## SUMMARY

This bill provides a broader set of assistance options for technology-based entrepreneurs than currently available through the applied technology development centers. Since the outreach will no longer be confined by physical locations, technology-based entrepreneurs will have access to more targeted services. Adapting the current program to be more responsive and far-reaching will foster high-growth entrepreneurship, which has been found to have a significant impact on economic growth.