

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

SECOND REGULAR SESSION-2008

Legislative Document

No. 2159

S.P. 827

January 17, 2008

An Act To Advance the Maine Economy

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator MITCHELL of Kennebec.
Cosponsored by Representative RECTOR of Thomaston and Senators: BROMLEY of Cumberland, BRYANT of Oxford, MARRACHÉ of Kennebec, MILLS of Somerset,
Representatives: Speaker CUMMINGS of Portland, GERZOFSKY of Brunswick, JACKSON of Allagash, MIRAMANT of Camden.

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

2 **Sec. 1. 5 MRSA §13109-A** is enacted to read:

3 **§13109-A. Maine Expansion Fund**

4 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
5 following terms have the following meanings.

6 A. "Advisory board" means the Maine Expansion Fund Advisory Board established
7 in subsection 3.

8 B. "Eligible business" means a business entity whose business activity is directly
9 related to financial services, manufacturing or a targeted technology as defined in
10 section 15301, subsection 2.

11 C. "Fund" means the Maine Expansion Fund established in subsection 2.

12 D. "Project" means a proposal to assist an eligible business to locate in a specific
13 municipality.

14 **2. Fund established.** The Maine Expansion Fund is established as a nonlapsing
15 Other Special Revenue Funds account administered by the office at the direction of the
16 board.

17 **3. Advisory board established; members.** The Maine Expansion Fund Advisory
18 Board is established and consists of:

19 A. The Commissioner of Economic and Community Development;

20 B. One member with expertise in business development or business expansion
21 appointed by the President of the Senate;

22 C. One member who has successfully operated a mid-sized or large business related
23 to financial services, manufacturing or a targeted technology appointed by the
24 Speaker of the House;

25 D. One member with experience in business financing appointed by the Governor;
26 and

27 E. One member appointed by the Governor who represents a nonprofit corporation
28 that provides services to help mid-sized and large businesses locate or expand in the
29 State.

30 **4. Sources of money.** The office may receive donations and funding from any
31 source on behalf of the fund, including appropriations and allocations made by law.

32 **5. Grants; eligibility.** The money in the fund must be used to provide grants to
33 municipalities for projects. A project is limited to one grant under this section of no more
34 than \$200,000. A project must meet the requirements in this subsection to be eligible for
35 a grant.

1 A. The municipality seeking the grant must match the amount of the grant under this
2 section, either in kind or through tax incentives, public infrastructure investments or
3 grants.

4 B. The eligible business must have a business plan, cash flow statement, operating
5 budget, other investors and related financial information that demonstrates the
6 financial need.

7 C. The eligible business must make an investment of at least 5 times the grant
8 amount and create 25 or more net new jobs that pay at least the average labor market
9 weekly wage and provide at least a 50% employer-paid health care benefit, paid sick
10 leave and access to an approved retirement plan.

11 D. The funds for the project must be used for facilities acquisition or renovation,
12 public infrastructure investments needed for the business to locate or expand, capital
13 machinery or equipment or training of workers.

14 **6. Approval.** A grant to a municipality for a project may be made only if the
15 advisory board:

16 A. Finds that the project meets all the requirements under subsection 5;

17 B. Determines that the project is consistent with the economic, education and science
18 and technology strategies and policies of the State; and

19 C. Approves the grant by a majority vote.

20 The advisory board may attach terms and conditions to the grant that the board
21 determines necessary, including, but not limited to, penalties or repayment requirements
22 if the eligible business fails to fulfill the requirements set out under subsection 5,
23 paragraph C and identifying a nonprofit corporation as facilitator and liaison with the
24 advisory board.

25 **7. Confidentiality.** The office and the advisory board shall hold as confidential any
26 information provided by an eligible business.

27 **8. Annual report.** By January 1st annually, the office shall provide to the Governor
28 and the Legislature a report that sets forth:

29 A. The operations of the fund during the immediately preceding fiscal year;

30 B. The assets and liabilities of the fund at the end of its most recent fiscal year; and

31 C. The annual measurable goals and objectives of the fund, as established by the
32 commissioner and the office, and an evaluation of the achievement of those goals and
33 objectives. The goals and objectives must include, but are not limited to, attraction
34 and expansion of targeted technology businesses and jobs created or retained. For
35 purposes of this paragraph, "targeted technology" has the same meaning as in section
36 15301, subsection 2.

37 **Sec. 2. 35-A MRSA §3210, sub-§5, ¶C,** as amended by PL 1999, c. 372, §1 and
38 PL 2003, c. 20, Pt. OO, §2 and affected by §4, is further amended to read:

1 C. Provide for a distribution of the funds to the University of Maine System, the
2 Maine Maritime Academy or the Maine Community College System for renewable
3 resource research and development; ~~and~~

4 **Sec. 3. 35-A MRSA §3210, sub-§5, ¶D**, as amended by PL 2007, c. 18, §1, is
5 further amended to read:

6 D. Provide for a distribution of the funds to Maine-based nonprofit organizations
7 that qualify under the federal Internal Revenue Code, Section 501(c)(3), consumer-
8 owned transmission and distribution utilities, community-based nonprofit
9 organizations, community action programs, municipalities, quasi-municipal
10 corporations or districts as defined in Title 30-A, section 2351 and school
11 administrative units as defined in Title 20-A, section 1 for community demonstration
12 projects using renewable energy technologies; ~~and~~

13 **Sec. 4. 35-A MRSA §3210, sub-§5, ¶E** is enacted to read:

14 E. Provide for an annual distribution of 75% of the funds transferred by operation of
15 section 3211-A, subsection 5, paragraph E to the Maine Technology Institute to
16 support the development and commercialization of renewable energy technologies.

17 **Sec. 5. 35-A MRSA §3210, sub-§6**, as amended by PL 2007, c. 18, §2, is further
18 amended to read:

19 **6. Fund.** There is established the Renewable Resource Fund, referred to in this
20 subsection as the "fund." The fund is a nonlapsing fund administered by the commission.
21 All funds transferred by operation of section 3211-A, subsection 5, paragraph E and all
22 funds collected by the commission pursuant to subsection 5 must be deposited in the fund
23 for distribution by the commission in accordance with subsection 5. The commission
24 may seek and accept funding for the program established pursuant to subsection 5 from
25 other sources, public or private. Any funds accepted for use in the program established
26 pursuant to subsection 5 must be deposited in the fund.

27 **Sec. 6. 35-A MRSA §3211-A, sub-§5, ¶E** is enacted to read:

28 E. At the beginning of each fiscal year, the Treasurer of State shall transfer an
29 amount that represents 20% of the average amount in the program fund for the
30 immediately preceding fiscal year to the Renewable Resource Fund under section
31 3210.

32 **Sec. 7. Alignment of business support resources with Maine's potential**
33 **growth sectors.** The Department of Economic and Community Development, Office of
34 Innovation and Office of Business Development shall work directly with the Small
35 Business Development Center Program, the Maine Manufacturing Extension Partnership,
36 the Maine Technology Institute and trade organizations to develop and implement a
37 strategic action plan to align the State's business development support network with
38 potential high economic growth areas, specifically its potential high-growth companies.
39 The plan must consider the so-called "cluster analysis" recently done by the Maine
40 Technology Institute as well as other economic data on industries that have great growth
41 potential in Maine and identify specific roles for each partner in the development and

1 support of potential high-growth companies. For purposes of this section, "potential
 2 high-growth company" means a company that has the potential to grow at least 15% a
 3 year. The plan must include an aggressive outreach plan, technical assistance,
 4 entrepreneurial training and support and financing, including seed, start-up, early debt
 5 and venture funds. The Office of Innovation and the Office of Business Development
 6 shall jointly report to the joint standing committee of the Legislature having jurisdiction
 7 over business and economic development matters on the implementation of the strategic
 8 plan to the First Regular Session of the 124th Legislature by March 2, 2009.

9 **Sec. 8. Leadership and entrepreneurial development.** The Department of
 10 Economic and Community Development, Office of Innovation shall work with the
 11 University of Maine's Student Innovation Center to develop a collaborative effort with the
 12 Technology Institute, the Small Business Development Centers, the Department of
 13 Economic and Community Development's business development specialists, the Maine
 14 Manufacturing Extension Partnership, the Target Technology Incubator and the Small
 15 Enterprise Growth Fund to design a leadership and entrepreneurial development program.
 16 The program must match up to 10 high-growth potential entrepreneurs per year with best-
 17 in-class training, resources and mentors. The program may seek outside funds from
 18 foundations, government or other sources to fund the program. The Office of Innovation
 19 shall submit a report to the joint standing committee of the Legislature having jurisdiction
 20 over business and economic development matters on the program by March 1, 2009 to
 21 the First Regular Session of the 124th Legislature. The report must include a detailed
 22 implementation plan, including, but not limited to, funding needs and recommended
 23 sources of funding.

24 **Sec. 9. Appropriations and allocations.** The following appropriations and
 25 allocations are made.

26 **ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF**

27 **Office of Innovation**

28 Initiative: Provides ongoing funding for the Maine Expansion Fund to assist in the
 29 location or expansion of businesses in Maine under the Maine Revised Statutes, Title 5,
 30 section 13109-A.

31			
32	GENERAL FUND	2007-08	2008-09
33	All Other	\$0	\$500,000
34			
35	GENERAL FUND TOTAL	\$0	\$500,000

36 **Sec. 10. Appropriations and allocations.** The following appropriations and
 37 allocations are made.

38 **COMMUNITY COLLEGE SYSTEM, BOARD OF TRUSTEES OF THE MAINE**

39 **Community College System - Maine Quality Centers 0804**

1 Initiative: Provides additional ongoing funds for specialized education and training to
 2 meet the needs of new and expanding businesses in the State and to provide new
 3 employment and career advancement opportunities for Maine people.

4	GENERAL FUND	2007-08	2008-09
5	All Other	\$0	\$250,000
6			
7	GENERAL FUND TOTAL	<hr/>	<hr/>
		\$0	\$250,000

8 **COMMUNITY COLLEGE SYSTEM, BOARD OF**
 9 **TRUSTEES OF THE MAINE**

10	DEPARTMENT TOTALS	2007-08	2008-09
11			
12	GENERAL FUND	\$0	\$250,000
13			
14	DEPARTMENT TOTAL - ALL FUNDS	<hr/>	<hr/>
		\$0	\$250,000

15 **LABOR, DEPARTMENT OF**
 16 **Governor's Training Initiative Program 0842**

17 Initiative: Provides additional ongoing funds to expand workforce training opportunities
 18 leading to high-quality jobs, increasing the competitiveness of Maine businesses.

19	GENERAL FUND	2007-08	2008-09
20	All Other	\$0	\$250,000
21			
22	GENERAL FUND TOTAL	<hr/>	<hr/>
		\$0	\$250,000

23 **LABOR, DEPARTMENT OF**
 24 **DEPARTMENT TOTALS**

25		2007-08	2008-09
26	GENERAL FUND	\$0	\$250,000
27			
28	DEPARTMENT TOTAL - ALL FUNDS	<hr/>	<hr/>
		\$0	\$250,000

29 **SECTION TOTALS**

30		2007-08	2008-09
31	GENERAL FUND	\$0	\$500,000

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SECTION TOTAL - ALL FUNDS

\$0 \$500,000

SUMMARY

This bill creates and provides funding for the Maine Expansion Fund, to be administered by the Department of Economic and Community Development, Office of Innovation. The fund consists of ongoing appropriations and will provide grants to municipalities, which must match the grants, to aid eligible businesses to locate or expand in the State.

The bill amends current law to enhance the development of green energy in Maine by transferring annually 20% of the money in the conservation program fund to the Renewable Resource Fund and annually 75% of that money to the Maine Technology Institute to support the development and commercialization of renewable energy resources.

The bill also requires the Department of Economic and Community Development, Office of Innovation and Office of Business Development to work with other entities to develop and implement a strategic action plan to align the State's business development support network with potential high-growth companies and to report to the Legislature on the progress of the plan by March 2, 2009.

The bill provides additional ongoing funds to the Maine Quality Centers in the Maine Community College System and to the Governor's Training Initiative Program in the Department of Labor.