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Maine Department of  
Economic and Community Development



**Program Evaluation Report**  
Submitted to the Joint Standing Committee  
For  
**Business, Research & Economic Development**

The 122<sup>nd</sup> Maine Legislature

State Government Evaluation Act

*November 1, 2005*



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**State of Maine  
 ONE HUNDRED AND TWENTY-SIXTH LEGISLATURE  
 COMMITTEE ON LABOR, COMMERCE, RESEARCH AND ECONOMIC DEVELOPMENT**

George C. Gervais  
 Commissioner  
 Department of Economic and Community Development  
 59 State House Station  
 Augusta, Maine 04333

April 30, 2013

**RE: Government Evaluation Act Review**

Dear Mr. Gervais:

The Joint Standing Committee on Labor, Commerce, Research and Economic Development is writing to inform you of its decision to review the Department of Economic and Community Development pursuant to the Government Evaluation Act, Title 3 of the Maine Revised Statutes, chapter 35. The objective of the law is to provide for the periodic review of the departments and independent agencies of State Government in order to evaluate their efficiency and performance in carrying out their legislative mandate.

As required by 3 MRSA § 955, the Department must submit a program evaluation report to the Labor, Commerce, Research and Economic Development Committee by **November 1, 2013**. The report then forms the basis for the committee's review and issuance of its findings and recommendations during the Second Regular Session. The information required to be provided in the agency program evaluation report is specified in statute at 3 MRSA § 956. The committee will conduct its review of the Commission during the Second Regular Session. If you have any questions regarding the government evaluation review process, please contact our legislative analyst, Natalie Haynes, at the Office of Policy and Legal Analysis.

The committee looks forward to working with you on this review. Thank you for your attention to this matter.

Sincerely,

 A handwritten signature in black ink that reads "John L. Patrick".

Senator John Patrick  
 Senate Chair

A handwritten signature in black ink that reads "Erin Herbig".

Representative Erin Herbig  
 House Chair

cc: Members, Joint Standing Committee on Labor, Commerce, Research and Economic Development  
Marion Hylan Barr, Director, OPLA



STATE OF MAINE  
DEPARTMENT OF ECONOMIC  
AND COMMUNITY DEVELOPMENT



JOHN ELIAS BALDACCI  
GOVERNOR

Jack Cashman  
COMMISSIONER

November 1, 2005

Joint Standing Committee on Business Research & Economic Development  
100 State House Station  
Augusta, Maine 04333

Dear Members of BRED,

I am pleased to submit to you the Department of Economic and Community Development's *2005 Program Evaluation Report*. This report is in compliance with the State Government Evaluation Act.

The State Government Evaluation Act, 3 M.R.S.A. §§951-963, provides for a system of periodic review of agencies and independent agencies of State Government in order to evaluate their efficacy and performance. The authorizing legislation requires that the agency prepare and submit to the Legislature, through the committee of jurisdiction, a program evaluation report that includes a review of agency management and organization, program delivery, agency goals and objectives, statutory mandate and fiscal accountability.

Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack Cashman".

Jack Cashman  
Commissioner



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## INTRODUCTION

The State Government Evaluation Act, 3 M.R.S.A. §§951-963, provides for a system of periodic review of agencies and independent agencies of State Government in order to evaluate their efficacy and performance. The authorizing legislation requires that the agency prepare and submit to the Legislature, through the committee of jurisdiction, a program evaluation report that includes a review of agency management and organization, program delivery, agency goals and objectives, statutory mandate and fiscal accountability. Additionally, the report must include:

- A. Enabling or authorizing law or other relevant mandate, including any federal mandates;
- B. A description of each program administered by the agency or independent agency, including the following for each program:
  - 1) Established priorities, including the goals and objectives in meeting each priority;
  - 2) Performance criteria, timetables or other benchmarks used by the agency to measure its progress in achieving the goals and objectives; and
  - 3) An assessment by the agency indicating the extent to which it has met its goals and objectives, using the performance criteria. When an agency has not met its goals and objectives, the agency shall identify the reasons for not meeting them and the corrective measures the agency has taken to meet the goals and objectives.
- C. Organizational structure, including position count, a job classification and an organizational flow chart indicating lines of responsibility;
- D. Compliance with federal and state health and safety laws, including the Americans with Disabilities Act, the federal Occupational Safety and Health Act, affirmative action requirements and workers' compensation;
- E. Financial summary, including sources of funding by program and the amounts allocated or appropriated and expended over the past 10 years;
- F. When applicable, the regulatory agenda and the summary of rules adopted;
- G. Identification of those areas where an agency has coordinated its efforts with other state and federal agencies in achieving program objectives and other areas in which an agency could establish cooperative arrangements, including, but not limited to, cooperative arrangements to coordinate services and eliminate redundant requirements;
- H. Identification of the constituencies served by the agency or the program, noting any changes or projected changes;

- I. A summary of efforts by an agency or program regarding the use of alternate delivery systems, including privatization, in meeting its goals and objectives;
- J. Identification of emerging issues for the agency or program in the coming years;
- K. Any other information specifically requested by the committee of jurisdiction,
- L. A comparison of related federal laws and regulations to the state laws governing the agency or program and the rules implemented by the agency or program;
- M. Agency policies for collecting, managing and using personal information over the Internet and non-electronically, information on the agency's implementation of information technologies and an evaluation of the agency's adherence to the fair information practice principles of notice, choice, access, integrity and enforcement; and
- N. A list of reports, applications and other similar paperwork required to be filed with the agency by the public. The list must include:
  - 1) The statutory authority for each filing requirement;
  - 2) The date each filing requirement was adopted or last amended by the agency;
  - 3) The frequency that filing is required;
  - 4) The number of filings received annually for the last 2 years and the number anticipated to be received annually for the next 2 years; and
  - 5) A description of the actions taken or contemplated by the agency to reduce filing requirements and paperwork duplication.

**A. Enabling or authorizing law or other relevant mandates, including any federal mandates;**

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**Chapter 383: ECONOMIC AND COMMUNITY DEVELOPMENT (HEADING:  
PL 1987, c. 534, Pt. A, @17 (new))**

**Subchapter 1: GENERAL DEPARTMENT STRUCTURE AND AUTHORITY  
(HEADING: PL 1987, c. 534, Pt. A, @17 (new))**

**Article 1: DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT:  
GENERAL ORGANIZATION MISSION AND RESPONSIBILITIES (HEADING: PL  
1987, c. 534, Pt. A, @@17, 19 (new))**

**§13051. Legislative findings**

The Legislature finds that the State's economy is linked to the national and international economies. Economic changes and disruptions around the world and in the nation have a significant impact upon the State's economy. The rise of 3rd-world and 4th-world countries as manufacturers of commodities for mass markets and the gradual evolution of the national economy to a technological, informational, specialty product-based economy have significantly affected the State and its communities. [1987, c. 534, Pt. A, §§17, 19 (new).]

In order for the State's economy to grow and gain a solid footing, it is necessary to determine the State's assets and the economic opportunities that are or will be available to the State's enterprise, municipalities and labor force. When these opportunities are determined or become apparent, state economic development policies and programs must be focused on facilitating the realization of these opportunities and removing barriers that impede the exploitation of these opportunities. [1987, c. 534, Pt. A, §§17, 19 (new).]

The Legislature finds that an economic development strategy designed to focus the State's economic development activities and resources on economic opportunities can significantly help the State and its municipalities realize greater growth and prosperity

without adversely affecting the quality of life in the State. An economic development strategy must recognize and reflect the different needs, conditions and opportunities of the several different economic regions of the State. This strategy must be flexible and periodically evaluated to make it consistent with changes in conditions and opportunities that arise during these times of dynamic change. It is necessary to involve municipalities, regional economic development organizations and the private sector in the formulation of this strategy in order to establish a well developed and comprehensive plan that has the support of the State's citizens and officials. [1987, c. 534, Pt. A, §§17, 19 (new).]

### **§13052. Purpose**

The Legislature finds that the decentralization of economic growth and development programs among several state agencies without any coordination of programs and agencies and without coordination with the State's municipal and regional economic efforts is not in the best interest of the State. The Legislature further finds that the State's economic development programs and policies and the economies of municipalities and regions mutually affect each other. [1987, c. 534, Pt. A, §§17, 19 (new).]

For state economic growth and development policies and programs to realize the greatest possible degree of effectiveness, it is necessary to coordinate these policies and programs on the state level, as well as with local and regional levels. It is necessary to formulate and implement economic development policies and programs that are consistent with an economic development strategy for the State. [1987, c. 534, Pt. A, §§17, 19 (new).]

### **§13053. Establishment**

The Department of Economic and Community Development is established to encourage economic and community planning and development policies and programs of the State and to coordinate these programs and policies within the context of a state economic development strategy. The department is also established to work with municipalities and regional planning and economic development organizations to build strong local and regional economics and to implement programs and services through these local and regional organizations. [1987, c. 816, Pt. P, §6 (amd).]

The department shall encourage the creation and retention of quality jobs through increased private sector investment and to enhance the quality of life for all by assisting local governments to plan and implement comprehensive community planning and development strategies. [1987, c. 816, Pt. P, §6 (amd).]

### **§13054. Definitions**

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. [1987, c. 534, Pt. A, §§17, 19 (new).]

**1. Commissioner.** "Commissioner" means the Commissioner of Economic and Community Development. [2003, c. 451, Pt. L, §1 (amd).]

**2. Department.** "Department" means the Department of Economic and Community Development. [2003, c. 451, Pt. L, §1 (amd).]

**2-A. Permit.** "Permit" means a license, certificate, registration or other authorization required by a governmental agency for a business undertaking. "Permit"

includes, but is not limited to, a permit by rule issued by the Department of Environmental Protection in accordance with Title 38, section 344, subsection 7. [1991, c. 826, §1 (new).]

**3. State Development Office.** "State Development Office" means the Department of Economic and Community Development. [1987, c. 534, Pt. A, §§17, 19 (new).]

#### **§13055. Organization of department**

The department shall consist of the organizations as established in this section to fulfill the purposes and mission as stated in this chapter and in a manner consistent with the State's economic development strategy. [1987, c. 534, Pt. A, §§17, 19 (new).]

**1. Organizations.** The department contains the following organizations: [2003, c. 673, Pt. M, §2 (amd).]

A. The Office of Business Development;

[2003, c. 198, §1 (amd).]

B. The Office of Tourism;

[2003, c. 673, Pt. M, §2 (amd).]

C.

[1989, c. 875, Pt. M, §§3, 13 (rp).]

D.

[1989, c. 875, Pt. M, §§3, 13 (rp).]

E.

[1991, c. 622, Pt. F, §7 (rp).]

F. The Office of Community Development; and

[2003, c. 673, Pt. M, §2 (amd).]

G. The Office of Innovation.

[2003, c. 673, Pt. M, §2 (new).]

#### **§13056. Duties and responsibilities of department**

The department shall have the duties and responsibilities to: [1987, c. 534, Pt. A, §§17, 19 (new).]

**1. Implement policies and programs.** Implement economic development policies and programs in compliance with the state economic development strategy; [1987, c. 534, Pt. A, §§17, 19 (new).]

**2. Work with other organizations.** Work with other state agencies, municipalities and regional planning, community and economic development organizations for the purpose of assisting and encouraging the orderly and coordinated development of the State; [1987, c. 534, Pt. A, §§17, 19 (new).]

**3. Conduct planning and research.** Conduct planning, research and analysis for department needs, but not macroeconomic forecasting which shall be the responsibility of the State Planning Office. The department shall gather, maintain and have access to all

economic and other information necessary to the performance of its duties; [1987, c. 534, Pt. A, §§17, 19 (new).]

**4. Communication with private sector.** Communicate, on a regular basis, with the private sector to inform the private sector of departmental programs and services and to determine the needs, problems and opportunities of the private sector; [1987, c. 534, Pt. A, §§17, 19 (new).]

**5. Prepare and distribute publications.** Prepare and distribute publications that: [2003, c. 159, §1 (amd).]

A. Describe various business development programs within the State that are available to Maine businesses;

[1987, c. 534, Pt. A, §§17, 19 (new).]

B. Describe the various community and economic development programs of the State; and

[1987, c. 534, Pt. A, §§17, 19 (new).]

C. Market the State of Maine and its communities as suitable areas for business development;

[2003, c. 159, §1 (amd).]

**6. Implement programs.** Implement economic and community development programs which are assigned to the department by the Governor or Legislature, including those formerly administered by the following other state agencies: [2003, c. 159, §2 (amd).]

A. The programs of the State Development Office; and

[1987, c. 534, Pt. A, §§17, 19 (new).]

B. Other community planning and development assistance programs of the State Planning Office;

[2003, c. 159, §2 (amd).]

**7. Contract for services.** When contracting for services, to the maximum extent feasible, seek to use the State's private sector resources in conducting studies, providing services and preparing publications; and [2003, c. 159, §3 (amd).]

**8. Lead agency for business assistance in response to certain events.** Be the lead agency for the State to provide information and business assistance to employers and businesses as part of the State's response to an event that causes the Department of Labor to carry out rapid-response activities as described in 29 United States Code, Sections 2801 to 2872 (2002). [2003, c. 159, §4 (new).]

#### **§13057. Commissioner; appointment**

The commissioner shall be appointed by the Governor, subject to review by the joint standing committee of the Legislature having jurisdiction over economic development matters and legislation and to confirmation by the Legislature. The commissioner shall serve at the pleasure of the Governor. [1987, c. 534, Pt. A, §§ 17, 19 (new).]

**1. Qualifications.** The commissioner shall be a person with background, experience and interest in the areas of community and economic development. [1987, c. 534, Pt. A, § § 17, 19 (new).]

#### **§13058. Duties and responsibilities of commissioner**

The department shall be administered by the commissioner. The commissioner shall have the following powers and duties. [1987, c. 534, Pt. A, §§17, 19 (new).]

**1. Employ and remove staff.** The commissioner shall employ and remove staff of the department. Persons employed in major policy-influencing positions, as defined in section 934-A, and professional staff whose positions were formerly located in the State Development Office shall serve at the pleasure of the commissioner. [1987, c. 534, Pt. A, §§17, 19 (new).]

A. All professional positions which are unclassified positions and members of bargaining units and are transferred to the department from units of State Government other than the State Development Office shall retain their current status, including their rights as members of bargaining units. Classified, clerical and other nonprofessional staff shall be hired pursuant to the Civil Service Law for classified state employees.

[1987, c. 534, Pt. A, §§17, 19 (new).]

B. The commissioner may employ or engage such outside technical or professional consultants as may be necessary or appropriate to assist the office in carrying out its functions and may enter into contracts with other boards, commissions, departments and divisions of the State, with the University of Maine System or with private entities to assist him in carrying out his duties under this chapter.

[1987, c. 534, Pt. A, §§17, 19 (new).]

**2. Accept federal funds.** The commissioner may accept for the State any federal funds appropriated under any federal law relating to the authorized programs of the department, including community and economic development in those no entitlement areas and for those projects duly authorized under the United States Housing and Community Development Act of 1974, Title 1, and its subsequent amendments. The commissioner may undertake the necessary duties and tasks to implement federal law with respect to the authorized programs of the department. [1987, c. 534, Pt. A, §§17, 19 (new).]

A. The commissioner may accept for the department any funds from any other agency of government, individual, group, foundation or corporation to carry out this chapter, including fees designated by the commissioner for books, brochures, pamphlets, films, photos, maps and similar materials. A revolving fund is established within the department for the use of the department to cover the printing and distribution costs of these materials. Income from the sale of publications shall be credited to the revolving fund to be used as a continuing carrying account to carry out the purposes of the revolving funds.

[1987, c. 534, Pt. A, §§17, 19 (new).]

**2-A. Accept grants.** The commissioner may accept grant funds from other public or private sources to be used to carry out the duties of the department. [1989, c. 875, Pt. E, §7 (new).]

**3. Hold hearings and adopt rules.** The commissioner may hold hearings and adopt rules, in accordance with the Maine Administrative Procedures Act, Title 5, chapter 375, with respect to the implementation of authorized programs of the department. [1987, c. 534, Pt. A, §§17, 19 (new).]

A. The commissioner may adopt rules to distribute funds or assistance under the United States Housing and Community Development Act of 1974, Title 1, and its subsequent amendments. The rules shall be consistent with the annual final statement for the State Community Development Program submitted to the Federal Government. The department shall give notice in writing of any such rules to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs at least 20 days before the hearing, as stipulated in the Maine Administrative Procedure Act, Title 5, chapter 375, or before the deadline for comments if no hearing is scheduled.

[1987, c. 534, Pt. A, §§17, 19 (new).]

**4. Coordinate programs and services.** The commissioner shall coordinate the programs and services of the department. The commissioner shall coordinate the department's programs and services with those programs and services of other state agencies and regional planning and economic development organizations. [1987, c. 534, Pt. A, §§17, 19 (new).]

**5. Review of program; report to Governor and Legislature.** The commissioner shall review and evaluate the programs and functions of the department and the operation of the economic delivery system. The Maine Small Business Commission, as established in section 13032, shall conduct the evaluation and review required by this section with respect to small business programs. The commissioner shall report the commissioner's findings and recommendations with respect to the issues described in this subsection to the Governor and to the Legislature no later than February 1st of each first regular session of the Legislature. The commissioner shall conduct the review and evaluation with respect to the following: [1999, c. 776, §§4, 5 (amd).]

A. The purpose of these programs and the degree to which the purpose is being met;

[1993, c. 349, §14 (rpr).]

B. The degree of significance of the purpose of the programs and functions of the department;

[1993, c. 349, §14 (rpr).]

C. The extent of the coordination of programs and services as required in subsection 4;

[1993, c. 349, §14 (rpr).]

D. The needs, problems and opportunities that are not being met by the programs and services of the department;

[1993, c. 349, §14 (rpr).]

- E. The types of programs and services necessary to meet the needs, problems and opportunities as set out in paragraph D;
    - [1993, c. 349, §14 (rpr).]
  - F. The problems and successes in the economic delivery system;
    - [1993, c. 349, §14 (rpr).]
  - G. The state of small business in this State, including economic data, the effectiveness of state programs to aid small business, problems of small business that may be affected by state policies and such other information on small business as desired by the commissioner;
    - [1993, c. 349, §14 (rpr).]
  - H. Within available resources, the extent of business growth and change, including business expansions, new businesses and business closings;
    - [1999, c. 776, §4 (amd).]
  - I. Within available resources, the status of investments in business in the State; and
    - [1999, c. 776, §4 (amd).]
  - J. The extent to which the purposes of the Maine Downtown Center are being met.
    - [1999, c. 776, §5 (new).]
- 6. Responsible for oversight.** The commissioner shall be responsible for the oversight and implementation of the following: [2001, c. 703, §§2, 3 (amd).]
- A. A program of assistance to encourage business development pursuant to subchapter II;
    - [1987, c. 534, Pt. A, §§17, 19 (new).]
  - B. Community development programs;
    - [1987, c. 534, Pt. A, §§17, 19 (new).]
  - C. A program of tourism promotion and development;
    - [1987, c. 534, Pt. A, §§17, 19 (new).]
  - D. The promotion of Maine products and Maine as an investment opportunity;
    - [1987, c. 534, Pt. A, §§17, 19 (new).]
  - E. A foreign trade zone program; and
    - [2001, c. 703, §2 (amd).]
  - F. The Business Assistance Referral and Facilitation Program, pursuant to section 13063.
    - [2001, c. 703, §2 (amd).]
  - G.
    - [2001, c. 703, §3 (rp).]

- 7. Commissioner to coordinate programs.** [2003, c. 673, Pt. M, §3 (rp).]
- 8. Dependent care services.** [2003, c. 673, Pt. M, §4 (rp).]
- 9. Designate and certify local and regional organizations.** The commissioner may designate and certify competent local and regional economic development organizations to implement state programs and services in whole or in part. [1987, c. 534, Pt. A, §§17, 19 (new).]
  - A. The commissioner may assist in forming regional planning commissions and councils of governments and may assist with financing the cost of operation of the regional planning commissions established under Title 30, chapter 204-A, subchapter III, and councils of governments empowered under Title 30, chapter 204-A, subchapter II.

[1987, c. 534, Pt. A, §§17, 19 (new).]
  - B. The commissioner shall adopt rules with respect to standards and criteria for local and regional agencies to be certified and evaluate local and regional organizations in regard to the implementation of these programs and services.

[1987, c. 534, Pt. A, §§17, 19 (new).]
- 10. Assistance to municipalities to generate economic growth.** The commissioner shall administer a program of assistance to municipalities to generate jobs and business development. Potential uses of this money include infrastructure development, planning and technical assistance, marketing and other types of capacity building. [1995, c. 462, Pt. A, §11 (amd).]
  - A. This program may consist of a fund consisting of money derived from any general obligation bonds issued for the purposes of generating economic development and jobs. This fund with money not exceeding \$1,000,000 shall be administered by the Department of Economic and Community Development to provide assistance as defined in this subsection. Money available for the purpose of this subsection shall not be used to provide financial assistance to business.

[1987, c. 769, Pt. A, §19 (new).]
  - B.

[1995, c. 462, Pt. A, §11 (rp).]

    - 10-A. Maine Downtown Center.** [1999, c. 790, Pt. R, §1 (rp).]
    - 11. Federally mandated programs.** [1989, c. 875, Pt. M, §§4, 13 (rp).]
    - 12. Energy conservation standards.** [1989, c. 875, Pt. M, §§4, 13 (rp).]
    - 13. Approval or denial of certificates.** [1989, c. 875, Pt. M, §§4, 13 (rp).]
    - 14. Preparation of manual.** [1989, c. 875, Pt. M, §§4, 13 (rp).]
    - 15. Review and inspection.** [1989, c. 875, Pt. M, §§4, 13 (rp).]
    - 16. Administration of state standards.** [1989, c. 875, Pt. M, §§4, 13 (rp).]
    - 17. Rule-making authority.** [1989, c. 875, Pt. M, §§4, 13 (rp).]

**18. Commissioner's designee.** When the commissioner is explicitly empowered by statute to appoint a designee to replace the commissioner on any board, commission or similar body, none of which have a termination date, and the commissioner appoints a designee, the commissioner shall appoint that designee from within the commissioner's department. The commissioner shall make this designee known to the appointing authority and to the chair of the body to which the appointment is made, if that body exists at the time of appointment. The designee is the only person who may fill that appointee position until a successor is designated through the same appointment procedure. [1995, c. 688, §7 (new).]

**19. Coordinate assessment of transportation needs related to economic development projects.** The commissioner shall coordinate the activities of the department, the State Planning Office within the Executive Department, the Department of Transportation and regional planning and economic development organizations to ensure that the location of rail lines, potential use of passenger and freight rail and costs of transportation improvements related to development are considered during initial planning and locating of projects reviewed by the commissioner in administering economic development programs under this chapter. [2003, c. 498, §1 (new).]

#### **§13059. State agencies to cooperate**

All state agencies and any other organizations designated by the department to implement community and economic development programs and policies shall cooperate with and expeditiously respond to requests of the department. [1987, c. 534, Pt. A, §§ 17, 19 (new).]

#### **§13060. State standards for appliance energy efficiency (REPEALED)**

Subchapter 1-A: SCIENCE AND TECHNOLOGY (HEADING: PL 2003, c. 20, Pt. RR, @2 (new); @18 (aff); c. 673, Pt. M, @5 (rp))

Article 1: PLANNING AND EVALUATION (HEADING: PL 2003, c. 20, Pt. RR, @2 (new); @18 (aff); c. 673, Pt. M, @5 (rp))

#### **§13060-A. Science and technology plan (REPEALED)**

#### **§13060-B. Comprehensive research and development evaluation (REPEALED)**

#### **§13060-C. Reporting requirements of recipients of research and development funding (REPEALED)**

Article 2: SCIENCE AND TECHNOLOGY PROGRAMS (HEADING: PL 2003, c. 20, Pt. RR, @2 (new); @18 (aff); c. 673, Pt. M, @5 (rp))

#### **§13060-D. Maine Research and Development Evaluation Fund (REPEALED)**

#### **§13060-E. Experimental program to stimulate competitive research (REPEALED)**

## **§13060-F. Maine EPSCoR Capacity Fund (REPEALED)**

Subchapter 1-B: MARKETING AND PROMOTION (HEADING: PL 2003, c. 704, @2  
(new))

### **§13060-G. Comprehensive marketing strategy**

Beginning in fiscal year 2005-06, the department shall develop and administer a comprehensive marketing strategy to promote Maine to persons 15 to 35 years of age as an attractive location to pursue education, employment and business development opportunities. The department shall consult with the Department of Education, the Department of Labor, the University of Maine System, the Maine Community College System, the Finance Authority of Maine, the Maine State Housing Authority and other public and private stakeholders in the development of the marketing strategy. The strategy must highlight the State's public and private institutions of higher education and the resources available for starting a business in the State. The strategy must be designed to target current, former and prospective residents 15 to 35 years of age. [2003, c. 704, §2 (new).]

Subchapter 2: BUSINESS DEVELOPMENT (HEADING: PL 1987, c. 534, Pt. A,  
@@17, 19 (new); 1989, c. 502, Pt. A, @23 (rpr))

Article 1: GENERAL PROVISIONS (HEADING: PL 1989, c. 502, Pt. A, @23 (new))

### **§13061. Office established**

The commissioner shall establish the Office of Business Development. This office shall encourage the initiation, expansion and location of businesses in Maine which would expand quality employment opportunities for Maine citizens. [1987, c. 534, Pt. A, §§ 17, 19 (new).]

The Office of Business Development shall encourage business by removing barriers to growth, facilitating exploration of opportunities and providing assistance necessary to enhance business consistent with the State's economic development strategy. [1987, c. 534, Pt. A, §§ 17, 19 (new).]

### **§13062. Office of Business Development**

The Director of the Office of Business Development shall administer the office in accordance with the policies of the commissioner and the provisions of this chapter, emphasizing a program of targeted business development designed to attract particular types of businesses that have potential for Maine and businesses that are considered to be compatible with Maine's environment and interests. The office shall actively seek and encourage firms to expand or locate in Maine. The office is responsible for the implementation of programs designed to promote Maine products in national and international markets and to develop markets for industry located in Maine. [2003, c. 673, Pt. M, §6 (amd).]

The Office of Business Development shall be responsible for the implementation of a program consisting of 3 primary elements. [1987, c. 534, Pt. A, §§ 17, 19 (new).]

**1. Business investment.** Business investment shall be encouraged consistent with this subsection. [1999, c. 272, §1 (amd).]

A. The office shall conduct an analysis of the various industrial sectors of the economy. The types of businesses to be targeted for attraction are those that have potential for development in Maine and that will contribute to a healthy climate for Maine's businesses, families and environment.

[1999, c. 272, §1 (amd).]

B. The office shall report its findings and recommendations to the commissioner. The commissioner, with the advice of the director shall determine the type and extent of the business investment program to be implemented.

[1987, c. 534, Pt. A, §§17, 19 (new).]

C. The director, with the approval of the commissioner, may make grants for market development from appropriations for that purpose to any municipality or group of municipalities which have received a grant of authority from the Federal Government to establish a foreign trade zone.

[1987, c. 534, Pt. A, §§17, 19 (new).]

D. Application for foreign trade zones shall be according to this paragraph.

(1) The director, with the approval of the commissioner, on behalf of the State, may make applications to the Foreign Trade Zone Board and establish foreign trade zones that are to be located on state-owned, leased or otherwise controlled property. A municipality, group of municipalities or a public or private corporation may, with the approval of the department, make applications to the Foreign Trade Zone Board and establish foreign trade zones at other locations. Foreign trade zones shall be established in or adjacent to any ports of entry in the State, where personal property in transit shall be exempt from the stock-in-trade tax and such other taxes and customs as are normally levied in a port of entry.

(2) Any development or activity with a foreign trade zone established in the State is subject to the laws which the Department of Environmental Protection, Department of Conservation, Department of Marine Resources and Department of Inland Fisheries and Wildlife are responsible for administering, as well as any other law which protects the environment.

(3) For the purpose of this subsection, "personal property in transit" through the areas established under this paragraph means goods, wares and merchandise either moving in interstate or international commerce through these zones or consigned to a warehouse, public or private, within these zones, whether specified when transportation begins or afterward. This property shall not be deprived of exemption because, while in the warehouse, the property is assembled, bound, joined, processed, disassembled, divided, cut, broken in bulk, relabeled or repackaged. The exemption granted shall be liberally construed to affect the purposes of this subsection. The warehouse in which these goods, wares or merchandise are stored shall not be owned, in whole or in part, by either the consignee or consignor. This paragraph does not apply to agricultural products.

[1989, c. 781 (amd).]

**2. Business assistance.** Business assistance services shall be provided consistent with this subsection. [1987, c. 534, Pt. A, §§17, 19 (new).]

A. The office shall provide business assistance services that are convenient to businesses throughout the State. The office shall use certified local and regional economic development organizations, educational institutions or certified private sector firms to implement this subsection.

(1) Business assistance services shall include managerial and technical assistance and assistance with applications for loans and the completion of applications for licenses and permits from regulatory agencies.

(2) The office, in conjunction with local and regional organizations and other institutions and firms in the private sector with marketing expertise, may conduct seminars on marketing and marketing-related topics for Maine businesses.

[1987, c. 534, Pt. A, §§17, 19 (new).]

B. In accordance with section 13063, the office shall implement a program to assist businesses by referring businesses and persons to the proper agencies designed to provide the business services or assistance requested, and to serve as a central clearing house of information with respect to business assistance programs and services available in the State.

[1987, c. 534, Pt. A, §§17, 19 (new).]

**3. Industry-wide assistance and market development.** The director shall be responsible for a program of industry-wide assistance and market development. [1987, c. 534, Pt. A, §§17, 19 (new).]

A. The director shall work with other state agencies which implement marketing programs and strive to coordinate the marketing activities of the department with those of other agencies whenever possible.

[1987, c. 534, Pt. A, §§17, 19 (new).]

B. The director shall be responsible, to the maximum extent possible, for providing assistance to industry sectors and business to identify market opportunities, develop market strategies and to promote industry-wide development.

[1987, c. 534, Pt. A, §§17, 19 (new).]

#### **§13062-A. Economic Conversion Division (REPEALED)**

Article 2: BUSINESS ASSISTANCE REFERRAL AND FACILITATION PROGRAM: PROGRAM RESPONSIBILITIES AND DELIVERY (HEADING: PL 1987, c. 534, Pt. A, @@17, 19 (new); c. 502, Pt. A, @24 (rpr); 1989, c. 878, Pt. A, @20 (rpr))

#### **§13063. Business Assistance Referral and Facilitation Program**

The director shall be responsible for the implementation of the Business Assistance Referral and Facilitation Program. [1987, c. 534, Pt. A, §§17, 19 (new).]

**1. Referral and central clearinghouse service.** The director shall maintain and

update annually a list of the business assistance programs and services and the names, locations and telephone numbers of the organizations providing these programs and services that are available within the State. The director may publish a guide consisting of the business assistance programs and services available from public or private sector organizations throughout the State. This program shall be designed to: [1987, c. 534, Pt. A, §§17, 19 (new).]

- A. Respond to written and oral requests for information about business services and assistance programs available throughout the State;

[1987, c. 534, Pt. A, §§17, 19 (new).]

- B. Obtain and compile the most current and available information pertaining to business assistance programs and services within the State;

[1987, c. 534, Pt. A, §§17, 19 (new).]

- C. Delineate the business assistance programs and services by type of program or service and by agency; and

[1987, c. 534, Pt. A, §§17, 19 (new).]

- D. Maintain a list, to be updated annually, of marketing programs of state agencies with a description of each program.

[1987, c. 534, Pt. A, §§17, 19 (new).]

**2. Business facilitation service.** The director shall implement a business facilitation service which shall be designed to: [1987, c. 534, Pt. A, §§17, 19 (new).]

- A. Resolve problems encountered by business persons with other state agencies and with certified regional and local economic development organizations;

[1987, c. 534, Pt. A, §§17, 19 (new).]

- B. Coordinate programs and services for business among agencies and all levels of government;

[1987, c. 534, Pt. A, §§17, 19 (new).]

- C. Facilitate responsiveness of State Government to small business needs; and

[1987, c. 534, Pt. A, §§17, 19 (new).]

- D. Report to the commissioner any breakdowns in the economic delivery system, including problems encountered by businesses dealing with state agencies.

[1987, c. 534, Pt. A, §§17, 19 (new).]

**3. Comprehensive permit information.** The director shall develop and maintain a program to provide comprehensive information on permits required for business undertakings, projects and activities and to make that information available to any person. This program must function as follows. [RR 1997, c. 2, §17 (cor.).]

- A. Not later than 90 days from April 6, 1992 each state agency required to review, approve or grant permits for business undertakings, projects and activities shall report to the office in a form prescribed by the office on each type of review, approval and permit administered by that state agency. Application forms, applicable agency rules and the estimated time period necessary for permit application consideration based

on experience and statutory or regulatory requirements must accompany each state agency report.

[RR 1997, c. 2, §17 (cor).]

B. Each state agency required to review, approve or grant permits for business undertakings, projects and activities, subsequent to its report pursuant to paragraph A, shall provide to the office, for information purposes only, a report of any new permit or modification of any existing permit together with applicable forms, rules and information required under subsections 1 and 2 regarding the new or modified permit. To ensure that the department's information is current, each agency shall report immediately to the office when a new permit is adopted or any existing permit is modified. "Permit," as used in this paragraph, refers to the categorical authorization required for an activity. "Permit" does not mean a permit issued to a particular individual or business.

[1991, c. 826, §2 (new).]

C. The office shall prepare an information file on each state agency's permit requirements upon receipt of that state agency's reports and shall develop methods for that file's maintenance, revision, updating and ready access.

[1991, c. 826, §2 (new).]

D. The office shall provide comprehensive permit information on the basis of the information received under this subsection. The office may prepare and distribute publications, guides and other materials explaining permit requirements affecting business and including requirements involving multiple permits or multiple state agencies that are based on the state agency reports and the information file for the convenience of permit applicants.

[1991, c. 826, §2 (new).]

**4. Permit assistance.** Within 90 days of April 6, 1992 the director shall set up procedures to assist permit applicants who have encountered difficulties in obtaining timely and efficient permit review. These procedures must include the following.

A. Any applicant for permits required for a business undertaking, project or activity must be allowed to confer with the office to obtain assistance in the prompt and efficient processing and review of applications.

[1991, c. 826, §2 (new).]

B. The office shall, as far as possible, give assistance and the director may designate an officer or employee of the office to act as an expeditor with the purpose of:

- (1) Facilitating contacts for the applicant with state agencies responsible for processing and reviewing permit applications;
- (2) Arranging conferences to clarify the interest and requirements of any state agency with respect to permit applications;
- (3) Considering with state agencies the feasibility of consolidating hearings and data required of the applicant;
- (4) Assisting the applicant in the resolution of outstanding issues identified by

state agencies, including delays experienced in permit review; and

(5) Coordinating federal, state and local permit review actions to the extent practicable.

[1991, c. 826, §2 (new).]

[RR 1997, c. 2, §18 (cor).]

**5. Retail business permitting program.** By July 1, 1994, the director shall establish and administer a central permitting program for all permits required by retail businesses selling directly to the final consumer, except permits issued by the Department of Environmental Protection, the Department of Marine Resources and the Maine Land Use Regulation Commission. Agencies and permits referred to in subsections 5 to 7 do not include these excepted agencies or permits issued by them. The director shall: [1993, c. 430, §1 (new).]

A. Create a consolidated permit procedure that allows each business to check on a cover sheet all state permits for which it is applying and to receive all permit applications from a centralized office;

[1993, c. 430, §1 (new).]

B. Total all permit fees due from a business, collect those fees on a semiannual basis, with 1/2 of the total fees due by January 1st and 1/2 of the total fees due by July 1st, and distribute the fees to the appropriate funds or permitting entities;

[1993, c. 430, §1 (new).]

C. Forward a copy of the appropriate permit application to any commission, department, municipality or other agency that has responsibility for permitting that retail business;

[1993, c. 430, §1 (new).]

D. Develop a tracking system to track permits issued by state agencies. This system must at a minimum include information on the applicant, agency involvement, time elapsed or expended on the permit and action taken;

[1993, c. 430, §1 (new).]

E. Coordinate and supervise the permitting process to ensure that all involved state agencies process the applications and complete any necessary inspections in a timely fashion; and

[1993, c. 430, §1 (new).]

F. Respond to inquiries from the business community and requests for information from the individual permitting entities, including reports on the status of an application.

[1993, c. 430, §1 (new).]

A retail business is not required to participate in the retail business permitting program. [1993, c. 430, §1 (new).]

**6. Municipal permitting agents.** By January 1, 1995, the director shall establish a municipal centralized permitting program. [1995, c. 488, §3 (amd.).]

A. Upon application by the municipal officers of a municipality and upon evidence that the municipality meets all qualifications as determined by departmental rulemaking, the director shall appoint the municipality as a centralized permitting agent to provide all permits for retail businesses. Upon evidence that a municipality qualified to provide permits meets the qualifications for conducting the inspection associated with any of those permits as determined by departmental rulemaking, the director shall appoint that municipality as an agent to provide that inspection for retail businesses with less than 10,000 square feet of retail space. Retail businesses shall pay the municipality an additional fee of \$4 for each permit included in the consolidated application up to a limit of \$40. Municipalities may retain 1/2 of all fees collected for permits requiring inspection. The remaining 1/2 of those permit fees and all fees for permits not requiring inspection must be remitted to the department, which shall remit the fees to the issuing agency. A municipality with a population less than 4,000 may contract with an appointed municipality for centralized permitting and inspection services. A retailer is not required to participate in the municipal central permitting program.

[1993, c. 430, §1 (new).]

B. The director shall make permitting and inspection training programs available to a municipality seeking appointment or appointed as a central permitting agent. The municipality shall pay a fee of \$25 for each person receiving permitting training and \$100 for each person receiving inspection training.

[1993, c. 430, §1 (new).]

C. A business that seeks to determine why it has not received its permits must be directed to the municipal office where the application was filed. That office shall bring the matter to the attention of the department, which shall contact the appropriate issuing agency.

[1993, c. 430, §1 (new).]

D. A joint standing committee of the Legislature that recommends legislation that involves a new permit for retail businesses shall indicate in the legislation whether the permit is to be included in the municipal centralized permitting program.

During a review under Title 3, chapter 35 of a permit issuing agency, the joint standing committee having responsibility for the review shall recommend whether any of the permits issued by that agency should be included in the municipal centralized permitting program.

[1995, c. 488, §3 (amd).]

The director may extend by rulemaking, but may not curtail, the department's centralized permitting program or the municipal centralized permitting program, except that the programs may not be extended to include additional issuing agencies. [1995, c. 488, §3 (amd).]

**7. Goal and evaluation.** It is the goal of the programs established in subsections 5 and 6 for retail businesses to obtain permits more quickly at no additional cost to the taxpayers of the State. The director shall devise and implement a program of data collection and analysis that allows a determination as to whether these goals have been

met. This program must include the collection of benchmark data before the initiation of the programs and an enumeration of the number of municipalities participating in the program. In analyzing costs, the director shall amortize the costs of computers or computer programs necessary for the program. By January 1, 1994 and every 2 years after that date, the director shall prepare and submit a report to the joint standing committee of the Legislature having jurisdiction over economic development matters based on this data and a recommendation as to why the retail business program and the municipal centralized permitting program should not be expanded to other sizes or types of businesses, to other issuing agencies and to smaller municipalities. The first report must contain an assessment of the levels of willingness of municipalities to participate in the programs established by this section. [1993, c. 430, §1 (new).]

#### **§13063-A. Maine Education and Training Export Partnership (REPEALED)**

#### **§13063-B. Energy conservation programs (REPEALED)**

#### **§13063-C. Job Retention Program**

**1. Establishment.** The Job Retention Program is established within the Department of Economic and Community Development to encourage the retention of existing quality jobs in this State. Funds available in this program do not lapse but must be carried forward, except as provided in subsection 4, in order to carry out the purposes of this section. [1995, c. 706, §2 (new).]

**2. Definitions.** As used in this section the following terms have the following meanings. [1997, c. 393, Pt. A, §13 (rpr).]

A. "Certified retained business" means any for-profit business in this State other than a public utility as defined by Title 35-A, section 102 that retains 100 or more qualified employees in this State and that meets all of the following criteria to the satisfaction of the commissioner:

(1) The business is not engaged in retail operations; or, if it is engaged in retail operations, less than 50% of its total annual revenues from state-based operations are derived from sales taxable in this State or the business can demonstrate to the commissioner by a preponderance of the evidence that any increased sales will not include sales tax revenues derived from a transferring or shifting of retail sales from other businesses in this State; and

(2) The commissioner determines that the business is a successor to a business that would have ceased operations in this State but for the acquisition of that business after September 1, 1996 by the applicant by any means and the applicant demonstrates to the commissioner its intention to continue to operate and employ qualified employees in the State.

For purposes of this paragraph, "retail operations" means sales of consumer goods for household use to consumers who personally visit the business location to purchase the goods.

[1997, c. 393, Pt. A, §13 (rpr).]

B. "Qualified employees" means full-time employees who are employed by a certified retained business, for whom a retirement program subject to the Employee Retirement Income Security Act of 1974, 29 United States Code, Sections 101 to 1461, as amended, and group health insurance are provided, and whose income, calculated on a calendar year basis, is greater than the average annual per capita income in the labor market area in which the qualified employee is employed. Qualified employees must be residents of this State.

[1997, c. 393, Pt. A, §13 (rpr).]

**3. Expenditures from the program.** The commissioner shall authorize payment from the program in an amount not to exceed \$150,000 annually. In determining the amount of payment to any certified retained business, the commissioner may use the calculation methodology established in Title 36, section 6754, subsection 1. A certified retained business may receive payments for a period not to exceed 10 years, only if the business continues to meet the criteria established in subsection 2. Payments must be made no later than July 31st of each fiscal year beginning in fiscal year 1997-98 and ending in fiscal year 2006-07. Payments received by a certified retained business pursuant to this section must be used for capital investments, including, but not limited to, the acquisition, refurbishments, upgrading, modification and leasing of buildings, machinery and equipment. [1995, c. 706, §2 (new).]

**4. Transfer from program.** Funds must be transferred from the program as follows: [2003, c. 451, Pt. X, §10 (amd).]

A. Upon the revocation of a certificate of approval, any balance remaining in the program and allocated to the business whose certificate has been revoked must be transferred to the department's "Administration - Economic and Community Development" program as non-lapsing funds to be used in accordance with section 13063-D; and

[2001, c. 680, §1 (new).]

B. Notwithstanding section 1585, any balance remaining in the program after July 31, 2007 must be transferred to the Maine Budget Stabilization Fund as established in section 1513.

[2003, c. 451, Pt. X, §10 (amd).]

The commissioner may consider the layoff or termination of all, or substantially all, of the employees of a certified retained business as demonstration that it has ceased operations. [2003, c. 451, Pt. X, §10 (amd).]

**5. Investment of funds.** The money in the program may be invested as provided by law with the earnings credited to the program. [1995, c. 706, §2 (new).]

**6. Criteria for approval.** Prior to issuing a certificate of approval to a business, the commissioner must find that the applicant qualifies as a certified retained business. Notwithstanding the provisions of this section, the commissioner may not accept or certify an application for a certified retained business that is submitted by the applicant after February 28, 1997. [1995, c. 706, §2 (new).]

### **§13063-D. Grants to municipalities to retain mature or dominant employers**

The commissioner shall authorize grants to municipalities for the purpose of assisting those municipalities to retain mature or dominant employers, as defined in rules adopted by the commissioner, especially manufacturing firms presently located in the State. In awarding grants under this section, the commissioner shall consider the economic health of the region in which the municipality is located, the economic and social impacts that would be or have been created by the loss of the mature or dominant employer and the likelihood of returning that employer to a financially viable condition. In awarding any grant under this section, the commissioner shall take appropriate measures to ensure accountability and a positive return on the public's investment. To the extent that grant funds have been transferred from the Job Retention Program in accordance with section 13063-C, subsection 4, the commissioner shall give priority to projects that are reasonably expected to return a former certified retained business, as defined in section 13063-C, to financial viability or its facilities to appropriate productive use. Rules adopted pursuant to this section are routine technical rules as defined in chapter 375, subchapter II-A. [2001, c. 680, §2 (rpr).]

### **05 §13063-D**

#### **Definitions**

(REPEALED by 2001, c. 680, §2)

Article 2-A: MAINE MICROENTERPRISE INITIATIVE (HEADING: PL 1999, c. 731, Pt. VVV, @1 (new); 2001, c. 471, Pt. A, @6 (rp))

### **§13063-E. Maine Microenterprise Initiative Fund (REPEALED)**

### **§13063-F. Application process (REPEALED)**

### **§13063-G. Rules (REPEALED)**

### **§13063-H. Report (REPEALED)**

Article 2-B: MAINE MICROENTERPRISE INITIATIVE (HEADING: PL 2001, c. 471, Pt. A, @7 (new))

### **§13063-J. Definitions**

As used in this article, unless the context otherwise indicates, the following terms have the following meanings. [2001, c. 471, Pt. A, §7 (new).]

**1. Community-based organization.** "Community-based organization" means a nonprofit organization that has: [2001, c. 471, Pt. A, §7 (new).]

A. A viable plan for providing training and technical assistance to microenterprises; [2001, c. 471, Pt. A, §7 (new).]

B. Broad-based community support;

[2001, c. 471, Pt. A, §7 (new).]

C. An adequate source of operating capital; and

[2001, c. 471, Pt. A, §7 (new).]

D. A demonstrated need for funding to provide training and technical assistance to microenterprises.

[2001, c. 471, Pt. A, §7 (new).]

**2. Fund.** "Fund" means the Maine Microenterprise Initiative Fund established in section 13063-K. [2001, c. 471, Pt. A, §7 (new).]

**3. Microenterprise.** "Microenterprise" means a business located in the State that produces goods or provides services and has fewer than 10 full-time equivalent employees. [2001, c. 471, Pt. A, §7 (new).]

#### **§13063-K. Maine Microenterprise Initiative Fund**

**1. Fund established.** The Maine Microenterprise 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. [2001, c. 471, Pt. A, §7 (new).]

**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. [2001, c. 471, Pt. A, §7 (new).]

#### **§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 in the State. [2001, c. 471, Pt. A, §7 (new).]

**2. Process requirements.** The application process must be competitive. An applicant shall specify whether a grant is sought for microenterprise technical assistance or training or a combination thereof. In making grants, the department shall give priority to applications that: [2001, c. 471, Pt. A, §7 (new).]

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

[2001, c. 471, Pt. A, §7 (new).]

B. Target aid to low-income individuals; or

[2001, c. 471, Pt. A, §7 (new).]

C. Target aid to areas of high unemployment or to underserved areas of the State.

[2001, c. 471, Pt. A, §7 (new).]

The department may establish additional criteria for assessing applications for fund grants. [2001, c. 471, Pt. A, §7 (new).]

### **§13063-M. Rules**

The department shall adopt rules necessary to carry out this article. Rules adopted pursuant to this article are routine technical rules as defined in chapter 375, subchapter II-A. [2001, c. 471, Pt. A, §7 (new).]

### **§13063-N. Report**

The department shall submit to the joint standing committee of the Legislature having jurisdiction over business and economic development matters an update on the fund by January 1, 2001 and every year thereafter. [2001, c. 471, Pt. A, §7 (new).]

### **§13063-O. Microenterprise initiative fund program review**

**1. Accounting, evaluation and reporting requirements.** The department shall: [2003, c. 451, Pt. MMM, §1 (new).]

A. Maintain an accurate accounting of the use of all program funds as required by state procedures and program guidelines, including a detailed accounting of all program funding sources and expenditures;

[2003, c. 451, Pt. MMM, §1 (new).]

B. Undertake an ongoing process to evaluate the impact of the projects undertaken with program funds. The evaluation process must include benchmarks and criteria to evaluate the success of the fund. The benchmarks and criteria must be designed by the department to provide the following:

- (1) An assessment of the direct and indirect economic impact of the funded projects; and
- (2) An assessment of the contribution of the fund to the creation of new entrepreneurial opportunities; and

[2003, c. 451, Pt. MMM, §1 (new).]

C. Each year, submit a report to the joint standing committee of the Legislature having jurisdiction over business research and economic development matters. The report must include:

- (1) An accounting of the use of all program funds received and expended since the program's inception;
- (2) A summary of the status of any approved projects;
- (3) A summary of the results of any completed projects;
- (4) Evaluation data and assessment; and
- (5) Other information required to be submitted and evaluated by the joint standing committee of the Legislature having jurisdiction over business research and economic development matters.

[2003, c. 451, Pt. MMM, §1 (new).]

**2. Report.** The department shall report no later than January 15th of each year.

[2003, c. 451, Pt. MMM, §1 (new).]

**3. Rulemaking.** The department shall adopt major substantive rules pursuant to chapter 375, subchapter 2-A to implement this section. [2003, c. 451, Pt. MMM, §1 (new).]

Article 3: TOURISM (HEADING: PL 1989, c. 875, Pt. M, @6 (new); 1995, c. 560, Pt. B, @5 (rp))

**§13064. Findings (REPEALED)**

**§13065. Office of Tourism (REPEALED)**

**§13066. Historical marker program (REPEALED)**

**§13066-A. Impulse Traveler Program (REPEALED)**

**§13066-B. Tourism marketing and development strategy (REPEALED)**

**§13067. Maine Tourism Commission (REPEALED)**

**§13068. Travel Promotion Matching Fund Program (REPEALED)**

**§13069. Maine State Film Commission (CONFLICT)**

(CONFLICT: Entire text repealed by PL 1995, c. 560, Pt. B, §5)

A. (CONFLICT: Subsection 1, paragraph A, text as amended by PL 1995, c. 688, §8)  
The commission consists of 11 members appointed by the Governor.

(1) The members appointed must be involved in a related business field or possess experience or familiarity with media marketing or public relations. The Governor shall ensure an equitable regional representation from the State.

(2) The Executive Director of the Maine Arts Commission and the commissioner or the commissioner's designee shall serve as ex officio nonvoting members of the commission.

[1995, c. 688, §8 (amd).]

**§13069-A. Powers and duties (REPEALED)**

**§13070. Director of the Maine State Film Office (REPEALED)**

Article 4: INTERNATIONAL COMMERCE DIVISION (HEADING: PL 1989, c. 875, Pt. M, @6 (new))

**§13070-A. International Commerce Division; established (REPEALED)**

## **§13070-B. International Commerce Division; duties (REPEALED)**

### **§13070-C. International Trade Director**

**1. Appointment.** The Governor shall appoint a full-time International Trade Director, subject to review by the joint standing committee of the Legislature having jurisdiction over business and economic development matters and confirmation by the Legislature, who shall serve at the pleasure of the Governor. The director shall report to the commissioner in the execution of the director's responsibilities. [1995, c. 648, §3 (new).]

**2. Duties.** The International Trade Director shall implement the State's policies with respect to development of international trade opportunities for the State's businesses and citizens. The director shall serve as the State's diplomat and shall advocate within the State and abroad on behalf of the State and the State's international community. [1995, c. 648, §3 (new).]

The director shall serve as the president of the Maine International Trade Center upon confirmation by the center's Board of Directors of the Maine International Trade Center. The director shall oversee activities of the center and has the duties and responsibilities as provided in Title 10, chapter 107-B. [1995, c. 648, §3 (new).]

Article 5: COMMISSION ON INVESTMENT CAPITAL (HEADING: PL 1989, c. 914, @2 (new); RR 1991, c. 1, @12 (rnu); T. 5, @13070-I (rp))

### **§13070-F. Commission on Investment Capital (REPEALED)**

### **§13070-G. Duties and responsibilities of the commission (REPEALED)**

### **§13070-H. Agency cooperation (REPEALED)**

### **§13070-I. Sunset (REPEALED)**

Article 6: Return on Public Investment From Economic Development Incentives (HEADING: PL 1997, c. 761, @2 (new))

### **§13070-J. Business reporting associated with eligibility for public subsidies and incentives**

**1. Definitions.** As used in this article, unless the context otherwise indicates, the following terms have the following meanings. [2001, c. 481, §2 (amd); RR 2001, c. 2, Pt. A, §11 (cor).]

A.

[2001, c. 481, §2 (rp).]

B. "Commissioner" means the Commissioner of Economic and Community

Development.

[1997, c. 761, §2 (new).]

C. "Department" means the Department of Economic and Community Development.

[1997, c. 761, §2 (new).]

D. "Economic development incentive" means:

- (1) Assistance from Maine Quality Centers under Title 20-A, chapter 431-A;
- (2) The Governor's Training Initiative Program under Title 26, chapter 25, subchapter 4;
- (3) Municipal tax increment financing under Title 30-A, chapter 206;
- (4) The jobs and investment tax credit under Title 36, section 5215;
- (5) The research expense tax credit under Title 36, section 5219-K;
- (6) Reimbursement for taxes paid on certain business property under Title 36, chapter 915;
- (7) Employment tax increment financing under Title 36, chapter 917;
- (8) The shipbuilding facility credit under Title 36, chapter 919; or
- (9) The credit for seed capital investment under Title 36, section 5216-B.

[RR 2001, c. 2, Pt. A, §11 (cor).]

E. "Economic development proposal" means proposed legislation that establishes a new program or that expands an existing program that:

- (1) Is intended to encourage significant business expansion or retention in the State; and
- (2) Contains a tax expenditure, as defined in section 1664, or a budget expenditure with a cost that is estimated to exceed \$100,000 per year.

[1999, c. 768, §1 (new).]

**2. Disclosure.** Each applicant for an economic development incentive described in subsection 1, paragraph D, subparagraphs (1) to (4) and (7) shall at a minimum identify in writing: [2001, c. 481, §2 (amd).]

A. The public purpose that will be served by the business through use of the economic development incentive and the specific uses to which the benefits will be put; and

[2001, c. 481, §2 (amd).]

B. The goals of the business for the number, type and wage levels of jobs to be created or retained as a result of the economic development incentive received.

[2001, c. 481, §2 (amd).]

Applications filed under this subsection are public records for purposes of Title 1, chapter 13. [2001, c. 481, §2 (amd).]

**3. Report.** Annually, a business receiving an economic development incentive described in subsection 1, paragraph D, subparagraphs (1) to (8), the value of which exceeds \$10,000 in one year, shall submit a written report to the commissioner no later than August 1st of the following year containing but not limited to the following information: [2001, c. 710, §3 (amd); §4 (aff).]

- A. The amount of assistance received by the business in the preceding year from each economic development incentive and the uses to which that assistance has been put; [2001, c. 481, §2 (amd).]
- B. The total amount of assistance received from all economic assistance programs; [1997, c. 761, §2 (new).]
- C. The number, type and wage level of jobs created or retained as a result of an economic development incentive; [1997, c. 761, §2 (new).]
- D. Current employment levels for the business for all operations within the State, the number of employees in each job classification and the average wages and benefits for each classification; [2001, c. 481, §2 (amd).]
- E. Any changes in employment levels that have occurred over the preceding year; and [1997, c. 761, §2 (new).]
- F. An assessment of how the business has performed with respect to the public purpose identified in subsection 2, paragraph A, if applicable. [2001, c. 481, §2 (amd).]

The department shall mail report forms by May 15th of each year to every business required to file a report under this subsection. Reports filed under this subsection are public records for purposes of Title 1, chapter 13. [2001, c. 710, §3 (amd); §4 (aff).]

**4. Agency reports.** The following agencies shall submit the following reports. [2001, c. 642, §3 (amd); §12 (aff); 2003, c. 20, Pt. OO, §2 (amd); §4 (aff).]

A. The State Tax Assessor shall submit a report by October 1st annually to the Legislature identifying the amount of public funds spent and the amount of revenues foregone as the result of economic development incentives. The report must identify the amount of the economic development incentives under the jurisdiction of the Bureau of Revenue Services received by each business to the extent permitted under Title 36, section 191 and other provisions of law concerning the confidentiality of information.

[2001, c. 481, §2 (amd).]

B. The Commissioner of Labor shall report by October 1st annually to the Legislature on the amount of public funds spent on workforce development and training programs directly benefiting businesses in the State. The report must identify the amount of economic development incentives under the jurisdiction of the

Department of Labor received by each business and the public benefit resulting from those economic development incentives.

[2001, c. 481, §2 (amd).]

C. The Maine Community College System shall report by October 1st annually to the Legislature on the amount of public funds spent on job training programs directly benefiting businesses in the State. The report must identify the amount of economic development incentives under the jurisdiction of the system received by each business and the public benefit resulting from those economic development incentives.

[2001, c. 481, §2 (amd); 2003, c. 20, Pt. OO, §2 (amd); §4 (aff).]

D. The department shall report by October 1st annually to the Legislature the following:

(1) The amount of public funds spent for the direct benefit of businesses in the State under municipal tax increment financing, employment tax increment financing and the Governor's training initiative. The report must identify the amount of economic development incentives under the jurisdiction of the department received by each employer and the public benefit resulting from those economic development incentives; and

(2) The activities in the State, in the aggregate, of businesses receiving funds through the Maine Seed Capital Tax Credit program, including the following:

- (a) The total amount of tax credit certificates issued by the Finance Authority of Maine;
- (b) The total amount of private investment;
- (c) Total employment;
- (d) The total number of jobs created;
- (e) The total number of jobs retained;
- (f) Total payroll; and
- (g) Total annual sales.

The Finance Authority of Maine shall provide the department with the information collected in accordance with Title 10, section 1100-T, subsection 6 and assist in the preparation of this report.

[2001, c. 642, §3 (amd); §12 (aff).]

E. The department shall report by October 1st annually to the State Tax Assessor a listing of businesses that have failed to submit reports required under subsection 3. The report must document that each business included in the report was provided with reasonable official notification of its noncompliance and that its failure to submit the required report within 30 days would result in the withholding and potential forfeiture of reimbursements for which the business may be eligible under Title 36, chapter 915. The notification must be in the form of a letter posted by certified mail before August 15th of the reporting year. If the department subsequently receives a report from the business, the department shall so notify the

State Tax Assessor.

[2001, c. 481, §2 (amd).]

F. Prior to any forfeiture of benefits under Title 36, section 6652, subsection 3, the department shall make a written determination that the report required by subsection 3 either has not been received or is not in an acceptable form. A copy of that written determination, including the reasons for the determination, must be mailed to the claimant by certified mail. The determination made by the department constitutes final agency action that is subject to review by the Superior Court in accordance with the Maine Administrative Procedure Act, except that sections 11006 and 11007 do not apply. The Superior Court shall conduct a de novo hearing and make a de novo determination as to whether the claimant has filed a report in substantial compliance with this section. The Superior Court shall make its own determination as to all questions of fact and law. The Superior Court shall enter such orders and decrees as the case may require. In the event that the department's determination is appealed to Superior Court pursuant to this paragraph, forfeiture of the claimant's right to receive reimbursement of taxes under Title 36, chapter 915 may not occur unless the Superior Court, subject to any appeal to the Law Court, finds that the claimant had not substantially complied with the reporting requirements of this section.

[1999, c. 768, §2 (new).]

(REALLOCATED FROM T. 5, §13070-J, sub-§6)

**5. Rules.** Rules adopted by the commissioner under this section are routine technical rules as defined in chapter 375, subchapter II-A. [1999, c. 790, Pt. A, §3 (ral).]

(REALLOCATED TO T. 5, §13070-J, sub-§5)

**6. Rules.** [1997, c. 761, §2 (new); 1999, c. 790, Pt. A, §3 (ral).]

#### **§13070-K. Economic development incentive contract**

If the commissioner enters into a contractual relationship with a business regarding the provision of an economic development incentive in return for the business's agreement to locate, expand or retain its facilities in the State, that contract must contain a statement of the State's expected public benefit from its investment of public funds.

[2001, c. 481, §3 (amd).]

#### **§13070-L. Economic Development Incentive Commission (REPEALED)**

#### **§13070-M. Repeal (REPEALED)**

#### **§13070-N. Maine Technology Institute Director (REPEALED) (REALLOCATED TO TITLE 5, SECTION 15310)**

#### **§13070-O. Evaluation of economic development proposals**

**1. Criteria.** An economic development proposal must: [1999, c. 768, §5 (new).]

A. Have a program name that accurately describes the nature of the program;

[1999, c. 768, §5 (new).]

B. Have specific stated objectives, such as the number of jobs to be created or retained, the wage levels and benefits associated with those jobs or a project with significant value to the State or a community within the State;

[1999, c. 768, §5 (new).]

C. Specify a method to measure whether the objectives of the program have been met;

[1999, c. 768, §5 (new).]

D. Require that a business that receives benefits under the program report on the use of the benefits received;

[1999, c. 768, §5 (new).]

E. Require that the appropriate joint standing committee of the Legislature review the program at specific and regular intervals;

[1999, c. 768, §5 (new).]

F. Provide incentives for a business to meet objectives of the program and, when incentives are provided in anticipation of contractual performance, penalties for a business that does not meet the objectives of the program; and

[1999, c. 768, §5 (new).]

G. Provide a cost analysis of the program based on at least a 10-year period.

[1999, c. 768, §5 (new).]

**2. Review of criteria.** The department shall review each economic development proposal and any information relevant to the proposal and shall report to the joint standing committee of the Legislature having jurisdiction over the proposal on the extent to which the proposal meets the criteria specified in subsection 1. [1999, c. 768, §5 (new).]

Subchapter 3: TOURISM AND COMMUNITY DEVELOPMENT (HEADING: PL 1987, c. 534, Pt. A, @17 (new); 1995, c. 560, Pt. B, @6 (rpr))

Article 1: COMMUNITY DEVELOPMENT (HEADING: PL 1987, c. 534, Pt. A, @17 (new); 1995, c. 560, Pt. B, @7 (rpr))

### **§13071. Findings**

The Legislature finds that the strength of the State's economy is based on the strength of the local economies of municipalities and their ability to adjust to the dramatic changes in the national and international economies. The Legislature also recognizes the need for the coordination of state, regional and local efforts and resources to produce solid economic growth and development for the State. [1987, c. 534, Pt. A, §§ 17, 19 (new).]

Economic growth and development is not limited exclusively to the generation of new businesses and business expansions. It requires sufficient housing and infrastructure facilities, planning and availability of an educated and well-trained labor force which are necessary to the prosperity of municipalities. [1987, c. 534, Pt. A, §§ 17, 19 (new).]

It is necessary to coordinate the development and delivery of community programs.

By coordinating and focusing various community development programs, the impact of these programs can be far more effective. The existence of a central community development agency can improve and facilitate communication and assistance between the State and its municipalities. [1987, c. 534, Pt. A, §§ 17, 19 (new).]

By working together, coordinating resources and developing policies which are mutually consistent and consistent with an overall state strategy, the State and its municipalities can realize their potential and prosperity in the future. [1987, c. 534, Pt. A, §§ 17, 19 (new).]

#### **§13071-A. Maine Promotion Council Cooperative (REPEALED)**

#### **§13072. Community development**

The Office of Community Development shall assist municipalities in planning for and achieving economic growth and development while, at the same time, preserving and protecting their resources and assets. To achieve this purpose, the department, through the office, shall strive to remove barriers to balanced economic growth and provide planning, technical and financial resources to the municipalities to enhance economic development. [2003, c. 198, §2 (amd).]

The Director of the Office of Community Development shall administer the office in accordance with the policies of the commissioner and the provisions of this chapter. The director has the following powers and duties. [2003, c. 198, §3 (amd).]

**1. Establish communication network.** The director shall establish a communication network by which information, resources and assistance are transferred between State Government and the municipalities. [1987, c. 534, Pt. A, §§17, 19 (new).]

A. The director shall work with municipalities and regional community and economic development organizations. The director shall work closely with persons or organizations representing municipalities and with regional community and economic development organizations to address the development needs, problems and opportunities of municipalities and regions.

[1987, c. 534, Pt. A, §§17, 19 (new).]

**2. Designate local and regional community and economic development organizations.** The director shall monitor the activities of designated public and private, local and regional community and economic development organizations. In order to receive financial assistance and resources from the department, an agency must demonstrate the effective administration of programs and services and the effectiveness of these programs. [1987, c. 534, Pt. A, §§17, 19 (new).]

**3. Development grants.** The director, with the approval of the commissioner, may provide grants to municipalities and regional development organizations for the purpose of creating economic and community development strategies and policies. [1987, c. 534, Pt. A, §§17, 19 (new).]

**4. Provide information.** The director shall provide municipalities with information about the department's programs and services and shall refer municipalities to the offices and programs within the State that can best assist them. [1995, c. 395, Pt. D, §6 (amd).]

**5. Work with state agencies.** The director shall work with other state agencies that administer community and economic development programs and services used by municipalities. The director shall strive to coordinate department programs and services with the programs and services of these agencies. [1987, c. 816, Pt. P, §9 (amd).]

**6. Administer Community Industrial Buildings Program.** [2001, c. 703, §4 (rp).]

**7. Oversee community development resources and programs.** The director shall oversee the implementation of community development programs to include at a minimum: [1995, c. 395, Pt. D, §7 (amd).]

A. The Community Development Block Grant Program.

[1995, c. 395, Pt. D, §7 (amd).]

B.

[1987, c. 816, Pt. P, §10 (rp).]

C.

[1987, c. 816, Pt. P, §10 (rp).]

D.

[1995, c. 395, Pt. D, §7 (rp).]

E.

[1993, c. 92, §13 (rp).]

F.

[1995, c. 395, Pt. D, §7 (rp).]

**8. Provide technical assistance.** The director shall oversee delivery of technical assistance and resources to municipalities and regional community and economic development organizations for the purpose of encouraging economic growth while maintaining the quality of life. [1995, c. 395, Pt. D, §8 (amd).]

**9. Provide technical assistance and resources for local parks and recreation development.** [1987, c. 816, Pt. P, §12 (rp).]

**10. Enforcement assistance program.** [1995, c. 395, Pt. D, §9 (rp).]

### **§13073. Community Development Block Grant Program**

The director shall implement the Community Development Block Grant Program pursuant to the United States Housing and Community Development Act of 1974, Title 1, and its subsequent amendments. For purposes of this section, "program" means the Community Development Block Grant Program and "fund" means the Community Development Revolving Loan Fund. [1987, c. 534, Pt. A, §§ 17, 19 (new).]

**1. Revolving loan fund.** The Community Development Block Grant Program shall include the Community Development Revolving Loan Fund which shall be a non-lapsing revolving fund. [1987, c. 534, Pt. A, §§ 17, 19 (new).]

**2. Repayments to fund.** To this fund shall be credited all repayments of grants made to municipalities that elect not to retain those funds under the fund part of the

program, including interest, penalties and other fees and charges related to fund grants. [1987, c. 534, Pt. A, §§ 17, 19 (new).]

**3. Investment of fund money.** Money in the fund not needed to meet the current obligations of the program shall be deposited with the Treasurer of State to the credit of the fund and may be invested in such manner as is provided by law. Interest received on that investment shall be credited to the fund. [1987, c. 534, Pt. A, §§ 17, 19 (new).]

**4. Legislative allocation of fund required.** The Department of Economic and Community Development shall submit to the Legislature, through the budget process as required by chapter 149, its recommendations for disbursement from the fund. [1987, c. 534, Pt. A, §§ 17, 19 (new).]

**5. Expenditures from fund.** Upon approval of the allocation by the Legislature and approval of the allotment by the Governor, the State Controller shall authorize expenditures from the fund as approved by the department for the following purposes: [1987, c. 534, Pt. A, §§ 17, 19 (new).]

A. Administrative expenses related to the fund;

[1987, c. 534, Pt. A, §§ 17, 19 (new).]

B. Grants to cities and towns under the fund; and

[1987, c. 534, Pt. A, §§ 17, 19 (new).]

C. Grants related to the fund and to other public and private organizations.

[1987, c. 534, Pt. A, §§ 17, 19 (new).]

**6. Encumbered balances at year-end.** At the end of each fiscal year, all encumbered balances in the Community Development Block Grant may be carried twice. [1989, c. 7, Pt. O, §3 (new).]

#### **§13073-A. Regional Economic Development Assistance Fund**

The Director of the Office of Community Development shall administer the Regional Economic Development Assistance Fund, referred to in this section as the "fund." [2003, c. 198, §4 (amd).]

**1. Fund established.** The fund is established as a non-lapsing fund within the Office of Community Development. [2003, c. 198, §5 (amd).]

**2. Fund purpose.** The purpose of the fund is to provide funding to develop effective local and regional economic development programs. The department shall administer the fund to award start-up grants to nonprofit local or regional community organizations that are providing local or regional economic development programs. [1999, c. 731, Pt. VVV, §2 (new).]

**3. Application process.** The department shall adopt rules establishing an application process for fund grants for the purposes set forth in this section. [1999, c. 731, Pt. VVV, §2 (new).]

**4. Competitive procedure.** Funds must be dispersed in accordance with a competitive, quality-based selection procedure as established and administered by the department. [1999, c. 731, Pt. VVV, §2 (new).]

**5. Preference in awards.** In awarding grants, the department shall give preference to those projects or programs that will benefit economically distressed communities and regions. In determining preference, the department shall consider such factors as unemployment rates, per capita income, educational attainment, business failures and dependence upon mature or dominant industries. [1999, c. 731, Pt. VVV, §2 (new).]

**6. Local match requirements.** All funds awarded must be matched by local funds on a minimum one-to-one basis. [1999, c. 731, Pt. VVV, §2 (new).]

**7. Rules.** The department shall adopt rules necessary to carry out this section. Rules adopted pursuant to this section are routine technical rules as defined in chapter 375, subchapter II-A. [1999, c. 731, Pt. VVV, §2 (new).]

#### **§13074. Local grants program (REPEALED)**

#### **§13074-A. Maine Natural Heritage Program (REPEALED)**

#### **§13075. Economic Corridor Action Grant Program (CONFLICT)**

(CONFLICT: Entire text as repealed by PL 1989, c. 702, Pt. E, §4)

**6. (CONFLICT: Text as amended by PL 1989, c. 700, Pt. A, §20) Coordination.** The department shall coordinate the grants made under this article with all other community assistance grants administered by the department and with other state assistance programs designed to accomplish similar objectives, including those administered by the Department of Education, the Department of Transportation and the Department of Environmental Protection. [1989, c. 700, Pt. A, §20 (amd).]

Article 1-A: NATURAL AREAS (HEADING: PL 1993, c. 92, @15 (new); PL 1999, c. 556, @6 (rp))

#### **§13076. Natural Resources Information and Mapping Center (REPEALED)**

#### **§13077. Natural Areas Advisory Board (REPEALED)**

#### **§13078. Responsibilities of commissioner (REPEALED)**

#### **§13079. Natural Areas Conservation Fund (REPEALED)**

Article 1-B: LORING DEVELOPMENT AUTHORITY OF MAINE (HEADING: PL 1993, c. 474, @1 (new))

#### **§13080. Loring Development Authority of Maine established**

The Loring Development Authority of Maine is established as a body corporate and politic and a public instrumentality of the State to carry out the provisions of this article and shall take title, acquire and manage the properties within the geographical boundaries of Loring Air Force Base in the name of the State. [1993, c. 729, §2 (rpr).]

## **§13080-A. Definitions**

As used in this article, unless the context otherwise indicates, the following terms have the following meanings. [1993, c. 474, §1 (new).]

- 1. Authority.** "Authority" means the Loring Development Authority of Maine. [1993, c. 474, §1 (new).]
- 2. Base area.** "Base area" means the area within the geographic boundaries of Loring Air Force Base. [1993, c. 474, §1 (new).]
- 3. Bond.** "Bond" means a bond or note or other evidence of indebtedness authorized under this article, whether issued under or pursuant to a bond resolution, trust indenture, loan or other security agreement. [1993, c. 474, §1 (new).]
- 4. Department.** "Department" means the Department of Economic and Community Development or its successor. [1993, c. 474, §1 (new).]
- 5. Governing body.** "Governing body" means, for a municipality, the municipal legislative body as defined by Title 30-A, section 2001 or, for a county, the board of county commissioners. [1993, c. 474, §1 (new).]
- 6. Loring Air Force Base.** "Loring Air Force Base" or "base" means those properties and facilities within the geographic boundaries of the United States Department of Defense air force base at Limestone existing on July 13, 1993. "Base" also includes the Madawaska dam site, the Loring Water System, the Loring #3 communications site in Limestone, the pipeline from Searsport to Limestone and other geographically separate property that the authority determines should be considered part of the base, if the municipality in which the property is located has chosen not to accept the property and utilize it for other purposes. [2003, c. 598, §1 (amd).]
- 7. Operating revenues.** "Operating revenues" means funds available to the authority from fees, fares, rental or sale of property and miscellaneous revenue and interest generated by the airport and collected in accordance with the provisions of the Surplus Property Act, 49 United States Code App. Section 2210 and Federal Aviation Administration Order 5190.6A. [1993, c. 729, §2 (amd).]
- 8. Primary impact community.** "Primary impact community" means the municipalities of Caribou, Caswell, Fort Fairfield, Limestone, Presque Isle and Van Buren and Aroostook County. [1993, c. 474, §1 (new).]
- 9. Readjustment or reuse.** "Readjustment" or "reuse" means an alternative use of the base facility from its use as a military installation. [1993, c. 474, §1 (new).]
- 10. Real or personal property.** "Real or personal property" means those properties and assets transferred by the United States Government or the United States Air Force pursuant to the closure of Loring Air Force Base. [1993, c. 474, §1 (new).]
- 11. Reconstruct or reconstruction.** "Reconstruct" or "reconstruction" means any activities undertaken to maintain the properties of Loring Air Force Base, or any part of those properties, as a modern, safe and efficient facility and includes, but is not limited to, any rebuilding, redesign, improvement or enlargement of the real properties or environmental mitigation activities on base properties. [1993, c. 474, §1 (new).]

**§13080-B. Loring Development Authority of Maine; powers; membership; obligations**

**1. Powers.** The authority is a public municipal corporation and may: [2003, c. 598, §2 (amd).]

A. Sue and be sued;

[1993, c. 474, §1 (new).]

B. Adopt bylaws or regulations consistent with this article for the governance of its affairs;

[1993, c. 474, §1 (new).]

C. Exercise all of the general powers of corporations under Title 13-C, section 302;

[RR 2001, c. 2, Pt. B, §3 (cor); §58 (aff).]

D. Exercise the power of eminent domain;

[1993, c. 474, §1 (new).]

E. Provide for the public safety by imposing appropriate regulations, regulating appropriate use of the base facilities and enforcing laws and regulations as they apply to the use of the base facilities;

[1993, c. 474, §1 (new).]

F. Charge and collect fees, charges and rents for the use of the properties and other services and use the proceeds of those fees, charges and rents for the purposes provided in this article, both subject to and in accordance with any agreement with bondholders that may be made as provided in this article. Fees, charges and rents collected from properties contained in the public benefit transfer or otherwise generated by the airport must be used to support the development, maintenance and operation of aeronautical facilities and in accordance with Federal Aviation Administration Order 5190.6A;

[1993, c. 729, §3 (amd).]

G. Contract with the Federal Government or its instrumentalities or agencies, this State or its agencies, instrumentalities or municipalities, public bodies, private corporations, partnerships, associations, individuals and other persons to carry out the purposes of this article;

[2003, c. 598, §2 (amd).]

H. Accept the cooperation of the Federal Government or its agencies in the construction, maintenance, reconstruction, operation and financing of the readjustment of the base and take necessary actions to utilize that aid and cooperation;

[1993, c. 474, §1 (new).]

I. Borrow money and apply for and accept advances, loans, grants, contributions and other forms of financial assistance from the Federal Government, the State, a municipality or other public body or from other sources, public or private, for the purposes of this article, give any security that is required and enter into and carry out

contracts in connection with that financial assistance;

[1993, c. 474, §1 (new).]

J. Borrow money, make, issue and sell at public or private sale negotiable notes, bonds and other evidences of indebtedness or obligation of the authority for the purposes under this article and secure the payment of that obligation or any part of that obligation by pledge of all or any part of the operating revenues or other revenues or property of the authority;

[2003, c. 598, §2 (amd).]

K. Enter into loan or security agreements with borrowers or one or more lending institutions, including, but not limited to, banks, insurance companies and pension funds, or trustees for those institutions for the purposes for which bonds may be issued and exercise with respect to those loan or security agreements all of the powers delineated in this article for the issuance of bonds;

[2003, c. 598, §2 (amd).]

L. Provide from operating revenues for the maintenance, construction or reconstruction of facilities to ensure the public safety for which the authority has not otherwise provided and in keeping with limitations set forth in paragraph F;

[1993, c. 729, §3 (amd).]

M. Use operating revenues to provide payment of obligations, if any, due to the United States to implement the readjustment or reuse of the facility. Use of operating revenues for this purpose must be in accordance with the provisions of the Surplus Property Act, 50 United States Code App. Section 1622 et seq. and Federal Aviation Administration Order 5190.6A;

[1993, c. 729, §3 (amd).]

N. Adopt rules pursuant to the Maine Administrative Procedure Act; and

[1993, c. 474, §1 (new).]

O. Take all other lawful action necessary and incidental to these powers.

[1993, c. 474, §1 (new).]

**2. Membership; appointment.** The authority is governed by a board of trustees composed of 13 voting members appointed by the Governor and subject to review by the joint standing committee of the Legislature having jurisdiction over economic development matters and to confirmation by the Senate. [1995, c. 166, §1 (amd).]

A. Trustees are appointed for 4-year terms except that, for initial appointments, 3 trustees are appointed to one-year terms, 3 trustees to 2-year terms, 2 trustees to 3-year terms, 4 trustees to 4-year terms and the commissioner designated pursuant to paragraph D serves at the pleasure of the Governor.

[1995, c. 166, §1 (amd).]

B. A trustee continues to hold office until a successor is appointed and qualified, but the term of the successor is not altered from the original expiration date of the holdover trustee's term.

[1993, c. 474, §1 (new).]

C. The Governor shall make 12 appointments, of which no less than 7 must be from candidates who are residents of Aroostook County and are nominated by the primary impact communities. The Governor shall appoint members who reflect the diversity of interests represented by these communities. At least 4 of the remaining appointments must be from candidates who are not residents of Aroostook County.

[1995, c. 166, §1 (amd).]

D. The Governor shall designate a commissioner of a department of State Government to be a voting, ex officio member of the board of trustees.

[1993, c. 474, §1 (new).]

**3. Quorum.** Seven members constitute a quorum. Seven affirmative votes are required for the board to take action. [1995, c. 166, §1 (amd).]

**4. Liability.** The liability of the authority is governed by the Maine Tort Claims Act, Title 14, chapter 741. A member of the authority, a member of a board of the authority and an employee of the authority may not be subject to any personal liability for having acted in the service of their duty as board members of the authority within the course and scope of membership or employment to carry out a power or duty under this chapter. The authority shall indemnify a member of the authority, a member of a board of the authority and an employee of the authority against expenses actually and necessarily incurred in connection with the defense of an action or proceeding in which the member or employee is made a party by reason of past or present association with the authority.

[1997, c. 71, §1 (amd).]

**5. Expenses.** A trustee is not entitled to receive compensation for services to the authority but is entitled to receive reimbursement for necessary expenditures, including travel expenses, incurred in carrying out those services. [1993, c. 474, §1 (new).]

**6. Officers; employees.** The trustees shall elect a chair and vice-chair from among their members. The authority may employ an executive director, technical experts and other agents and employees, permanent and temporary, that it requires and may determine their qualifications, duties and compensation. Permanent employees of the authority are eligible to elect to participate in the Maine State Retirement System, any state-deferred compensation plan or any other plan or program adopted by the trustees to the extent the trustees may determine. For required legal services, the authority may employ or retain its own counsel and legal staff. [1995, c. 495, §2 (amd).]

**7. Term limits.** A person may not serve more than 2 consecutive 4-year terms as a trustee. [1995, c. 644, §1 (new); §3 (aff).]

#### **§13080-C. Use of operating revenues**

**1. Use of revenue.** Operating revenue generated from property transferred in the Federal Aviation Administration public benefit transfer or otherwise generated by the airport must be used to support the development, maintenance and operation of aeronautical facilities, operating costs of the airport and costs substantially related to the actual air transportation of passengers or property. Revenues generated from other properties granted to the authority in subsequent or different transfers must be used as the

authority determines appropriate within the powers established by this article. [1993, c. 729, §5 (rpr).]

**2. Permitted liability limited.** All expenses incurred in carrying out this article must be paid solely from funds provided under the authority of this article, and liability or obligation may not be incurred under this article beyond the extent to which money has been provided under the authority of this article. [1993, c. 474, §1 (new).]

**3. Equal opportunity employers.** Contractors and subcontractors on authority construction and reconstruction projects must be equal opportunity employers and, for contracts in excess of \$250,000, shall pursue in good faith affirmative action programs as defined in section 782. The authority may by rule provide for the enforcement of this requirement. [1993, c. 474, §1 (new).]

#### **§13080-D. Property of authority (CONTAINS TEXT WITH VARYING EFFECTIVE DATES)**

The authority shall hold and acquire property as follows. [1993, c. 474, §1 (new).]

**1. Lease or sale.** Properties may be leased or sold to accomplish the readjustment or reuse of the facilities as determined appropriate by the authority. Resources acquired as a result of the lease or sale of these properties become operating revenues or assets of the authority. [1993, c. 474, §1 (new).]

**2. Entry upon lands.** The authority and its authorized agents and employees may enter upon lands, waters and premises in the State for the purpose of making surveys, soundings, drillings and examinations it determines necessary or convenient for the purposes of this article. The entry is not a trespass, but the authority is liable for damages its entry creates. [1993, c. 474, §1 (new).]

**3. Authority for transfers of interest in land to the authority.** Notwithstanding any contrary provisions of law, upon the authority's request, on reasonable and fair terms and conditions and without the necessity for advertisement, order of court or action or formality other than the regular and formal action of the authorities concerned, counties, municipalities, public agencies or instrumentalities of the State, public service corporations and special districts may lease, lend, grant or convey to the authority real or personal property or rights in that property that may be necessary or convenient for the effectuation of the authorized purposes of the authority, including real and personal property or rights in that property already devoted to public use. As used in this subsection, the term "public service corporation" includes a public utility as defined in Title 35-A, section 102, subsection 13 and a corporation referred to in Title 13-C. [RR 2001, c. 2, Pt. B, §4 (cor); §58 (aff).]

#### **§13080-E. Special utility districts**

The authority may form special utility districts and provide municipal utility services within its jurisdiction. The board of trustees of the authority has the authority of a municipal legislative body for these purposes. [1993, c. 474, §1 (new).]

**1. Sewer services.** The authority may provide sewer services as a sanitary district under Title 38, chapter 11, subchapters III and IV. The authority may establish a board of trustees for the district and appoint the members of the board or may act as the trustees of the district. [1993, c. 474, §1 (new).]

**2. Solid waste disposal.** The authority may provide solid waste disposal services as a refuse disposal district under Title 38, chapter 17. The authority may establish a board of trustees for the district and appoint the members of the board or may act as the trustees of the district. [1993, c. 474, §1 (new).]

**3. Water.** The authority may provide water as a water district under Title 35-A, Part 6. The authority may establish a board of trustees for the district and appoint the members of the board or may act as the trustees of the district. [1993, c. 474, §1 (new).]

**4. Revenue-producing services.** The authority has all the powers of a municipality to provide services under Title 30-A, chapter 213. [1993, c. 474, §1 (new).]

#### **§13080-F. Other municipal powers**

**1. Traffic ordinances.** The authority has the power to enact traffic ordinances and regulate the operation of motor vehicles under Title 30-A, section 3009, to the extent that power is not inconsistent with other validly enacted municipal ordinances. [1993, c. 474, §1 (new).]

**2. Operating expenses.** The authority has all the powers of a municipality to raise and appropriate money under Title 30-A, sections 5722 and 5723. [1993, c. 474, §1 (new).]

**3. Zoning.** The authority may adopt and enforce zoning and other land use ordinances for all Loring Air Force Base property. The authority shall comply with the mandatory shoreland zoning provisions of Title 38, sections 435 to 449. The ordinances preempt any municipal or local ordinances affecting the property. The authority shall secure rights-of-way, easements and zoning rules needed to adequately clear and protect the aerial approaches to the airport by removing, lowering, relocating, marking, lighting or otherwise mitigating existing airport hazards. The authority shall endeavor, to the extent reasonable, to ensure compatible use of land adjacent to or in the immediate vicinity area of the airport as provided in the Maine Aeronautics Act, Title 6, section 122. [1995, c. 495, §3 (amd).]

**3-A. Loring Development Authority Planning Board.** The Loring Development Authority Planning Board is established as follows.

A. The Loring Development Authority Planning Board consists of 6 members. One member must be a nonvoting member appointed by the authority's board of trustees. The municipal officers of Caswell and Caribou shall each appoint one member and the municipal officers of Limestone shall appoint 3 members.

[1995, c. 495, §4 (new).]

B. The Loring Development Authority Planning Board shall:

- (1) Develop and recommend land use and zoning ordinances for Loring Air Force Base for approval by the authority;
- (2) Hold public hearings as necessary and appropriate in the member communities during the development of and changes to the ordinances; and
- (3) Upon adoption by the authority of any land use and zoning ordinances, review proposed projects at Loring Air Force Base under the ordinances and submit its decisions with respect to the projects to the authority for its approval.

[1995, c. 495, §4 (new).]

[1995, c. 495, §4 (new).]

**4. Highway maintenance.** The authority may maintain, repair, plow and control public ways as a municipality under Title 23, Part 3. The authority shall consult and coordinate with the appropriate primary impact community in appointing a road commissioner. [1993, c. 474, §1 (new).]

#### **§13080-G. Bonds**

**1. Hearing required.** The authority may issue bonds to finance its activities only after giving notice of the proposed issuance at least twice in a newspaper of general circulation in the county and holding a duly advertised public hearing on the issuance. [2003, c. 598, §3 (amd).]

**1-A. Credit of State pledged.** The authority may ask the State to issue bonds to finance the undertaking of any authorized activity under this article, those bonds to have the full faith and credit of the State. Before any such bonds are issued they must be authorized by the Legislature and ratified by the electors in accordance with the Constitution of Maine, Article IX, Section 14. Subsections 1 and 2 and subsection 7, the 2nd 2 sentences, do not apply to bonds issued under this subsection. [1995, c. 495, §5 (new).]

**2. Authority.** In addition to the authority provided in subsection 1-A, the authority may issue bonds from time to time in its discretion to finance the undertaking of an authorized activity under this article, including but not limited to the payment of costs of acquisition, construction, reconstruction, renovation, equipping, start-up, testing, capitalized interest, reserves, reuse or improvement within the base undertaken by a person and the payment of principal and interest upon advances for surveys and plans, and may issue refunding bonds for the payment or retirement of bonds previously issued. [2003, c. 598, §4 (amd).]

A. The principal, interest and all other amounts that may at any time become due and payable under the bonds must be made payable solely from the income, proceeds, revenues and funds of the authority derived from or held for activities under this article. Payment of the principal and interest of bonds may be further secured by a pledge of a loan, grant or contribution from the Federal Government or other source in aid of activities of the authority under this article or solely from income, proceeds, revenues, loan repayments, funds and other property, real or personal, pledged, assigned or mortgaged by or to the authority in connection with the provision of financial assistance by the authority to any person or any combination of the foregoing and by a mortgage of an urban activity or a project or part of a project, title to which is in the authority.

[2003, c. 598, §4 (amd).]

B. Bonds issued under this section and paragraph do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction and are not subject to other laws or charters relating to the authorization, issuance or sale of bonds. Notwithstanding this paragraph, the authority may issue bonds in an original principal amount not to exceed \$100,000,000 to which the authority may

designate section 13080-N to apply. Bonds issued under this article are declared to be issued for an essential public and governmental purpose and, together with interest on and income from the bonds, are exempt from all taxes.

[1995, c. 495, §7 (amd).]

C. Bonds may not be issued by the authority until the authority has received a certificate of approval from the Finance Authority of Maine authorizing issuance of bonds. Before issuing a certificate of approval under this section, the Finance Authority of Maine shall determine that there is a reasonable likelihood that the income, proceeds, revenues and funds of the authority derived from or held for activities under this article or otherwise pledged to payment of the bonds will be sufficient to pay principal, interest and all other amounts that may at any time become due and payable under the bonds. In making this determination, the Finance Authority of Maine must consider the authority's analysis of the proposed bond issue and the revenues to make payments on the bond and may require such information, projections, studies and independent analyses as it considers necessary or desirable and may charge the authority reasonable fees and expenses. The issuance by the Finance Authority of Maine of a certificate of approval under this section does not constitute an endorsement of the bonds or the projects or purposes for which those bonds are issued and neither the authority nor any other person or entity, including, without limitation, any holders of bonds of the authority, have any cause of action against the Finance Authority of Maine with respect to any such certificate of approval. The Finance Authority of Maine may require that it be indemnified, defended and held harmless by the authority for any liability or cause of action arising out of or with respect to the bonds.

[2003, c. 598, §4 (amd).]

D. Bonds may be issued by the authority only to finance projects that are substantially located within Aroostook County.

[2003, c. 598, §4 (new).]

**3. General characteristics.** Bonds authorized under this section may be issued in one or more series. The resolution, trust indenture or mortgage under which the bonds are issued may include the following: [1993, c. 474, §1 (new).]

A. The date or dates borne by the bonds;

[1993, c. 474, §1 (new).]

B. Whether the bonds are payable upon demand or mature at a certain time or times;

[1993, c. 474, §1 (new).]

C. The interest rate or rates of the bonds;

[1993, c. 474, §1 (new).]

D. The denomination or denominations of the bonds;

[1993, c. 474, §1 (new).]

E. The form of the bonds, whether coupon or registered;

[1993, c. 474, §1 (new).]

F. The conversion or registration privileges carried by the bonds;

[1993, c. 474, §1 (new).]

G. The rank or priority of the bonds;

[1993, c. 474, §1 (new).]

H. The manner of execution of the bonds;

[1993, c. 474, §1 (new).]

I. The medium and place or places of payment;

[1993, c. 474, §1 (new).]

J. The terms of redemption of the bonds, with or without premium;

[1993, c. 474, §1 (new).]

K. The manner secured; and

[1993, c. 474, §1 (new).]

L. Any other characteristics of the bonds.

[1993, c. 474, §1 (new).]

**4. Price sold.** The bonds may be: [2003, c. 598, §5 (amd).]

A. Sold to any person on such terms as the authority may negotiate;

[2003, c. 598, §5 (amd).]

B. Exchanged for other bonds on the basis of par; or

[1993, c. 474, §1 (new).]

C. Sold to the Federal Government at private sale at not less than par. If less than all of the authorized principal amount of the bonds is sold to the Federal Government, the balance may be sold at private sale at not less than par at an interest cost to the municipality that does not exceed the interest cost to the municipality of the portion of the bonds sold to the Federal Government.

[1993, c. 474, §1 (new).]

**5. Signatures of outgoing officers; negotiability.** If an official of the authority whose signature appears on a bond or coupon issued under this article ceases to be an official before the bond is delivered, the signature is nevertheless valid for all purposes, as if the official had remained in office until the delivery. Notwithstanding contrary provisions of law, bonds issued under this article are fully negotiable. [1993, c. 474, §1 (new).]

**6. Bond recitation; conclusive presumptions.** In actions or proceedings involving the validity or enforceability of a bond issued under this article or the security for that bond, a bond reciting in substance that it has been issued by the authority in connection with an activity is conclusively deemed to have been issued for that purpose and the activity is conclusively deemed to have been planned, located and carried out in accordance with this article. [1993, c. 474, §1 (new).]

**7. No personal liability; not debt of State or municipality.** Neither the trustees of the authority nor the person executing the bonds is liable personally on the bonds by reason of the issuance of the bonds. The bonds and other obligations of the authority must have stated on their face that they are not a debt of the State and that the State is not liable on the bonds. The bonds or obligations may not be payable out of funds or properties other than those of the authority acquired for the purposes of this article or otherwise pledged therefore. [2003, c. 598, §6 (amd).]

**8. Bonds as legal investments.** Public officers, municipal corporations, political subdivisions and public bodies; banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business; insurance companies, insurance associations and other persons carrying on an insurance business; and executors, administrators, curators, trustees and other fiduciaries may legally invest sinking funds, money or other funds belonging to them or within their control in bonds or other obligations issued by the authority under this article. These bonds or other obligations are authorized security for all public deposits. It is the purpose of this section to authorize persons, political subdivisions and officers, public or private, to use funds owned or controlled by them for the purchase of these bonds or other obligations. This section does not relieve a person of any duty or of exercising reasonable care in selecting securities. [1993, c. 474, §1 (new).]

**9. Investment of funds; redemption of bonds.** The authority may: [2003, c. 598, §6 (amd).]

A. Invest, in property or securities in which savings banks may legally invest funds subject to their control, funds held in reserves, sinking funds or funds not required for immediate disbursement;

[2003, c. 598, §6 (amd).]

B. Cancel its bonds by redeeming them at the redemption price established in the bonds or by purchasing them at less than redemption price; and

[2003, c. 598, §6 (amd).]

C. Invest funds in accordance with Title 30-A, chapter 223, subchapter 3-A.

[2003, c. 598, §6 (new).]

**10. Issue of bonds.** With respect to all or any portion of any issue of any bonds or any series of bonds that the authority may issue in accordance with this article, the authority may covenant and consent that the interest on the bonds is includable, under the United States Internal Revenue Code of 1986 or any subsequent corresponding internal revenue law of the United States, in the gross income of the holders of the bonds to the same extent and in the same manner that the interest on the bills, bonds, notes or other obligations of the United States is includable in the gross income of the holders under the United States Internal Revenue Code of 1986 or any subsequent law. [2003, c. 598, §7 (new).]

**11. Pledge of security interests.** Any pledge or assignment of revenue or collateral or other security interests under this article is valid and binding and perfected from the time when the pledge is made. All the revenues or collateral pledged by the authority is

subject immediately to the lien of the pledge or assignment without any physical delivery or further action under the Uniform Commercial Code or otherwise. The lien of any pledge or assignment and perfection is valid and binding against all parties having claims of any kind in tort, contract or otherwise against the authority, whether the parties have notice of the pledge or assignment. [2003, c. 598, §7 (new).]

#### **§13080-H. Interest of public officials, trustees or employees**

**1. Acquisition of interest.** An official, trustee or employee of the authority may not acquire or hold a direct or an indirect financial or personal interest in: [1993, c. 474, §1 (new).]

A. An authority activity;

[1993, c. 474, §1 (new).]

B. Property included or planned to be included in the base area; or

[1993, c. 474, §1 (new).]

C. A contract or proposed contract in connection with an authority activity.

[1993, c. 474, §1 (new).]

When an acquisition is involuntary, the interest acquired must be disclosed immediately in writing to the authority trustees and the disclosure must be entered in the board's minutes. [1993, c. 474, §1 (new).]

**2. Present or past interest in property.** If an official, trustee or employee presently owns or controls, or owned or controlled within the preceding 2 years, a direct or an indirect interest in property known to be included or planned to be included in an authority activity, that official, trustee or employee must disclose this fact immediately in writing to the authority and the disclosure must be entered in the authority's minutes. [1993, c. 474, §1 (new).]

**3. Recusal.** The official, trustee or employee with an interest may not participate in an action by the authority affecting that property. [1993, c. 474, §1 (new).]

**4. Incompatible offices.** A trustee or other officer of the authority may not hold elected office in a municipality in Aroostook County or in Aroostook County government. [1993, c. 474, §1 (new).]

**5. Violation.** A violation of this section is a Class E crime. [1993, c. 474, §1 (new).]

#### **§13080-I. Exemption from execution**

**1. Property exempt from execution.** The property, including funds, of the authority is exempt from levy and sale by virtue of an execution. An execution or other judicial process may not be issued against the authority's property and a judgment against the authority may not be a charge or lien upon its property. [1993, c. 474, §1 (new).]

**2. Construction; limitation of application.** This section does not: [2003, c. 598, §8 (amd.).]

A. Prohibit the authority from making payments in lieu of taxes to the municipality; or

[1993, c. 474, §1 (new).]

B. Apply to or limit the right of an obligee to foreclose or otherwise enforce a mortgage of the authority or to pursue remedies for the enforcement of a pledge or lien given by the authority on its rents, fees, grants or revenues or any other sources pledged by the authority to the payment of its bonds.

[2003, c. 598, §8 (amd.).]

**§13080-J. Designation as port of entry, international airport, foreign trade zone and free port area**

**1. Port of entry.** The authority may apply to the Secretary of the Treasury of the United States for the purpose of having Loring Air Force Base or a portion of the base designated, established or constituted as a port of entry or an international airport pursuant to the Customs Reorganization Act, 19 United States Code, Section 1, as amended, and Section 58b, as amended, and regulations of the United States Customs Service, including 19 Code of Federal Regulations, Sections 101.0 and 122.1, as amended. [1993, c. 474, §1 (new).]

**2. Foreign trade zone.** The authority may apply to the Secretary of Commerce of the United States for the purpose of establishing, operating and maintaining foreign trade zones at Loring Air Force Base pursuant to the federal Free Trade Zone Act, 19 United States Code, Section 81, as amended, providing for the establishment, operation and maintenance of foreign trade zones in or adjacent to ports of entry of the United States for expediting and encouraging foreign commerce and for other purposes. [1993, c. 474, §1 (new).]

A. The authority may select and describe the location of the zone, make regulations and take other actions concerning the operation, maintenance and policing of the zone as necessary to comply with the Free Trade Zone Act and the regulations promulgated under that Act.

[1993, c. 474, §1 (new).]

B. The authority may lease or may erect, maintain and operate structures, buildings or enclosures necessary for the establishment and operation of foreign trade zones.

[1993, c. 474, §1 (new).]

**3. Other tax-free provisions.** The authority may establish an area at Loring Air Force Base in which personal property in transit is exempt from the provisions of the stock-in-trade tax and other taxes and customs normally levied in a port of entry. For the purposes of this section, personal property in transit through the area established by the port authority includes goods, wares and merchandise that: [1993, c. 474, §1 (new).]

A. Are moving in interstate or international commerce through or over the areas established;

[1993, c. 474, §1 (new).]

B. Are consigned from outside the State to a public or private warehouse within the State, whether that consignment is specified before or after transportation; or

[1993, c. 474, §1 (new).]

C. Do not lose their exempt status because, while in a warehouse, they are assembled, bound, joined, processed, disassembled, divided, cut, broken in bulk, relabeled or repackaged. The warehouse in which the goods, wares and merchandise are stored may not be owned in whole or in part by either the consignee or the consignor. The exemption granted may be liberally construed to effect the purposes of this article.

[1993, c. 474, §1 (new).]

#### **§13080-K. Termination of the authority**

The authority is not dissolved until: [1993, c. 474, §1 (new).]

**1. Legislature provides for termination.** It is terminated by the Legislature; and [1993, c. 474, §1 (new).]

**2. Payment of bonds, premiums and interest.** The bonds, premium, if any, and interest have been paid or a sufficient amount for the payment of the bonds and interest to maturity or a prior redemption date have been irrevocably set aside in trust for the benefit of the bondholders in accordance with agreements with the bondholders. [2003, c. 598, §9 (amd.).]

#### **§13080-L. Annual report**

**1. Annual financial report.** The authority shall submit to the Governor, the Executive Director of the Legislative Council and the joint standing committee of the Legislature having jurisdiction over housing and economic development matters, not later than 120 days after the close of the authority's fiscal year, a complete report on the activities of the authority. The report may also be provided to any other member of the Legislature and to any other person. The report must include all of the following for the previous year: [1993, c. 474, §1 (new).]

A. A description of the authority's operations;

[1993, c. 474, §1 (new).]

B. An accounting of the authority's receipts and expenditures, assets and liabilities at the end of its fiscal year;

[1993, c. 474, §1 (new).]

C. A listing of all property transactions pursuant to section 13080-D;

[1993, c. 474, §1 (new).]

D. An accounting of all activities of any special utility district formed under section 13080-E;

[1993, c. 474, §1 (new).]

E. A listing of any property acquired by eminent domain under section 13080-G;

[1993, c. 474, §1 (new).]

F. A listing of any bonds issued during the fiscal year;

[1993, c. 474, §1 (new).]

G. A statement of the authority's proposed and projected activities for the ensuing year; and

[1993, c. 474, §1 (new).]

H. Recommendations regarding further actions that may be suitable for achieving the purposes of this article.

[1993, c. 474, §1 (new).]

#### **§13080-M. Relationship to other laws**

The activities of the authority must be conducted in accordance with the terms and conditions of the Federal Surplus Property Act, 50 Appendix United States Code, Section 1622 et seq.; the federal Airport and Airway Improvement Act of 1982, 49 United States Code App. Section 2201 et seq.; and Federal Aviation Administration Order 5190.6A. If a conflict exists between this article and those federal laws and rules, the federal requirements control. [1995, c. 462, Pt. A, §12 (amd.).]

#### **§13080-N. Capital reserve funds; obligation of State**

**1. Capital reserve fund.** The authority may create and establish one or more capital reserve funds and may pay into any such capital reserve fund money appropriated and made available by the State for the purposes of any such fund, any proceeds of sale by the authority of bonds to the extent determined by the authority and any other money available to the authority. For purposes of this section, the amount of any letter of credit, insurance contract, surety bond or similar financial undertaking available to be drawn on and applied to obligations to which money in any such fund may be applied is considered and counted as money in the capital reserve fund. [1993, c. 729, §10 (new).]

**2. Application.** Money held in any capital reserve fund, except as provided in this section, must be used solely with respect to bonds, repayment of which is secured by any such fund and solely for the payment of principal of the securities, the purchase or redemption of the securities, including any fees or premiums, or the payment of interest on the securities. In addition, if the authority obtains a letter of credit, insurance contract, surety bond or similar financial undertaking to establish and fund a capital reserve fund under subsection 1, money in the fund may be used to pay, when due, whether by acceleration or otherwise, all reimbursement obligations of the authority established in connection with that letter of credit, insurance contract, surety bond or similar financial undertaking, including, but not limited to, all fees, expenses, indemnities and commissions. Money in excess of the reserve requirement established as provided in subsection 3 may be transferred to other funds and accounts of the authority. [1993, c. 729, §10 (new).]

**3. Reserve requirement.** The authority may provide that money in a capital reserve fund under subsection 2 may not be withdrawn at any time in an amount that would reduce the amount of that fund below an amount, referred to in this section as the "capital reserve requirement," established by the authority, except for the purpose of paying the amount due and payable with respect to bonds, repayment of which is secured by that fund, or reimbursement obligations of the authority with respect to any letter of credit, insurance contract, surety bond or similar financial undertaking pertaining to that fund. [1993, c. 729, §10 (new).]

**4. Issuance limit.** The authority may provide that it will not issue bonds if the capital reserve requirement established by the authority with respect to securities

outstanding and then to be issued and secured by a capital reserve fund will exceed the amount of that fund, including the amount available under any letter of credit, insurance contract, surety bond or other similar financial undertaking given to secure the capital reserve requirement, at the time of issuance, unless the authority, at the time of issuance of the securities, deposits in that fund from proceeds of the securities to be issued, or from other sources, an amount that, together with the amounts then in that fund and amounts available under any letter of credit, insurance contract, surety bond or other similar financial undertaking will not be less than the capital reserve requirement. [1993, c. 729, §10 (new).]

**5. Appropriation.** On or before December 1st, annually, the authority shall certify to the Governor the amount, if any, necessary to restore the amount in any capital reserve fund. In trust agreements or other pertinent documents, it must be clearly stated that this subsection applies to the capital reserve requirement. The Governor shall pay from the Contingent Account to that fund as much of the amount as is available in the Contingent Account and shall transmit to the Legislature a certification and a statement of the amount, if any, remaining to be paid and the amount certified must be appropriated and paid to the authority during the then current state fiscal year. [2003, c. 598, §10 (amd).]

**6. Securities outstanding.** The authority may not have at any one time outstanding bonds, which, in the trust agreement or other document, subsection 5 is stated to apply to, in principal amount exceeding an amount equal to \$100,000,000. The amount of bonds issued to refund securities previously issued may not be taken into account in determining the principal amount of securities outstanding, provided that proceeds of the refunding securities are applied as promptly as possible to the refunding of the previously issued securities. In computing the total amount of bonds of the authority that may at any time be outstanding for any purpose, the amounts of outstanding bonds that have been issued as capital appreciation bonds or as similar instruments are valued as of any date of calculation at their then current accreted value rather than their face value. [1995, c. 495, §8 (amd).]

**7. Other capital reserve funds.** This section, including subsection 5, may not be construed to require that each capital reserve fund established under this section have the benefit described in subsection 5. [2003, c. 598, §11 (new).]

Article 1-C: LORING JOB INCREMENT FINANCING FUND (HEADING: PL 1995, c. 644, @2 (new))

## §13080-O. Loring Job Increment Financing Fund

**1. Short title.** This article may be known and cited as the Loring Job Increment Financing Program Act. [1995, c. 644, §2 (new).]

**2. Establishment of fund.** The Loring Job Increment Financing Fund is established in accordance with this article. [1995, c. 644, §2 (new).]

05 §13080-O

Tourism

(As enacted by PL 1995, c. 560, Pt. B, §11 is REALLOCATED TO TITLE 5,  
SECTION 13090-C)

## **§13080-P. Definitions**

As used in this article, unless the context otherwise indicates, the following terms have the following meanings. [1995, c. 644, §2 (new).]

**1. Affiliated business.** "Affiliated business" means 2 businesses exhibiting either of the following relationships: [1995, c. 644, §2 (new).]

A. One business owns 50% or more of the stock of the other business or owns a controlling interest in the other; or

[1995, c. 644, §2 (new).]

B. Fifty percent of the stock of each business or a controlling interest in each business is directly or indirectly owned by a common owner or owners.

[1995, c. 644, §2 (new).]

**2. Affiliated group.** "Affiliated group" means a qualified business and its corresponding affiliated businesses. [1995, c. 644, §2 (new).]

**3. Assessor.** "Assessor" means the State Tax Assessor. [1995, c. 644, §2 (new).]

**4. Authority.** "Authority" means the Loring Development Authority of Maine. [1995, c. 644, §2 (new).]

**5. Base area.** "Base area" means the area within the geographic boundaries of Loring Air Force Base, as defined in section 13080-A. [1995, c. 644, §2 (new).]

**6. Base level of employment.** "Base level of employment" means the total employment in the base area as of July 1, 1996. [1995, c. 644, §2 (new).]

**7. Employment tax increment.** "Employment tax increment" means that level of state income withholding taxes attributed to employees employed within the base area, adjusted pursuant to section 13080-R. [1995, c. 644, §2 (new).]

**8. Fund.** "Fund" means the Loring Job Increment Financing Fund. [1995, c. 644, §2 (new).]

**9. Gross employment tax increment.** "Gross employment tax increment" means that level of state income withholding taxes attributed to employees employed within the base area that is greater than the base level of employment. [1995, c. 644, §2 (new).]

**10. Successor business.** "Successor business" means a business that has acquired the organization, trade or business, or 50% or more of the assets of the organization, trade or business, of another taxpayer. [1995, c. 644, §2 (new).]

05 §13080-P

Historical marker program

(As enacted by PL 1995, c. 560, Pt. B, §11 is REALLOCATED TO TITLE 5, SECTION 13090-D)

## **§13080-Q. Payments allowed**

**1. Fund to receive income tax revenues from job creation.** Subject to the provisions of subsection 2 and section 13080-S, the fund must receive annually from the State 50% of the employment tax increment. [1995, c. 644, §2 (new).]

**2. Limitations.** Payments to the fund pursuant to this section are subject to the following limitations. [1997, c. 504, §1 (amd).]

A. Revenues received under this section must be used solely to fund the costs of municipal services, including, but not limited to, water, sewer, fire protection, police protection, sanitation services and the maintenance of grounds and roads.

[1995, c. 644, §2 (new).]

B. To the extent that revenues received by the fund are not expended for current costs of municipal services, the fund must retain the revenues to defray future costs of providing the municipal services.

[1995, c. 644, §2 (new).]

C. State income withholding taxes derived from employment at a business within the base area are not eligible for use in the calculation of a payment to the fund if the business is eligible during the current year to receive a payment under any other program authorized by Title 36, Part 9 that is based on the amount of employer withholding taxes and the business has made or makes an election to receive that payment.

[1997, c. 504, §1 (amd).]

D. Payments made to the fund may not be made for tax years beginning on or after July 1, 2016.

[1995, c. 644, §2 (new).]

#### 05 §13080-Q

##### Tourism marketing and development strategy

(As enacted by PL 1995, c. 560, Pt. B, §11 is REALLOCATED TO TITLE 5, SECTION 13090-E)

#### **§13080-R. Calculation of employment tax increment**

The assessor shall calculate the employment tax increment as follows. [1995, c. 644, §2 (new).]

**1. Adjustment for shifted revenues.** The assessor shall subtract from the gross employment tax increment any revenues attributed to employment shifted from affiliated businesses to a business located within the base area. This adjustment is calculated by comparing the current year's income withholding tax revenues for businesses that are members of an affiliated group with revenues for the group as a whole. If the growth in income withholding tax revenue for any group exceeds the growth of income withholding tax revenue generated by the group's member business within the base area, the portion of the gross employment tax increment attributable to that business does not have to be adjusted to remove employment shifted from affiliated businesses. If the growth in income withholding tax revenue for any group is less than the growth in income withholding tax revenue for that group's member business within the base area, the difference is presumed to have been shifted from affiliated businesses to the base area and the portion of the gross employment tax increment attributable to that business is reduced by the difference. [1995, c. 644, §2 (new).]

**2. Adjustment based on percentage change in withholding taxes for all business in State.** The assessor shall adjust the calculation of the employment tax increment by subtracting from the gross employment tax increment a figure obtained by multiplying the previous year's total amount of income taxes withheld within the base area by the percentage change in withholding taxes for all business within the State as a whole. [1995, c. 644, §2 (new).]

**3. Adjustment for successor business.** The assessor shall further adjust the calculation of the employment tax increment, for any business that is a successor business, by subtracting from the gross employment tax increment any income tax withholding revenues attributable to a business acquired by the successor business after July 1, 1994. [1995, c. 644, §2 (new).]

05 §13080-R

Maine Tourism Commission

(As enacted by PL 1995, c. 560, Pt. B, §11 is REALLOCATED TO TITLE 5, SECTION 13090-F)

**§13080-S. Information to be provided to the assessor; approval of payment**

**1. Certification by authority.** The authority shall certify annually to the assessor by September 30th of each year, beginning in 1997, the following information: [1995, c. 644, §2 (new).]

A. Employment, payroll and state withholding data necessary to calculate the base level of employment;

[1995, c. 644, §2 (new).]

B. The total number of employees added during the previous year within the base area above the base level of employment, including additional associated payroll and withholding data necessary to calculate the gross employment tax increment and establish the appropriate payment to the fund;

[1995, c. 644, §2 (new).]

C. A listing of all employers within the base area that pay withholding taxes, the locations of those employers and the number of employees at each location; and

[1995, c. 644, §2 (new).]

D. A listing of all affiliated businesses and affiliated groups, data regarding current employment, payroll and state income withholding taxes for each affiliated business within the base area.

[1995, c. 644, §2 (new).]

**2. Approval of payment.** Upon receipt of the information required by this section, the assessor shall review the information in a timely fashion. If the assessor determines that the requirements of this article are satisfied, the assessor shall approve payment to the fund. [1995, c. 644, §2 (new).]

**3. Deposit and payment of revenue.** On or before June 30th of each year, if the approval of the assessor has been issued pursuant to subsection 2, the Commissioner of Administrative and Financial Services shall deposit an amount equal to 50% of the

employment tax increment for the preceding year into a contingent account established, maintained and administered by the Commissioner of Administrative and Financial Services. On or before July 31st of each year, the Commissioner of Administrative and Financial Services shall pay that amount to the fund. [1995, c. 644, §2 (new).]

**05 §13080-S**

**Travel Promotion Matching Fund Program**

(As enacted by PL 1995, c. 560, Pt. B, §11 is REALLOCATED TO TITLE 5, SECTION 13090-G)

**§13080-T. Program administration**

The assessor shall administer the Loring Job Increment Financing Program. The assessor may adopt rules pursuant to the Maine Administrative Procedure Act for implementation of the program. The assessor may also by rule establish reasonable fees, including fees payable to the assessor for obligations under this article. Any fees collected pursuant to this article must be deposited into a special revenue account administered by the assessor and these fees may be used only to defray the actual costs of administering the Loring Job Increment Financing Program. [1995, c. 644, §2 (new).]

**05 §13080-T**

**Maine State Film Commission**

(As enacted by PL 1995, c. 560, Pt. B, §11 is REALLOCATED TO TITLE 5, SECTION 13090-H)

**§13080-U. Maine State Film Office**

REALLOCATED TO TITLE 5, SECTION 13090-I

Article 2: COMMUNITY INDUSTRIAL BUILDING AUTHORITY (HEADING: PL 1987, c. 534, Pt. A, @@17,19 (new); 1989, c. 502, Pt. C, @1 (rpr); 2001, c. 703, @5 (rp))

**§13081. Definitions (REPEALED)**

**§13082. Community Industrial Buildings Fund (REPEALED)**

**§13083. Assistance to development corporations (REPEALED)**

Article 2-A: WASHINGTON COUNTY DEVELOPMENT AUTHORITY (HEADING: PL 2001, c. 568, @1 (new))

**§13083-A. Washington County Development Authority established**

The Washington County Development Authority is established as a body corporate and politic and a public instrumentality of the State to carry out the provisions of this article. The authority is authorized to take title, acquire and manage in the name of the State and by agreement with the Federal Government the property located within the geographical boundaries of any decommissioned federal military facility located within

Washington County. [2001, c. 568, §1 (new).]

### **§13083-B. Definitions**

As used in this article, unless the context otherwise indicates, the following terms have the following meanings. [2001, c. 568, §1 (new).]

**1. Authority.** "Authority" means the Washington County Development Authority. [2001, c. 568, §1 (new).]

**2. Base area.** "Base area" means the area within the geographical boundaries of any decommissioned federal military facility located within Washington County to which the authority has taken title. [2001, c. 568, §1 (new).]

**3. Primary impact community.** "Primary impact community" means the municipalities of Cutler, Machias, East Machias, Eastport, Lubec, Whiting and Dennysville. [2001, c. 568, §1 (new).]

**4. Readjustment or reuse.** "Readjustment" or "reuse" means an alternative use of the base area from its use as a military installation. [2001, c. 568, §1 (new).]

**5. Real or personal property.** "Real or personal property" means any property or assets transferred by the Federal Government or the United States Department of Defense pursuant to the closure of a federal military installation located in Washington County. [2001, c. 568, §1 (new).]

### **§13083-C. Washington County Development Authority; powers; membership; obligations**

**1. Powers.** The authority is a public municipal corporation and may: [2003, c. 688, Pt. A, §2 (amd).]

A. Sue and be sued;

[2001, c. 568, §1 (new).]

B. Adopt bylaws or regulations consistent with this article for the governance of its affairs;

[2001, c. 568, §1 (new).]

C. Exercise all of the general powers of corporations under Title 13-C, section 302; [2003, c. 688, Pt. A, §2 (amd).]

D. Accept from the Federal Government and dispose of by lease, sale or transfer the real or personal property located within the geographical boundaries of a decommissioned federal military facility located within Washington County;

[2001, c. 568, §1 (new).]

E. Apply for and accept grants from private and public entities to provide necessary funding for the activities of the authority and to carry out the purposes of this article;

[2001, c. 568, §1 (new).]

F. Contract with the Federal Government or its instrumentalities or agencies; this State or its agencies, instrumentalities or municipalities; public bodies; and private corporations, partnerships, associations and individuals to carry out the purposes of

this article;

[2001, c. 568, §1 (new).]

G. Adopt rules pursuant to the Maine Administrative Procedure Act. Rules adopted pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter II-A; and

[2001, c. 568, §1 (new).]

H. Take all other lawful action necessary and incidental to the powers under this subsection.

[2001, c. 568, §1 (new).]

**2. Membership; appointment.** The authority is governed by a board of trustees composed of 9 voting members appointed or designated by the Governor. [2001, c. 568, §1 (new).]

A. The Governor shall make 8 appointments to the board of trustees, 6 of which must be from a pool of candidates who are residents of Washington County and are nominated by the primary impact communities. The Governor shall appoint members who reflect the diversity of interests represented by these communities.

[2001, c. 568, §1 (new).]

B. The Governor shall designate a commissioner of a department of State Government to be a voting, ex officio member of the board of trustees.

[2001, c. 568, §1 (new).]

The 8 appointed members are subject to review by the joint standing committee of the Legislature having jurisdiction over business and economic development matters and to confirmation by the Senate. [2001, c. 568, §1 (new).]

**3. Terms.** Trustees are appointed for 4-year terms, except that, for initial appointments, one trustee is appointed to a one-year term, 2 trustees to 2-year terms, 2 trustees to 3-year terms and 3 trustees to 4-year terms. The commissioner designated pursuant to subsection 2, paragraph B serves at the pleasure of the Governor. A trustee continues to hold office until a successor is appointed and qualified, but the term of the successor is not altered from the original expiration date of that term. [2001, c. 568, §1 (new).]

**4. Quorum.** Five members constitute a quorum. Five affirmative votes are required for the board of trustees to take action. [2001, c. 568, §1 (new).]

**5. Liability.** The liability of the authority is governed by the Maine Tort Claims Act, Title 14, chapter 741. Trustees are not subject to any personal liability for having acted in the service of their duty as board members of the authority. [2001, c. 568, §1 (new).]

**6. Expenses.** A trustee is not entitled to receive compensation for services to the authority but is entitled to receive reimbursement for necessary expenditures, including travel expenses, incurred in carrying out those services if the authority has available funds to reimburse such expenses. [2001, c. 568, §1 (new).]

**7. Officers; temporary agents.** The trustees shall elect a chair and vice-chair from among their members. The authority may contract with technical experts and other temporary agents that it requires if the authority has available funds to reimburse such experts and agents for their services. For required legal services, the authority may retain its own legal counsel. [2001, c. 568, §1 (new).]

**§13083-D. Property of authority**

The authority may lease, sell or transfer property or interests in property to a local development corporation or other entity determined by the trustees to be eligible to take ownership and possession of the property or interests in property to accomplish the readjustment or reuse of the facilities. [2001, c. 568, §1 (new).]

**§13083-E. Termination of authority**

The authority is not dissolved until it is terminated by the Legislature. [2001, c. 568, §1 (new).]

**§13083-F. Annual report**

**1. Annual report.** The authority shall submit to the Governor, the Executive Director of the Legislative Council and the joint standing committee of the Legislature having jurisdiction over business and economic development matters, not later than 120 days after the close of the authority's fiscal year, a complete report on the activities of the authority. The report may also be provided to any other member of the Legislature and to any other person. The report must include for the previous year: [2001, c. 568, §1 (new).]

A. A description of the authority's operations and activities;

[2001, c. 568, §1 (new).]

B. An accounting of the authority's receipts and expenditures and assets and liabilities at the end of its fiscal year;

[2001, c. 568, §1 (new).]

C. A listing of all property transactions pursuant to section 13083-D;

[2001, c. 568, §1 (new).]

D. A statement of the authority's proposed and projected activities for the ensuing year; and

[2001, c. 568, §1 (new).]

E. Recommendations regarding further actions that may be suitable for achieving the purposes of this article.

[2001, c. 568, §1 (new).]

Article 3: ENERGY CONSERVATION DIVISION (HEADING: PL 1989, c. 875, Pt. M, @7 (new))

**§13084. Energy conservation programs (REPEALED)**

**§13085. State standards for appliance energy efficiency (REPEALED)**

Article 4: AFFORDABLE HOUSING (HEADING: PL 1989, c. 875, Pt. M, @7 (new); 1991, c. 610, @1 (rp))

**§13086. Maine Affordable Housing Alliance established (REPEALED)**

**§13087. Coordination (REPEALED)**

**§13088. Advisory committee established (REPEALED)**

Article 5: ECONOMIC OPPORTUNITY (Repealed by P&SL 1991, chapter 57 and PL 1991, c. 606, Pt. G, @2. Failed at referendum.)

Article 5-A: ECONOMIC OPPORTUNITY (HEADING: PL 1991, c. 780, Pt. N, @1 (new))

**§13090-A. Economic Opportunity Fund**

**1. Creation.** The Economic Opportunity Fund, referred to in this section as the "fund," is created under the jurisdiction and control of the department. [1991, c. 780, Pt. N, §1 (new).]

**2. Sources of money.** The fund consists of the following: [1991, c. 780, Pt. N, §1 (new).]

A. All money appropriated or allocated for inclusion in the fund, from whatever source;

[1991, c. 780, Pt. N, §1 (new).]

B. Subject to any pledge, contract or other obligation, all interest, dividends or other pecuniary gains from investment of money from the fund;

[1991, c. 780, Pt. N, §1 (new).]

C. Subject to any pledge, contract, fee or other obligation, any money that the department receives in repayment of advances from the fund; and

[1991, c. 780, Pt. N, §1 (new).]

D. Any other money available to the department and directed by the department to be paid into the fund.

[1991, c. 780, Pt. N, §1 (new).]

**3. Application of fund.** Money in the fund may be applied to carry out any power of the department under or in connection with section 13090-B or to pay obligations incurred in connection with the fund. Money in the fund not needed to meet the obligations of the department as provided in this section may accrue interest and be invested in a manner permitted by law. [1991, c. 780, Pt. N, §1 (new).]

**4. Allocations from fund.** The department may request allocations from the fund as it determines necessary or convenient to carry out this article, including, but not limited

to, allocations for grants or loans. [1991, c. 780, Pt. N, §1 (new).]

**5. Revolving fund.** The fund is a non-lapsing, revolving fund. The department shall apply continuously all money in the fund to carry out this article. [1991, c. 780, Pt. N, §1 (new).]

## **§13090-B. Economic Opportunity Program**

The Economic Opportunity Program, referred in this section as the "program," is established to provide grants to municipalities for public and private investments to stimulate economic growth. [1991, c. 780, Pt. N, §1 (new).]

**1. Eligibility for loans.** Municipalities may apply to the department for grants under the program. Municipalities shall loan money from those grants to business entities based on the following eligibility criteria. [1999, c. 272, §2 (amd).]

A. The projects to be financed must:

- (1) Pertain to manufacturing, industrial, real estate development, child care, recreational or natural resource enterprises;
- (2) Be located or establishing a presence in the State; and
- (3) Provide significant public benefit in relation to the amount of the loan, as determined by the department. Public benefits include, but are not limited to: increased opportunities for employment; increased capital flows, particularly of capital from outside the State; increased state and municipal tax revenues; rehabilitation of blighted or underutilized areas; and provision of necessary services.

Loan proceeds may be used for any appropriate commercial purpose, as determined by the department, including working capital.

[1999, c. 272, §2 (amd).]

B. The department must determine that the borrower is a for-profit or nonprofit commercial entity and that it is creditworthy and reasonably likely to repay the loan.

[1991, c. 780, Pt. N, §1 (new).]

C. The department must determine that the loan is necessary to implement the project because the borrower either has insufficient access to other funds or demonstrates, and the department determines, that the project would not provide the projected public benefits without the availability of the loan.

[1991, c. 780, Pt. N, §1 (new).]

D. The department must determine that the project would not result in a substantial detriment to existing business in the State. In making this determination, the department shall consider factors it considers necessary to measure and evaluate the effect of the project on existing business, including:

- (1) Whether a loan for a project should be approved if, as a result of the project, there would not be sufficient demand within the market area of the State served by the project to employ the efficient capacity of existing business; and
- (2) Whether any adverse economic effect of the project on existing business or

other municipalities is outweighed by the contribution that the project would make to the economic growth and vitality of the State.

The applicant for the loan has the burden of demonstrating a reasonable likelihood that the project would not result in a substantial detriment to existing business or other municipalities, except in cases in which no interested parties object to the project, in which event the requirements of this paragraph are satisfied. Interested parties must be given an opportunity, with or without a hearing at the discretion of the department, to present their objections to the project on grounds that the project would result in a substantial detriment to existing business or other municipalities. If such a party presents these objections with reasonable specificity and persuasiveness, the department may divulge whatever information concerning the project it considers necessary for a fair presentation by the objecting party and evaluation of such objections. If the department finds that the applicant has failed to meet its burden of proof as specified in this paragraph, the application must be denied.

[1991, c. 780, Pt. N, §1 (new).]

**2. Loan terms and conditions.** The department may establish prudent terms and conditions for loans, including limiting the amount of loans for any one project and requiring adequate collateral for the loans. Loan terms may not exceed 20 years for loans primarily secured by real estate, 10 years for loans secured primarily for machinery and equipment and 7 years for other loans. The interest rate charged on each loan must be determined on a case-by-case basis. [1991, c. 780, Pt. N, §1 (new).]

**3. Rulemaking.** The department shall establish rules to implement the program. [1991, c. 780, Pt. N, §1 (new).]

**4. Local and regional organizations.** [T. 5, §13090-B, sub-§4 (rp).]

**5. Nonprofit organizations.** [T. 5, §13090-B, sub-§5 (rp).]

Article 5-B: TOURISM (HEADING: PL 1995, c. 560, Pt. B, @11 (new); RR 1995, c. 2, @11 (ral))

#### **§13090-C. Tourism (REALLOCATED FROM TITLE 5, SECTION 13080-O)**

**1. Tourism; establishment.** The Office of Tourism shall administer a program to support and expand the tourism industry and promote the State as a tourist destination. The Director of the Office of Tourism shall administer the office in accordance with the policies of the commissioner and the provisions of this article. The office includes the Maine Tourism Commission and the Maine State Film Commission. [2003, c. 198, §6 (amd).]

**2. Duties.** The Director of the Office of Tourism shall: [2003, c. 198, §7 (amd).]

A. Implement advertising and promotion programs to market the State's travel industry and to attract on-location filming of movies, advertisements and videos in the State;

[RR 1995, c. 2, §11 (ral).]

B. Print, or cause to have printed, alone or in cooperation with other travel promotion agencies and groups, booklets, brochures, pamphlets and other materials as required to fulfill requests for information on the State's travel products and the State's

facilities, sites and services for the filming of movies and videos in the State;

[RR 1995, c. 2, §11 (ral).]

C. Encourage the development of travel product facilities and activities by locating potential developers, providing market and feasibility analysis, assisting developers in complying with applicable laws and rules and providing technical assistance to local decision making, including decisions regarding site selection, financing and utilities;

[RR 1995, c. 2, §11 (ral).]

D. Review and comment upon the policies and programs of state agencies that directly affect the achievement of the duties and responsibilities of the office;

[RR 1995, c. 2, §11 (ral).]

E. Provide basic support and discretionary matching grants to local, regional and statewide nonprofit agencies that directly affect the achievement of the duties and responsibilities of the office;

[RR 1995, c. 2, §11 (ral).]

F. Staff or cause to be staffed any information center constructed, owned, leased, acquired or operated by the State;

[RR 1995, c. 2, §11 (ral).]

G. Employ or engage outside technical or professional consultants or organizations as are necessary or appropriate to assist the office in carrying out its functions;

[RR 1995, c. 2, §11 (ral).]

H. Accept fees as the director may designate for the preparation and distribution of books, booklets, brochures, pamphlets, films, photos, maps, exhibits, mailing lists and all similar materials and media advertising. There is established within the office a revolving fund for the use of the office to help offset the preparation and distribution costs of these materials. The office shall retain, without charge, an appropriate number of each publication for complimentary distribution. Income from the sale of publications and other materials charged to the revolving fund is credited to the revolving fund to be used as a continuing carrying account to carry out the purposes of the revolving fund;

[RR 1995, c. 2, §11 (ral).]

I. Subject to the approval of the commissioner, adopt, amend and repeal rules to carry out the purposes of this section; and

[RR 1995, c. 2, §11 (ral).]

J. Undertake other activities that the commissioner considers appropriate and necessary to ensure the successful implementation of this section.

[RR 1995, c. 2, §11 (ral).]

**§13090-D. Historical marker program (REALLOCATED FROM TITLE 5,  
SECTION 13080-P)**

**1. Historical markers.** The Director of the Office of Tourism may erect historical markers or signs on any highway. No more than 10 historical markers may be erected in one year. Markers that would interfere with reasonable use of highways may not be erected. [2003, c. 198, §8 (amd).]

**2. Review council.** The Director of the Office of Tourism shall consult with the Maine Historic Preservation Commission and the Department of Transportation on the historical marker program. Before erecting any marker, the director shall secure the Maine Historic Preservation Commission's approval of the marker, the marker's location and the marker's wording. The Maine Historic Preservation Commission shall obtain, or cause to be obtained, as needed, information on the event to be commemorated and on the appropriate location for the marker, including consulting historians and holding public hearings. [2003, c. 198, §8 (amd).]

**3. Municipal permission.** Municipal officers may permit the erection of monuments, tablets and markers by individuals or societies on public highways or other public grounds, in places and of a character as may be approved by the municipal officers, to indicate the occurrence of historic events and matters of public interest, as long as the markers do not interfere with reasonable use of the highways or other public places. [RR 1995, c. 2, §11 (ral).]

**4. Cooperative agreements.** The Maine Historic Preservation Commission may enter into cooperative agreements with any municipality or historical society to erect a historical marker on any highway. The agreement must provide for reasonable sharing of the initial expense and for the municipality or society to maintain and care for the marker. [RR 1995, c. 2, §11 (ral).]

**5. Damages.** If a person's property is damaged by the erection of a monument, tablet or marker, that person may apply to the municipal officers within 6 months after the erection to assess and recover damages. [RR 1995, c. 2, §11 (ral).]

**6. Change of location.** A person whose rights or interests are affected by the location of a monument, tablet or marker may, within 60 days after the approval of the municipal officers, petition the municipal officers for a change of location and, after notice to parties and hearing, the municipal officers may alter or revoke approval to use the location. [RR 1995, c. 2, §11 (ral).]

**7. Petition to court.** If the municipal officers neglect or refuse after 30 days to decide upon any petition addressed to them or if a party whose interests are affected by the decision is dissatisfied with the decision, the dissatisfied petitioner or party may apply to the Superior Court for relief within 60 days of the decision. [RR 1995, c. 2, §11 (ral).]

**8. Return; record; fees.** The municipal officers shall, within 30 days, decide upon every petition presented to them and upon every location approved under this section, and shall cause this information to be recorded by the town clerk. The fees of the municipal officers and town clerk must be paid by the petitioner. [RR 1995, c. 2, §11 (ral).]

#### **§13090-E. Tourism marketing and development strategy (REALLOCATED FROM TITLE 5, SECTION 13080-Q)**

**1. Development.** The Office of Tourism shall develop a 5-year marketing and development strategy for state tourism growth that maximizes the effectiveness of state

and private sector contributions in attracting visitors to the State and increasing tourism-based revenues. The strategy must incorporate components of direct marketing in maintenance and primary markets, matching grants programs, trade markets, regional development and research. [2003, c. 198, §9 (amd).]

**2. Administration.** The Office of Tourism shall administer the components of the strategy after development. Administration includes development of new markets, creation of an image of the State to entice visitor inquiries and provision of appropriate technical assistance and response mechanisms. The Office of Tourism shall support staffing of the visitor information centers and fulfill tourism information requests and shall work in partnership with the tourism industry in the State in administering the strategy. [2003, c. 198, §9 (amd).]

**3. Tourism Marketing and Development Fund.** [RR 1995, c. 2, §11 (ral); T. 5, §13090-E, sub-§3 (rp).]

**§13090-F. Maine Tourism Commission (REALLOCATED FROM TITLE 5, SECTION 13080-R)**

**1. Maine Tourism Commission.** The Maine Tourism Commission, established by section 12004-I, subsection 87 and referred to in this section as the "commission," shall assist and advise the Office of Tourism to achieve its purpose under section 13090-C. The commission consists of 24 voting members appointed by the Governor as follows: [2003, c. 198, §10 (amd).]

A. Three members representing the outdoor sporting interests of the State, including:

- (1) One member representing a statewide organization of hunters, anglers and trappers;
- (2) One member representing the interests of large landowners; and
- (3) One member representing a statewide organization of licensed Maine guides;

[1999, c. 445, §1 (rpr).]

B. Eight public members who represent their respective regions and have experience in the field or have demonstrated concern for the travel industry; and

[1999, c. 445, §1 (rpr).]

C. Thirteen members of major tourism trade associations, including:

- (1) At least one member representing a statewide organization of hotels, motels and inns;
- (2) At least one member representing a statewide organization of restaurants;
- (3) At least one member representing a statewide organization of campground owners;
- (4) At least one member representing the retail sector in the State;
- (5) At least one member representing the motorcoach industry;
- (6) At least one member representing the air transportation industry;
- (7) At least one member representing arts and cultural organizations; and

(8) At least one member representing a statewide organization of children's camps.

[1999, c. 445, §1 (rpr).]

The terms of the voting members are for 4 years each. The Governor shall fill a vacancy in the membership for any unexpired term. The commissioners, directors or designees of the following state departments or offices shall serve as ex officio, nonvoting members of the commission: the department; the State Planning Office; the Department of Conservation; the Department of Transportation; the Department of Inland Fisheries and Wildlife; the Department of Agriculture, Food and Rural Resources; the Department of Education; and the Bureau of Public Improvements. The Canadian Affairs Coordinator shall also serve as an ex officio, nonvoting member of the commission. A chair and vice-chair of the commission must be elected annually from the appointed membership. [2003, c. 198, §10 (amd).]

**2. Powers and duties.** The commission shall: [2003, c. 198, §10 (amd).]

A. Recommend rules for the implementation of section 13090-G and make recommendations on the award of matching funds to the commissioner and the Director of the Office of Tourism;

[2003, c. 198, §10 (amd).]

B. Recommend policy guidelines on marketing, promotion and advertising strategies to the Office of Tourism;

[2003, c. 198, §10 (amd).]

C. Conduct public hearings necessary to obtain input concerning tourism policy development from a broad cross-section of travel interests;

[RR 1995, c. 2, §11 (ral).]

D. Assist the Office of Tourism in providing technical assistance to the travel industry and in planning and conducting periodic tourism conferences;

[2003, c. 198, §10 (amd).]

E. Prepare a report for annual submission to the Governor and the Legislature relative to the programs, policies and accomplishments of the commission; and

[RR 1995, c. 2, §11 (ral).]

F. Assist the Office of Tourism in other areas the commissioner considers appropriate and necessary to ensure the successful implementation of this section.

[2003, c. 198, §10 (amd).]

**3. Compensation.** Commission members are entitled to compensation as provided by chapter 379. [RR 1995, c. 2, §11 (ral).]

**§13090-G. Travel Promotion Matching Fund Program (REALLOCATED FROM TITLE 5, SECTION 13080-S)**

**1. Statement of purpose.** The Travel Promotion Matching Fund Program is established for the following purposes: [2003, c. 198, §11 (amd).]

A. To allow the State to provide part of the funds necessary for public and private,

nonprofit travel promotional organizations to conduct promotional programs; and  
[RR 1995, c. 2, §11 (ral).]

B. To strengthen the State's image by coordinating the promotional efforts of the private sector with those of the Office of Tourism.

[2003, c. 198, §11 (amd).]

**2. Eligible organization.** Matching funds must be made available to those nonprofit travel promotional organizations that best meet the purposes of this section. An organization may not disburse state matching funds to a private, for-profit business for the purpose of promoting its goods, services, functions or activities. [RR 1995, c. 2, §11 (ral).]

**3. Limitations.** This section does not reduce any organization's financial participation in any ongoing project, but rather to increase or develop new programs. The grant program as established in subsection 4, must be geared to specific promotional efforts and costs and is not intended to match any administrative costs, including any form of personal services. [RR 1995, c. 2, §11 (ral).]

**4. Administration.** The Office of Tourism shall administer the Travel Promotion Matching Fund Program with such flexibility as to bring about the most effective and economical travel promotion program possible. Applications from all regions of the State must be equally considered. The Maine Tourism Commission shall recommend rules and procedures necessary and appropriate to the proper operation of the Travel Promotion Matching Fund Program. These rules must establish eligibility requirements, allocation formulas, application procedures and criteria subject to the final approval of the commissioner. The Maine Tourism Commission shall establish a schedule for review of grant applications and make timely recommendations of grant awards to the Office of Tourism. Grants recommended by the Maine Tourism Commission to the Office of Tourism must be approved by the Director of the Office of Tourism prior to any disbursement of funds. [2003, c. 198, §12 (amd).]

**5. Bookkeeping systems.** The department and all tourist promotional organizations qualifying for matching funds under this section shall keep accurate records of any applications, transactions, payment receipts and correspondence relating to the implementation of the Travel Promotion Matching Fund Program. [RR 1995, c. 2, §11 (ral).]

A. The department shall establish a standard accounting procedure to be used by any organization receiving money under this section.

[RR 1995, c. 2, §11 (ral).]

B. The records of any organization pertaining to accounts and contracts funded with money under this section must be open to audit by the State or by any firm employed by the State to audit these records.

[RR 1995, c. 2, §11 (ral).]

Additional matching funds may not be awarded to an organization until the provisions of this subsection have been met. [RR 1995, c. 2, §11 (ral).]

**§13090-H. Maine State Film Commission (RELOCATED FROM TITLE 5,  
SECTION 13080-T)**

**1. Maine State Film Commission established.** The Maine State Film Commission, as established by section 12004-I, subsection 88, is within the Office of Tourism and shall advise and assist the office as necessary. The commission shall advise the commissioner and the Director of the Office of Tourism with respect to the operation of the Maine State Film Commission program. [2003, c. 198, §13 (amd).]

A. The commission consists of 11 members appointed by the Governor.

(1) The members appointed must be involved in a related business field or have experience or familiarity with media marketing or public relations. The Governor shall ensure an equitable regional representation from the State.

(2) The Director of the Maine Arts Commission and the commissioner shall serve as ex officio, nonvoting members of the commission.

[RR 1995, c. 2, §11 (ral).]

B. The terms of office of commission members are as follows.

(1) All members are appointed for 3-year terms. Of those first appointed, 3 are appointed for 3-year terms, 4 are appointed for 2-year terms and 4 are appointed for one-year terms. The Governor shall designate the terms of office of those first appointed at the time of appointment.

(2) Members shall serve until their successors are appointed and take office. The Governor may terminate the membership of any appointee for just cause and the reason for the termination must be communicated in writing to each member whose term is so terminated.

(3) Vacancies must be filled in the same manner as original appointments, except that any person appointed to fill a vacancy shall serve for the remainder of the unexpired term of the vacancy.

[RR 1995, c. 2, §11 (ral).]

C. The chair and vice-chair are appointed by the Governor annually at the first meeting of the commission and serve for one-year terms.

(1) The chair shall call meetings of the commission.

[RR 1995, c. 2, §11 (ral).]

D. Members are compensated for expenses only in accordance with chapter 379.

[RR 1995, c. 2, §11 (ral).]

E. Financing of promotional and development materials and expenses pursuant to this section must be made with funds within the limit of the budget of the department for the Office of Tourism.

[2003, c. 198, §13 (amd).]

**2. Powers and duties.** The Maine State Film Commission has the following powers and duties: [2003, c. 198, §14 (amd).]

A. To recommend rules for the implementation of the provisions relating to the

promotion of filming activities in the State;

[RR 1995, c. 2, §11 (ral).]

B. To advise and assist the Director of the Maine State Film Office and the Director of the Office of Tourism with respect to this section and section 13090-I;

[2003, c. 198, §14 (amd).]

C. To raise and accept funds from public and private sources to be used to promote filming activities in the State; and

[RR 1995, c. 2, §11 (ral).]

D. To promote the State for in-state, on-location filming of movies, advertisements and videos.

[RR 1995, c. 2, §11 (ral).]

#### **§13090-I. Maine State Film Office (REALLOCATED FROM TITLE 5, SECTION 13080-U)**

The Maine State Film Office is established within the Office of Tourism. The Director of the Maine State Film Office is responsible for undertaking a program of film promotion and implementing the recommendations and policies of the commissioner. [2003, c. 198, §15 (amd).]

#### **§13090-J. Tourism Cooperative Marketing Fund (CONTAINS TEXT WITH VARYING EFFECTIVE DATES)**

(WHOLE SECTION TEXT EFFECTIVE UNTIL 7/1/07)

**1. Statement of purpose.** The Tourism Cooperative Marketing Fund is established to allow the Office of Tourism to accept private donations to be used in support of special public and private marketing opportunities. [2003, c. 198, §16 (amd).]

**2. Tourism Cooperative Marketing Fund.** The Tourism Cooperative Marketing Fund, referred to in this section as the "fund," is established as an interest-bearing account. All charges collected pursuant to this section must be deposited into the fund. All interest earned by the account becomes part of the fund. Any balance remaining in the fund at the end of the fiscal year does not lapse but is carried forward into subsequent fiscal years. Revenue to the fund is collected, managed, deposited, invested and disbursed by the Office of Tourism. [2003, c. 198, §16 (amd).]

**3. Revenue sources.** For purposes of funding its activities, the Office of Tourism is authorized to accept donations from private sources and shall consult with donors in making distribution determinations. [2003, c. 198, §16 (amd).]

**4. Administrative costs.** The Office of Tourism may retain a portion of the total donations collected equivalent to the office's administrative costs incurred in the collection and remission of the donations, not to exceed 2% of the total donations collected. [2003, c. 198, §16 (amd).]

**5. Reporting requirements.** The Office of Tourism shall submit a report by February 1, 1998 and February 1st of each subsequent year to the joint standing committees of the Legislature having jurisdiction over economic development matters and appropriations and financial affairs identifying the amount collected and how the

fund was disbursed by the office. [2003, c. 198, §16 (amd).]

**6. Repeal.** This section is repealed on July 1, 2007. The Office of Tourism shall provide its recommendations to the Governor and the joint standing committee of the Legislature having jurisdiction over economic development matters concerning the need for extending authorization of the fund. [2003, c. 198, §16 (amd).]

**05 §13090-J**

**Tourism Cooperative Marketing Fund**

(WHOLE SECTION TEXT REPEALED 7/1/07 by T. 5, §13090-J, sub-§6; PL 2003, c. 198, §16 (amd))

**§13090-K. Tourism Marketing Promotion Fund**

**1. Fund established.** The Tourism Marketing Promotion Fund is established in the Department of Economic and Community Development, Office of Tourism as a non-lapsing dedicated account. [2001, c. 439, Pt. UUUU, §1 (new).]

**2. Source of fund.** Beginning July 1, 2003 and every July 1st thereafter, the State Controller shall transfer to the Tourism Marketing Promotion Fund an amount, as certified by the State Tax Assessor, that is equivalent to 5% of the 7% tax imposed on tangible personal property and taxable services pursuant to Title 36, section 1811, for the first 6 months of the prior fiscal year after the reduction for the transfer to the Local Government Fund as described by Title 30-A, section 5681, subsection 5. Beginning on October 1, 2003 and every October 1st thereafter, the State Controller shall transfer to the Tourism Marketing Promotion Fund an amount, as certified by the State Tax Assessor, that is equivalent to 5% of the 7% tax imposed on tangible personal property and taxable services pursuant to Title 36, section 1811, for the last 6 months of the prior fiscal year after the reduction for the transfer to the Local Government Fund. The tax amount must be based on actual sales for that fiscal year and may not consider any accruals that may be required by law. The amount transferred from General Fund sales and use tax revenues does not affect the calculation for the transfer to the Local Government Fund. [2001, c. 439, Pt. UUUU, §1 (new).]

**3. Restrictions.** A minimum of 10% of the funds received by the Tourism Marketing Promotion Fund in accordance with subsection 2 must be used for regional marketing promotion and regional special events promotion. [2001, c. 439, Pt. UUUU, §1 (new).]

Subchapter 4: TOURISM (HEADING: PL 1987, c. 534, Pt. A, @@17, 19 (new); 1989, c. 875, Pt. M, @8 (rp))

**§13091. Findings (REPEALED)**

**§13092. Office of Tourism (REPEALED)**

**§13092-A. Historical marker program (REPEALED)**

**§13093. Maine Tourism Commission (REPEALED)**

**§13094. Travel Promotion Matching Fund Program (REPEALED)**

**§13095. Maine State Film Commission (REPEALED)**

**§13096. Powers and duties (REPEALED)**

**§13097. Director of the Maine State Film Commission (REPEALED)**

Subchapter 5: DEVELOPMENT POLICY (HEADING: PL 1987, c. 534, Pt. A, @ @17,19 (new); 1989, c. 875, Pt. M, @9 (rp))

**§13101. Division of Development Policy; established (REPEALED)**

**§13102. Division of Development Policy; duties (REPEALED)**

Subchapter 5-A: RESEARCH (HEADING: PL 1999, c. 731, Pt. SSS, @1 (new))

**§13103. Maine Biomedical Research Program**

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings. [2001, c. 196, §§2-4 (amd).]

A. "Biennium" means that period of time encompassed by the state budget fiscal biennium.

[1999, c. 731, Pt. SSS, §1 (new).]

A-1. "Academic medical center" is a Maine-based nonprofit clinical, educational and research organization with a critical number of hospital beds, with multiple and independent residency and fellowship programs, with a significant number of residents and fellows and that is affiliated with but independent of a medical school.

[2001, c. 196, §2 (new).]

B. "Eligible institution" means a Maine-based private nonprofit biomedical research institution or academic medical center or medical school that, as of July 1, 2001:

(1) Performs competitive biomedical research in on-site, wetbench biomedical research laboratories in the State, as evidenced by publications in recognized peer review journals; and

(2) Receives or expends funds in the State from federal agencies or specified grant sources for the purpose of producing peer-reviewed biomedical research in on-site, wetbench biomedical research laboratories.

For purposes of this paragraph, "wetbench" has the meaning generally ascribed to that term by the biomedical research community and refers to laboratories that use solutions or cell extracts and biological reagents.

[2001, c. 196, §3 (rpr).]

C. "Fund" means the Maine Biomedical Research Fund established in subsection 3.

[1999, c. 731, Pt. SSS, §1 (new).]

D. "Program" means the Maine Biomedical Research Program established in subsection 2.

[1999, c. 731, Pt. SSS, §1 (new).]

E. "Private nonprofit biomedical research institution" means a Maine-based institution that is a nonprofit organization described in 26 United States Code, Section 501(c)(3); with a primary purpose of biomedical research; with research laboratories on site; with scientific doctoral degrees who are principal investigators on biomedical research grants expended in the State through that institution and who have published a significant number of publications in Index Medicus journals in each of the past 3 years; and with a significant level of research activity funded by specified grant sources.

[2001, c. 196, §4 (new).]

F. "Specified grant sources" means a federal agency, a nonprofit foundation, private company or corporation, a voluntary membership organization such as the American Cancer Society, or an out-of-state educational university, that, as of July 1, 2001, issues grants or contracts for the purpose of producing peer-reviewed biomedical research when the grantee retains complete editorial control over the content of the research performed.

[2001, c. 196, §4 (new).]

G. "Medical school" means a state-based private nonprofit medical school that, as of July 1, 2001, is authorized to grant a doctorate degree in osteopathic or allopathic medicine and is accredited by the American Osteopathic Association or its successor or the Liaison Committee on Medical Education or its successor.

[2001, c. 196, §4 (new).]

**2. Program established.** The Maine Biomedical Research Program is established to promote economic development and jobs in the State primarily by making state investments in organizations with successful results in attracting biomedical research funds from specified grant sources. As a secondary purpose, the Maine Biomedical Research Program is intended to provide incentives for small eligible institutions to grow. The program shall disburse program funds from the Maine Biomedical Research Fund to eligible institutions pursuant to this section. The Maine Biomedical Research Board shall administer the program. The Maine Biomedical Research Board shall: [2003, c. 50, Pt. B, §1 (amd); §2 (aff).]

A. Develop and modify detailed program guidelines consistent with this section in consultation as needed with members of the biomedical community;

[1999, c. 731, Pt. SSS, §1 (new).]

B. Review and if necessary verify applications for funds from eligible institutions;

[1999, c. 731, Pt. SSS, §1 (new).]

- C. Determine whether the institution is an eligible institution;
  - [1999, c. 731, Pt. SSS, §1 (new).]
- D. Verify that the proposed use of program funds is consistent with subsection 4;
  - [1999, c. 731, Pt. SSS, §1 (new).]
- E. Determine the allocation that each eligible institution will receive in a given biennium;
  - [1999, c. 731, Pt. SSS, §1 (new).]
- F. Advertise the availability of funds each biennium; and
  - [1999, c. 731, Pt. SSS, §1 (new).]
- G. Submit each biennium a report to the Governor, the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the joint standing committee of the Legislature having jurisdiction over business, research and economic development matters. The report must include detailed information on the status of the funds in the Maine Biomedical Research Fund, a listing and explanation of each specific source of funding from grant sources for biomedical research and its use and the number of new jobs created in the State and where those jobs are located.
  - [2003, c. 50, Pt. B, §1 (amd); Pt. B, §2 (aff).]

**3. Fund established.** The Maine Biomedical Research Fund is established as an Other Special Revenue fund for the purposes specified in this section. Funds appropriated for this purpose may be transferred on a one-time basis to the Other Special Revenue fund in fiscal year 2000-01. Any unexpended balance in the fund may not lapse, but must be carried forward for the benefit of the fund. [1999, c. 731, Pt. SSS, §1 (new).]

**4. Use of funds.** Program funds are to support biomedical research in this State, with priority given to research and research technologies with the potential to affect diseases and biomedical mechanisms. An eligible institution receiving program funds under this section may use those funds for any of the following purposes: [2001, c. 196, §6 (amd).]

- A. Project funding;
  - [1999, c. 731, Pt. SSS, §1 (new).]
- B. Facilities funding, including debt service;
  - [1999, c. 731, Pt. SSS, §1 (new).]
- C. Equipment used in research, including debt service; or
  - [1999, c. 731, Pt. SSS, §1 (new).]
- D. Ancillary support.
  - [1999, c. 731, Pt. SSS, §1 (new).]

An eligible institution that receives funds under this section may charge overhead expenses consistent with federal research granting criteria. The institution may utilize up to 2% of the program funds it receives to evaluate the impact of the research it is

conducting. An institution is not obligated to expend program funds during the period in which those funds are received, but may carry over funding for up to 5 years. [2001, c. 196, §6 (amd).]

**5. Application procedure.** In order to receive program funds, an eligible institution must submit to the program: [2001, c. 196, §7 (amd).]

A. A preliminary plan describing how the institution would utilize program funds and what research and economic benefits it anticipates as a result of this funding;

[1999, c. 731, Pt. SSS, §1 (new).]

B. Citations of articles from peer review journals published within the previous 2 years that show the institution is engaged in competitive biomedical research;

[1999, c. 731, Pt. SSS, §1 (new).]

C. Copies of the institution's Internal Revenue Service form 990, showing the amount of funding from outside sources;

[1999, c. 731, Pt. SSS, §1 (new).]

D. A breakdown and explanation of all funding from specified grant sources for biomedical research, listing each specific source of funding and its use; and

[2001, c. 196, §7 (amd).]

E. A statement signed by the institution's chief executive officer asserting that all the submitted materials are accurate.

[1999, c. 731, Pt. SSS, §1 (new).]

**6. Allocation of funds to eligible institutions.** The Maine Biomedical Research Board shall allocate funds from the fund to eligible institutions biannually, based on a formula to be developed by the board. The formula must be designed both to provide an ongoing incentive to leverage outside funding and to facilitate the growth of smaller institutions. [2001, c. 196, §8 (rpr).]

A. The formula must link the amount of the program funds to be received by an eligible institution to the total amount of funding that the institution has received or expended from specific grant sources during the previous 2 calendar years for the purpose of producing peer-reviewed biomedical research in on-site biomedical research laboratories in the State. An institution receiving more funding from federal agencies and specified grant sources must receive more program funds under the formula.

[2001, c. 196, §8 (rpr).]

B. The formula must be weighted to provide smaller eligible institutions with an incentive to grow.

[2001, c. 196, §8 (rpr).]

C.

[2001, c. 196, §8 (rp).]

**7. Final plan.** Once funding decisions are made according to the formula established pursuant to subsection 6, each eligible institution shall revise its preliminary

plan into a final plan that reflects the actual amount of funding allocated. A final plan must describe how the institution would utilize the allocated program funds and what research and economic benefits it anticipates as a result of this funding. An institution must submit a final plan to the department prior to disbursement of funding. [1999, c. 731, Pt. SSS, §1 (new).]

**8. Accounting, evaluation and reporting requirements.** Each institution receiving funding shall: [2003, c. 20, Pt. RR, §4, (amd); §18 (aff).]

A. Maintain an accurate accounting of the use of all program funds as required by state procedures and program guidelines;

[1999, c. 731, Pt. SSS, §1 (new).]

B. Undertake an ongoing process to evaluate the impact of the research undertaken with program funds. At a minimum, the evaluation process must be designed to provide the following:

(1) An assessment of the direct and indirect economic impact of the funded research; and

(2) An assessment of the contribution of the funded research to scientific advancement and the institution's competitive position; and

[1999, c. 731, Pt. SSS, §1 (new).]

C. Each biennium, submit a report to the department. The report must include:

(1) An accounting of the use of all program funds received in the previous 2 years, prepared by a certified public accountant;

(2) A summary of the status of any ongoing research;

(3) A summary of the results of any completed research; and

(4) Evaluation data and assessment.

[2003, c. 20, Pt. RR, §4, (amd); §18 (aff).]

**9. Rulemaking.** The Maine Biomedical Research Board may adopt routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A to implement this section. [2003, c. 464, §3 (amd).]

#### **§13104. Maine Biomedical Research Board**

**1. Board established.** The Maine Biomedical Research Board, referred to in this section as the "board," is established pursuant to section 12004-G, subsection 4-B to administer the Maine Biomedical Research Fund and the Maine Biomedical Research Program as provided in section 13103. [2001, c. 196, §9 (new).]

**2. Board membership.** The board consists of 7 members appointed as follows: [2001, c. 196, §9 (new).]

A. Four persons, appointed by the Governor and nominated by a statewide biomedical research coalition;

[2001, c. 196, §9 (new).]

B. Two members, appointed by the Governor, who are distinguished and credentialed

in the type of biomedical research that is performed by eligible institutions defined in section 13103, subsection 1; and

[2001, c. 196, §9 (new).]

C. The commissioner or the commissioner's designee.

[2001, c. 196, §9 (new).]

**3. Initial appointment; terms.** Members of the board appointed by the Governor are appointed for 3-year terms, except for the initial terms of appointment, which are as follows: Two members appointed for one year; 2 members appointed for 2 years; and 2 members appointed for 3 years. Members who serve on the board by virtue of their office serve terms coincident with their terms in office. [2001, c. 196, §9 (new).]

**4. Powers and duties of board.** The board has the following powers and duties: [2001, c. 196, §9 (new).]

A. To perform all duties and take such actions pursuant to section 13103 as necessary to administer the Maine Biomedical Research Program;

[2001, c. 196, §9 (new).]

B. To contract with the Maine Technology Institute for such assistance in fulfilling the board's duties as the board may require; and

[2001, c. 196, §9 (new).]

C. To approve a budget for administration of the Maine Biomedical Research Program.Maine Biomedical Research Board

[2001, c. 196, §9 (new).]

Subchapter 5-B: OFFICE OF INNOVATION (HEADING: PL 2003, c. 673, Pt. M, @8 (new))

Article 1: OFFICE OF INNOVATION (HEADING: PL 2003, c. 673, Pt. M, @8 (new))

### **§13105. Office of Innovation**

**1. Office established.** The commissioner shall establish the Office of Innovation, referred to in this subchapter as "the office." The office shall encourage and coordinate the State's research and development activities to foster collaboration among the State's higher education and nonprofit research institutions and the business community. [2003, c. 673, Pt. M, §8 (new).]

**2. Office functions.** The office shall promote, evaluate and support research and development relevant to the State including: [2003, c. 673, Pt. M, §8 (new).]

A. Technology transfer activities to increase the competitiveness of businesses and public institutions of higher education in the State;

[2003, c. 673, Pt. M, §8 (new).]

B. Effective and efficient application of technologies in the public and private sectors;

[2003, c. 673, Pt. M, §8 (new).]

C. The development of new commercial products and the fabrication of such

products in the State through the Maine Technology Institute under section 15302 and the applied technology development centers under section 15321; and

[2003, c. 673, Pt. M, §8 (new).]

D. Research opportunities that create sustained, interinstitutional, multidisciplinary efforts.

[2003, c. 673, Pt. M, §8 (new).]

The office shall coordinate cooperative efforts among government agencies, the private sector and universities and colleges for the purposes outlined in this subchapter.  
[2003, c. 673, Pt. M, §8 (new).]

### **§13106. Science and technology plan**

The office shall develop and submit the following to the Governor and the Legislature by the first day of the first legislative session of each biennium: [2003, c. 673, Pt. M, §8 (new).]

**1. Action plan.** An action plan for the application of science and technology to improve the State's position in the global economy. The action plan must be based on the State's overall economic development strategy as determined by the commissioner. The action plan must identify specific steps that public and private institutions must implement to improve the State's science and technology infrastructure. The action plan must also identify action steps that could be implemented immediately without new state appropriations and resources and action steps that will require new state appropriations or major reallocation of state appropriations and resources. [2003, c. 673, Pt. M, §8 (new).]

The action plan must include numerical objectives, costs and an evaluation protocol. The action plan must also include a provision for assigning and ensuring accountability for those who receive state research and development funds through the office. In the preparation of this action plan, the office shall seek the advice of state agencies, the Maine Economic Growth Council established in Title 10, section 929-A, the University of Maine System and the business, education and research communities; and [2003, c. 673, Pt. M, §8 (new).]

**2. Report card.** A report card that: [2003, c. 673, Pt. M, §8 (new).]

A. Compares the State's science and technology infrastructure standing to that of other states, based on the results of all independent organizations or reports that make such comparisons and on any other appropriate comparisons as determined by the office and those agencies with which the office is directed by this section to consult;

[2003, c. 673, Pt. M, §8 (new).]

B. Assesses the performance of the State and those who receive state funds in meeting the goals and objectives and taking the action steps outlined in the action plan; and

[2003, c. 673, Pt. M, §8 (new).]

C. Makes recommendations for improving the results shown on the report card.

[2003, c. 673, Pt. M, §8 (new).]

### **§13107. Comprehensive research and development evaluation**

The office shall develop and submit to the Governor and the Legislature by July 1, 2006 and on July 1st every 5 years thereafter an evaluation of state investments in research and development. The evaluation must: [2003, c. 673, Pt. M, §8 (new).]

**1. Outcome measures.** Establish outcome measures considered appropriate by public and private practitioners inside and outside of the State in the fields of research and development and economic development. Practitioners in this State must include, but are not limited to, a representative from the University of Maine System, a representative of the targeted technology sectors, a representative of the Executive Department, State Planning Office and representatives of other state agencies having economic development responsibility; [2003, c. 673, Pt. M, §8 (new).]

**2. Independent reviewers.** Utilize independent reviewers to assess the competitiveness of technology sectors in this State and the impact of research and development activities in this State on economic development in this State; and [2003, c. 673, Pt. M, §8 (new).]

**3. Recommendations.** Include recommendations to the Legislature on existing and proposed state-supported research and development programs and activities to affect technology-based economic development in this State. [2003, c. 673, Pt. M, §8 (new).]

### **§13108. Reporting requirements of recipients of research and development funding**

To assist the office in preparing a comprehensive research and development evaluation, a recipient of state funding including general obligation bond proceeds for research and development shall, in addition to any other reporting requirements required by law: [2003, c. 673, Pt. M, §8 (new).]

**1. Data.** Collect, maintain and provide data relating to each investment's performance, outputs and outcomes; [2003, c. 673, Pt. M, §8 (new).]

**2. Report card indicators.** Identify the indicators in the report card developed by the office pursuant to section 13106 that will be affected as a result of the proposed research and development activity; and [2003, c. 673, Pt. M, §8 (new).]

**3. Action plan goals.** Identify the goals in the action plan developed by the office pursuant to section 13106 that will be advanced by the recipient's research and development activity. [2003, c. 673, Pt. M, §8 (new).]

Article 2: SCIENCE AND TECHNOLOGY PROGRAMS (HEADING: PL 2003, c. 673, Pt. M, @8 (new))

### **§13109. Maine Research and Development Evaluation Fund (CONTAINS TEXT WITH VARYING EFFECTIVE DATES)**

(WHOLE SECTION TEXT EFFECTIVE UNTIL 6/30/06)

**1. Fund established.** The Maine Research and Development Evaluation Fund, referred to in this section as "the fund," is established as a non-lapsing Other Special Revenue Funds account administered by the office for the purposes of funding the comprehensive research and development evaluation required pursuant to section 13108. [2003, c. 673, Pt. M, §8 (new).]

**2. Definition.** For the purposes of this section, "research and development" means activities that directly or through capital investment support basic and applied scientific research and related commercial development funded by state appropriations and bond proceeds. [2003, c. 673, Pt. M, §8 (new).]

**3. Fund sources.** The fund receives money deposited by the Treasurer of State pursuant to this section and any other gift, grant or other source of revenue deposited for that use. [2003, c. 673, Pt. M, §8 (new).]

**4. Transfers to fund.** Notwithstanding section 1585 or any other provision of law, the State Budget Officer may transfer to the fund an amount not to exceed 0.8% of General Fund appropriations received by and general obligation bonds issued to an agency or entity for research and development efforts. Private entities that receive funds from general obligation bonds for research and development efforts shall pay to the Treasurer of State in the fiscal year in which the general obligation bond was issued an amount not to exceed 0.8% of the proceeds from the bond issue in any fiscal year, which payment must be made from available resources other than bond proceeds. Only those programs that receive \$500,000 or more in research and development appropriations in any fiscal year, or those entities that receive funds from a general obligation bond issue of \$500,000 or more for research and development efforts in any fiscal year, as identified and certified by the State Budget Officer and the Office of Fiscal and Program Review, may be assessed upon concurrence of the affected agencies, institutions and departments. The transfer must be implemented by financial order contingent upon the recommendation of the State Budget Officer and approval of the Governor and upon review by the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs. The financial order must include a plan outlining how these funds will be expended. The financial order takes effect upon approval by the Governor. Total payments made pursuant to this section may not exceed \$120,000 in any fiscal year. [2003, c. 673, Pt. M, §8 (new).]

**5. Repeal; lapse of funds.** This section is repealed June 30, 2006. Unexpended funds in the fund at that time lapse to the unappropriated surplus of the General Fund. [2003, c. 673, Pt. M, §8 (new).]

05 §13109

Maine Research and Development Evaluation  
Fund

(WHOLE SECTION TEXT REPEALED 6/30/06 by T. 5, §13109, subsection 5)

**§13110. Maine Experimental Program to Stimulate Competitive Research established**

The office, the University of Maine System and the EPSCoR steering committee are jointly responsible for the administration of the Maine Experimental Program to Stimulate Competitive Research, referred to in this chapter as "the Maine EPSCoR Program," which is established in this section as a partnership effort between the State Government and the Federal Government to strengthen the State's science and engineering infrastructure. [2003, c. 673, Pt. M, §8 (new).]

**1. Linkage with state policies.** The policies, programs and activities of the Maine

EPSCoR Program must consider the State's economic, education and science and technology strategies and policies. [2003, c. 673, Pt. M, §8 (new).]

**2. Policy recommendation.** Through the office, the University of Maine System and the EPSCoR steering committee, the Maine EPSCoR Program may recommend to the Governor and the Legislature policies and programs essential to the strengthening of the State's science and engineering infrastructure. [2003, c. 673, Pt. M, §8 (new).]

#### **§13110-A. Maine EPSCoR Capacity Fund**

The Maine EPSCoR Capacity Fund is established within the office to provide the matching funds that are required by several federal agencies in their EPSCoR activities. The fund must be used to match EPSCoR awards, and is a non-lapsing Other Special Revenue Funds account. [2003, c. 673, Pt. M, §8 (new).]

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings. [2003, c. 673, Pt. M, §8 (new).]

A. "Fund" means the Maine EPSCoR Capacity Fund account within the Other Special Revenue Funds account.

[2003, c. 673, Pt. M, §8 (new).]

B. "Match" means the cash commitment required from the State as defined by a federal funding agency. Match requirements vary among federal agencies.

[2003, c. 673, Pt. M, §8 (new).]

C. "Research capacity committee" means the EPSCoR steering committee referred to in section 13110.

[2003, c. 673, Pt. M, §8 (new).]

**2. Organization.** The commissioner, at the commissioner's discretion, may delegate the administration of the fund to the director of the office. The research capacity committee shall advise the commissioner or the director of the office on the use of the funds. [2003, c. 673, Pt. M, §8 (new).]

**3. Guidelines.** The commissioner or the director of the office, with the advice of the research capacity committee, shall establish guidelines for cash and in-kind match requirements based on the activities to be supported with the fund. Match levels must reflect the requirements identified by federal funding agencies. [2003, c. 673, Pt. M, §8 (new).]

Subchapter 6: COMPREHENSIVE LAND USE PLANNING (HEADING: PL 1987, c. 816, Pt. A, @14 (new); 1991, c. 622, Pt. F, @14 (rp))

#### **§13111. Office of Comprehensive Land Use Planning (REPEALED)**

Article 1: MUNICIPAL GROWTH MANAGEMENT AND CAPITAL INVESTMENT  
(HEADING: PL 1989, c. 631, @3 (new); 1991, c. 622, Pt. F, @14 (rp))

#### **§13112. Municipal Growth Management and Capital Investment Fund (REPEALED)**

### **§13113. Assistance to municipalities (REPEALED)**

### **§13114. Report to the Legislature (REPEALED)**

Subchapter 7: MAINE AFFORDABLE HOUSING ALLIANCE (HEADING: PL 1989, c. 601, Pt. B, @3 (new); 1989, c. 875, Pt. M, @10 (rp))

### **§13116. Maine Affordable Housing Alliance established (REPEALED)**

### **§13117. Coordination (REPEALED)**

### **§13118. Advisory committee created (REPEALED)**

Subchapter 8: CONFIDENTIALITY OF RECORDS (HEADING: PL 1991, c. 368 (new))

### **§13119. Definitions**

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings. [1991, c. 368 (new).]

**1. Local development corporation.** "Local development corporation" means any nonprofit corporation organized by a city or town under Title 13, chapter 81 or Title 13-B. [1991, c. 368 (new).]

**2. Municipality.** "Municipality" means any city, town or local development corporation and any board, commission, agency or authority of any such city, town or local development corporation. [1991, c. 368 (new).]

**3. Person.** "Person" means an individual, corporation, partnership, firm, organization or other legal entity. [1991, c. 368 (new).]

**4. Program of assistance.** "Program of assistance" means any financial or technical assistance program established or authorized by the department or a municipality and providing assistance to persons for the improvement and development of housing, community and economic development opportunities. [1991, c. 368 (new).]

### **§13119-A. Records confidential**

The following records are confidential for purposes of Title 1, section 402, subsection 3, paragraph A and are not open for public inspection: [1991, c. 368 (new).]

**1. Proprietary information.** Information that is provided to or developed by the department or a municipality that has to do with a program of assistance and is included in a business or marketing plan or a grant application or provided or developed to fulfill reporting requirements, as long as: [1991, c. 368 (new).]

A. The person to whom the information belongs or pertains requests that it be designated as confidential; and

[1991, c. 368 (new).]

B. The department or municipality determines that the information gives the person making the request opportunity to obtain business or competitive advantage over another person who does not have access to that information or will result in loss of business or other significant detriment to the person making the request if access is provided to others;

[1991, c. 368 (new).]

**2. Tax or financial information.** Any financial statement, supporting data or tax return of any person; [1991, c. 368 (new).]

**3. Monitoring.** Any financial statement, supporting data or tax return obtained or developed by the department or the municipality in connection with any monitoring or servicing activity by the department or the municipality pertaining to any program of assistance provided or to be provided; [1991, c. 368 (new).]

**4. Credit assessment.** Any record obtained by the department or the municipality that contains an assessment of the credit worthiness, credit rating or financial condition of any person or project; and [1991, c. 368 (new).]

**5. Potential investors.** Any record, including any financial statement or supporting data, business plan or tax return obtained or developed by the department or municipality in connection with the matching of potential investors with businesses in the State by the department or the municipality through its maintenance of a data base or other record-keeping system. [1991, c. 368 (new).]

Nothing in this section prevents the disclosure of any records, correspondence or other materials to authorized officers and employees of municipal government, State Government or Federal Government for authorized use. [1991, c. 368 (new).]

#### **§13119-B. Disclosure required**

Notwithstanding section 13119-A, the department or the municipality shall make available, upon request, to any person reasonably describing the records to which access is sought or, if no request is made, in any manner and at any time that the department or municipality determines appropriate, the following information. [1991, c. 368 (new).]

**1. Certain limited information.** The following must be released after provision of assistance: [1991, c. 368 (new).]

A. Names of recipients of or applicants for business assistance, including the business principals, if applicable;

[1991, c. 368 (new).]

B. Types and general terms of assistance provided to those recipients or requested by those applicants;

[1991, c. 368 (new).]

C. Descriptions of projects and businesses benefiting or to benefit from the assistance provided;

[1991, c. 368 (new).]

D. Number of jobs and the amount of tax revenues projected or resulting in connection with a completed project; and

[1991, c. 368 (new).]

E. Amounts and names of recipients of assistance provided under a program of assistance.

[1991, c. 368 (new).]

**2. Subject to waiver.** Any information pursuant to waiver determined satisfactory by the department must be released. [1991, c. 368 (new).]

**3. Available to public.** Information that the department determines has already been made available to the public must be released. [1991, c. 368 (new).]

**4. Not otherwise confidential.** Any information not otherwise confidential under section 13119-A or other applicable law must be released. [1991, c. 368 (new).]

#### **§13119-C. Disclosure permitted**

Notwithstanding section 13119-A, information otherwise confidential under that section may be disclosed: [1991, c. 368 (new).]

**1. Financing institutions or credit reporting services.** To a financing institution or credit reporting service; [1991, c. 368 (new).]

**2. Transfer of securities or bonds.** To the extent necessary to the sale or transfer of revenue obligation securities or of general obligation bonds; [1991, c. 368 (new).]

**3. Collection of certain obligations.** If necessary to ensure collection of any obligation in which the department or municipality has or may have an interest; [1991, c. 368 (new).]

**4. Litigation or proceeding.** In any litigation or proceeding in which the department or the municipality appears, for the purposes of introduction of the information into the record; [1991, c. 368 (new).]

**5. Order by lawful authority.** Pursuant to a subpoena, request for production of documents, warrant or other order by competent authority, as long as any such order appears to have first been served on the person to whom the confidential information sought pertains or belongs and as long as any such order appears on its face or otherwise to have been issued or made upon lawful authority; or [1991, c. 368 (new).]

**6. Authorization.** Upon written authorization of release of the confidential information by the person or persons to whom such information pertains. [1991, c. 368 (new).]

Subchapter 9: MAINE RURAL DEVELOPMENT AUTHORITY (HEADING: PL 2001, c. 703, @6 (new))

#### **§13120-A. Authority established; purpose**

The Maine Rural Development Authority, as established by section 12004-F, subsection 18 and referred to in this subchapter as the "authority," is a body both corporate and politic and a public instrumentality of the State established for the purpose of providing loans to communities for the development of commercial facilities on a

speculative basis and for serving as lender or investor in the acquisition, development, redevelopment and sale of commercial facilities in areas where economic needs are not supported by private investment. [2003, c. 281, §1 (amd).]

The purposes of this subchapter are public and the authority is performing a governmental function in carrying out this subchapter. [2001, c. 703, §6 (new).]

#### **§13120-B. Definitions**

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings. [2001, c. 703, §6 (new).]

- 1. Carrying costs.** "Carrying costs" means reasonable costs incurred for the maintenance, protection and security of a community industrial building prior to occupancy, including, but not limited to, insurance, taxes and interest. [2001, c. 703, §6 (new).]
- 2. Board of trustees.** "Board of trustees" means the Maine Rural Development Authority Board of Trustees. [2001, c. 703, §6 (new).]
- 3. Commercial.** "Commercial" means related to or connected with the furtherance of a profit-making enterprise. [2001, c. 703, §6 (new).]
- 4. Commercial facility.** "Commercial facility" means real estate and improvements used principally for commercial purposes or suitable for commercial use. The term commercial facilities includes, but is not limited to: [2001, c. 703, §6 (new).]

A. Offices and office buildings;

[2001, c. 703, §6 (new).]

B. Manufacturing, processing, assembly and other industrial buildings and related improvements;

[2001, c. 703, §6 (new).]

C. Property used in connection with commercial fishing and other marine-related industries;

[2001, c. 703, §6 (new).]

D. Property used in connection with agricultural production, storage, processing, packing and transportation;

[2001, c. 703, §6 (new).]

E. Warehouses, transportation and distribution facilities;

[2001, c. 703, §6 (new).]

F. Service and repair facilities;

[2001, c. 703, §6 (new).]

G. Retail establishments; and

[2001, c. 703, §6 (new).]

H. Lodging, restaurant and entertainment facilities.

[2001, c. 703, §6 (new).]

**5. Community industrial building.** "Community industrial building" means a building of flexible design and suitable for commercial use, for which the construction or carrying costs or both are financed through this subchapter for the purpose of creating new jobs in a municipality resulting from the sale or lease of the building. [2001, c. 703, §6 (new).]

**6. Department.** "Department" means the Department of Economic and Community Development. [2001, c. 703, §6 (new).]

**7. Lease.** "Lease" means a contract providing for the use of a project or portions of a project for a term of years for a designated or determinable rent. A lease may include an installment sales contract. [2001, c. 703, §6 (new).]

**8. Lessee.** "Lessee" means a tenant under lease and may include an installment purchaser. [2001, c. 703, §6 (new).]

**9. Local development corporation.** "Local development corporation" means any nonprofit organization created by a municipality that is incorporated under Title 13, chapter 81 or that is incorporated under Title 13-B or otherwise chartered by the State, which is designed to foster, encourage and assist the settlement or resettlement of industrial, manufacturing, fishing, agricultural, recreational and other business enterprises within the State. A majority vote of the municipal officers is sufficient to form a local development corporation, notwithstanding Title 13, chapter 81. "Local development corporation" also means any nonprofit organization that is incorporated under Title 13, chapter 81 or that is incorporated under Title 13-B or otherwise chartered by the State, and is designed to foster, encourage and assist the settlement or resettlement of industrial, manufacturing, fishing, agricultural, recreational and other business enterprises within the State that applies for financial assistance for a project under this article, as long as that application is formally endorsed by a vote of the governing body of the municipality in which the project is to be located. [2001, c. 703, §6 (new).]

**10. Municipality.** "Municipality" means any county, city or town in the State. [2001, c. 703, §6 (new).]

### **§13120-C. Organization and responsibilities**

**1. Administrative responsibilities.** The authority is responsible for the administration of the: [2001, c. 703, §6 (new).]

A. Community industrial building program, pursuant to section 13120-N;

[2001, c. 703, §6 (new).]

B. Commercial Facilities Development Program, established under section 13120-P; and

[2001, c. 703, §6 (new).]

C. Such other programs as the authority may by law be authorized to administer.

[2001, c. 703, §6 (new).]

**2. Programs and policies.** In implementing its powers, duties, responsibilities and programs, the authority shall consider the state economic development strategy and the policies and activities of the department. [2001, c. 703, §6 (new).]

## **§13120-D. Board of trustees; appointment; chair; employees**

**1. Membership.** The authority is governed by a board of trustees comprised of 7 voting members as follows: [2001, c. 703, §6 (new).]

A. Five members appointed by the Governor and subject to review by the joint standing committee of the Legislature having jurisdiction over economic development matters and to confirmation by the Senate; and

[2001, c. 703, §6 (new).]

B. Two ex officio members:

- (1) The Commissioner of Economic and Community Development; and
- (2) The Chief Executive Officer of the Finance Authority of Maine.

[2001, c. 703, §6 (new).]

**2. Terms of office.** Members appointed by the Governor are appointed for 4-year terms except that, for initial appointments, one member is appointed to a 2-year term, 2 members to 3-year terms and 2 members to 4-year terms. [2001, c. 703, §6 (new).]

A member continues to hold office until a successor is appointed and qualified, but the term of the successor is not altered from the original expiration date of the holdover member's term. [2001, c. 703, §6 (new).]

**3. Limitation on terms; removal.** Except for the ex officio members, a member of the authority may serve no more than 2 full consecutive terms. Any member of the board may be removed by the Governor for cause. [2001, c. 703, §6 (new).]

**4. Administration.** The Commissioner of Economic and Community Development shall serve as chair of the board of trustees. The board of trustees shall elect one member as vice-chair, who shall serve as secretary, one member as treasurer and such other officers as the board of trustees may from time to time consider necessary. [2003, c. 281, §2 (amd.).]

**5. Meetings; compensation.** All the powers of the authority may be exercised by the board of trustees in lawful meeting and a majority of the members is necessary for a quorum. Regular meetings of the board of trustees may be established by bylaw and no notice need be given to the members of the regular meeting. Each member is compensated according to the provisions of chapter 379. [2001, c. 703, §6 (new).]

**6. Limitation of liability.** A member of the board of trustees of the authority or an employee of the authority may not be subject to any personal liability for having acted within the course and scope of that person's membership or employment to carry out any power or duty under this subchapter. The authority shall indemnify any member of the authority, any member of any board of the authority and any employee of the authority against expenses actually and necessarily incurred by that person in connection with the defense of any action or proceeding in which that person is made a party by reason of past or present association with the authority. [2001, c. 703, §6 (new).]

**7. Employees.** The authority may employ an executive director and such other technical experts, agents and employees, permanent and temporary, that it requires and may determine their qualifications, duties and compensation. Permanent employees of the

authority are eligible to elect to participate in the Maine State Retirement System, the state employee health plan under section 285, any state-deferred compensation plan or any other plan or program adopted by the members to the extent the members may determine. For required legal services, the authority may employ or retain its own counsel and legal staff. [2003, c. 281, §3 (amd).]

**8. Establishment and operating expenses.** The department shall pay the expenses that are reasonable and necessary to the establishment of the authority. Following its establishment, the operations and related expenses of the authority are subject to the availability of funding as provided in section 13120-F. [2001, c. 703, §6 (new).]

#### **§13120-E. Agreements; contracts**

The authority, the department and the Finance Authority of Maine may enter into such agreements as the board of trustees determines to be in the best interests of the State for the authority to acquire, construct, maintain, operate and dispose of any or all facilities funded from bonds issued under section 13120-I. Any agreements must set forth the terms and conditions of the operation and be subject to all the terms and conditions of any trust indenture and covenants relating to revenue bonds. [2001, c. 703, §6 (new).]

The authority may contract with the Federal Government or its instrumentalities or agencies, this State or its agencies, instrumentalities or municipalities, public bodies, private corporations, community development corporations, partnerships, associations and individuals to carry out the purposes of this subchapter. [2001, c. 703, §6 (new).]

#### **§13120-F. Receive, use and invest funds**

The authority may receive and accept from any source allocations, appropriations, loans, grants and contributions of money or other things of value to be held, used or applied to carry out this subchapter, subject to the conditions upon which the loans, grants and contributions may be made, including, but not limited to, appropriations, allocations, loans, grants or gifts from any federal agency or governmental subdivision or the State and its agencies. [2001, c. 703, §6 (new).]

The authority may invest funds received from any source for carrying out this subchapter and expend interest and other earnings on those funds as appropriate to implement this subchapter, including use for program and administrative costs. [2001, c. 703, §6 (new).]

#### **§13120-G. Acquisition, use and disposition of property**

All real and personal property owned by and in the name of the authority is property of the State and entitled to the privileges and exemptions of property of the State, except insofar as waived by the duly authorized contract or other written instrument of the authority or by this subchapter. The authority and the department shall agree upon and from time to time review the preferred status of property held or controlled by the authority and the department and necessary to either body's performing its statutory duty and shall arrange to sell, exchange, give or otherwise transfer title or possession of various properties between the authority and the department consistent with sound business management and as may serve the best interest of the State in the opinion of the authority and the department. The authority and the department may execute and record a deed or lease to effectuate the transfer. [2001, c. 703, §6 (new).]

The authority may acquire, use and dispose of real and personal property as follows. [2001, c. 703, §6 (new).]

**1. Purchase, improve, lease and sell.** Property may be purchased, improved, leased and sold, in whole or in part, to accomplish the development and redevelopment of commercial facilities as directed by the authority in accordance with the purposes of this subchapter. Revenues to the authority resulting from the lease, sale or other use of property in which the authority has an interest become operating revenues or assets of the authority. The authority may contract for services as necessary to accomplish this purpose. [2001, c. 703, §6 (new).]

**2. Authority for transfers of interest in land to authority.** Notwithstanding any other provision of law, upon the authority's request, on reasonable and fair terms and conditions and without the necessity for advertisement, order of court or action or formality other than the regular and formal action of the authorities concerned, counties, municipalities, public agencies or instrumentalities of the State, public service corporations and special districts may lease, lend, grant or convey to the authority real or personal property or rights in that property that may be necessary or convenient for the effectuation of the authorized purposes of the authority, including real and personal property or rights in that property already devoted to public use. As used in this subsection, the term "public service corporation" includes a public utility as defined in Title 35-A, section 102, subsection 13 and a corporation as defined in Title 13-C. [2003, c. 688, Pt. A, §3 (amd.).]

Facilities financed, acquired, constructed, operated or maintained under this subchapter, and land upon which the facilities are located are subject to the environmental laws of the State that are applicable to facilities owned or operated by the private sector. [2001, c. 703, §6 (new).]

#### **§13120-H. Taxation and fees**

Notwithstanding any other provision of law, for the purposes of this subchapter, transactions and property of the authority must be treated as follows. [2001, c. 703, §6 (new).]

**1. Revenue obligation securities; exemption from taxation.** Revenue obligation securities of the authority are issued for an essential public and governmental purpose, are public instruments and, together with interest and income, including the profit made from their transfer or sale, are exempt from taxation within the State. [2001, c. 703, §6 (new).]

**2. Conveyances, leases, mortgages, deeds of trust; trust indentures; exemptions from taxation.** Conveyances by or to the authority and leases, mortgages and deeds of trust or trust indentures by or to the authority are exempt from all taxation by the State or any of its political subdivisions, including, but not limited to, any applicable license, excise or other taxes imposed in respect of the privilege of engaging in any of the activities in which the authority may engage. [2001, c. 703, §6 (new).]

**3. Property exemption from taxation and other assessments.** Property acquired, held or transferred by the authority is exempt from all taxes and from betterments and special assessments of the city, town, county, State or any political subdivision of State Government or county or local governments. The authority may agree to make payments

in lieu of taxes to the applicable political subdivisions. [2001, c. 703, §6 (new).]

### **§13120-I. Bonds**

**1. Authorization.** The authority may provide by resolution for the issuance of bonds for the purpose of funding the Community Industrial Buildings Fund, or any successor to the fund, for the construction of proposed commercial facilities and improvement of existing or acquired commercial facilities and for the fulfillment of other undertakings that it may assume. The bonds of the authority do not constitute a debt of the State or of any agency or political subdivision of the State but are payable solely from the revenue of the authority, and neither the faith nor credit nor taxing power of the State or any political subdivision of the State is pledged to payment of the bonds.

Notwithstanding any other provision of law, any bonds issued pursuant to this subchapter are fully negotiable. If any member of the board of trustees whose signature appears on the bond or coupons ceases to be a member of the board of trustees before the delivery of those bonds, that signature is valid and sufficient for all purposes as if that member of the board of trustees had remained a member of the board of trustees until delivery. [2003, c. 281, §4 (amd).]

**2. Resolution; prospective issues.** The authority may, by resolution authorizing prospective issues, provide: [2001, c. 703, §6 (new).]

A. The manner of executing bonds and coupons;

[2001, c. 703, §6 (new).]

B. The form and denomination of bonds or coupons;

[2001, c. 703, §6 (new).]

C. Maturity dates;

[2001, c. 703, §6 (new).]

D. Interest rates on bonds or coupons;

[2001, c. 703, §6 (new).]

E. For redemption prior to maturity and the premium payable;

[2001, c. 703, §6 (new).]

F. The place or places for the payment of interest and principal;

[2001, c. 703, §6 (new).]

G. For registration if the authority determines it to be desirable;

[2001, c. 703, §6 (new).]

H. For the pledge of all or any of the revenue for securing payment;

[2001, c. 703, §6 (new).]

I. For the replacement of lost, destroyed or mutilated bonds;

[2001, c. 703, §6 (new).]

J. For the setting aside and the regulation and disposition of reserve and sinking funds;

[2001, c. 703, §6 (new).]

K. For limitation on the issuance of additional bonds;

[2001, c. 703, §6 (new).]

L. For the procedure, if any, by which the contract with a bondholder may be abrogated or amended;

[2001, c. 703, §6 (new).]

M. For the manner of sale and purchase of bonds;

[2001, c. 703, §6 (new).]

N. For covenants against pledging of any of the revenue of the authority;

[2001, c. 703, §6 (new).]

O. For covenants fixing and establishing rates and charges for use of the authority's facilities and services made available so as to provide funds that will be sufficient to pay all costs of operation and maintenance, to meet and pay the principal and interest of all bonds as they severally become due and payable, for the creating of such revenues for the principal and interest of all bonds and for the meeting of contingencies and the operation and maintenance of its facilities as the board of trustees determines;

[2001, c. 703, §6 (new).]

P. For such other covenants as to rates and charges as the board of trustees determines;

[2001, c. 703, §6 (new).]

Q. For covenants as to the rights, liability, powers and duties arising upon the breach by the authority of any covenant, condition or obligation;

[2001, c. 703, §6 (new).]

R. For covenants as to the bonds to be issued, as to the issuance of those bonds in escrow and otherwise and as to the use and disposition of the proceeds;

[2001, c. 703, §6 (new).]

S. For covenants as to the use of its facilities and their maintenance and replacement, and the insurance to be carried on them, and the use and disposition of insurance money;

[2001, c. 703, §6 (new).]

T. For the issuance of bonds in series;

[2001, c. 703, §6 (new).]

U. For the performance of any and all acts as may be in the discretion of the board of trustees necessary, convenient or desirable to secure bonds or that tend to make bonds more marketable; and

[2001, c. 703, §6 (new).]

V. For the issuance of bonds on terms and conditions to effectuate the purpose of this

subchapter.

[2001, c. 703, §6 (new).]

**3. Money received.** All money received from any bonds issued must be applied solely for loans to municipalities or local development corporations for community industrial buildings, for the construction of proposed commercial facilities and improvement of existing or acquired commercial facilities and for the fulfillment of other undertakings that are within the power of the authority. There is created a lien upon the money until so applied in favor of the bondholders or any member of the board of trustees as may be provided in respect of the bonds. [2001, c. 703, §6 (new).]

**4. Trust indenture.** In the discretion of the board of trustees, bonds may be secured by a trust indenture by and between the authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company, located either within or outside the State. Such a trust indenture may pledge or assign the revenues of the authority or any part of it. Any trust indenture may set forth the rights and remedies of the bondholders and the trustee, restrict the individual right of action of bondholders and contain such other provisions as the board of trustees may consider reasonable and proper for the security of bondholders. Expenses incurred in carrying out any trust indenture may be treated as a part of maintenance. [2001, c. 703, §6 (new).]

**5. Rights of bondholders.** Provisions may be made for protecting and enforcing the rights and remedies of bondholders, including covenants as to acquisition of property, construction, maintenance, operation and repair, insurance and the custody, security and application of all money. [2001, c. 703, §6 (new).]

**6. Depositories.** Any trust company or bank having the powers of a trust company and located either within or outside the State may act as a depository of the proceeds of bonds and revenue and may furnish such indemnity or pledge such securities as may be required by the authority. [2001, c. 703, §6 (new).]

**7. Tax free.** The purposes of this subchapter being public and for the benefit of the people of the State, bonds of the authority are free from taxation by the State. [2001, c. 703, §6 (new).]

**8. Revenue refunding bonds.** The authority may issue revenue refunding bonds for the purpose of refunding revenue bonds issued under this subchapter. The issuance of any refunding bonds is the same as provided for in this subchapter relating to revenue bonds. [2001, c. 703, §6 (new).]

**9. Default.** In the event of default on bonds and in the event the default continues for a period of 3 months, action may be brought to enforce the rights of the bondholders by insuring that the operation by the trustees be in conformity with the covenants of the bonds or trust indenture. [2001, c. 703, §6 (new).]

#### **§13120-J. Interest of trustee or employee**

**1. Acquisition of interest.** A member of the board of trustees or employee of the authority may not acquire or hold a direct or an indirect financial or personal interest in: [2001, c. 703, §6 (new).]

A. An authority activity;

[2001, c. 703, §6 (new).]

B. Property or facilities included, planned to be included or expected to directly benefit from an authority activity; or

[2001, c. 703, §6 (new).]

C. A contract or proposed contract in connection with an authority activity.

[2001, c. 703, §6 (new).]

When an acquisition is involuntary, the interest acquired must be disclosed immediately in writing to the board of trustees and the disclosure must be entered in the board of trustees' minutes. [2001, c. 703, §6 (new).]

**2. Present or past interest in property.** If a member of the board of trustees or employee of the authority presently owns or controls, or owned or controlled within the preceding 2 years, a direct or an indirect interest in property known to be included or planned to be included in an authority activity, that member or employee shall disclose this fact immediately in writing to the board of trustees and the disclosure must be entered in the board of trustees' minutes. [2001, c. 703, §6 (new).]

**3. Recusal.** A member of the board of trustees or employee of the authority with an interest under subsection 2 may not participate in an action by the authority affecting that property. [2001, c. 703, §6 (new).]

**4. Violation.** A violation of this section is a Class E crime. [2001, c. 703, §6 (new).]

#### **§13120-K. Annual report; audit**

**1. Report.** The authority shall submit to the Governor, the President of the Senate, the Speaker of the House of Representatives and the joint standing committee of the Legislature having jurisdiction over economic development matters, not later than 120 days after the close of its fiscal year, a complete report on the activities of the authority. The report may also be provided to any other member of the Legislature and to any other person. The report must include all of the following: [2001, c. 703, §6 (new).]

A. A description of the authority's operations, including a description of projects assisted under this subchapter and the criteria used in selecting those projects;

[2001, c. 703, §6 (new).]

B. An accounting of the authority's receipts and expenditures, assets and liabilities at the end of its fiscal year;

[2001, c. 703, §6 (new).]

C. A schedule of the bonds and notes outstanding at the end of the authority's fiscal year and a statement of the amounts redeemed and issued during its fiscal year, including a report on its reserve funds;

[2001, c. 703, §6 (new).]

D. A statement of the authority's proposed and projected activities for the ensuing year, the relationship of these activities to the State's economic development policies and the selection criteria expected to be used;

[2001, c. 703, §6 (new).]

E. Recommendations as to further actions that may be suitable for achieving the purposes of this subchapter;

[2001, c. 703, §6 (new).]

F. A statement of the defaults, if any, of persons, firms, corporations and other organizations receiving assistance under this subchapter; and

[2001, c. 703, §6 (new).]

G. A summary of the actual and potential employment opportunities resulting from the authority's activities.

[2001, c. 703, §6 (new).]

**2. Treasurer of State; annual financial report.** The authority shall provide the Treasurer of State, within 120 days after the close of its fiscal year, its annual financial report certified by an independent certified public accountant, who may be the accountant or a member of the firm of accountants who regularly audits the books and accounts of the authority, selected by the authority. The authority is also subject to the provisions of chapter 11. The authority may combine for accounting purposes any or all funds established for its programs and activities. [2001, c. 703, §6 (new).]

#### **§13120-L. Rules**

Pursuant to chapter 375, the authority may adopt any rule, including its bylaws, necessary or useful for carrying out any of its powers or duties. Rules adopted pursuant to this section are routine technical rules as defined in chapter 375, subchapter II-A. [2001, c. 703, §6 (new).]

#### **§13120-M. Disclosure and confidentiality of records**

**1. Disclosure required.** Notwithstanding subsections 2 and 3, the following must be made available to any person upon request reasonably describing the records to which access is sought or, if no request is made, in any manner and at any time that the authority may determine: [2001, c. 703, §6 (new).]

A. After filing of a written application or proposal for financial assistance, investment or property transfer, in a form specified by or acceptable to the authority:

(1) Names of recipients of or applicants for financial assistance or investment, including principals, where applicable;

(2) Amounts, types and general terms of financial assistance or investment provided to those recipients or requested by those applicants;

(3) Descriptions of projects and businesses that are benefiting or that will benefit from the financial assistance or investment;

(4) Names of transferors or transferees, including principals, of property to or from the authority, the general terms of transfer and the purposes for which transferred property will be used;

(5) The number of jobs and the amount of tax revenues projected or resulting in connection with a project; and

(6) Names of financial institutions participating in providing financial assistance or investment and the general terms of that financial assistance or investment;

[2001, c. 703, §6 (new).]

B. Any information pursuant to waiver considered satisfactory by the authority;

[2001, c. 703, §6 (new).]

C. Information that, as determined by the authority, has already been made available to the public; and

[2001, c. 703, §6 (new).]

D. Information necessary to comply with Title 1, section 407, subsection 1.

[2001, c. 703, §6 (new).]

Information or records specified in a written request signed by the cochairs of a legislative committee must be provided to the legislative committee. The information or records may be used only for the lawful purposes of the committee and in any action arising out of any investigation conducted by it. [2001, c. 703, §6 (new).]

**2. Confidential information.** The following records are designated as confidential for purposes of Title 1, section 402, subsection 3, paragraph A: [2001, c. 703, §6 (new).]

A. A record obtained or developed by the authority in advance of the receipt of a formal written application or proposal, in a form specified by or acceptable to the authority, for financial assistance or investment to be provided by or with the assistance of the authority or in connection with a transfer of property to or from the authority. After receipt by the authority of the application or proposal, a record pertaining to the application or proposal is not confidential unless it meets the requirements of paragraphs B to G;

[2001, c. 703, §6 (new).]

B. A record obtained or developed by the authority that fulfills the following requirements:

(1) A person, including the authority, to whom the record belongs or pertains has requested that the record be designated confidential; and

(2) The authority has determined that the record contains proprietary information or commercial or financial information, the release of which could be competitively harmful to the submitter of the information or that would result in loss of business or other significant detriment to any person, including the authority, to whom the record belongs or pertains;

[2001, c. 703, §6 (new).]

C. A financial statement or tax return of an individual or any other record obtained or developed by the authority, the disclosure of which would constitute an invasion of personal privacy, as determined by the authority;

[2001, c. 703, §6 (new).]

D. A record that includes a financial statement or tax return obtained or developed by the authority in connection with any monitoring or servicing activity by the authority,

pertaining to any financial assistance or investment provided or to be provided by or with the assistance of the authority;

[2001, c. 703, §6 (new).]

E. A record obtained or developed by the authority that contains an assessment by a person who is not employed by the authority of the credit worthiness or financial condition of any person or project;

[2001, c. 703, §6 (new).]

F. A financial statement or business and marketing plan in connection with any project receiving or to receive financial assistance or investment from the authority, if a person to whom the statement or plan belongs or pertains has requested that the record be designated confidential; and

[2001, c. 703, §6 (new).]

G. A record that includes any financial statement, business plan or tax return obtained or developed by the authority in connection with the marketing of its property and the identification and qualification of potential investors.

[2001, c. 703, §6 (new).]

For purposes of this section, an application by a potential investor is not an application for financial assistance or solicitation of investment. [2001, c. 703, §6 (new).]

**3. Wrongful disclosure prohibited.** A member of the board of trustees, officer, employee, agent, other representative of the authority or other person may not knowingly divulge or disclose records declared confidential by this section, except that the authority may, in its discretion, make or authorize any disclosure of information of the following types: [2001, c. 703, §6 (new).]

A. Impersonal, statistical or general information;

[2001, c. 703, §6 (new).]

B. Information necessary in connection with processing an application for obtaining or maintaining an investment or financial assistance for a person or in connection with acquiring, maintaining or disposing of property;

[2001, c. 703, §6 (new).]

C. Information disclosed to a financial institution or credit reporting service;

[2001, c. 703, §6 (new).]

D. Information necessary to comply with a federal or state law or rule or with an agreement pertaining to financial assistance or investment;

[2001, c. 703, §6 (new).]

E. Information to the extent the authority determines the disclosure necessary to the sale or transfer of revenue obligation securities;

[2001, c. 703, §6 (new).]

F. Information necessary to ensure collection of an obligation in which the authority has or may have an interest;

[2001, c. 703, §6 (new).]

G. Information obtained from records declared confidential by this section for introduction for the record in litigation or a proceeding in which the board has appeared; or

[2001, c. 703, §6 (new).]

H. Information pursuant to a subpoena, request for production of documents, warrant or other order by competent authority, as long as the order appears to have first been served on the person to whom the confidential information sought pertains or belongs and as long as the order appears on its face or otherwise to have been issued or made upon lawful authority.

[2001, c. 703, §6 (new).]

**4. Records on effective date.** Whether a record in the possession of the authority on the effective date of this section is confidential must be determined pursuant to this section and not pursuant to the law in effect when the authority or any of its predecessors obtained the record and the record may be disclosed or divulged to the extent required or permitted by this section. [2001, c. 703, §6 (new).]

#### **§13120-N. Community industrial building program**

The authority may assist a municipality or local development corporation to construct a community industrial building by loaning the municipality or local development corporation money for construction or carrying costs or both for the project, subject to the following. [2001, c. 703, §6 (new).]

**1. Project.** The following conditions apply to a project receiving money under this section. [2003, c. 281, §5 (amd).]

A. The project must be within the scope of this subchapter, must be of public use and benefit and must reasonably be expected to accomplish one or more of the following:

- (1) Create new employment opportunities;
- (2) Retain or improve existing employment; or
- (3) Improve the competitiveness of the occupant business.

[2001, c. 703, §6 (new).]

B. Not more than one unoccupied community industrial building project may be financed in a municipality.

[2001, c. 703, §6 (new).]

C. The authority shall charge interest on loans or funds provided under this section to the municipality or local development corporation for a community industrial building that remains unoccupied for 3 or more years following completion of the building.

[2003, c. 281, §5 (amd).]

D. The authority shall adopt rules under chapter 375 with respect to:

- (1) The methodology and criteria for allocating funds to community industrial building projects;

- (2) The process through which municipalities and local development corporations must apply for community industrial building funds;
- (3) Rates of interest, the duration of interest payments and any other terms to which municipalities and local development corporations must be subject under this paragraph; and
- (4) Other matters necessary to the proper administration of this section.

Rules adopted under this paragraph are routine technical rules pursuant to chapter 375, subchapter 2-A.

[2003, c. 281, §5 (amd).]

**2. Obligations.** The municipality or local development corporation receiving money under this section must: [2001, c. 703, §6 (new).]

A. Own, or hold on long-term lease, the site for the project;

[2001, c. 703, §6 (new).]

B. Be responsible for and present evidence to the authority of its ability to carry out the project as planned;

[2001, c. 703, §6 (new).]

C. Site and maintain the community industrial building on property that is appropriate to the size and location of the community industrial building;

[2001, c. 703, §6 (new).]

D. Provide and maintain, with funds other than those provided by the authority, an adequate access road from a public highway to the proposed site and provide and maintain water, sewer and power facilities. The municipality or local development corporation must be responsible for plowing out the plant site at all times and for landscaping the grounds surrounding the building until the building is occupied by a tenant;

[2001, c. 703, §6 (new).]

E. Comply with applicable zoning, planning and sanitary regulations in the municipality where the community industrial building is to be located. A loan may not be approved and a certificate of approval for the project or for any subsequent enlargement or addition to the project may not be issued until the Department of Environmental Protection has certified to the authority that all licenses required by the authority have been issued or that none are required; and

[2001, c. 703, §6 (new).]

F. Make adequate provisions for insurance and fire protection and for maintenance of the community industrial building while it is unoccupied.

[2001, c. 703, §6 (new).]

**3. Loan terms.** Terms for a loan under this section are as follows. [2003, c. 281, §6 (amd).]

A. The authority shall prescribe the terms and conditions of the loan.

[2001, c. 703, §6 (new).]

B. Loans must be repaid in full, including interest and other charges, within 90 days after the community industrial building is occupied.

[2001, c. 703, §6 (new).]

C. A community industrial building financed by an authority loan may not be sold or leased without the express approval of the purchaser or lessee by the authority. If the municipality or local development corporation and the authority agree that a community industrial building is unlikely to be sold in the near future despite a marketing effort, the authority may permit an interim lease upon terms it considers appropriate for the protection of the Community Industrial Buildings Fund or any successor to the fund. Occupation of the premises under an interim lease does not require payment in full of the entire loan within 90 days, as provided in paragraph B.

[2003, c. 281, §6 (amd).]

**4. Marketing and promotion.** The municipality or local development corporation receiving money under this section shall make a reasonable and continual effort to market the community industrial building for sale into private commercial use. Upon the request of the authority, the municipality or local development corporation shall present evidence of its marketing efforts and expenditures related to the community industrial building.

[2001, c. 703, §6 (new).]

**5. Taxes.** While a community industrial building under this section remains unoccupied and a first mortgage is held by the authority, it is property held for a legitimate public use and benefit and is exempt from all taxes and special assessments of the State or any of its political subdivisions. [2001, c. 703, §6 (new).]

**6. Municipality.** A municipality may raise or appropriate money supporting and guaranteeing the obligation of a chamber of commerce, board of trade or local development corporation for the purpose of constructing a community industrial building subject to the provisions of this subchapter. [2001, c. 703, §6 (new).]

#### **§13120-O. Community Industrial Buildings Fund (REPEALED)**

#### **§13120-P. Commercial Facilities Development Program**

**1. Establishment; purpose.** The Commercial Facilities Development Program is established within the authority to serve the following purposes: [2003, c. 281, §8 (amd).]

A. Restore employment opportunities by serving as principal, partner, lender or investor in the acquisition and redevelopment of nonproductive commercial facilities for subsequent return to productive use through sale or lease; and

[2003, c. 281, §8 (amd).]

B. Create employment opportunities in areas of economic need that are underserved by private investors by serving as principal, partner, lender or investor in the acquisition of property and development of commercial facilities for subsequent sale or lease into private productive use.

[2003, c. 281, §8 (amd).]

In carrying out its duties under this section, the authority shall make all reasonable and appropriate efforts to maximize the leverage of its funds through partnership and risk-sharing arrangements with public and private organizations. [2003, c. 281, §8 (amd).]

**2. Redevelopment of property.** Except as provided in section 13120-Q, the authority may undertake the redevelopment of property as an owner or lender for subsequent use and sale under the following conditions: [2003, c. 281, §8 (amd).]

A. The property has been previously and materially used as a commercial facility or the property is suitable for adaptive use as a commercial or industrial facility;

[2003, c. 281, §8 (amd).]

B. The property is currently not in productive commercial use or is expected to be taken out of productive commercial use within the immediate future;

[2001, c. 703, §6 (new).]

C. The property has not been placed under a purchase option or contract;

[2001, c. 703, §6 (new).]

D. The authority, using due diligence, has determined that:

(1) There is a reasonable expectation that the property will become financially viable following its redevelopment; and

(2) The economic benefits, including the restoration of employment opportunities, expected to result from the redevelopment justify the risks associated with the authority's equity interest in the property; and

[2001, c. 703, §6 (new).]

E. At least 25% of the total cost to acquire, redevelop and return the property to productive commercial use will be borne by the municipality or local development corporation.

[2001, c. 703, §6 (new).]

**3. Development of property.** Except as provided in section 13120-Q, the authority may undertake the development of property as an owner or lender for subsequent use and sale under the following conditions: [2003, c. 281, §8 (amd).]

A. The property consists of real estate that is zoned, sited or otherwise suitable for development as a commercial facility;

[2001, c. 703, §6 (new).]

B. The property is currently not in productive commercial use;

[2001, c. 703, §6 (new).]

C. The property has not been placed under a purchase option or contract;

[2001, c. 703, §6 (new).]

D. The authority, using due diligence, has determined that:

- (1) There is a reasonable expectation that the property will become financially viable following its development;
- (2) The development of the property will create employment opportunities and other economic benefits within the region; and
- (3) The economic benefits expected to result from the development justify the risks associated with the authority's equity interest in the property; and

[2001, c. 703, §6 (new).]

E. At least 25% of the total cost to acquire, develop and bring the property to productive commercial use will be borne by the municipality or local development corporation.

[2001, c. 703, §6 (new).]

#### **§13120-Q. Exceptions**

The authority, with the advice of the department, the Department of Labor, the State Planning Office and such other agencies it determines appropriate, may waive the requirements of section 13120-P, subsection 2, paragraph E and section 13120-P, subsection 3, paragraph E if the municipality has experienced a historical lack of private investment and it is reasonably expected that private investment will not be available to assist with project financing and one of the following conditions is met: [2001, c. 703, §6 (new).]

**1. Sudden and severe economic dislocation.** The property is located in a municipality that has experienced a sudden and severe economic dislocation, which may include but is not limited to: [2001, c. 703, §6 (new).]

A. The loss of a significant percentage of jobs within the municipality due to the closure or downsizing of a business or other employer;

[2001, c. 703, §6 (new).]

B. The loss of a significant percentage of the municipality's tax base due to the closure or downsizing of a business or other commercial taxpayer; or

[2001, c. 703, §6 (new).]

C. The unanticipated loss of a significant percentage or component of a municipality's economic development infrastructure as a result of an accident, natural disaster or other catastrophe; or

[2001, c. 703, §6 (new).]

**2. Chronic and severe economic distress.** The property is located in a municipality that has experienced long-term economic distress, as evidenced by factors that may include, but are not limited to: [2001, c. 703, §6 (new).]

A. An unemployment rate that is significantly greater than the average State unemployment rate;

[2001, c. 703, §6 (new).]

B. The significant migration of workers or population out of the area; and

[2001, c. 703, §6 (new).]

C. An average personal income that is significantly below the state average or considered to be at or below the poverty level as defined in Title 22, section 5321.

[2001, c. 703, §6 (new).]

**B. A description of each program administered by the agency or independent agency including the following for each program:**

1. Established priorities, including the goals and objectives in meeting each priority;
2. Performance criteria, timetables or other benchmarks used by the agency to measure its progress in achieving the goals and objectives; and
3. An assessment by the agency indicating the extent to which it has met the goals and objectives, using the performance criteria. When an agency has not met its goals and objectives, the agency shall identify the reasons for meeting them and the corrective measures the agency has taken to meet the goals and objectives.

**OFFICE OF ADMINISTRATION**

The Office of Administration is responsible for assisting the Commissioner in the creation and implementation of economic and community development policy for Maine, and for ensuring that those policies are effectively implemented within the department and other agencies having a role in, or impact upon economic development in the state. To a great extent this responsibility links the office with those agencies and organizations that contribute directly to specific development projects.

Working effectively with the Maine Legislature is the top priority of the Office of Administration, which represents the department on legislative issues. During the First Regular and Special Sessions of the 122<sup>nd</sup> Legislature, the office assigned a full-time staff member to legislative work and maintained a significant presence before those committees whose jurisdiction impact the broad areas of economic development. In representing the diverse interests of the department, the office reviewed and tracked 1,790 bills, offering research and testimony on many of them. The office expects to maintain this level of commitment to the legislature and its policy development into the future.

These are the goals, objectives and strategies identified by the Office:

**OFFICE OF ADMINISTRATION**

**GOAL 1: TO ADVANCE MAINE'S ECONOMIC WELL BEING THROUGH EFFECTIVE PROGRAM AND POLICY DEVELOPMENT, INTRODUCTION AND IMPLEMENTATION, AND THE GENERAL OPERATION OF THE DEPARTMENT.**

Objective: Manage as efficiently as possible.

Strategy: Participate effectively in legislative and other policy processes, manage tax-based economic incentives (including the new Pine Tree Development Zone program), grant and contract funds to achieve identified objectives, manage the State's economic development strategic plan, provide department with budget, finance, personnel, technological, and facilities support.

**GOAL 2: CONTINUAL MEASUREMENT AND EVALUATION OF MAINE'S ECONOMIC PERFORMANCE AGAINST A COMPREHENSIVE, UPDATED AND BROADLY ACCEPTED SET OF BENCHMARKS.**

Programs administered and overseen by the Office:

**Budget Development and Management**

The Office of Administration is responsible for developing and managing the departmental budget. Currently, a full-time business manager performs the budget management function, and serves as the liaison with the Department of Administrative Services on budget, accounting and human resource issues. The business manager has also been a key participant in the department's strategic planning and performance budgeting efforts.

**Tax Increment Financing (TIF)**

The top priority within the TIF program continues to be the providing direct technical assistance to Maine communities desiring to use the program to assist with business and community development projects. This ensures that the use of the program remains within statutory guidelines and that its maximum potential is realized for the community. TIF is one of the most effective economic development tools available in Maine.

Though the Department reviews and approves TIF districts designated by municipalities, this program utilizes local tax revenues only. Accordingly, TIF districts by definition reflect the unique goals, objectives and values of the designating communities, rather than those of the state. The Department's goal with respect to the program is to ensure its continued availability to communities, and to providing effective technical assistance in its application.

The Department's TIF review criteria is limited by law to ensure statutory compliance. The Department's performance criteria is to complete the review and approval process within 30 days of receipt of a complete application.

***Performance Criteria, Benchmarks, Timetables***

The Department's TIF review criteria is limited by law to ensuring statutory compliance. The Department's performance criteria is to complete the review and approval process within 30 days of receipt of a complete application.

## *Progress*

The use of TIF has risen dramatically over recent years, and will continue to rise with the inception of the Pine Tree Development Zone Program. TIF is a local economic development tool that permits a municipality to use all or a portion of the new property taxes that result from an investment project within a designated district to assist in that project's financing, or for other local economic development purposes. In general, the district's property tax increment may be used to directly pay for eligible project costs, often by retiring community debt from bonds issued, or business debt from loans secured.

Bonds may be issued for up to 20 years, while TIF districts may be designated for up to 30 years. The designation of a TIF district requires a public hearing and a majority vote of the municipal legislative body. The department is responsible for reviewing all TIF proposals for statutory compliance, and issuing a letter of approval formally designating the TIF district.

TIF is widely used today by municipalities as a "credit enhancement" to the financing of company expansions. It has also been used to benefit a community's economic development capacity. In the first ten years of the program, the risk was borne by the municipality; it issued bonds and hoped that a company's investment would generate enough new taxes to retire the debt. From 1985-1989, the department approved 16 TIF districts; during the five-year period 1990-1994, it approved 22 districts.

With the advent of credit enhancement agreements, the risk has shifted to the company, which borrows funds for the development project and is then assisted by the municipality in meeting the debt service requirements. Because taxes are directly related to the investment, most municipalities find it convenient to accomplish this by committing a percentage of the new taxes to the financing cost. From 1995-1999, the department approved 104 TIF districts. There are currently 116 TIF districts in existence.

Even though TIF employers received a sizeable payment from municipalities in 2004, totaling some \$30,942,234 they did so only after making investment decisions that benefited the community and its citizenry. TIF companies reported investing \$456,394,224 in workers and property. Simply stated, for every \$1 employers received from the municipal TIF program, they spent \$14 on training and capital investments. Following are businesses receiving TIF benefits:

Auburn:      Formed Fiber Technologies  
                  LePage Bakeries  
                  Tambrands, Inc.

Augusta:      J.S. McCarthy Company, Inc.  
                  Maine General Retirement Community  
                  NRF Distributors, Inc.  
                  Pine State Trading Company

Bangor: Bangor Waterworks site  
Ellis & Guerette, LLC  
General Electric Company

Bath: Bath Iron Works

Biddeford: International Baking Corporation  
Interstate Brands Corporation  
Volk Packaging Corporation

Brewer: Brewer Automotive Components  
Coffey Hill  
Trans-Tech Industries  
ZF Lemforder Corporation

Brunswick: Brunswick Technologies, Inc.

Bucksport: Bucksport Energy, LLC  
International Paper-Bucksport Mill

Clinton: Cooper-Weymouth, Peterson Company

Dover-Foxcroft: Pleasant River Lumber Company

East Boothbay: Hodgdon Yachts, LLC

Farmington: NEMI Publishing Company, Inc.

Freeport: Downtown Freeport/L.L. Bean  
ME Course Hospitality  
Sanderson Development, LLC

Glenburn: Specialty Minerals Inc.

Gorham: CMJ Inc.  
Foreside Company  
Gushee Enterprises  
Montalvo Corporation  
ODAT Realty Holdings, Inc.  
Transformit

Gray: Enercon Inc./Northbrook Business Park

Guilford: Interface Fabrics Group, Inc.

Houlton: Smith & Wesson Corporation

Jay: International Paper  
Otis Specialty Papers

Kennebunk: Millrock, Inc.  
Tom's of Maine, Inc.

Lamoine: Olson-Bierman Properties

Lewiston: Butler Brothers Supply Division, Inc.  
Diamond Phoenix Corporation  
Franklin Property Trust

Lisbon: Dingley Press  
Furniture Superstore

Lisbon Falls: Enterprise Electric, Inc.

Lisle: McCain Foods USA, Inc.

Madison: Madison Paper (commercial investment)

Mars Hill: Fresh Way, Inc. (commercial investment)  
Joy & David McCrum Farms

Mechanic Falls: NEPW Logistics, Inc.

Millinocket: Katahdin Paper Company

North Berwick: Hussey Seating Company  
Pratt & Whitney Aircraft

Oakland: M & M Associates

Old Town: Old Town Canoe

Orono: Dirigo Pines  
Sensor Research & Development Corporation

Orrs Island: RPM Realty, LLC

Pittsfield: Edwards Systems Technology  
Pittsfield Woolen Yarns

Portage Lake: Maine Woods Company

Portland: Auto Europe  
Bowdoin Mill Associates  
Bramhall Partners, L.P.  
Condyne-Jordan  
Dragon Products Company, Inc.  
Hampstead Associates  
Long Creek Properties  
Nichols-Portland  
Portland Regency Hotel  
Shipyard Brewing Company, LLC  
Unum-Provident Corporation  
West Falmouth Development, LLC

Presque Isle: RGM Hampden, LLC

Rockland: Fisher Engineering

Rumford: Rumford Power Associates

Saco: Saco Plaza, LLC  
Steag Hamatech  
Transparent Audio

Sanford: Flemish Master Weavers  
R & V Industries  
U.S. Felt Manufacturing Company

Scarborough: Commercial Place, LLC

Skowhegan: S. D. Warren Company

South Portland: Durastone  
Fairchild Semiconductor  
National Semiconductor  
T & T Development, LLC  
Wright Express

Southwest Harbor: Talaria Company

Stratton: Stratton Lumber Company, Inc.

Topsham: 10-16-63 Corporation  
Central Topsham Associates  
Coastal Metal Fabrication

Veazie: Casco Bay Energy Company

Waterville: C.V. Diagnostics  
Huhtamaki Packaging  
Woodlands of Brewer, LLC

Westbrook: Acadia Insurance  
Blue Rock Industries  
D & G Machine Products, Inc.  
Lanco Assembly Systems  
Olympia Sports  
Pegasus Broadcast Television  
Sysco Food Services of NNE  
Westbrook Energy Center

Winthrop: Harper's II, LLC  
Harper's West, LLC

Yarmouth: DeLorme Publishing Company, Inc.

### **Employment Tax Increment Financing (ETIF)**

ETIF is a state economic development tool available to assist in the financing of business investment projects that create quality jobs in Maine. A company must indicate that its expansion project needs ETIF in order to proceed. Standards for quality jobs include wages that exceed the average per capita county income, and access to group health insurance, and a qualified retirement program. According to an amendment that took effect on September 21, 2001, a qualified business is one that creates quality jobs for a minimum of 5 net new employees within a two-year period.

The company withholds state income taxes for all employees and remits them to the state as it normally would. The state provides annual financing assistance (up to ten years) to the business through a partial reimbursement of those income taxes withheld from the company's qualified employees. Reimbursement rates can be as high as 75% depending on the severity of the labor market unemployment rate.

One problem in the delivery of this financing is the requirement that qualifying jobs must pay a wage that exceeds the average per capita income in the labor market of employment. Average per capita income, however, is not necessarily reflective of existing, competitive labor rates in many of the sectors.

During the calendar year 2004 report period (January 1, 2004 – December 31, 2004), nineteen companies were reimbursed state income taxes for participation in the ETIF program.

The two priorities for the ETIF program are to tailor the qualification criteria to better address Maine's business development needs and environment, and to make the program as "self delivered" as possible.

### *Performance Criteria, Benchmarks, Timetables*

Established by statute.

### *Progress*

In its infancy, the ETIF program had only two businesses participating. To date, that number has risen to eighteen businesses and is expected to grow with the inception of the Pine Tree Development Zone program. Additionally, a number of other states have expressed interest in this innovative program, and have indicated that it serves as an excellent model for performance-based economic development incentives. ETIF approvals include:

- ATX Forms
- Blue Rock Industries
- Cousineau Wood Products
- DeLorme Publishing Company, Inc.
- Eldur Corporation
- Energy East Management Corporation
- Hinckley Company
- J.S. McCarthy Company, Inc.
- Katahdin Paper Company, LLC
- Lanco Assembly Systems
- Maine Woods Company, LLC
- New Balance Athletic Shoe
- Fraser Papers
- Pleasant River Lumber Company
- Putnam Investments
- Seligman Data Corporation
- US Felt Manufacturing Company
- Wright Pierce

### *Progress of the Office of Administration*

- The Governor's Council on the Sustainability of the Forest Products Industry, which is comprised of a cross section of industry representatives, state legislators, commissioners and labor representatives met over the past year to develop recommendations on maintaining the sustainability of the forest products industry. Released in March 2005, the report includes recommendations for tax policy changes, the need for research and development, work force training and financing of logging businesses, environmental regulation and energy policy to

ensure the continued strength of this heritage industry as part of Maine's economic backbone.

- The Office convened a group of 23 marine research institutions to create the Marine Research Coalition. This group has worked together to develop strategies to leverage Maine's traditional maritime strength to become a global leader in a vibrant ocean-based economy.
- The Office approved new TIF districts in eight communities with a total planned investment exceeding \$136 million.
- ETIF development programs were approved with plans for the creation of over 550 new jobs, generating almost \$23 million in new payroll, with planned investment approaching \$47 million.
- Since the 2004 inception of the Governor's Pine Tree Development Zone Program initiative, which offers a combination of tax incentives to spur economic development, the Office has completed the designation process of the eight zones. In 2004, the Office certified 37 companies in the sectors of financial services, information technology, manufacturing and precision manufacturing. The certified companies intend to create more than 1,300 jobs. Over the summer and fall, the Office developed a detailed program Web site including an online application for certification. The Office continues to work with regional economic development partners to coordinate and market this program, and as a result, over 120 companies, both in Maine and out of state have inquired about this program.
- As a result of the successful May 2004 Blaine House Conference on the Creative Economy, Governor Baldacci created the Creative Economy Council to help build and grow creative business sectors. The new Council works under the auspices of DECD and is working toward fostering creative entrepreneurship, strengthening Maine's existing assets, supporting education and training needs and encouraging regional approaches to developing the creative economy. Also, the Council will encourage communities to welcome diversity and explore ways in which Maine's tourism industry and the creative economy can contribute to one another's development.

#### OFFICE OF BUSINESS DEVELOPMENT

The Office of Business Development (OBD) oversees programs designed to encourage business growth and retention in the State of Maine. In many ways, the Office works in partnership with the business community and state, regional and local organizations to provide the resources, technical assistance and financial tools needed to attract new investment as well as to create and retain jobs. OBD administers diverse and innovative programs in three areas: Business Development, Small Business Assistance and market development for Maine products.

The Office of Business Development also provides ombudsmen services related to business assistance to include but not be limited to: referral and central clearinghouse of services, business facilities services, business assistance, and industry-wide assistance with market development. As part of this effort, the Office maintains a comprehensive

database of permits required for business undertakings. This information is continually updated and made available to the public through a publication entitled, *A Guide to Doing Business in Maine* as well as through our web site.

As depicted in the department's strategic plan, Business Development focuses on the following goals.

### **OFFICE OF BUSINESS DEVELOPMENT**

**GOAL:** **TO EXPAND QUALITY EMPLOYMENT OPPORTUNITIES FOR MAINE OVER THE NEXT TWO YEARS BY ENCOURAGING THE CREATION, EXPANSION, LOCATION AND RETENTION OF BUSINESSES IN MAINE.**

Objective 1: Through the implementation of the Pine Tree Development Zone (PTZ) Program, expand employment opportunities in rural parts of the state.

Strategy: Market the PTZ opportunities through various public relations efforts such as monthly press releases, public company certification announcements, and various business attraction efforts.

Strategy: Effectively collaborate with regional and local economic development entities to expand quality employment opportunities through the location and expansion of businesses in PTZs.

Strategy: The business development specialists will perform outreach to key sectors identified in the State's economic development strategy.

Objective 2: Business development specialists will continue to strengthen relationships with regional and local economic development organizations, service providers, and communities.

Strategy: Establish two new regional districts along with regional managers to assist with internal and external communications.

Strategy: Each new regional district will develop and host an educational forum to continue cross education efforts.

Strategy: Speak at and attend industry and association events as appropriate.

Objective 3: Streamline and refocus the Maine Products Marketing Program, so it continues to promote Maine businesses and positively impact the image of the State.

- Strategy: Focus on maintaining quality products and companies in the program. Develop initiatives that drive the sales of individual businesses wherever possible.
- Strategy: Continue to promote the "Made in Maine Show" through PBS sponsorship.
- Strategy: Continue to sponsor the New England Products Trade Show and provide scholarship funds to start-up businesses.
- Strategy: Provide training to members on marketing and how to attend trade shows.
- Strategy: Continue the Made in Maine web site [www.mainemade.com](http://www.mainemade.com), which has become the major focus of the program.
- Objective 4: Promote and support entrepreneurship by increasing the number of Maine entrepreneurs, supporting technology commercialization, and improving access to investment capital.
- Strategy: Incorporate entrepreneurship components into Maine's Learning Results and support extracurricular entrepreneurship activities. (Dept of Education)
- Strategy: Support the development of entrepreneurship curriculum and faculty and make core entrepreneurship courses available statewide via the University of Maine and Maine Community College Systems. (UMaine & Maine CC Systems)
- Strategy: Encourage regional partnerships that support entrepreneurship via integrated, user-friendly systems that are responsive to client needs and that link entrepreneurs with organizations that are best able to meet their needs.
- Strategy: Support technology commercialization by coordinating the activities of the Maine Technology Institute, Applied Technology Development Centers, Maine Small Business and Technology Development Centers and other technology business resources.
- Strategy: Continue to support the Small Enterprise Growth Fund, Maine Seed Capital Tax Credit and work with the investment community to increase investment-ready deal flow. (FAME & SEGF)
- Objective 5: Simplify state business licensing/permitting processes by expanding one-stop business license assistance through Business Answers.

- Strategy: Work with InforME and state licensing agencies to incorporate electronic/digital business license/permit applications into the Business Answers web site ([www.maine.gov/businessanswers](http://www.maine.gov/businessanswers)).
- Strategy: Work with InforME and state licensing agencies to make Business Answers web site interactive (i.e. allow users to complete license applications and submit license fees online).
- Objective 6: Continue to promote and support Maine's statewide small business support system and make it more integrated, user-friendly, responsive and effective.
- Strategy: Continue to support the Maine Small Business Development Centers.
- Strategy: Use Maine Microenterprise Initiative funding as an incentive for greater collaboration among statewide and regional small business service providers.
- Strategy: Encourage regional partnerships that support entrepreneurship via integrated, user-friendly systems that are responsive to client needs and that link entrepreneurs with organizations that are best able to meet their needs.

### **Business Development Program**

Business expansion and retention are the primary focus of OBD's business development efforts. To assist Maine firms with expansion plans as well as to retain businesses in Maine. OBD development specialists work directly with companies and local and regional economic development organizations to identify specific needs and solve problems.

The OBD provides comprehensive financial, management, production, marketing, and other technical assistance to help Maine businesses launch and prosper. OBD administers programs for business attraction, expansion, and retention to help build strong communities. And the Office supplies the resources, technical assistance, and financial tools necessary to encourage new investment and create quality jobs for Maine workers.

### ***Priorities***

The priority of this program is to help Maine businesses thrive and grow. These efforts include working one-on-one with businesses, developing better policies to encourage business growth, and coordinating with other economic development organizations throughout the state to better serve the business community.

## **Marketing**

The following partners provide workshops and training seminars to help Maine Businesses market their goods and services:

### Maine Products Marketing Program (MPMP)

The Maine Products Marketing Program helps spread the word. MPMP builds recognition for hundreds of exceptional Maine-made products, their producers, and Maine's industries. MPMP provides marketing assistance and creates new and expanded market opportunities for Maine's many producers.

### Maine International Trade Center (MITC)

The Maine International Trade Center is the state's leading source for global trade information. MITC offers global exposure to Maine's small and medium-sized businesses in international markets. MITC's highly skilled staff helps businesses with a range of issues and provides technical assistance, trade counseling, workshops and more.

MITC has led trade missions to Europe, Latin America, and Asia. Most recently, in October 2003, MITC organized a 55-member trade delegation to Northern Ireland and the Republic of Ireland.

### Maine Technology Institute (MTI)

The Maine Technology Institute supports Maine companies' early stage research and development efforts leading to commercialization of new products and services. MTI's Commercialization Assistance Program provides small, technology-oriented businesses in Maine much-needed assistance in bringing their products to market through Commercialization Workshops and the Maine Tech Tracker Mentoring Network.

The Maine Tech Tracker Mentoring Network is an association of business professionals with experience taking businesses from idea to fruition. Each Tech Tracker has committed to attending the Commercialization Workshops with his or her partner, and to providing ongoing advice and support for a full year, supporting the new businesses' crucial early growth stage.

## **Funding Assistance**

The Office of Business Development provides assistance in obtaining funding through a variety of programs and organizations:

### Community Development Block Grant (CDBG)

Community Development Block Grants and loans provide funding and technical support for community projects that meet economic development objectives and lead to job

creation or retention for Maine residents with low to moderate incomes.

#### Employment Tax Increment Financing

Under the ETIF program, businesses are reimbursed up to 80% of their new employees' Maine income tax withholdings for up to 10 years. To qualify, new employees must be paid a wage above the county's average per-capita wage, and be provided access to group health insurance and an Employee Retirement Income Security Act (ERISA)-qualified retirement program.

#### Maine Technology Institute

Technology-related businesses would be hard-pressed to find a state more supportive and encouraging than Maine, thanks in large part to the Maine Technology Institute. MTI is a non-profit organization established by the state Legislature in 1999. MTI provides funding for private companies and research laboratories to support and promote research and development, and assist innovative Maine companies and inventors in getting their products to market.

#### Pine Tree Development Zones (PTDZ)

Maine has a potent new development tool for new or expanding businesses: The Pine Tree Development Zone Program was created by Gov. John Baldacci and funded by the Maine Legislature for FY 2004. The Program offers a combination of powerful tax incentives to spur economic development in areas with high unemployment and/or low wages.

#### Tax Increment Financing (TIF)

Tax increment financing provides municipalities with a local tool to finance the cost of private development. Maine municipalities may redirect some or all of the new property taxes from an investment project within a designated district to assist in that project's financing. Municipalities have three disbursement options for the tax increment:

- Give directly to the investing business to pay project costs
- Use to retire bonds issued as part of the project
- Retain for allowable economic development

TIF districts may be designated for up to 30 years. Bonds may be issued for up to 20 years. Financing terms are determined by the municipality. Community designation of a TIF district requires proper public notice, a public hearing, and a majority vote of the municipal legislative body.

#### Finance Authority of Maine (FAME)

FAME is an independent state agency that offers more than 20 financing programs, including the Small Enterprise Growth Fund – providing up to \$500,000 in capital to

small businesses – and the Maine Seed Capital Tax Credit Program – providing income tax credits to qualified investors in Maine business.

### **Technical Assistance**

The Office of Business Development provides technical assistance through a variety of programs and organizations:

#### Business Answers

Business Answers is Maine's toll-free business information hotline, which provides rapid responses and qualified referrals to Maine residents who have questions about doing business in Maine. Business Answers is invaluable as an information clearinghouse for the myriad of steps (i.e. taxes, regulations, licenses/permits) required to start-up and operate a business. Callers can obtain information on labor/employment, regulations, taxes and financing, as well as referrals to other state agencies and small business resources. Business Answers also provides a business start-up kit, which includes *A Guide to Doing Business in Maine*.

#### Business Development Specialists

Currently, OBD has nine business development experts strategically located throughout the state. These specialists make sure hundreds of companies and economic development organizations are connected with the various programs and partners available to OBD.

#### Small Business Advocate

Small Business Advocate helps small businesses resolve problems they may have with regulatory agencies. OBD coordinates with a network of small business advocates in 15 state agencies.

#### Small Business Development Centers

Small Business Development Centers provide one-on-one business management counseling services to small businesses via subcenters and satellite offices throughout Maine. SBDC resources are critical to small business development, as SBDC counseling and training activities enhance the management capacities of Maine small businesses, providing them with the tools necessary to succeed. Moreover, given their stage and scale, small businesses that utilize free SBDC counseling and training cannot afford to purchase these services. Enhancing the planning, marketing and other management skills of small business executives also makes them less risky from the perspective of banks and other sources of investment capital, thus improving their access to capital.

### Applied Technology Development Centers

Each of Maine's seven targeted technology sectors has its own incubation center. The incubation centers provide critical early-stage technical, business, administrative, and financial resources and training for participating firms including:

- Continual, focused business assistance, information exchange, and technical relationships
- Low overhead
- Shared office equipment
- Meeting spaces
- Training programs
- Coaching/mentoring services
- Shared reception/telephone services
- Videoconferencing/electronic communication capacities

Firms seeking tenancy must apply directly to one of the seven participating centers. Some centers may offer non-resident programs. Firms typically incubate at a center for two to three years, then relocate to a larger space to accommodate growth.

### Technology Tax Credits

Maine offers several tax credit programs geared to encourage and foster the growth of technology companies including:

**Research Expense Tax Credit:** Income tax credit for companies that incur qualifying research expenses in Maine in excess of the base period amount; the base amount is the average research expenses incurred over the prior three years. The credit equals 5% of the qualified research expenses that exceed the average research expenses, plus 7.5% of basic research payments to educational institutions and certain qualified research organizations. The credit is limited to the first \$25,000 of tax plus 75% of the tax over \$25,000 per year; the credit can be carried forward 15 years.

**Research & Development Super Credit:** The credit is equal to the amount of qualified research expenses conducted in Maine for the taxable year that exceed 150% of the average research expenses for the three taxable years prior to September 1997. The credit is limited to 50% of the net tax due (tax due after the allowance of all other credits) and cannot reduce the taxpayer's tax due to less than the net tax due in the preceding taxable year. Any unused portion of the credit may be carried forward up to five years.

**High Technology Investment Tax Credit:** The credit amount is equal to the adjusted basis of eligible equipment placed in service in Maine less any lease payments received during the taxable year; the credit cannot reduce the tax liability to less than the preceding tax year's liability after the allowance of any credits, and it cannot reduce the tax liability in the current year below zero; unused portions of the credit may be carried forward five years; the credit cannot exceed \$100,000 in any one year; income must be

increased by any credit base amount claimed as a business expense. (Please note that this credit cannot be used in tandem with the Business Equipment Tax Reimbursement.)

**Sales Tax Exemptions:**

**Manufacturing:** Sales of machinery and equipment used by the purchaser directly and primarily in the production of tangible personal property are exempt from sales tax. Items consumed or destroyed directly or primarily in production, and repair and replacement parts for qualified production equipment are also exempt from sales tax.

**Research & Development:** Sales of machinery and equipment used by the purchaser directly and exclusively in research and development are eligible for a sales tax exemption.

**Custom Computer Programming:** Any custom computer programming purchased by a business is exempt from sales tax. If a standard program is purchased, then customized, the cost of the standard program and the customizing, if separately stated, would be nontaxable.

**Fuel & Electricity for Use in Manufacturing:** Manufacturers are exempt from paying 95% of the sales tax on fuel and/or electricity used in the manufacturing operation.

**Biotechnology:** Sales of machinery, equipment, instruments and supplies used by the purchaser directly and primarily in a biotechnology application are eligible for a sales tax exemption.

**Maine Products Marketing Program**

The Maine Products Marketing Program provides marketing and other assistance to Maine companies producing consumer goods. Producers of quality products substantially made in Maine can take advantage of a number of programs.

The Maine Products Marketing Program (MPMP) builds recognition for hundreds of exceptional Maine made products, their producers, and Maine's industries in general. MPMP provides marketing assistance and assists Maine's many producers to discover and create new and expanded market opportunities.

The Maine Products Marketing Program is open to all qualified Maine producers. A selection process is in place to ensure that high quality, Maine products from reliable producers are part of the program. Furthermore, through an application process, companies must show adequate production capabilities and sound customer service practices appropriate for their level of participation in the program.

There is no fee to apply to the Maine Products Marketing Program. Once enrolled, the following program activities are available at a very modest cost.

- Producers are entitled to use the MAINE MADE hand tags or adhesive labels associated with the Maine Products Marketing Program. The "Maine Made - America's Best" logo appearing on the tags and labels is used consistently in all marketing activities of the program. Tags and labels are issued in conjunction with certain program activities or may be ordered separately.
- Maine Made web site participation is available as an automatic free member benefit to any member who wishes their contact information on-line, and producers that already have an email address and their own site to link to will especially benefit. The searchable database allows users to easily find companies on the well-indexed web site, and auto-publishing tools allow easy updates to product and contact information.
- Kiosk display opportunities are offered to program participants. Displays are rotated periodically through the Blaine House and the Department of Economic and Community Development common areas as a benefit to interested program members.
- The Maine Products Marketing Program occasionally participates in national trade shows, such as the New York International Gift Fair, the Providence Fine Furnishing Show, and the Merchandise Mart in High Point, North Carolina. Opportunities to participate in the Maine Pavilion are announced through the Program's bimonthly newsletter.
- Scholarship opportunities are provided to MPMP members who are first year exhibitors at the New England Products Trade Show (NEPTS). This wholesale business to business trade show is held each spring in Portland and offers Maine manufacturers and producers great opportunities to increase sales.
- Educational seminars and workshops are offered through the Small Business Development Centers (SBDC) and the Maine International Trade Center (MITC). Announcements about these business education opportunities are made in a timely fashion through the MPMP newsletter, which is emailed monthly. Small business counseling is also available at no charge through the statewide SBDC network.

### *Progress for the Office of Business Development*

- In partnership with the Department of Labor's Bureau of Employment Services, the Office awarded nearly \$1.8 million in training funds via the Governor's Training Initiative Program to 58 Maine companies for 476 new hires and 1,533 incumbent workers.
- Sixteen customized business assistance proposals were prepared and presented to companies seeking to expand their operations in Maine.
- Business Answers, Maine's toll free business information hotline, fielded over 12,600 inquiries for licensing, tax and other business related information. On average, staff responded to 1,051 inquiries per month.
- From the Business answers Web site, [www.maine.gov/businessanswers](http://www.maine.gov/businessanswers), the online Business Licensing Assistant is able to assist users in identifying state licensing requirements for proposed business activity. This feature was utilized 570 times, which resulted in the distribution of 1,415 state business license applications.

- Contracted by DECD to provide comprehensive business management assistance, training, resource and information services to new and emerging businesses, Maine Small Business Development Centers provide one-on-one counseling to 2,847 clients and conducted 177 group training events for 2,934 entrepreneurs.
- In 2004, DECD awarded Maine Microenterprise Initiative (MMI) grants totaling \$651,346 to five community-based organizations. Microenterprise development programs funded under the MMI will target microentrepreneurs in eastern and northern Maine, Native Americans and value-added food producers statewide.
- The Maine Products Marketing Program assisted with the 20<sup>th</sup> Annual New England Products Trade Show held in Portland, in which more than 300 businesses exhibited their products to 2,000 wholesale buyers from around the country. This three-day wholesale giftware and specialty food trade show resulted in approximately \$3.5 million in wholesale product sales.
- The MPMP welcomed 181 new members to the program in 2004, bringing the total program membership to over 1,700. This popular marketing program continues to strive to build recognition for hundreds of exceptional Maine-made products, their producers and Maine's industries in general.
- A new "Personal Favorites" feature was added to the Maine Made Web site ([www.mainemade.com](http://www.mainemade.com)) in 2004, where visitors can create and maintain a list of their favorite Maine Made members. Through this feature, the state is able to connect consumers with producers and act as a lead generator with positive bottom line results for Maine businesses.
- Maine Boatbuilding Initiative: OBD staff has been supporting the Maine boatbuilding industry in establishing an organization that will build a "Maine Built Boats" brand and develop new markets for Maine-built boats. OBD staff has drafted a business plan for a proposed Maine Built Boats Organization and are assisting Maine boat builders with the execution of this plan by supporting the industry's organizational, funding and marketing efforts.
- In 2004, *Fortune* magazine featured an 11-page section on Maine's economy. This section, entitled "Maine: Charting a New Course," summarized the state's businesses and opportunities for growth and was a joint effort between the state and the private sector.

#### OFFICE OF TOURISM AND FILM

The Office of Tourism and Film develops and implements programs to increase tourism and tax revenues to Maine, based on a Five-Year Strategy which was developed together with the Maine Tourism Commission and broad representation from the tourism industry. The Five-Year Strategy is designed to increase tourism in Maine and the resulting economic benefits on both a seasonal and geographic basis. The Strategy is implemented through an integrated marketing program, incorporating advertising, market and accountability research, media relations, special promotions, product development and regional cooperative programs.

## OFFICE OF TOURISM AND FILM

GOAL 1: TO BE ONE OF THE LEADING YEAR-ROUND TRAVEL DESTINATIONS IN THE U.S. AND CANADA.

Objective 1: Attract visitors to Maine through the identification and pursuit of market segments or targets in the following areas:

- Outdoor Adventure (includes beachgoers)
- Cultural Tourism
- Touring
- Special Events
- Meetings and Conferences
- Regional Program

Strategy: Work in the following initiatives and programs:

- A. Market research
- B. Advertise in identified key markets
- C. Maine Tourism Marketing Partnership Program
- D. Technical Assistance Program to build regional capacity
- E. Market Research

Objective 2: Gain tangible public support within Maine for the Tourism and Film Office.

Strategy: Raise awareness of tourism as a viable, important industry for Maine through education and publicity in cooperation with industry partners.

Strategy: Establish a forum for bringing key industry members together to collaborate and share resources.

Objective 3: Build visitation, both geographically and seasonally.

Strategy: Advertise and promote both core and shoulder season attractions.

Objective 4: Build and maintain a presence in our primary international markets (Canada, UK, and Germany).

Strategy: Expand Maine's programs beyond the scope of DNE's core programs.

Strategy: Develop cooperative marketing programs with Canadian provinces.

Strategy: Advertise and promote Maine to key tour operators in targeted international market.

Strategy: Ensure OOT staff participation in industry activities and organizations.

Strategy: Develop "product" for the international market.

**GOAL 2:** TO BE A TOURISM INFORMATION RESOURCE FOR POTENTIAL VISITORS, INDUSTRY MEMBERS, CUSTOMERS AND CONTRACTORS.

Objective 1: Develop a research plan that:

- A. Effectively measures the impact of tourism on the State's economy
- B. Proves the effectiveness of marketing/promotional efforts
- C. Identifies opportunities for development of tourism infrastructure for the Tourism Commission, Tourism staff members, and members of Maine's tourism industry.

Strategy: Collect, synthesize and report internally generated information.

Strategy: Work with the University System and the tourism industry to identify research gaps and devise programs to fill them.

Objective 2: To provide tourism information to prospective visitors within 7-10 business days.

Strategy: Develop comprehensive, user friendly collateral materials.

Strategy: Maintain a call-in customer service center and fulfillment service.

Strategy: Establish/maintain an electronic means for potential visitors to access information on Maine products via the internet.

**GOAL 3:** TO MAKE MAINE A LEADING NEW ENGLAND LOCATION FOR MOTION PICTURE, TELEVISION, COMMERCIAL, PHOTOGRAPHIC AND NEW MEDIA PROJECTS.

Objective 1: Increase the number of inquiries from producers through marketing, information, logistical and incentive programs.

Strategy: Target motion-picture/television producers

Strategy: Target advertising and commercial production companies

Strategy: Target catalog companies

Objective 2: Become the central resource on film/video productions in Maine.

Strategy: Create incentive programs that draw more projects to Maine.

- Strategy: Be a centralized resource where film, TV and other media projects can look for production help and information.
- Strategy: Act as liaison between production companies and local, county, regional, State and Federal government.

**GOAL 4: TO EXPAND AND IMPROVE MAINE'S INDIGENOUS FILM, TV COMMERCIAL AND NEW MEDIA INDUSTRIES**

- Objective: Assist and educate Maine production professionals.
- Strategy: Establish a Maine Film and Video Association and work with it to increase Maine production and Maine production employment.
- Strategy: Develop and promote a "Film in Maine" program that educates Maine business about Maine's production community and encourages Maine business to hire Maine production professionals.
- Strategy: Organize network gatherings, workshops and information meetings with production partners to improve overall productions community.
- GOAL 5: TO ACHIEVE A MINIMUM RETURN ON INVESTMENT ON INCREMENTAL DOLLARS INVESTED OF 2:1.**
- Objective: To develop and implement an effective advertising campaign in key Northeastern markets.
- Strategy: Develop a consistent look and feel to all advertising and collateral materials.
- Strategy: Utilize public relations and Internet development efforts to reinforce and supplement the advertising campaign.

**OFFICE OF TOURISM**

The Office of Tourism is responsible for implementing an overall marketing program domestically, in Canada and overseas for the State of Maine, which includes advertising, public relations and research and analysis. Tourism continues to be a strong component of Maine's economic growth, and 2004 saw the greatest increase in tourism-related businesses in the past four years.

## *Progress*

- In 2004, the advertising campaign centered on all of the surprising things tourists and travelers can do and see in Maine. This campaign ran in a variety of publications in New England and New York Markets. In addition to the broadcast television advertising, national cable spots were added to the mix.
- Public relation efforts helped provide an increase in ad equivalency of 64 percent over the previous year. This relates to reaching over 30 million additional readers.
- The office assisted sixty journalists during press visits to Maine, which helped result in over \$19 million in newspaper and magazine coverage throughout the United States
- Fall foliage season 2004, was the third year the Office of Tourism and the Department of Conservation worked in collaboration to report on and promote Maine's foliage season. New for 2004, the Office arranged for video footage to be shot in several areas of the state for four consecutive weeks. A satellite uplink was then provided to TV stations across the country. Approximately 30 TV stations aired the Maine footage, including national coverage on the weather channel and CNN Headline News.
- The Regional Grant Program continues to be a successful collaborative effort between the Office and the eight tourism regions. A public service television advertising campaign aired throughout the state in January and February highlighting the impact of tourism on the state. This was followed by an in-state campaign encouraging Maine residents to vacation within the state.
- In 2004, the Office's Web site had 1.6 million unique visitors compared to 1.45 million in 2003, an increase of approximately 10 percent. The Web site is continually being updated and improved to make it more interesting and user-friendly for consumers.
- The Office continued to expand its international marketing efforts by adding sales missions to Canada and the United Kingdom to its annual participation in major trade shows in the U.S. and London. The marketing effort in France, started in 2003, was continued and enhanced by a successful familiarization tour to Maine by French journalists, resulting in feature stories in several publications. Significant marketing support was given to publicize the St. Croix 2004 anniversary in the French market. A total of 35 international tour operators visited Maine in 2004: Germany (26), France (6), and United Kingdom (3).
- The Office distributed 265,000 *Maine Invites You* guidebooks to prospective visitors in 2004. This was an increase of 20,000 pieces compared to 2003.

## **Maine Film Office**

The Film Office is responsible for attracting and assisting film, television, video and other projects. The Film Office responds to requests from producers for information on locations, film personnel, laws and regulations and support services. The Office

publishes internet and printed materials that market Maine as a film location; plans and creates advertising and public relations programs; and provides resource information.

The Office serves producers and production companies in the United States and internationally; Maine-based producers and production professionals; film studios; broadcast and cable TV companies; catalog publishers. The Office also serve those Maine communities in which these producers work.

### ***Progress***

- Maine hosted five feature films during 2004, all from independent production companies. The Office has put a strong emphasis on independent production in its marketing and public relations efforts in recent years. Such independent features often work well in Maine because their impact and infrastructure requirements are less.
- Three of the five films were produced and largely staffed by Maine residents, demonstrating the growing role of Maine-based companies in the state's production business.
- The Film Office continues to market and attract national commercials, films, photographic projects and catalogs. Commercial projects include works for Eddie Bauer, Fleet Bank and Marsh's Supermarket.
- The Office, in collaboration with the Maine Arts Commission, organized and created a major installation at the Blaine House Conference on the Creative Economy. With help from Maine production professionals, the Film Office transformed space at Bates Mill Complex into a 50-seat cinema and a media gallery featuring video and audio works from Maine-based production and broadcast companies. The Office also organized conference workshops highlighting the importance of media production to the state's creative economy.
- The Celebration of Maine Filmmakers' Program grew in 2004 to become the Film Office's most visible and popular form of outreach in Maine. A featured event at the Maine International Film Festival in Waterville, the program included the Maine Screenwriting Awards and Screenwriting Seminar; the Maine Student Film and Video Festival; screenings of award-winning Maine films; and a workshop for potential actors and extras.
- The Office continued to use a multipart marketing program designed to bring more productions to Maine and to educate Mainers on the value of these productions to the state's creative economy.
- The Office planned and participated in a multi-state marketing program in New York City. Several states participated in the Independent Feature Project Market in SoHo.
- The Film Office used limited advertising funds to create, in house, a series of ads for national distribution. The ad series was featured in issues of *The Hollywood Reporter*.
- Currently, the Film Office has approximately 6,000 digital photographs in its collection. All of them can be sent to producers and location scouts within minutes.

- The Film Office Web site continues to draw thousands of hits from production professionals each month.

## OFFICE OF COMMUNITY DEVELOPMENT

The Office of Community Development (OCD) provides financial and technical assistance to Maine communities to enhance community development, planning, and economic development activities. Typical activities include: funding and technical support to construct public facilities, public infrastructure, finance economic development initiatives and to improve substandard living conditions for low- to moderate-income residents. The Community Development Block Grant (CDBG) program, funded through the U.S. Department of Housing and Urban Development, allows communities to initiate projects that would not be feasible otherwise.

During 2004, 106 projects were awarded CDBG funding totaling more than \$16 million. Monetary awards ranged from a \$400,000 Downtown Revitalization Grant to a \$7,000 Community Planning Grant, spanning each of Maine's 16 counties.

The second major initiative of the OCD is the state-funded Municipal Investment Trust Fund Program, which is currently funding over \$10 million in projects located in Maine Service Center Communities.

As depicted in the department's strategic plan, Community Development focuses on the following goals:

## **OFFICE OF COMMUNITY DEVELOPMENT**

**GOAL:** MAXIMIZE THE BENEFITS AVAILABLE TO MAINE'S LOW TO MODERATE INCOME CITIZENS THROUGH THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.

Objective 1: Administer Department resources in coordination with other state, federal and local resources to rehabilitate substandard housing units, provide replacement housing where appropriate and develop owner occupied and rental affordable housing for Maine citizens.

Objective 2: Administer Department resources in coordination with other state, federal and local resources to improve public infrastructure and facilities, focusing on downtown districts and/or service center communities.

Objective 3: Administer Department resources in coordination with other state, federal and local resources to improve public services directly benefiting low and moderate income persons.

**Objective 4:** Administer Department resources in coordination with other state, federal and local resources to assist communities to plan for enhancements to their community and economic development activities.

**Objective 5:** Administer Department resources in coordination with other state, federal and local resources to promote quality job creation/retention activities focusing on existing established businesses, developing new technology, natural resource based/value added business, and regionally supported business growth.

**Strategy:** Assess municipal housing needs through public hearings/forums and a program application process to develop programs in conjunction with other agencies to meet the identified needs.

**Strategy:** Assess municipal and business infrastructure, facility, services, planning and downtown revitalization needs through public hearings/forums and a program application process that designs programs to leverage other funds that address the identified needs.

**Strategy:** Assess the financial needs of businesses through municipal contacts and the network of Department business development specialist, development districts, and economic development agencies throughout the state, and design grant/loan programs to meet those needs, maximize leverage of other public/private funds, and promote regional anti-sprawl business growth and the development of quality jobs with minimal environmental impact.

**Strategy:** Develop efficient and effective program delivery and technical assistance systems to maximize program benefit, leverage of outside funds and the use of computer technology.

### **Community Development Block Grant Program**

The Community Development Block Grant (CDBG) program is the single largest source of grant funds available to communities to undertake housing, infrastructure and job creation activities, principally for low and moderate income persons. Maine's CDBG program distributes funds, primarily through a competitive application process to cities and towns.

The CDBG program has three general program categories:

1. Economic Development – projects that create and retain jobs for low and moderate income households.
2. Community Development – projects that construct community facilities, rehabilitate downtowns, rehabilitate housing, provide public services.

### 3. Planning Activities.

All three of these categories have equal priority as essential activities, though planning receives only a small fraction of total funds.

Community Development activities are prioritized as follows: 1) water and sewer projects; 2) housing activities; 3) community buildings (fire stations, health centers, etc.); 4) downtown revitalization projects; 5) public service programs; 6) public parks, public works buildings. Economic Development activities are focused on activities linked to the State's economic development strategy and the retention and expansion of major manufacturing employers.

#### *Performance Criteria, Benchmarks, Timetables*

All CDBG funds must meet one of three "national objectives": benefit to low and moderate income persons; prevention or elimination of slum and blighting conditions; or meeting an urgent need (critical threat to health and safety).

#### *Progress*

- The Office of Community Development renewed and strengthened its partnership with the Maine State Housing Advisory (MSHA) and Kennebec Valley Community Action Program to use over \$900,000 in CDBG and Rural Housing and Economic Development funding to establish the Kennebec Valley Replacement Housing Program. This project is well under way replacing severely substandard homes owned by low-income families in rural areas of Kennebec and Somerset Counties.
- The OCD granted \$126,750 in CDBG Public Facilities funds to the town of Beaver Cove to match approximately \$290,000 in local monies for the construction of a new Community Center/Town Office that replaced a severely inadequate building with no running water or sanitary facilities.
- During 2004, the OCD was very active with CDBG initiatives in the Oxford County community of Canton. A flood devastated the town in December 2003 and OCD was one of the first state agencies on the scene, providing a \$100,000 Urgent Need Grant to assist in flood remediation efforts. This was followed by a \$250,000 Public Facilities Grant to assist in the construction of a new fire station located out of the flood plain. An additional \$400,000 Innovative Housing Grant is currently matching Federal Emergency Management Agency (FEMA) and MSHA funds in the development of a relocation program for income-eligible residents. In addition, a \$10,000 Community Planning Grant is helping develop a long-range strategy for the relocation of the downtown area.
- Late in 2004, the OCD announced a major change in program responsibilities for the five Development Program Managers (DPMs). In the past, each DPM worked with communities implementing any current CDBG program activity. In the revamped system, each DPM will manage specific programs on a statewide basis.

This will enable the OCD to improve customer service by customizing technical assistance, project development and oversight to communities planning for and implementing CDBG projects.

## OFFICE OF INNOVATION

Office of Innovation (OOI) was established (5MRSA §13105) within the Department of Economic and Community Development to advance Maine's economic well-being and expand employment opportunities by encouraging and coordinating the State's R&D activities and fostering collaboration among its higher educational and nonprofit research institutions and the business community.

The Office consists of a Director, a Policy/Program Coordinator and a part-time administrative assistant. The Director also serves as the State Science and Technology Advisor whose responsibilities include advising the Governor on issues related to science, engineering and technology. The Policy/Program Coordinator is responsible for managing the Office's legislative program, managing the Office's contracts for R&D programs and activities and providing advice and research on initiatives and reports of the Office.

The Office oversees the Maine Technology Institute and the Technology Centers programs, and monitors and evaluates other state-funded R&D programs and activities such as the Biomedical Research Fund and the Marine Research Fund.

As depicted in the department's strategic plan, Innovation focuses on the following goals:

### OFFICE OF INNOVATION

**GOAL: TO ADVANCE MAINE'S ECONOMIC WELL-BEING AND EXPAND EMPLOYMENT OPPORTUNITIES THROUGH RECOMMENDING A COHESIVE STRATEGY AND MANAGING STATE INVESTMENTS IN RESEARCH AND DEVELOPMENT.**

**Objective:** Encourage and coordinate the State's research and development activities to foster collaboration among its higher educational and nonprofit research institutions and the business community.

**Strategy:** Develop the State Science and Technology Action Plan, a report card on the state's progress, and coordinate the comprehensive research and development evaluation.

**Strategy:** Coordinate the State EPSCoR program and expand to programs related to EPSCoR, such as DEPSCoR, INBRE, etc., by partnering with federal agencies, non-profit laboratories and educational institutions to strengthen Maine's science and engineering infrastructure.

Strategy: Coordinate Maine Technology Institute efforts to stimulate and support research and development activity leading to the commercialization of new products and services in the State's technology-intensive industrial sectors.

Strategy: Coordinate strategy and provide grants to the Applied Technology Development Centers to assist in the management and operation of the seven targeted technology based incubation centers.

Duties of the office mandated in statute include:

**Science and Technology Action plan** to improve the State's position in the global economy. The Plan is developed and submitted to the Governor and Legislature each biennium and includes steps that must be implemented to improve the State's science and technology infrastructure.

**Report Card** that compares the State's science and technology infrastructure standing to that of other states, assesses the performance of the State and recipients of state R&D funds and recommends ways to improve the results of the report card.

**R&D Evaluation** of state investments in R&D that includes outcome measures, independent assessment of the competitiveness of Maine's technology sectors and the impact of R&D activities on the economic development of the state, and recommendations to the Legislature on R&D programs and activities.

**EPSCoR Program administration**, in conjunction with the University of Maine system and the Maine Science and Technology Advisory Committee.

### **Maine Technology Institute**

The Maine Technology Institute (MTI) supports Maine companies' early-stage research and development efforts leading to commercialization of new products and services in the following seven targeted technology sectors:

- Aquaculture and marine technology
- Advanced technologies for forestry and agriculture
- Biotechnology
- Composite materials technology
- Environmental technology
- Information technology
- Precision manufacturing technology

MTI's goals are to:

- Contribute to the long-term development of a statewide research, development and product deployment infrastructure,
- Enhance the competitive position of Maine's technology-intensive industries,
- Support clusters of industrial activity and create jobs for Maine people.

## *Progress*

- In 2004, MTI approved funding for 115 Seed Grant proposals. Seed Grant Awards are competitive grants of \$1,000 to \$10,000 per project and support very early activities for product deployment, commercialization or business planning and development.
- MTI approved funding for 15 Development Award proposals in 2004. These are competitive awards of \$10,000 to \$500,000 per project that are invested in technology-related companies to support research and development leading to commercialization of new products and services.
- MTI approved funding for six 2004 Cluster Enhancement Awards. These grants of \$10,000 to \$200,000 per project are made on a competitive basis to seed efforts that will stimulate and support the formation and growth of technology business.
- An evaluation of MTI's award programs concludes that the organization has been successful in supporting innovative activity and is poised to have substantial economic impact on Maine. Among the most notable findings are:
  - MTI recipients saw employment grow by 11 percent
  - For every dollar of MTI assistance, over \$26 is leveraged in external financing
  - Forty-six percent of MTI-funded research projects have led to new products, and 24 percent of projects have resulted in products that are already offered for sale.
  - Seventy-three percent of MTI grant recipients have fewer than 10 employees
  - Forty-five percent of MTI-funded projects have or will seek patent protection for the results of their research; 84 percent will seek other IP protection such as trade secrets, trademarks and copyrights.

## **Applied Technology Development Centers**

The Applied Technology Development Centers (ATDC) system is an integral component of the state's efforts to further develop a technology-based economy. Together, the Centers comprise a system of business incubators aimed at accelerating the early-stage development of technology-based companies.

The Centers were the recipients of a \$2 million bond in 2003, which allowed for building construction and renovation for several of the Centers in 2004:

- Thomas M. Teague Biotechnology Center - \$650,000 which will allow the Teague Center to offer lower rent and support services to start-up biotech businesses. The Center operates with one anchor tenant and is in discussions with BioMed Development of Sherbrooke, Quebec, Canada, to assist companies wishing to relocate.

- Composite Technology Centers - \$450,000 constructed the wood composite incubator, operated in conjunction with the University of Maine's Advanced Engineering Wood Composite Center students and researchers. The facility opened in March 2005.
- River Valley Precision Manufacturing Incubator - \$500,000 to convert the former MeadWestvaco mill into a small business center/incubator for precision engineering. The center, which opened in August 2004, has four affiliates utilizing the support services and has begun other seminars and training programs.
- Center for Environmental Enterprise - \$400,000 to assist the center in developing new and expanded space. The center continues to lease out 84 percent of its space and in 2004, received over \$50,000 in revenues from clients.
- The Loring Applied Technology Center houses four tenants, leasing about 50 percent of its space and receiving \$55,000 in revenues from tenants.
- The Target Technology Center is 80 percent leased to four startup companies. Additionally, cubicle space is provided to six student startup companies, and nine companies utilize services as affiliates. One company graduated in 2004, with several more expected for 2005/06.
- Three tenant facilities in Walpole and Franklin occupy the Maine Aquaculture Incubators, and the two locations employ up to 15 people. A new building in Franklin, complete in May 2005, offers an additional 6,000 square feet of available space to tenants.

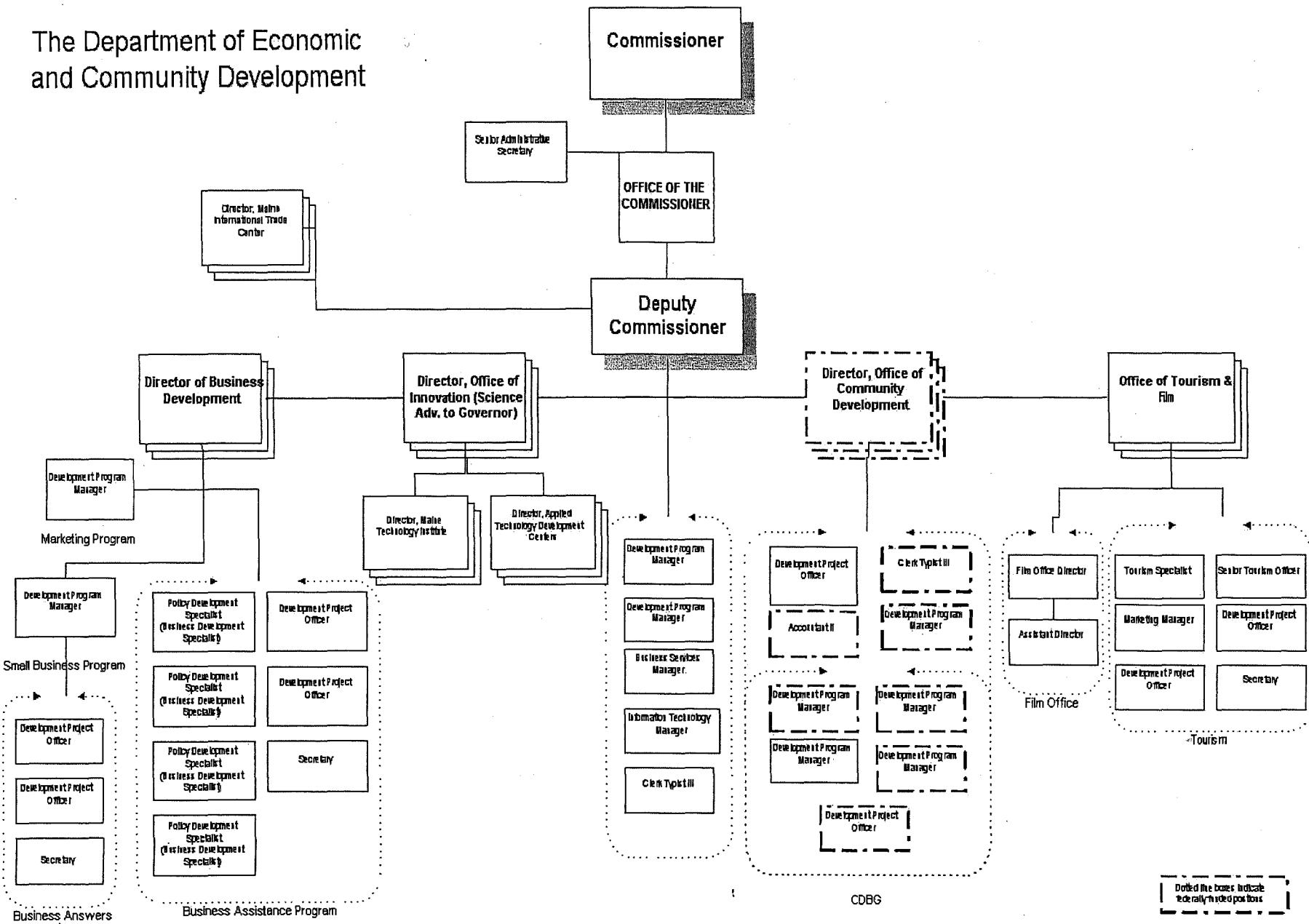


**C. Organizational structure, including a position count, a job classification and an organizational flowchart indicating lines of responsibility;**

- Office of Administration
  - Commissioner, policy and trade
  - Business Management
  - Tax Incentives
- Office of Business Development
  - Business Development
  - Maine Products Marketing Program
  - Small Business Programs
  - Small Business Advocate
  - Business Answers
  - Small Business Development Centers
- Office of Tourism
  - Tourism
  - Marketing and Promotion
  - Public Relations
- Film Office
  - Film Production
  - Advertising and public relations programs
- Office of Community Development
  - Community Development Block Grant Program
  - Municipal Investment Trust Fund
  - Planning and Economic Development Activities
- Office of Innovation
  - Research and Development
  - Educational and Research Collaboration
  - Maine Technology Institute
  - Applied Technology Development Centers

A graphic display of DECD's organizational structure, including all positions and their state classifications follows:

# The Department of Economic and Community Development



August 12, 2004

- D. Compliance with federal and state health and safety laws, including the Americans with Disabilities Act, the federal Occupational Safety and Health Act, affirmative action requirements and workers' compensation;**

A letter stating our compliance follows.



JOHN ELIAS BALDACCI  
GOVERNOR

STATE OF MAINE  
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES  
DIVISION OF FINANCIAL AND PERSONNEL SERVICES  
74 STATE HOUSE STATION AUGUSTA, MAINE 04333-0074

REBECCA M. WYKE  
COMMISSIONER

KAREN S. DOYLE  
ACTING ASSOCIATE  
COMMISSIONER

M E M O R A N D U M

**TO:** TJ Tavares, Development Program Manager  
Department of Economic and Community Development

**FROM:** Patricia J. Beaudoin, Director of Human Resources  
Department of Administrative and Financial Services

**DATE:** October 28, 2005

**SUBJ:** Information regarding the Government Evaluation Act

As we discussed, I have made some corrections and notations to this memorandum that was originally sent to Linda Lockhart, Development Project Officer on July 25, 1997.

First the notations that are in red are the ones on the original memorandum that I cannot necessarily confirm or I do not have documentation to back up the statement. I have also attached an email from Linda Lockhart dated July 15, 1997 which I suspect (since I cannot remember) is where some of the information on the July 25, 1997 memorandum came from as well as discussions with her.

I have rewritten the Workers' Compensation paragraph because I was not certain what protocols were implemented. If you are not satisfied with the re-write let me know and we can discuss additional changes.

Also, after reviewing Linda's email regarding the Safety information, I believe that came strictly from her so I cannot confirm either way the validity of that paragraph.

Lastly, if you need more information or clarification I would be more than glad to discuss this with you. I can be reached at 624-7421.

Americans with Disabilities Act (ADA)

The American with Disabilities Act (ADA) was enacted July 26, 1990 and the act provides comprehensive civil rights protections to individuals with disabilities in the areas of employment, state and local government services and telecommunications. On August 25, 1993 the Bureau of Human Resources issued Civil Service Bulletin 8.19 which was a Policy for

OFFICE LOCATED ON 3RD FLOOR, BURTON M. CROSS BUILDING

PHONE: (207) 624-7400

FAX: (207) 287-4032

Reassignment of Employees as a Reasonable Accommodation under the Americans with Disabilities Act – The general policy is that the State of Maine will provide reasonable accommodations in the event that an employee is disabled or becomes disabled and can no longer perform the duties of his/her position. The Department of Economic and Community development entered into the ADA Compliance Plan May 25, 1995. The Department was certified as handicapped accessible in 1994.

#### Affirmative Action

The Department of Economic and Community Development has an Equal Employment Opportunity/Affirmative Action Plan which was signed by Commissioner Steven H. Levesque in 2000. The plan states that the Department will adhere to a policy of equal employment opportunity and affirmative action. Commissioner Levesque reaffirmed this policy and stated the Department will continue to pursue a policy of nondiscrimination in all employment actions, practices, procedures and conditions of employment. The 2000 EEO/AA Plan still governs until it is replaced by a statewide EEO plan which is currently awaiting a State reorganization to be completed.

#### Workers' Compensation

The Department of Economic and Community Development has implemented protocols and initiatives in an effort to better manage claims, reduce lost-time injuries, facilitate return to work; provide better medical treatment and to strengthen management accountability.

New Statement: The Department of Economic and Community Development works with the Department of Administrative and Financial Services in an effort to better manage claims, reduce lost-time injuries, facilitate with the Workers' Compensation Division return to work opportunities for injured employees; provide medical treatment and occupational therapy if needed.

#### Safety

The Advisory Committee to Assist in the Management of the State Workers' Compensation Costs issued a series of recommendations to strengthen the State's loss prevention activities. The Advisory Committee supported active safety and health committees as an effective organizational tool to improve work place safety. The Department is in the process of organizing a safety committee comprised of labor and management employees. The committee will be responsible for appropriate inspections of the facility, coordinate safety activities and initiate programs for health and safety.

The Department of Economic and Community Development strives to comply with all federal and state laws as they relate to these issues.



**E. Financial Summary, including sources of funding by program and the amounts allocated or appropriated over the past 10 years;**

Please see the information provided following this page.

	<b>General Fund</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Administration	Appropriated	\$1,188,934.00	\$1,085,211.00	\$1,198,163.00	\$1,084,291.00	\$5,084,535.00	\$11,690,979.00	\$7,357,367.00	\$6,680,227.00	\$7,776,875.00	\$2,137,919.00
	Expenditures	\$1,152,240.00	\$1,080,665.00	\$1,176,440.00	\$1,064,632.00	\$5,131,331.00	\$11,580,791.00	\$7,459,136.00	\$6,650,628.00	\$7,744,311.00	\$2,328,827.00
Tourism	<b>General Fund</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
	Appropriated	\$1,854,922.00	\$3,448,426.00	\$3,462,785.00	\$2,513,215.00	\$4,532,450.00	\$4,622,711.00	\$7,688,724.00	\$4,386,623.00	\$6,879,070.00	\$7,110,206.00
Business Dev.	Appropriated	\$1,911,490.00	\$2,623,038.00	\$3,400,004.00	\$2,467,650.00	\$4,427,074.00	\$4,291,871.00	\$6,340,427.00	\$6,154,813.00	\$7,192,352.00	\$7,835,474.00
	Expenditures	\$1,301,721.00	\$1,158,710.00	\$1,224,064.00	\$1,205,231.00	\$2,758,213.00	\$3,443,385.00	\$2,492,165.00	\$2,301,786.00	\$2,022,112.00	\$2,090,393.00
CDBG	<b>General Fund</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
	Appropriated	\$207,057.00	\$213,182.00	\$214,861.00	\$204,785.00	\$209,261.00	\$215,851.00	\$230,439.00	\$231,777.00	\$242,043.00	\$247,654.00
State Match	Expenditures	\$214,501.00	\$191,133.00	\$210,965.00	\$201,072.00	\$214,143.00	\$215,873.00	\$236,586.00	\$218,858.00	\$242,043.00	\$247,654.00
	<b>Federal Fund</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
CDBG	Appropriated	\$ 19,133,056.00	\$ 18,105,788.00	\$ 18,398,484.00	\$ 17,934,072.00	\$ 41,050,600.00	\$ 20,558,445.00	\$ 21,594,570.00	\$ 23,646,125.00	\$ 24,258,417.00	\$ 24,749,296.00
Fed. Match	Expenditures	\$ 17,919,593.00	\$ 13,643,887.00	\$ 15,594,371.00	\$ 15,200,740.00	\$ 37,443,055.00	\$ 17,203,755.00	\$ 15,764,743.00	\$ 16,640,914.00	\$ 24,258,417.00	\$ 28,543,296.00
Com. Dev. Revolving Loan Fund	<b>Federal Fund</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
	Appropriated	NA	NA	NA	NA	\$823,313.00	\$823,936.00	\$1,053,635.00	\$1,258,660.00	\$1,030,000.00	\$1,030,000.00
Film Office	Expenditures	NA	NA	NA	NA	\$421,774.00	\$830,293.00	\$272,402.00	\$515,049.00	\$1,030,000.00	\$1,030,000.00
	<b>General Fund</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Film	Appropriated	\$ 107,875.00	\$ 116,311.00	\$ 120,642.00	\$ 122,922.00	\$ 144,257.00	\$ 235,578.00	\$ 157,227.00	\$ 159,539.00	\$ 171,381.00	\$ 175,535.00
Office	Expenditures	\$ 86,702.00	\$ 117,183.00	\$ 109,716.00	\$ 111,790.00	\$ 147,034.00	\$ 184,475.00	\$ 212,769.00	\$ 166,817.00	\$ 174,381.00	\$ 179,820.00
MITC	<b>General Fund</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
	Appropriated	NA	\$104,075.00	\$92,974.00	\$94,205.00	\$85,940.00	\$161,539.00	\$676,840.00	\$665,476.00	\$680,214.00	\$680,794.00
ME Sm. Bus. Commission	Expenditures	NA	\$147,106.00	\$92,813.00	\$93,887.00	\$89,668.00	\$158,430.00	\$674,174.00	\$666,468.00	\$681,964.00	\$682,242.00
	<b>General Fund</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
ME Sm. Bus.	Appropriated	\$ 618,119.00	\$ 633,835.00	\$ 633,873.00	\$ 633,916.00	\$ 724,329.00	\$ 745,335.00	\$ 744,987.00	\$ 730,510.00	\$ 730,510.00	\$ 730,510.00
Commission	Expenditures	\$ 565,713.00	\$ 527,167.00	\$ 622,381.00	\$ 622,423.00	\$ 753,272.00	\$ 681,592.00	\$ 806,884.00	\$ 731,613.00	\$ 730,510.00	\$ 730,510.00
Regional Dev. SCEDC	<b>General Fund</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
	Appropriated	NA	NA	NA	NA	NA	NA	\$50,000.00	\$49,000.00	\$36,700.00	\$26,300.00
Office of Innovation	Expenditures	NA	NA	NA	NA	NA	NA	\$50,000.00	\$49,000.00	\$36,700.00	\$26,300.00
	<b>General Fund</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Office of Innovation	Appropriated	NA	\$ 5,967,946.00								
Expenditures	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$ 5,944,878.00	

	General Fund	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
ME Micro Initiative Fund	Appropriated Expenditures	NA	NA	NA	NA	NA	\$850,000.00	\$0.00	\$0.00	\$1,315,000.00	\$315,000.00
		NA	NA	NA	NA	NA	\$135,503.00	\$714,497.00	\$0.00	\$1,000,000.00	\$683,303.00
	General Fund	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
ME Econ Gr. Council	Appropriated Expenditures	\$105,000.00	\$140,000.00	\$75,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$48,721.00	\$48,721.00	\$48,721.00
		\$164,539.00	\$140,000.00	\$75,000.00	\$50,000.00	\$50,000.00	\$47,630.00	\$52,370.00	\$48,721.00	\$48,721.00	\$48,721.00
	General Fund	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Regional Dev. EMDC	Appropriated Expenditures	\$59,747.00	\$100,000.00	\$85,000.00	\$85,000.00	\$85,000.00	\$85,000.00	\$85,000.00	\$83,300.00	\$63,000.00	\$43,000.00
		\$59,747.00	\$100,000.00	\$85,000.00	\$85,000.00	\$85,000.00	\$85,000.00	\$85,000.00	\$83,300.00	\$63,000.00	\$43,000.00
	Special Revenue	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Bus. Assistance Fund	Appropriated Expenditures	NA	NA	NA	NA	\$402.00	\$503.00	\$100,000.00	\$151,000.00	\$160,000.00	\$220,000.00
		NA	NA	NA	NA	\$146.00	\$0.00	\$0.00	\$61.00	\$160,000.00	\$220,000.00
	Special Revenue	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Micro-Loan Revolving Fund	Appropriated Expenditures	NA	NA	NA	NA	NA	NA	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00
		NA	NA	NA	NA	NA	NA	\$-	\$-	\$-	\$-
	Special Revenue	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Econ Dev. Infrastructure	Appropriated Expenditures	NA	\$30,607.00	\$56,113.00							
		NA	\$30,607.00	\$56,113.00							
	Special Revenue	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Public Infrastructure	Appropriated Expenditures	NA	\$15,303.00	\$35,708.00							
		NA	\$15,303.00	\$35,708.00							
	Federal Fund	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Economic Conversion	Appropriated Expenditures	\$105,638.00	\$118,634.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,000,000.00	\$1,302,449.00
		\$94,169.00	\$126,607.00	\$0.00	\$0.00	\$86,027.00	\$60,000.00	\$7,148.00	\$101,771.00	\$2,000,000.00	\$1,302,449.00
	Special Revenue	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Curriculum & Workshops	Appropriated Expenditures	\$100,000.00	\$100,000.00	\$67,000.00	\$67,000.00	\$67,000.00	\$67,000.00	\$67,500.00	\$67,500.00	\$68,850.00	\$70,227.00
		\$14,155.00	\$27,085.00	\$32,587.00	\$39,681.00	\$41,078.00	\$11,370.00	\$32,408.00	\$56,815.00	\$68,850.00	\$70,227.00
	Special Revenue	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Publications Revolving Fund	Appropriated Expenditures	\$ 125,000.00	\$ 125,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00
		\$ 57,937.00	\$ 24,162.00	\$ 136,581.00	\$ 166,432.00	\$ 188,054.00	\$ 61,608.00	\$ 45,020.00	\$ 12,878.00	\$ 200,000.00	\$ 200,000.00

	Special Revenue	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Tourism Cooperative	Appropriated	\$0.00	\$0.00	\$200,000.00	\$200,000.00	\$100,000.00	\$100,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00
Market Fund	Expenditures	\$63,434.00	\$0.00	\$2,004.00	\$2,547.00	\$2,900.00	\$24,385.00	\$29,400.00	\$21,170.00	\$50,000.00	\$50,000.00
	General Fund	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Energy Conservation	Appropriated	\$31,505.00	\$32,837.00	\$33,551.00	\$34,598.00	\$43,829.00	\$44,280.00	\$100,000.00	\$100,000.00	\$150,000.00	NA
	Expenditures	\$1,465.00	\$507.00	\$1,547.00	\$27,653.00	\$45,313.00	\$48,131.00	\$21,770.00	\$81,603.00	\$150,000.00	NA
	General Fund	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Office of Energy Resource	Appropriated	\$43,090.00	\$17,335.00	\$68,597.00	\$69,083.00	\$535,557.00	\$548,540.00	\$617,899.00	\$623,614.00	NA	NA
	Expenditures	\$40,683.00	\$19,088.00	\$47,886.00	\$52,633.00	\$550,763.00	\$581,713.00	\$905,062.00	\$574,311.00	NA	NA
	Special Revenue	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Job Retention	Appropriated	\$0.00	\$0.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$132,100.00	\$132,100.00	\$132,100.00	NA
	Expenditures	\$0.00	\$0.00	\$116,100.00	\$122,874.00	\$132,100.00	\$132,100.00	\$132,100.00	\$114,500.00	\$28,630.00	NA
	General Fund	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Francophone Office	Appropriated	NA	NA	NA	NA	NA	\$75,000.00	\$75,000.00	\$0.00	\$0.00	\$0.00
	Expenditures	NA	NA	NA	NA	NA	\$75,000.00	\$75,000.00	\$0.00	\$0.00	\$0.00
	General Fund	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Applied Tech. Centers	Appropriated	NA	NA	NA	NA	NA	\$2,306,600.00	\$0.00	\$285,000.00	\$295,800.00	\$290,000.00
	Expenditures	NA	NA	NA	NA	NA	\$200,000.00	\$2,072,291.00	\$312,508.00	\$295,800.00	\$290,000.00
	Bond Fund	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Gulf of Maine Aquarium Res.	Appropriated	NA	NA	NA	NA	NA	NA	NA	\$0.00	\$0.00	\$0.00
	Expenditures	NA	NA	NA	NA	NA	NA	NA	\$1,000,000.00	\$750,000.00	\$0.00
	Bond Fund	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Marine Research Fund	Appropriated	NA	NA	NA	NA	NA	NA	NA	\$ -	\$ -	\$ -
	Expenditures	NA	NA	NA	NA	NA	NA	NA	\$ 1,000,000.00	\$ 3,000,000.00	0
	Bond Fund	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Biomed Research Fund	Appropriated	NA	NA	NA	NA	NA	\$10,000,000.00	\$4,067,000.00	\$1,000,000.00	\$0.00	\$0.00
	Expenditures	NA	NA	NA	NA	NA	\$763,000.00	\$13,008,887.00	\$5,500,000.00	\$5,000,000.00	\$12,900,000.00
	Special Revenue	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EPSCoR Fund	Appropriated	NA	NA	NA	NA	NA	NA	NA	\$300,000.00	\$0.00	\$0.00
	Expenditures	NA	NA	NA	NA	NA	NA	NA	\$300,000.00	\$0.00	\$0.00

	Special Revenue	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
R&D Fund	Appropriated	NA	\$120,000.00	\$0.00	\$120,000.00						
	Expenditures	NA	\$120,000.00	\$0.00	\$120,000.00						
	Financial Order	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
MITF	Bond Fund	NA	\$0.00								
	Expenditures	NA	\$1,000,000.00	\$9,300,000.00							
	Bond Fund	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Marine Tech. & Infrastructure	Appropriated	NA	NA	\$0.00							
	Expenditures	NA	NA	\$500,000.00							



**F. When applicable, the regulatory agenda and the summary of rules adopted;**

**Rule Chapters for the Department of Economic and Community Development**

**19 100 Economic / Community Development**

**Ch. 1 Municipal and State Tax Increment Financing Rules**

Purpose: The municipal and state tax increment finance programs are designed to assist municipalities in encouraging industrial, commercial, or retail development, increasing employment opportunities, and broadening tax bases. This chapter sets forth the provisions by which a municipality may utilize these programs, and describes application requirements, state review procedures, state designation procedures, the calculation of state tax increment, annual reporting requirements, and local program administration. It is the intent of the Department of Economic and Community Development to ensure, to the greatest extent possible, municipal control and responsibility for tax increment financing districts.

STATUTORY AUTHORITY: 5 M.R.S.A. § 13058(3)  
30-A M.R.S.A., §5254-A(I-B) (C) and (6)

**Ch. 2 Pulp and Paper Tax Increment Financing and Environmental Investment Program**

Purpose: The pulp and paper tax increment finance program and the environmental investment program are designed to assist companies engaged in the pulp and paper industry in the financing of substantial capital investments in environmental improvement projects that are required by state and federal regulation of the pulp and paper industry. This chapter sets forth the provisions by which the pulp and paper industry may utilize these programs, and describes application requirements, state review procedures, state designation procedures, annual reporting requirements, calculation of valuation eligible for tax increment financing, and calculation of distributive shares for the pulp and paper environmental investment fund.

STATUTORY AUTHORITY: 30-A M.R.S.A. §5264 (l) and §5670 (5).

**Ch. 3 Governor's Training Initiative Program**

(Note: Chapter 3 is a joint rule with 12-168, Department of Labor.)

Purpose: Partial reimbursement of training costs may be provided to employers who are hiring new employees, and/or retaining or upgrading their existing work force. Training services eligible for reimbursement include: Recruitment, Assessment, Job Task Analysis, Workplace Literacy, High Performance Skills, Technical Training Higher Education, On-the-Job Training, Workplace Safety and Competitive Retooling.

STATUTORY AUTHORITY: 5 MRSA §13058 sub-§3

## Ch. 100 Pine Tree Development Zones Program Rule

Purpose: The Pine Tree Development Zones Program was established by the Legislature in PL 2003 Chapter 439, Part NNN. The Department of Economic and Community Development oversees the program that creates up to eight Pine Tree Development Zones, each containing no more than 5,000 acres and 20 noncontiguous parcels. This rule defines what regions are eligible to apply and the application process. It also defines what a business must do to qualify for the benefits provided by a zone.

STATUTORY AUTHORITY: 30-A M.R.S.A. §5247 and §5250

## Ch. 400 Employment Tax Increment Financing Rule

Purpose: The Employment Tax Increment Financing program is designed to encourage the creation of net new quality jobs in this State, improve and broaden the tax base and improve the general economy of the State. Consistent with the Maine Employment Tax Increment Financing Act, 36 M.R.S.A. §§6751-6761, this chapter sets forth the provisions by which a business may utilize this program, and describes application requirements, state review procedures, state designation procedures, the calculation of employment tax increment, annual reporting requirements, and program administration.

STATUTORY AUTHORITY: 36 M.R.S.A. §6759

## Ch. 450 Rules for the Maine Applied Technology Development Centers

Purpose: The Applied Technology Development Center System is a program to accelerate the early-stage development of technology-based businesses with continual and focused business assistance, information exchange, established technical relationships, shared business services and reduced overhead expenses. The system is an integral component of the State's efforts to further develop its technology-based economy, and consists of a network of self-managed, state-coordinated centers located strategically throughout the State. This rule defines the policies under which the Applied Technology Development Centers will operate, and establishes the process and criteria under which grants will be awarded.

The System supports the State Economic Development Strategic Plan, published annually by the Department of Economic and Community Development, which calls for the development of business clusters in targeted, technology based economic sectors. It is designed to complement the State's other investments in research and development by providing a supportive environment to incubate new technology intensive businesses. The goals of the system include retention of successful start-up businesses, improvement of opportunities for workers through the creation of technologically advanced jobs, encouragement of private-sector initiatives, renovation and/or utilization of vacant commercial buildings and generation of new sources of local and state public revenue.

STATUTORY AUTHORITY: 5 MRSA §15321

## **19 498 Office of Tourism and Community Development**

### Ch. 6 Community Development Block Grant Program: 1991 Final Statement

The 1991 Final Statement describes the design and the method of distribution of funds of Maine's 1991 Small Cities - Community Development Block Grant (CDBG) Program. The CDBG Program is administered pursuant to 5 M.R.S.A. §13073. The 1991 Final Statement was prepared by the Department of Economic and Community Development (DECD) with the advice of the Community Development Advisory Committee.

### Ch. 7 Community Development Block Grant Program: 1992 Final Statement

The 1992 Final Statement describes the design and the method of distribution of funds of Maine's 1992 Small Cities - Community Development Block Grant (CDBG) Program. The CDBG Program is administered pursuant to 5 M.R.S.A. §13073. The 1992 Final Statement was prepared by the Department of Economic and Community Development (DECD) with the advice of the Community Development Advisory Committee. DECD held a public forum to solicit comments prior to developing the Final Statement. As part of the Maine Administrative Procedure Act, DECD held six public hearings to solicit input on this Final Statement. Further, the DECD met with the Maine Association of Regional Councils and the Maine Community Development Association to gather comment for this document.

### Ch. 8 Community Development Block Grant Program: 1993 Final Statement

The 1993 Final Statement describes the design and the method of distribution of funds in Maine's 1993 Small Cities - Community Development Block Grant (CDBG) Program. The CDBG Program is pursuant to 5 M.R.S.A. §13073. The 1993 Final Statement was prepared by the Department of Economic and Community Development (DECD) following an independent, comprehensive evaluation of the CDBG program as it existed through 1992. As part of the Maine Administrative Procedure Act, DECD held four public hearings to solicit input for this Final Statement. Further, the DECD met with the Maine Community Development Advisory Committee, the Maine Association of Regional Councils and the Maine Community Development Association to gather comment for this document.

### Ch. 9 Community Development Block Grant Program: 1994 Final Statement

The 1994 Final Statement describes the design and the method of distribution of funds in Maine's 1994 Small Cities - Community Development Block Grant (CDBG) Program. The CDBG Program is administered pursuant to 5 M.R.S.A. §13073. The 1994 Final Statement was prepared by the Department of Economic and Community Development (DECD) following a review of the 1993 CDBG Program. As part of the Maine Administrative Procedure Act, DECD held three public hearings to solicit input for this Final Statement. Further, the DECD met with the Maine Community Development Advisory Committee, the Maine Association of Regional Councils and the Maine Community Development Association to gather comments for this document.

#### Ch. 14 Community Development Block Grant Program: 1995 Final Statement

The 1995 Final Statement describes the design and the method of distribution of funds in Maine's 1995 Small Cities - Community Development Block Grant (CDBG) Program. The CDBG Program is administered pursuant to 5 M.R.S.A. §13073. The 1995 Final Statement was prepared by the Department of Economic and Community Development (DECD) following a review of the 1994 CDBG Program. As part of the Maine Administrative Procedure Act, DECD held three public hearings to solicit input for this Final Statement.

#### Ch. 15 Community Development Block Grant Program: 1996 Final Statement

The 1996 Final Statement describes the design and method of distribution of funds in Maine's 1996 Small Cities - Community Development Block Grant (CDBG) Program. The CDBG Program is administered pursuant to 5 M.R.S.A. §13073. The 1996 Final Statement was prepared by the Department of Economic and Community Development (DECD) following a review of the 1995 CDBG Program, a series of public forums, and meetings with advisory groups. As part of the Maine Administrative Procedure Act, DECD held four public hearings to solicit input prior to adopting the Final Statement.

#### Ch. 16 Community Development Block Grant Program: 1997 Final Statement

The Program Statement describes the method by which 1997 Community Development Block Grant (CDBG) program funds will be distributed. The CDBG program is administered pursuant to 5 M.R.S.A. 13073. The 1997 CDBG program was developed by the Department of Economic and Community Development (DECD) following a review of past programs, a series of public forums and meetings with advisory groups. In accordance with the Maine Administrative Procedures Act, DECD held three public hearings to solicit input prior to adopting the Program Statement.

#### Ch. 17 Community Development Block Grant Program: 1998 Final Statement

The Program Statement describes the method by which 1998 Community Development Block Grant (CDBG) program funds will be distributed. The CDBG program is administered pursuant to 5 M.R.S.A. 13073. The 1998 CDBG program was developed by the Department of Economic and Community Development (DECD) following a review of past programs, a series of public forums and meetings with advisory groups. In accordance with the Maine Administrative Procedures Act, DECD held three public hearings to solicit input prior to adopting the Program Statement.

#### Ch. 18 Community Development Block Grant Program: 1999 Final Statement

This Program Statement describes the method by which 1999 Community Development Block Grant (CDBG) program funds will be distributed. The CDBG program is administered pursuant to 5 M.R.S.A. 13073. The proposed 1999 CDBG program was developed by the Department of Economic and Community Development (DECD)

following a review of past programs and meetings with advisory groups. In accordance with the Maine Administrative Procedures Act, DECD held three public hearings to solicit input prior to adopting the final Program Statement.

Ch. 19 Community Development Block Grant Program: 2000 Final Statement

This Program Statement describes the method by which 2000 Community Development Block Grant (CDBG) program funds will be distributed. The CDBG program is administered pursuant to 5 M.R.S.A. 13073. The 2000 CDBG program was developed by the Department of Economic and Community Development (DECD) following a review of past programs, a series of public forums with program constituents and a comprehensive assessment of statewide community and economic development needs. In accordance with the Maine Administrative Procedures Act, DECD held three public hearings to solicit input prior to adopting the final Program Statement.

Ch. 20 Community Development Block Grant Program: 2001 Final Statement

This Program Statement describes the method by which 2001 Community Development Block Grant (CDBG) program funds will be distributed. The CDBG program is administered pursuant to 5 M.R.S.A. 13073. The 2001 CDBG program is developed by the Department of Economic and Community Development (DECD) following a review of past programs, a series of public forums with program constituents and a comprehensive assessment of statewide community and economic development needs conducted in 1999. In accordance with the Maine Administrative Procedures Act, DECD held public hearings to solicit input prior to adopting the Final Program Statement.

Ch. 21 Regional Economic Development Assistance Fund

Purpose: The Regional Economic Development Assistance Fund is to provide funding to develop effective local and regional economic development programs. The fund is to award start-up operating assistance to non-profit local or regional community based organizations that provide economic development programs to the communities served. The fund is designed to assist the formation of economic development organizations and programs from areas of the state that have high unemployment, low per capita income, economies that are dependent on mature and dominant industries, or high poverty rates. The purpose of the rule is to describe the criteria and proposal process for applications to the fund.

STATUTORY AUTHORITY: 5 MRSA §13073-A.

Ch. 30 Community Development Block Grant Program: 2002 Final Statement

This Program Statement describes the method by which 2002 Community Development Block Grant (CDBG) program funds will be distributed. The CDBG program is administered pursuant to 5 M.R.S.A. 13073. The 2002 CDBG program is developed by the Department of Economic and Community Development (DECD) following a review of past programs, a series of public forums with program constituents and a

comprehensive assessment of statewide community and economic development needs conducted in 1999. In accordance with the Maine Administrative Procedures Act, DECD held three public hearings to solicit input prior to adopting this Program Statement.

#### Ch. 31 Community Development Block Grant Program: 2003 Final Statement

This Program Statement describes the method by which 2003 Community Development Block Grant (CDBG) program funds will be distributed. The CDBG program is administered pursuant to 5 M.R.S.A 13073. The 2003 CDBG program is developed by the Department of Economic and Community Development (DECD) following a review of past programs, a series of public forums with program constituents and a comprehensive assessment of statewide community and economic development needs conducted in 1999. In accordance with the Maine Administrative Procedures Act, DECD held three public hearings regarding this Program Statement.

#### Ch. 32 Community Development Block Grant Program: 2004 Final Statement

This proposed Program Statement describes the method by which 2004 Community Development Block Grant (CDBG) program funds will be distributed. The CDBG program is administered pursuant to 5 M.R.S.A § 13073. The 2004 CDBG program is developed by the Department of Economic and Community Development (DECD) following a review of past programs, a series of public forums and hearings with program constituents and a comprehensive assessment of statewide community and economic development needs conducted in 1999. In accordance with the Maine Administrative Procedures Act, DECD will hold three public hearings regarding this Proposed Program Statement.

#### Ch. 33 Community Development Block Grant Program: 2005 Final Statement

Purpose: The CDBG program is administered pursuant to 5 M.R.S.A 13073. The 2005 CDBG program was developed by the Department of Economic and Community Development (DECD) following a review of past programs, a series of public forums and hearings with program constituents, and a comprehensive assessment of statewide community and economic development needs conducted in 1999. In accordance with the Maine Administrative Procedures Act, DECD held three public hearings regarding this Program Statement.

EFFECTIVE DATE: September 15, 2004 - filing 2004-392

### **19 499 Office of Business Development**

#### Ch. 301 Rules for the Maine Products Marketing Program

Purpose: The Maine Products Marketing Program is a program of marketing assistance to Maine producers of consumer goods through publication of a wholesale Buyer's Guide, trade show support, technical assistance, and other promotional activities. The Maine Products Marketing Program, through its marketing strategies, presents an image of Maine which is one of

very high quality products and reliable producers. The purpose of the rule is to define the criteria for excellence and to describe what companies must do in order to comply with and participate in the Program.

STATUTORY AUTHORITY: 5 M.S.R.A. Sections 13058 (3) and 13061, *et seq.*

Ch. 302 Rules for the Maine Microenterprise Initiative

Purpose: The Maine Microenterprise Initiative is a program designed to provide grants for community-based non-profit organizations to provide Training and/or Technical Assistance to Microenterprises. The purpose of the rule is to define the criteria and proposal process for applications to the Fund.

STATUTORY AUTHORITY: 5 M.R.S.A. § 13058(3), § 13063-J – O

**19 530 Energy Conservation Division**

*(NOTE: rule chapters moved to 65-407, Public Utilities Commission,  
effective July 1, 2003)*



G. Identification of those areas where an agency has coordinated its efforts with other agencies in achieving program objectives and other areas in which an agency could establish cooperative arrangements;

The process of economic development covers a very broad policy area that includes, to some degree, most cabinet level state agencies. As examples, the functions associated with environmental protection, conservation, education, labor, fisheries and wildlife, marine resources and professional and financial regulation all have an impact upon investment, job creation and economic growth. Because DECD is largely a "facilitator" of resource delivery, very seldom does the department engage in a project or initiative that does not include at least one other state agency or public policy organization. Similarly, many of the public policy initiatives of other agencies have a direct impact upon Maine's overall economic performance, and thus deserve the interest, if not the involvement, of the department.

Following is a list of state agencies with which the department has worked in recent years in the development of specific economic development-related policies, and the specific areas pertaining to those policies. Note that the list does not include the dozens of municipalities and public economic development organizations with which the office collaborates on a regular basis.

## Department of Administrative and Financial Services

Bureau of Information Services: Geographic Information Systems  
One Stop Permitting  
Departmental technical support

<u>Bureau of Taxation:</u>	Tax-based economic development incentives Tax Policy Tourism promotion
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Department of Agriculture: Cranberry and Blueberry industry development  
Maine Products Marketing

## Maine Arts Commission: Creative Economy

Department of Conservation: Tourism Promotion/Maine Tourism Commission  
Forest Product Sustainability  
Forest products industry development

<u>Department of Environmental Protection:</u>	Environmental Regulations (related to business)
<u>State Planning Office:</u>	Tax Increment Financing Economic research Strategic planning and performance budgeting Comprehensive Planning
<u>Finance Authority of Maine:</u>	Study of Economic Development Incentives Issues related to availability of capital Loan Underwriting
<u>Dept. of Inland Fisheries and Wildlife:</u>	Tourism promotion
<u>Department of Labor:</u>	Workforce development (labor training) policy Employment Tax Increment Financing Governor's Training Initiative
<u>Department of Marine Resources:</u>	Aquaculture industry development Fishing industry redevelopment
<u>Dept. of Professional and Financial Regulation:</u>	Workers' compensation Insurance industry development Banking and financial services industry development Licensing
<u>Public Utilities Commission:</u>	Electric utilities Telecommunications capacity and regulation
<u>Maine Community College System:</u>	Maine Quality Centers Work force development
<u>Department of Transportation:</u>	Highway, rail and air transportation capacity improvement

- DECD works closely with all the Economic Development agencies in the state to coordinate and respond to the varying needs of Maine businesses. For example, if a company is located in Piscataquis County, we contact Eastern Maine Development Corporation in Bangor in order to coordinate our response to the company. They may need assistance with an expansion that requires the use of both state and local programs. If a company from out-of-state is considering a

location somewhere in Maine, we coordinate with the regional development agencies in the locations that are selected. We combine the data about each location provided by the local officials with the state program information into one proposal. When the issue is retention, businesses tend to need help from state, regional, and local development people to assure that all the resources and solutions to their problems are found in a timely fashion.

- The Governor's Training Initiative began in 1996 and is jointly administered by DECD and the Department of Labor. The program goal is to provide financial assistance to Maine businesses that are investing heavily in their work force. Training assistance in the form of a grant is made available to companies that apply and qualify according to criteria and standards that were enacted by the Legislature.
- **One-Stop Business License Center.** Ten state agencies participate in the One-Stop Center by providing license applications and/or information.
- **Small Business Advocacy Network.** Fifteen state agencies participate in this network among state agencies that interact regularly with small businesses.
- **Cultural Tourism** involves the cooperation of 3 state and quasi-state agencies providing technical assistance and information to the instate travel industry.
- **Adventure Tourism** (Ecotourism) involves the cooperation of 2 other state agencies coordinating marketing efforts and technical assistance.
- Continue work with the Bureau of State Parks and Lands to quickly secure permits for film and TV productions on state lands.
- Continue work with Maine municipalities to help them prepare for film and television productions in their towns and cities.
- Continue work with the Maine State Troopers, local law enforcement personnel, and the Department of Transportation to facilitate traffic modifications for productions.
- **Community Development Block Grant.** All resources administered by the Community Planning Division of HUD, including CDBG, Emergency Shelter Grants (ESG) and HOME are funded through one "Consolidated Plan" application. This plan is developed jointly by DECD and the Maine State Housing Authority (MSHA).
- **Housing Activities – MSHA** "Fix-Me" program, Weatherization program, DEP Small Communities program (septic system replacements).

- **Water, sewer and downtown revitalization projects** – MDOT, Rural Development (formerly Farmer's Home Administration), DHS Drinking Water Program, DEP.
- **Economic Development** – E.D.A., Rural Development Agency, and all of Maine's Regional Councils, Development Corporations and Councils of Governments.
- **Urgent Need Grants** – The CDBG program devotes a small amount of funds to meeting critical and immediate threats to health and safety. These projects are often coordinated with the Maine Emergency Management Agency or the Federal Emergency Management Agency.

**H. Identification of the constituencies served by the agency or program, noting any changes or projected changes;**

OFFICE OF ADMINISTRATION

**Tax Increment Financing (TIF)**

Any municipality seeking to finance economic development projects. Projects include business and infrastructure investments, community redevelopment, traffic improvements, work force training, and economic development programs.

The department provides in-depth consulting and training services to municipalities, local and regional economic development organizations and businesses on the use of this powerful, but complex tool.

**Employment Tax Increment Financing (ETIF)**

The ETIF program was designed to serve Maine businesses undergoing expansion or other investment projects wherein at least 15 new, high quality jobs will be created. To qualify, those 15 or more jobs must pay above average wages and have health insurance and retirement benefits available. The financing is derived through the return of either 30% or 50% (depending on the local unemployment rate) of the qualified employees' state income tax withholdings to the employer over 10 years, to assist in financing the investment project. Businesses must demonstrate that this particular funding is necessary for the project to go forward.

**Pine Tree Development Zones (PTDZ)**

Eligible businesses include firms engaged in manufacturing, financial services, and Maine's seven targeted technology sectors: biotechnology, aquaculture and marine technology, composite materials technology, environmental technology, advanced technologies for forestry and agriculture, information technology and precision manufacturing technology.

The PTDZ initiative is intended to encourage and reward the creation of new qualified business activity, with its accompanying employment and investment in property, in economically distressed areas of Maine. The tax benefits are tied to the qualified business activity of a qualified business operating in a PTDZ location, i.e. investments in property and payroll that would not have occurred but for the initiative and that constitute an overall gain to the business and the Maine economy. The initiative is not intended to provide tax benefits for simply shifting already existing business activity from outside a PTDZ location to inside a PTDZ location.

### **Job Retention Program**

The Job Retention Program was created to assist businesses being acquired under the threat of closure, and wherein at least 100 jobs paying above average wages would be retained. This ten-year program operates with \$1.5 million appropriated by the 117<sup>th</sup> Legislature, which funds up to \$150,000 per year (total) for payments to qualified businesses.

### **Shipbuilding Facility Credit Program**

The Shipbuilding Facility Credit program was created by the 118<sup>th</sup> Legislature to encourage investments in major shipbuilding facilities in Maine. Under its enabling statutes, the program is designed to assist companies engaged in shipbuilding, and proposing to make capital investments of at least \$200 million, including a 10-acre land level ship launching facility. Bath Iron Works Corporation is currently the only business in the state that qualifies for this \$3 million per year, twenty year credit, and is expected to apply for the program imminently. It should be noted, however, that this constituency extends far beyond the Bath Iron Works Corporation itself, for the economic impacts of the company's employment and procurement within the state affects thousands of families, small businesses, and State Government itself.

## **OFFICE OF BUSINESS DEVELOPMENT**

### **Business Development Program**

Primary constituents are expanding, relocating and threatened Maine businesses. Constituents also include internationally located businesses that are considering moving to Maine and communities desiring to build economic development capacity.

### **Small Business Assistance Program**

Small businesses (defined as businesses employing 50 or fewer employees), especially employers of 20 or less and "microenterprises" (defined as 5 or less).

### **Maine Products Marketing Program**

Constituents are Maine companies producing "Maine Made" consumer goods.

## **OFFICE OF TOURISM AND COMMUNITY DEVELOPMENT**

### **Tourism**

Tourism's constituents are:

- In state travel related businesses including: lodging; restaurant; attractions;

- Travel trade including: group tour operators; tour packagers; travel media; and
- Individual travelers.

## **Film**

The Office of Film serve producers and production companies in the United States and internationally, Maine-based producers and production professionals, film studios, broadcast and cable TV companies, and catalog publishers. The Office also serve those Maine communities in which these producers work.

## **Community Development Block Grant**

The Community Development Block Grant (CDBG) program's primary focus is to serve persons of low and moderate income (defined primarily as households at less than 80% of the county median income). Funds are distributed through cities and towns.

## **OFFICE OF INNOVATION**

Office of Innovation (OOI) was established to advance Maine's economic well-being and expand employment opportunities by encouraging and coordinating the State's R&D activities and fostering collaboration among its higher educational and nonprofit research institutions and the business community



**I. A summary of efforts by an agency or program regarding the use of alternative delivery systems, including privatization, in meeting goals and objectives;**

Each of these contracts and grants privatizes a governmental function. These services would have to be performed by this agency if the contractual arrangements did not make use of alternate delivery systems available in the private sector, or through another public agency:

**Maine Technology Institute:** The Maine Technology Institute offers early-stage, patient capital and commercialization assistance for the research and development of innovative, technology based projects that create new products and services, generating jobs in the state of Maine.

**Maine International Trade Center:** The Maine International Trade Center (MITC) is Maine's center for international business assistance. The Trade Center provides technical assistance and trade counseling, import and export leads, international credit reports, workshops, coordinated trade missions and trade shows, and many other useful services to help Maine companies seeking to succeed in international markets. MITC offers global exposure to Maine's small and medium sized businesses.

**Androscoggin Valley Council of Governments:** Technical assistance and administrative support and follow-up for real estate development, business incentives, loans and other financing products, regional promotion and tourism development and labor and workforce training and development.

**Maine Products Marketing Program:** The Maine Products Marketing Program (MPMP) builds recognition for Maine products and their producers, and expands markets for Maine consumer goods by providing marketing assistance.

**Eastern Maine Development Corporation:** Technical assistance and administrative support and follow-up for real estate development, business incentives, loans and other financing products, regional promotion and tourism development, labor and workforce training and development and the Procurement Technical Assistance Center.

**Applied Technology Development Centers:** The centers comprise a system of business incubators aimed at accelerating the early stage development of technology-based companies.

**Small Business Development Center:** Free one-on-one small business management counseling services are delivered via a contract with the University of Southern Maine which, in turn, contracts with the regional economic development agencies.

**WCBB (Maine Public TV):** "Made in Maine" Program provides a look at the breadth and variety of businesses in the state. It explores the issues concerning small and large companies and organizations, and visit with people from many different types of workplaces throughout the state.

**Maine & Company:** The Office of Business Development established a close partnership with this private organization which is funded solely by private sector entities that believe the State should be strongly involved in attracting quality businesses to Maine. Maine and Company is now providing business attraction services for the State of Maine. The Office of Business Development provides staff and marketing support to Maine and Company's efforts.

**Nancy Marshall Communications:** Provides professional media, advertising and other related marketing and support services including collateral materials.

**Northern Maine Development Commission:** Technical assistance and administrative support and follow-up for real estate development, business incentives, loans and other financing products, regional promotion and tourism development and labor and workforce training and development.

**X-Wave:** Web site design and development

**Maine Arts Commission:** Conducted the Blaine House Conference on the Creative Economy and staffs the Steering Committee for the Creative Economy.

**Maine Development Foundation:** Economic Growth Council – research, technical expertise, and other support services.

**Maine Software Developers Association:** Administration of the state's economic development strategy to cultivate the software industry.

**Southern York County Business Resource Center:** One-to-one business assistance services for southern York County.

**Boothbay Region Economic Development Corporation:** To conduct an analysis of the areas attributes, strengths and weaknesses and to develop an economic development strategic plan.

**Finance Authority of Maine:** Underwriting services for loan programs.

**Maine Publicity Bureau:** Fulfillment services and staffing of state owned information centers.

**Longwoods International:** To provide tracking and performance research services, including economic impact, marketing conversion and air service activity.

**Maine Technology Institute:** The Maine Technology Institute offers early-stage, patient capital and commercialization assistance for the research and development of innovative, technology based projects that create new products and services, generating jobs in the state of Maine.

**MERITS:** The Maine Research Internships for Teachers and Students program which provides for internships with the Foundation for Blood Research.

**Maine Space Grant Consortium:** To conduct research funded by the National Aeronautics and Space Administration (NASA) through its Space Grant and Experimental Program to Stimulate Competitive Research (EPSCoR) programs.



**J. Identification of emerging issues for the agency or program in the coming years;**

Economic growth occurs through business retention, business expansion, business creation and business attraction. To achieve each, Maine's economic strategy must embrace four fundamental economic drivers: (1) the creation of a fair and stable business environment to attract investment to Maine; (2) investment in people; (3) a clear focus on key sectors of the state's economy; and (4) building infrastructure.

**I. The creation of a fair and stable business environment**

A fair and stable business environment is a prerequisite for business growth. For this to occur, the costs of doing business must be controlled. Maine needs to be in a more competitive position in terms of taxes, utility rates and other costs.

In the short term, the tax advantages associated with the Governor's new Pine Tree Zone initiative will provide a significant competitive advantage. In the long term, Maine needs to lower its overall tax burden to below the New England average by 2008. Moreover, we must once and for all remove the personal property tax on business equipment.

Additionally, Maine's regulatory burden must be simplified. This will not only make it easier for our existing businesses to operate, but it will provide a competitive advantage in attracting new business.

**II. Investment in people**

Maine people comprise a workforce that is second to none. They deserve a first-rate educational infrastructure.

Creating an educational system that moves students from K thru 16 and beyond is now more than a goal; it is a plan in the making. Our objective is to have 60% of our high school seniors go on to college by 2006, and 70% by 2010.

The most important measure of economic development in Maine is the educational attainment of its people and the opportunities that arise from our people's participation in the economy of tomorrow. Maine has a strong and comprehensive University of Maine system and a new and exciting community college system that together provide an extensive array of educational opportunities to traditional and non-traditional students. Business and commercial entities will find educational institutions in every region of the state, and together with one of the nation's most advanced distance learning programs, workers and the general public will have wide-scale access to education.

This infrastructure will make it possible to Maine to meet the goal of having 30% of our work force with a college degree. Beyond the raw 30% figure, we need to ensure that we

focus our efforts in training and education on the areas that hold the greatest opportunity for growth. Our education system must create Centers of Excellence for the skills required for our targeted industries. The new Work Force Cabinet created by the Governor will play a key role in this effort to shape our training initiatives.

### III. A Clear Focus on Key Sectors of the Maine Economy

Maine's resources are limited, and we must focus our economic development efforts in those areas where we have a competitive advantage. These break into two groups: our mature industries, and our emerging industries.

#### A. Our mature industries:

##### 1. Forest Products Industry

Maine's economic health, traditional landscape and the welfare of many communities are tied to the viability of the forest products industry. However, it is a mature industry, facing intense competition from abroad. To make Maine's forest products industry the national leader it once was, we need to focus on the research and development of new technologies. Moreover, we must increase our emphasis on the commercialization of these new technologies, with special attention to wood composites, the increased development of value added wood products and the continued investigation of by-product technologies. Additionally, we must move Maine-based manufacturers in this industry towards "green certification" with new emphasis on the "certified forest" concept. All of these efforts will benefit from Maine's national reputation as a strong steward of its natural heritage.

##### 2. Marine Related Activities

Our magnificent coastline is a gift and an opportunity that has fostered a fishing and boat-building industry that has led our nation in past years. We can lead again by targeting and coordinating our marine-related research. With a top-10 marine research institute and a multi-million dollar Federal investment underway at the University of Maine, the state has the potential to be an international hub for coldwater marine research and a leader in the Northeast in fisheries science.

For this to occur, we must create a world-class research capability in marine science by forming a research coalition made up of Maine's leading research institutions. This will not only accelerate the development of new technologies, it will also aid us in attracting federal and private research grants.

##### 3. Precision and Niche Manufacturing

The state has a long and honorable manufacturing tradition. As our manufacturing sector matures, we must be creative and flexible in developing the manufacturing jobs of the future. This will involve support for research, development of cutting-edge technology

and a highly skilled workforce. It will also require innovative financing and participation from the Finance Authority of Maine and DECD.

#### 4. Tourism

This traditional industry is vital to Maine's economic future. Already, tourism accounts for 15% of Maine's gross state product - compared to 5% for the nation, and 6% for the rest of New England. Tourism leverages our magnificent natural resources in a way that, for the most part, is environmentally friendly. We will: continue to work with local agencies to promote different areas of Maine; work with our higher education institutions to provide degree programs in hospitality; and expand our marketing efforts, utilizing "single image" branding to promote our state.

### B. Emerging Industries:

#### 1. Biotech and Biomedical Research

Maine is already home to several leading biotech and biomedical research organizations. We will work with them to strengthen our hold in this field. Moreover, the state is currently seeing the components of a medical instrumentation "cluster" take shape; we must encourage this development. Additionally, we have an excellent School of Engineering at the University of Maine that includes world-class research and development capabilities in digital information technology. We also have a strong tradition of manufacturing and the existence of a number of Maine companies in this field. With Jackson Labs, the Maine Technology Institute and the Maine incubator program, we have the infrastructure to be competitive in biotech and biomedical product development. In the future, we will call on Maine's biotech community to assist us in identifying other areas where Maine can excel.

The world of biotechnology is very competitive. To be successful, we must achieve our objective of \$1,000 of investment in research and development per Maine worker by 2010. It will be the task of the head of the new Office of Innovation, within the Department of Economic and Community Development, to ensure that we reach this goal.

#### 2. Financial Services

The financial services sector offers significant growth opportunities, and we will intensify our outreach efforts. Maine is well positioned to grow in this important area. The numerous companies that have already located in the state point to our favorable bank franchise tax situation, our advanced telecommunications network, our strong labor pool, affordable office space and unparalleled quality of life.

#### 3. Radio Frequency Identification (RFID)

RFID presents significant potential for Maine. It is an important emerging industry in the

world economy. An initiative in this field will support Maine's two premier semiconductor companies, one of which has already staked out a leadership position in the field. In addition, two other cutting edge end-use manufacturing companies in Maine have already begun establishing a presence. Properly developed and supported, this industry could become a dominant force in the state.

#### IV. Building Our Infrastructure

We must also increase our investment in infrastructure, defined broadly to include investments in research and development, transportation, telecommunications and waterfront facilities. State government should serve as a catalyst for securing funds from state, federal, business and nonprofit sources.

We have developed a telecommunications infrastructure that is advanced beyond much of our competition in the Northeast. We must continue to improve on this advantage.

Our systems of transportation must be improved to minimize any transportation cost disincentives and to take advantage of our proximity to the Canadian provinces. In this regard, we will strive to complete the NEAR initiative begun last year, with the goal of achieving an agreement with New Brunswick, Nova Scotia and Quebec by the end of 2004.

Competitive energy costs also comprise an important element of Maine's infrastructure, and it is critical that we reduce the cost of all sources of energy. Additionally, we must develop "green" energy sources, and become an energy exporter by increasing our production and developing transmission capabilities to both the north south.

V. Cross-Cutting Issues: The following issues cut across the four targeted areas outlined above.

##### 1. Entrepreneurship

We must continue to improve our efforts to promote entrepreneurial enterprises. Critical to this will be the Maine Technology Institute, the state's incubator program, and the state's education system. We will also continue to promote the Small Enterprise Growth Fund and the Maine Seed Capital Tax Credit.

##### 2. The Creative Economy

Our society is just beginning to understand the importance of this new sector. Highly educated and mobile, creative economy workers have much to offer Maine, and our natural heritage makes the state an obvious destination for them. Maine is a leader among the states in trying to understand and nurture this new force.

##### 2. Small Business Support

Maine is a state of small business: approximately half of Maine people work for businesses of 20 and fewer employees and over 90% of Maine businesses have 20 and fewer employees. Our system of support for this vital sector must be one-stop and user-friendly. The business-permitting process is especially onerous for these thinly staffed enterprises and must be simplified.

### 3. Youth Summit

Maine's aging population is a source of concern. The Youth Summit called by Governor Baldacci will examined the issue and mapped out strategies for keeping our young people in Maine, as well as strategies for attracting to Maine the additional young and skilled workers we will need for the future.

### 5. Indian Tribe Development

The state's Indian Tribes are integral partners in our economic development efforts. Their land ownership and sovereign status present numerous investment opportunities, and the state will work with the tribes to target, coordinate and maximize economic development options.

### 6. International Trade and Business Attraction

Together with our Canadian neighbors, we need to promote an "Atlantic Rim" trade corridor to Europe. The creation of trading partnerships, through NEAR, with our Atlantic Province neighbors can increase our trade relations with the European Union, and enhance our ability to attract direct foreign investment to Maine.



K. Any other information requested by the committee of jurisdiction;

No specific information was requested by the Committee. However, the Department has provided the following information:

1. Pocket Guide to Maine's Business Resources
2. DECD's 2004 Department Highlights
3. State Economic Development Strategic Plan
4. Departmental Strategic Plan

## **State Economic Development Strategic Plan**

The State's comprehensive economic development strategic plan, as developed in January 2004, focuses on economic growth through business retention, business expansion, business creation and business attraction. To achieve each, Maine's economic strategy must embrace four fundamental economic drivers: (1) the creation of a fair and stable business environment to attract investment to Maine; (2) investment in people; (3) a clear focus on key sectors of the state's economy; and (4) building our infrastructure.

### **I. The Creation of a Fair & Stable Business Environment – a prerequisite for growth**

- Costs of doing business controlled – and regulatory burden simplified.
- Lower overall tax burden to below New England average by 2008.
- Remove personal property tax on business equipment.
- Lower utility rates.
- The Pine Tree Zone program will provide a significant competitive advantage.

### **II. Investment in People – Maine people need the proper tools**

- 60% of high school seniors will go on to college by 2006; 70% by 2010.
- 30% of our work force with a college degree.
- Training and education programs that are targeted to our key growth sectors.
- University of Maine System, the new Community College System, new FAME loan programs, and the Governor's new Workforce Cabinet are the tools.

### **III. A Clear Focus on Key Sectors of the Maine Economy**

#### **A. Our Mature Industries**

##### ***1. Forest Products Industry***

- Research & development of new technologies is the key.
- A focus on commercialization.
- “Green certification” offers a competitive advantage.

##### ***2. Marine Related Activities***

- Building on a top-10 marine research institute and major Federal investment, we can be an international hub for coldwater marine research

##### ***3. Precision & Niche Manufacturing***

- A commitment to R & D in cutting edge technology and a skilled workforce

##### ***4. Tourism***

- Maine will: work with local agencies; increase hospitality degree programs; expand marketing efforts; and utilize “single image” branding.”

#### **B. Emerging Industries**

##### ***1. Biotech & Biomedical Research***

- With our School of Engineering, existing companies, tradition of manufacturing, and increased R&D, the groundwork is in place.
- Medical instrumentation cluster offers great promise.
- The new DECD Office of Innovation will play a critical role.

### ***2. Financial Services***

- This is an emerging sector due to our favorable bank franchise tax, advanced telecommunications network, strong labor pool & affordable office space.

### ***3. Radio Frequency Identification (RFID)***

- This new sector could eclipse all other industries in Maine.

## **IV. Building Our Infrastructure**

- We must increase our investment in R&D to \$1,000 per Maine worker by 2010.
- We must also focus on our telecommunications, waterfront & transportation infrastructure. Transportation will be key as we focus on Canadian trade initiatives.
- Competitive energy costs, and energy transmission, i.e., export capability, also comprise a key infrastructure component.

## **V. Cross-Cutting Issues**

**A. Entrepreneurship:** Critical components are the Maine Technology Institute, our incubator centers, our education system, the Small Enterprise Growth Fund, and the Maine Seed Capital Tax Credit.

**B. The Creative Economy:** The Blaine House Conference on the Creative Economy, scheduled for May 2004, will be an important forum and will focus on this highly educated and mobile workforce.

**C. Small Business Support:** Our system of support for this vital sector must be one-stop and user-friendly. The business-permitting process is especially onerous for these thinly staffed enterprises.

**D. Youth Summit:** The upcoming Youth Summit will map out strategies for keeping our young people in Maine, and for attracting to the additional young and skilled workers we will need for the future.

**E. Indian Tribe Development:** Tribal land ownership and sovereign status present numerous investment opportunities; we will work with the Tribes to target, coordinate and maximize development options.

**F. International Trade and Business Attraction:** Together with our Canadian neighbors, we will promote an “Atlantic Rim” trade corridor to Europe.

## **Departmental Strategic Planning**

### ***Background***

The final departmental strategic plan and performance-budgeting pilot project were submitted to the Joint Standing Committee on Business and Economic Development, the Office of Fiscal and Program Review, the Bureau of the Budget and the State Planning Office on January 31, 1997.

The process of developing the strategic plan actually began in 1994 with the separate but related works of the Maine Economic Growth Council, and the Maine Chamber and Business Alliance, and in 1995 with the development and adoption of an economic development strategic plan for the state as a whole.

The Economic Growth Council was created by legislation and charged with studying Maine's economy and establishing benchmarks for measuring economic performance. The Council's "*Measures of Growth*" report articulates fourteen economic goals for the state, and fifty-two specific measurement benchmarks. The parallel work of the Maine Chamber and Business Alliance looked at the more fundamental elements of the Maine's economy, and suggested, through its 1995 report, "*Charting Maine's Economic Future*", where resources should be directed for maximum overall economic impact.

Recognizing the importance of local and regional input to the creation of a comprehensive economic development plan, Commissioner McBrierty met with businesses, community leaders and development organizations throughout the state to identify their concerns and opportunities. This information was thoroughly reviewed and ultimately adopted as the basis for Maine's economic development strategy by the Cabinet Subcommittee on Economic Development. Because this state strategic plan is the "road map" for Maine's economic future, it is a central element of the department's strategic plan.

The department's plan is the collective work of its entire staff, and reflects significant input from a diverse mix of stakeholders and clients. By its very nature it is a "living" document, and will evolve over time. It currently consists of four broad goals, 12 measurable objectives and 31 specific strategies.

The Department considers the Strategic Plan to be an evolving document that will be periodically reviewed and amended to meet changing conditions.

**MAINE DEPARTMENT OF ECONOMIC AND COMMUNITY  
DEVELOPMENT**

**2004 STRATEGIC PLAN**

**PART I.**

**OFFICE OF THE COMMISSIONER**

**GOAL 1:** TO ADVANCE MAINE'S ECONOMIC WELL BEING THROUGH EFFECTIVE PROGRAM AND POLICY DEVELOPMENT, INTRODUCTION AND IMPLEMENTATION, AND THE GENERAL OPERATION OF THE DEPARTMENT.

Objective: Manage as efficiently as possible.

Strategy: Participate effectively in legislative and other policy processes, manage tax-based economic incentives (including the new Pine Tree Development Zone program), grant and contract funds to achieve identified objectives, manage the State's economic development strategic plan, provide department with budget, finance, personnel, technological, and facilities support.

**GOAL 2:** CONTINUAL MEASUREMENT AND EVALUATION OF MAINE'S ECONOMIC PERFORMANCE AGAINST A COMPREHENSIVE, UPDATED AND BROADLY ACCEPTED SET OF BENCHMARKS.

**PART II.**

**OFFICE OF BUSINESS DEVELOPMENT**

**GOAL:** TO EXPAND QUALITY EMPLOYMENT OPPORTUNITIES FOR MAINE OVER THE NEXT TWO YEARS BY ENCOURAGING THE CREATION, EXPANSION, LOCATION AND RETENTION OF BUSINESSES IN MAINE.

Objective 1: Through the implementation of the Pine Tree Development Zone (PTZ) Program, expand employment opportunities in rural parts of the state.

Strategy: Market the PTZ opportunities through various public relations efforts such as monthly press releases, public company certification announcements, and various business attraction efforts.

- Strategy: Effectively collaborate with regional and local economic development entities to expand quality employment opportunities through the location and expansion of businesses in PTZs.
- Strategy: The business development specialists will perform outreach to key sectors identified in the State's economic development strategy.
- Objective 2: Business development specialists will continue to strengthen relationships with regional and local economic development organizations, service providers, and communities.
- Strategy: Establish two new regional districts along with regional managers to assist with internal and external communications.
- Strategy: Each new regional district will develop and host an educational forum to continue cross education efforts.
- Strategy: Speak at and attend industry and association events as appropriate.
- Objective 3: Streamline and refocus the Maine Products Marketing Program, so it continues to promote Maine businesses and positively impact the image of the State.
- Strategy: Focus on maintaining quality products and companies in the program. Develop initiatives that drive the sales of individual businesses wherever possible.
- Strategy: Continue to promote the "Made in Maine Show" through PBS sponsorship.
- Strategy: Continue to sponsor the New England Products Trade Show and provide scholarship funds to start-up businesses.
- Strategy: Provide training to members on marketing and how to attend trade shows.
- Strategy: Continue the Made in Maine web site [www.mainemade.com](http://www.mainemade.com), which has become the major focus of the program.

Objective 4: Promote and support entrepreneurship by increasing the number of Maine entrepreneurs, supporting technology commercialization, and improving access to investment capital.

Strategy: Incorporate entrepreneurship components into Maine's Learning Results and support extracurricular entrepreneurship activities. (Dept of Education)

Strategy: Support the development of entrepreneurship curriculum and faculty and make core entrepreneurship courses available statewide via the University of Maine and Maine Community College Systems. (UMaine & Maine CC Systems)

Strategy: Encourage regional partnerships that support entrepreneurship via integrated, user-friendly systems that are responsive to client needs and that link entrepreneurs with organizations that are best able to meet their needs.

Strategy: Support technology commercialization by coordinating the activities of the Maine Technology Institute, Applied Technology Development Centers, Maine Small Business and Technology Development Centers and other technology business resources.

Strategy: Continue to support the Small Enterprise Growth Fund, Maine Seed Capital Tax Credit and work with the investment community to increase investment-ready deal flow. (FAME & SEGF)

Objective 5: Simplify state business licensing/permitting processes by expanding one-stop business license assistance through Business Answers.

Strategy: Work with InforME and state licensing agencies to incorporate electronic/digital business license/permit applications into the Business Answers web site ([www.maine.gov/businessanswers](http://www.maine.gov/businessanswers)).

Strategy: Work with InforME and state licensing agencies to make Business Answers web site interactive (i.e. allow users to complete license applications and submit license fees online).

- Objective 6: Continue to promote and support Maine's statewide small business support system and make it more integrated, user-friendly, responsive and effective.
- Strategy: Continue to support the Maine Small Business Development Centers.
- Strategy: Use Maine Microenterprise Initiative funding as an incentive for greater collaboration among statewide and regional small business service providers.
- Strategy: Encourage regional partnerships that support entrepreneurship via integrated, user-friendly systems that are responsive to client needs and that link entrepreneurs with organizations that are best able to meet their needs.

### **PART III.**

#### **OFFICE OF COMMUNITY DEVELOPMENT**

**GOAL:** **MAXIMIZE THE BENEFITS AVAILABLE TO MAINE'S LOW TO MODERATE INCOME CITIZENS THROUGH THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.**

- Objective 1: Administer Department resources in coordination with other state, federal and local resources to rehabilitate substandard housing units, provide replacement housing where appropriate and develop owner occupied and rental affordable housing for Maine citizens.
- Objective 2: Administer Department resources in coordination with other state, federal and local resources to improve public infrastructure and facilities, focusing on downtown districts and/or service center communities.
- Objective 3: Administer Department resources in coordination with other state, federal and local resources to improve public services directly benefiting low and moderate income persons.
- Objective 4: Administer Department resources in coordination with other state, federal and local resources to assist communities to plan for enhancements to their community and economic development activities.
- Objective 5: Administer Department resources in coordination with other state, federal and local resources to promote quality job creation/retention activities focusing on existing established businesses, developing new technology,

natural resource based/value added business, and regionally supported business growth.

- Strategy: Assess municipal housing needs through public hearings/forums and a program application process to develop programs in conjunction with other agencies to meet the identified needs.
- Strategy: Assess municipal and business infrastructure, facility, services, planning and downtown revitalization needs through public hearings/forums and a program application process that designs programs to leverage other funds that address the identified needs.
- Strategy: Assess the financial needs of businesses through municipal contacts and the network of Department business development specialist, development districts, and economic development agencies throughout the state, and design grant/loan programs to meet those needs, maximize leverage of other public/private funds, and promote regional anti-sprawl business growth and the development of quality jobs with minimal environmental impact.
- Strategy: Develop efficient and effective program delivery and technical assistance systems to maximize program benefit, leverage of outside funds and the use of computer technology.

#### **PART IV.**

#### **OFFICE OF TOURISM AND FILM**

##### **GOAL 1: TO BE ONE OF THE LEADING YEAR-ROUND TRAVEL DESTINATIONS IN THE U.S. AND CANADA.**

Objective 1: Attract visitors to Maine through the identification and pursuit of market segments or targets in the following areas:

Outdoor Adventure (includes beachgoers)  
Cultural Tourism  
Touring  
Special Events  
Meetings and Conferences  
Regional Program

Strategy: Work in the following initiatives and programs:

- A. Market research
- B. Advertise in identified key markets
- B. Maine Tourism Marketing Partnership Program
- C. Technical Assistance Program to build regional capacity
- D. Market Research

Objective 2: Gain tangible public support within Maine for the Tourism and Film Office.

Strategy: Raise awareness of tourism as a viable, important industry for Maine through education and publicity in cooperation with industry partners.

Strategy: Establish a forum for bringing key industry members together to collaborate and share resources.

Objective 3: Build visitation, both geographically and seasonally.

Strategy: Advertise and promote both core and shoulder season attractions.

Objective: 4 Build and maintain a presence in our primary international markets (Canada, UK, and Germany).

Strategy: Expand Maine's programs beyond the scope of DNE's core programs.

Strategy: Develop cooperative marketing programs with Canadian provinces.

Strategy: Advertise and promote Maine to key tour operators in targeted international markets.

Strategy: Ensure OOT staff participation in industry activities and organizations.

Strategy: Develop "product" for the international market.

**GOAL 2: TO BE A TOURISM INFORMATION RESOURCE FOR POTENTIAL VISITORS, INDUSTRY MEMBERS, CUSTOMERS AND CONTRACTORS.**

Objective 1: Develop a research plan that:

- A. Effectively measures the impact of tourism on the State's economy
- B. Proves the effectiveness of marketing/promotional efforts
- C. Identifies opportunities for development of tourism infrastructure for the Tourism Commission, Tourism staff members, and members of Maine's tourism industry.

Strategy: Collect, synthesize and report internally generated information.

Strategy: Work with the University System and the tourism industry to identify research gaps and devise programs to fill them.

Objective 2: To provide tourism information to prospective visitors within 7-10 business days.

Strategy: Develop comprehensive, user friendly collateral materials.

Strategy: Maintain a call-in customer service center and fulfillment service.

Strategy: Establish/maintain an electronic means for potential visitors to access information on Maine products via the internet.

GOAL 3: TO MAKE MAINE A LEADING NEW ENGLAND LOCATION FOR MOTION PICTURE, TELEVISION, COMMERCIAL, PHOTOGRAPHIC AND NEW MEDIA PROJECTS.

Objective 1: Increase the number of inquiries from producers through marketing, information, logistical and incentive programs.

Strategy: Target motion-picture/television producers

Strategy: Target advertising and commercial production companies

Strategy: Target catalog companies

Objective 2: Become the central resource on film/video productions in Maine.

Strategy: Create incentive programs that draw more projects to Maine.

Strategy: Be a centralized resource where film, TV and other media projects can look for production help and information.

Strategy: Act as liaison between production companies and local, county, regional, State and Federal government.

**GOAL 4: TO EXPAND AND IMPROVE MAINE'S INDIGENOUS FILM, TV COMMERCIAL AND NEW MEDIA INDUSTRIES**

Objective: Assist and educate Maine production professionals.

Strategy: Establish a Maine Film and Video Association and work with it to increase Maine production and Maine production employment.

Strategy: Develop and promote a "Film in Maine" program that educates Maine business about Maine's production community and encourages Maine business to hire Maine production professionals.

Strategy: Organize network gatherings, workshops and information meetings with production partners to improve overall productions community.

**GOAL 5: TO ACHIEVE A MINIMUM RETURN ON INVESTMENT ON INCREMENTAL DOLLARS INVESTED OF 2:1.**

Objective: To develop and implement an effective advertising campaign in key Northeastern markets.

Strategy: Develop a consistent look and feel to all advertising and collateral materials.

Strategy: Utilize public relations and Internet development efforts to reinforce and supplement the advertising campaign.

**PART V.**

**OFFICE OF INNOVATION**

**GOAL: TO ADVANCE MAINE'S ECONOMIC WELL-BEING AND EXPAND EMPLOYMENT OPPORTUNITIES THROUGH**

## **RECOMMENDING A COHESIVE STRATEGY AND MANAGING STATE INVESTMENTS IN RESEARCH AND DEVELOPMENT.**

- Objective: Encourage and coordinate the State's research and development activities to foster collaboration among its higher educational and nonprofit research institutions and the business community.
- Strategy: Develop the State Science and Technology Action Plan, a report card on the state's progress, and coordinate the comprehensive research and development evaluation.
- Strategy: Coordinate the State EPSCoR program and expand to programs related to EPSCoR, such as DEPSCoR, INBRE, etc., by partnering with federal agencies, non-profit laboratories and educational institutions to strengthen Maine's science and engineering infrastructure.
- Strategy: Coordinate Maine Technology Institute efforts to stimulate and support research and development activity leading to the commercialization of new products and services in the State's technology-intensive industrial sectors.
- Strategy: Coordinate strategy and provide grants to the Applied Technology Development Centers to assist in the management and operation of the seven targeted technology based incubation centers.



# 2004 Highlights



Spirit. Dedication. Success.

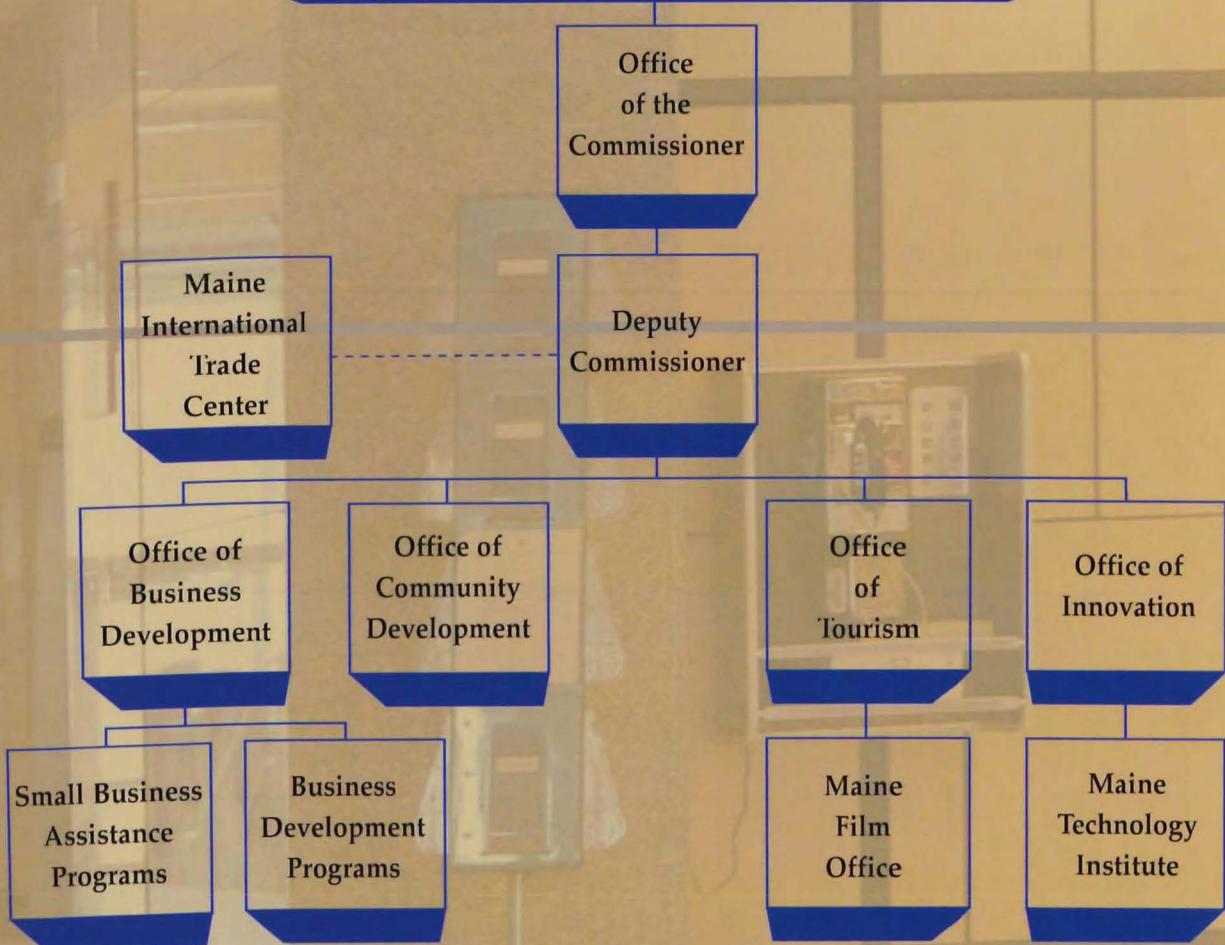
The Antonisa - Hodgdon Yachts

**DECD**  
Maine Department of Economic  
and Community Development



Maine Department of Economic  
and Community Development

## Organizational Chart





Bath City Hall photo by Bill F. King, Jr.

**EXIT**





## A Message from Governor Baldacci

I am pleased to present the 2004 Highlights Report for the Department of Economic and Community Development (DECD).

Job creation and economic development are my top priorities, and continued investment in our people, our core industries, and our infrastructure is the key to restoring economic vitality in Maine. In 2004, my administration worked closely with Commissioner Cashman and his staff to build a foundation for sustainable growth.

We established a cohesive economic development strategy that charts the course for facilitating expansion of our existing businesses and attracting new investment to the state. This includes the creation of a fair and stable business environment.

To make Maine a more competitive location for doing business, my administration introduced the Pine Tree Zone program. The significant tax credits, reimbursements and utility discounts offered through the program helped Maine win a national site search for T-Mobile's new customer service center. This success will create 700 new jobs beginning in the summer of 2005.

Rising health care costs are an issue for small businesses across the nation. In 2004, we introduced DirigoChoice, which enables small businesses to provide better coverage for their employees at an affordable cost. This high-quality insurance product gives Maine a competitive advantage. To date, approximately 400 businesses and 1,200 self-employed workers are insured through DirigoChoice.



Our initiative to leverage Maine's creative economy for overall economic growth has also achieved a significant measure of success. The Blaine House Conference on the Creative Economy attracted nearly 700 participants, and the information gathered there was used to create a platform for the Creative Economy Council. The Council, which operates under the leadership of the DECD, is now working to grow the creative economy with a strong focus on economic development issues.

To build upon what we accomplished over the last year, I have introduced an aggressive bond package critical to growing Maine's economy that will enable us to move forward with our goals of supporting our traditional industries, attracting quality jobs, advancing research and development and establishing educational and training programs to build a more competitive work force. The package will also enable us to establish the infrastructure necessary to sustain and attract new business growth.

DECD made a significant contribution to moving Maine's economy ahead in 2004. We look forward to continued advancement in 2005 and furthering prosperity for the citizens of Maine.

Best wishes,

A handwritten signature in black ink that reads "John E. Baldacci".

Governor John E. Baldacci



## A Message from the Commissioner

On behalf of everyone at the Department of Economic and Community Development, I am proud to share our 2004 accomplishments. This report is also an opportunity to present the breadth of services our office and its affiliates provide to the businesses, community organizations and residents of Maine.

2004 was a very promising year for the Maine economy. Our economy continues to outperform the rest of the region, and Maine's per capita income growth is also on the rise, jumping from 35th in the nation to 30th over the last year.

The aggressive tax incentives offered through the Governor's Pine Tree Zone program are helping us create approximately 2,700 jobs. We also saw a marked increase in Maine exports, which have risen 20 percent over the last two years. Thanks, in part, to the work of our International Trade division and its partners, we are now ranked eighth in the nation for export growth.

Our quest to attract high-wage technology jobs is also paying off. An evaluation of the Maine Technology Institute's grant programs revealed that 45 percent of funded projects are seeking patents, and 84 percent will seek other intellectual property protection.

Growing our biotechnology industry is one of the core initiatives of Governor Baldacci's economic development strategy. According to a report released by Maine BioTech, biotechnology in Maine has tripled in employment and quadrupled in revenues in the last 10 years. We are continuing our efforts to expand this promising sector of the economy.



Jack Cashman, along with (from left to right) John Kachmar, president of Wilbur Yachts; Steve Von Vogt, Maine manufacturing for Hodgdon Yachts; Sandy Spaulding, retired president of Hinckley; and Tim Hodgdon, president of Hodgdon Yachts, predicts a bright future for Maine's boatbuilders.

There are also a number of exciting new initiatives on the horizon. Our office recently implemented a strategic plan that has enabled us to optimize delivery of service to our stakeholders. We look forward to working with our partners on new alliances that will further our mutual goal of strengthening Maine's economy.

Our office has also contracted with an internationally recognized tourism development firm to further nature-based tourism opportunities in rural communities and assist these communities in diversifying their economies. We will be sharing some of the results of this endeavor with you over the next year.

From business and community development to tourism, our team is dedicated to enhancing the quality of life for all Maine people. We look forward to working with you on furthering the Governor's economic development strategy and meeting the needs of all regions of our state.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack Cashman".

Jack Cashman



# Office of the Commissioner

The Office of the Commissioner has numerous functions and is responsible for the day-to-day operations of the entire department. The office coordinates the administration's economic development legislative activities, oversees the state's economic development strategy and develops policy in conjunction with the Governor's Office and the Maine Legislature. The office also represents the administration on various boards, commissions and task forces.

Major programmatic functions of the office include the administration of the state's Tax Increment Financing (TIF) Program , Employment Tax Increment Financing (ETIF), Pine Tree Development Zone Program and other tax-based economic development programs. The office also plays a pivotal role in assisting a variety of industry groups.

## Major Accomplishments

- The Governor's Council on the Sustainability of the Forest Products Industry, which is comprised of a cross section of industry representatives, state legislators, commissioners and labor representatives, met over the past year to develop recommendations on maintaining the sustainability of the forest products industry. Released in March 2005, a report includes recommendations for tax policy changes, the need for research and development, work force training and financing of logging businesses, environmental regulation, and energy policy to ensure the continued strength of this heritage industry as part of Maine's economic backbone.



*Musicians perform at the Blaine House Conference on the Creative Economy at the Bates Mill, Lewiston.*

- The office convened a group of 23 marine research institutions to create the Marine Research Coalition. This group has worked together to develop strategies to leverage Maine's traditional maritime strength to become a global leader in a vibrant ocean-based economy.
  
- The office approved nine new TIF districts in eight communities, with total planned investment exceeding \$136 million.
  
- ETIF development programs were approved for 13 companies in 12 communities, with plans for the creation of over 550 new jobs, generating almost \$23 million in new payroll, with planned investment approaching \$47 million.
  
- Since the 2004 inception of the Governor's Pine Tree Development Zone Program initiative, which offers a combination of tax incentives to spur economic development, the office has completed the designation process of the eight zones. In 2004 the office certified 37 companies in the sectors of financial services, information technology, manufacturing, and precision manufacturing. The certified companies intend to create more than 1,300 jobs. Over the summer and fall the office developed a detailed program Web site including an online application for certification. We continue to work with our regional economic development partners to coordinate and market this program, and as a result, over 120 companies, both in Maine and out of state have inquired about this program. The office expects the interest to continue.

*Left: Dancers perform at the National Folk Festival held in Bangor, Maine.*

*Right: Maine College of Art, one of the leading colleges in Maine providing fuel for the creative economy.*



- As a result of the successful May 2004 Blaine House Conference on the Creative Economy, Governor Baldacci created the Creative Economy Council to help build and grow creative business sectors.

The new Council operates under the auspices of DECD and is working toward fostering creative entrepreneurship, strengthening Maine's existing creative assets, supporting education and training needs and encouraging regional approaches to developing the creative economy.

Also, the Council will encourage communities to welcome diversity and explore ways in which Maine's tourism industry and the creative economy can contribute to one another's development.



*Left: The Center Theatre, Dover-Foxcroft. The CDBG and the Municipal Investment Trust Fund programs helped with vital renovations including a new marquee, accessibility modifications and structural repairs.*

# Office of Community Development

The Office of Community Development (OCD) provides financial and technical assistance to Maine communities to enhance community development, planning and economic development activities. Typical activities include: funding and technical support to construct public facilities, public infrastructure, finance economic development initiatives and to improve substandard living conditions for low- to moderate-income residents. The Community Development Block Grant (CDBG) program, funded through the U.S. Department of Housing and Urban Development, allows communities to initiate projects that would not be feasible otherwise.

During 2004, 106 projects were awarded CDBG funding totaling more than \$16 million. Monetary awards ranged from a \$400,000 Downtown Revitalization Grant to a \$7,000 Community Planning Grant, spanning each of Maine's 16 counties.

The second major initiative of the OCD is the state-funded Municipal Investment Trust Fund Program, which is currently funding over \$10,000,000 in projects located in Maine Service Center Communities.

## Major Accomplishments

### Funding

The OCD renewed and strengthened its partnership with the Maine State Housing Authority (MSHA) and Kennebec Valley Community Action Program to use over \$900,000 in CDBG and Rural Housing and Economic Development funding to establish the Kennebec Valley Replacement Housing Program. This project is well under way replacing severely substandard homes owned by low-income families in rural areas of Kennebec and Somerset Counties.

*Left: The former Hamilton Bakery in downtown Norway underwent a historic renovation for its new use as the Fair Share Food Co-op and Arts Gallery.*  
*Right: CDBG Downtown Revitalization Grant funds assisted in the creation of walkways and infrastructure linking business, tourism and recreational opportunities along the Greenville downtown lakefront area.*



The OCD granted \$126,750 in CDBG Public Facilities funds to the town of Beaver Cove to match approximately \$290,000 in local monies for the construction of a new Community Center/Town Office that replaced a severely inadequate building with no running water or sanitary facilities. This project was the first CDBG grant ever received by this Piscataquis County community of 91 year-round residents. The building was officially dedicated at a ceremony on September 29, 2004.

During 2004, the OCD was very active with CDBG initiatives in the Oxford County community of Canton. A flood devastated the town in December 2003 and OCD was one of the first state agencies on the scene, providing a \$100,000 Urgent Need Grant to assist in flood remediation efforts. This was followed by a \$250,000 Public Facilities Grant to assist in the construction of a new fire station located out of the floodplain. An additional \$400,000 Innovative Housing Grant is currently matching Federal Emergency Management Agency (FEMA) and MSHA funds in the development of a relocation program for income-eligible residents. In addition, a \$10,000 Community Planning Grant is helping develop a long-range strategy for relocation of the downtown area.

## Customer Service

Late in 2004, the OCD announced a major change in program responsibilities for the five Development Program Managers (DPMs). In the past, each DPM worked with communities implementing any current CDBG program activity. In the revamped system, each DPM will manage specific programs on a statewide basis. This will enable the OCD to improve customer service by customizing technical assistance, project development and oversight to communities planning for and implementing CDBG projects.



# Office of Business Development

The Office of Business Development's (OBD) mission is to foster business startup, growth, expansion and retention within Maine to increase quality employment opportunities for Maine citizens. OBD works in partnership with the business community and a system of regional and local development agencies to provide resources, technical assistance and financial tools necessary to attract and encourage new investment, as well as to create and retain quality jobs.

## Major Accomplishments

- In partnership with the Department of Labor's Bureau of Employment Services, the office awarded nearly \$1.8 million in training funds via the Governor's Training Initiative Program to 58 Maine companies for 476 new hires and 1,533 incumbent workers.
- Sixteen customized business assistance proposals were prepared and presented to companies seeking to expand their operations in Maine.
- Business Answers, Maine's toll-free business information hotline, fielded over 12,600 inquiries for licensing, tax and other business-related information. On average, staff responded to 1,051 inquiries per month.
- From the Business Answers Web site, [www.maine.gov/businessanswers](http://www.maine.gov/businessanswers), the online Business Licensing Assistant is able to assist users in identifying state licensing requirements for proposed business activity. This feature was utilized 570 times, which resulted in the distribution of 1,415 state business license applications.

*Maine Made  
Online Open House  
features products  
from Maine  
manufacturers.*



- Contracted by DECD to provide comprehensive business management assistance, training, resource and information services to new and emerging businesses, Maine Small Business Development Centers provided one-on-one counseling to 2,847 clients and conducted 177 group training events for 2,934 entrepreneurs.
- In 2004, DECD awarded Maine Microenterprise Initiative (MMI) grants totaling \$651,346 to five community-based organizations. Microenterprise development programs funded under the MMI will target microentrepreneurs in eastern and northern Maine, Native Americans and value-added food producers statewide.
- The Maine Products Marketing Program (MPMP) assisted with the 20th Annual New England Products Trade Show held in Portland, in which more than 300 businesses exhibited their products to 2,000 wholesale buyers from around the country. This three-day wholesale giftware and specialty food trade show resulted in approximately \$3.5 million in wholesale product sales.
- The MPMP welcomed 181 new members to the program in 2004, bringing the total program membership to over 1,700. This popular marketing program continues to strive to build recognition for hundreds of exceptional Maine-made products, their producers and Maine's industries in general.



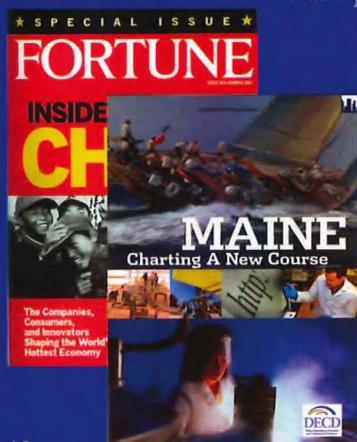
■ A new "Personal Favorites" feature was added to the Maine Made Web site ([www.mainemade.com](http://www.mainemade.com)) in 2004, where visitors can create and maintain a list of their favorite Maine Made members. Through this feature, the state is able to connect consumers with producers and act as a lead generator with positive bottom line results for Maine businesses.

■ *Maine Boatbuilding Initiative:* OBD staff have been supporting the Maine boatbuilding industry in establishing an organization that will build a "Maine Built Boats" brand and develop new markets for Maine-built boats. OBD staff have drafted a business plan for a proposed Maine Built Boats Organization and are assisting Maine boatbuilders with the execution of this plan by supporting the industry's organizational, funding and marketing efforts.

■ In 2004, *Fortune* magazine featured an 11-page section on Maine's economy. The section, entitled "Maine Charting A New Course," summarized the state's businesses and opportunities for growth and was a joint effort between the state and the private sector.

"The State of Maine Economic Development section, *Charting A New Course*, informed Fortune's 3.5 million readers of the new 'open for business' attitude driving Maine's economic growth. Fortune's readership is an important group to reach as it includes those leaders of businesses who are making site-selection decisions for their companies, big and small."

— Michael Federle, Group Publisher, *Fortune Magazine*





# Office of Tourism

The Office of Tourism (OOT) is responsible for implementing an overall marketing program domestically, in Canada and overseas for the State of Maine, which includes advertising, public relations and research and analysis. There are three key objectives for the program:

- Make Maine one of the true “must-see” vacation travel destinations in North America.
- Bring the economic benefits of tourism to all regions of Maine, in all seasons of the year.
- Return at least two dollars in tax revenues for every dollar invested in tourism development by the Maine Office of Tourism.

Tourism continues to be a strong component of Maine's economic growth, and 2004 saw the greatest increase in tourism-related businesses in the past four years.

## Major Accomplishments

### Advertising

In 2004, the advertising campaign centered on all of the surprising things you can do and see in Maine. This campaign ran in a variety of publications in New England and New York markets. In addition to broadcast television advertising, national cable spots were added to the mix.



## Public Relations

The office's public relations efforts helped provide an increase in ad equivalency of 64 percent over the previous year. This relates to reaching over 30 million additional readers.

The OOT assisted 60 journalists during press visits to Maine, which helped result in over \$19 million in newspaper and magazine coverage throughout the United States.

Fall foliage season 2004 was the third year the OOT and Department of Conservation worked in collaboration to report on and promote Maine's foliage season. New for 2004, the OOT arranged for video footage to be shot in several areas of the state for four consecutive weeks. A satellite uplink was then provided to TV stations across the country. Approximately 30 TV stations aired the Maine footage, including national coverage on the Weather Channel and CNN Headline News.

## Regional Programs

The Regional Grant Program continues to be a successful collaborative effort between the OOT and the eight tourism regions. A public service television advertising campaign aired throughout the state in January and February highlighting the impact of tourism on the state. This was followed by an in-state campaign encouraging Maine residents to vacation within the state.



## Internet and Web Site Marketing

In 2004, the OOT's Web site — [www.visitmaine.com](http://www.visitmaine.com) — had 1.6 million unique visitors compared to 1.45 million in 2003, an increase of approximately 10 percent. The Web site is continually being updated and improved to make it more interesting and user-friendly for consumers.

## Group and Travel Trade Marketing

The OOT has also increased Maine's visibility in the growing group travel market and developed enhanced products for the travel trade.

## International Marketing

The office continued to expand its international marketing efforts by adding sales missions to Canada and the United Kingdom to its annual participation in major trade shows in the U.S. and London. The marketing effort in France, started in 2003, was continued and enhanced by a successful familiarization tour to Maine by French journalists, resulting in feature stories in several publications. Significant marketing support was given to publicize the St. Croix 2004 anniversary in the French market.

A total of 35 international tour operators visited Maine in 2004: Germany (26), France (6) and United Kingdom (3).

## *Maine Invites You* Vacation Travel Guide

The OOT distributed 265,000 *Maine Invites You* guidebooks to prospective visitors in 2004. This was an increase of 20,000 pieces compared to 2003.



## Film Office

The Film Office is responsible for attracting and assisting film, television, video and other projects.

The Film Office responds to requests from producers for information on locations, film personnel, laws and regulations and support services. The Film Office publishes Internet and printed materials that market Maine as a film location; plans and creates advertising and public relations programs; and provides resource information.

### Major Accomplishments

#### Production

Maine hosted five feature films during 2004, all from independent production companies. The Film Office has put a strong emphasis on independent production in its marketing and public relations efforts in recent years. Such independent features often work well in Maine because their impact and infrastructure requirements are less.

Feature films shot in Maine include *The 12 Dogs of Christmas*, *Straight Out of Compton II*, *Vacationland*, *Sundowning* and a biographical film about Maine painter Marsden Hartley. Three of the five films were produced and largely staffed by Maine residents, demonstrating the growing role of Maine-based companies in the state's production business.

The Film Office continues to market and attract national commercials, films, photographic projects and catalogs. Commercial projects include works for Eddie Bauer, Fleet Bank and Marsh's Supermarket.



From Empire Falls,  
Ed Harris and Paul  
Newman in Bee's  
Diner in Winslow,  
Maine.

In the spring, after completing principal photography, the HBO film *Empire Falls* returned to Maine with a substantial production for additional footage.

## Blaine House Conference on the Creative Economy

The Maine Film Office, in collaboration with the Maine Arts Commission, organized and created a major installation at the

Blaine House Conference on the Creative Economy. With help from Maine production professionals, the Film Office transformed space at the Bates Mill Complex into a 50-seat cinema and a media gallery featuring video and audio works from Maine-based production and broadcast companies. The Film Office also organized conference workshops highlighting the importance of media production to the state's creative economy.

## Celebration of Maine Filmmakers' Program

The Celebration of Maine Filmmakers' Program grew in 2004 to become the Film Office's most visible and popular form of outreach in Maine. A featured event at the Maine International Film Festival in Waterville, the program included the Maine Screenwriting Awards and Screenwriting Seminar; the Maine Student Film and Video Festival; screenings of award-winning Maine films; and a workshop for potential actors and extras.

## Marketing/Public Relations

The Film Office continued to use a multipart marketing program designed to bring more productions to Maine and to educate Mainers on the value of these productions to the state's creative economy.



Again this year, the Film Office planned and participated in a multistate marketing program in New York City. Several states participated in the Independent Feature Project Market in SoHo.

The Film Office used limited advertising funds to create, in house, a series of ads for national distribution. The ad series was featured in issues of *The Hollywood Reporter*.

In late 2004, the Film Office began planning an expansion of its public relations efforts designed to showcase Maine's growing in-state production industry.

## Digital Resources

Currently, the Film Office has approximately 6,000 digital photographs in its collection. All of them can be sent to producers and location scouts within minutes.

The Film Office Web site continues to draw thousands of hits from production professionals each month.

*The Maine delegation at the Consul General's reception in Milan. Front row (from left):*

*MITC President Richard J. Coyle,  
Governor John Baldacci, U.S.*

*Consul General Deborah Grace  
and spouse and DECD  
Commissioner Jack Cashman.*



# Maine International Trade Center

The Maine International Trade Center (MITC) is a unique public-private partnership 501(C)3 whose mission is to expand Maine's economy through increased international trade in goods and services and related activities. Through its offices in Bangor, Lewiston and Portland, MITC strives to meet the international needs of businesses across Maine.

## Major Accomplishments

Maine is making great strides in exports to international markets. Export figures have increased by 20 percent over the past two years (\$1.8 billion in 2001 and \$2.19 billion in 2003), and Maine has been ranked eighth in the nation for export growth.

### Programming

MITC held 16 trade education programs in its three offices, with over 874 attendees participating statewide and an average of 55 attendees per program for FY04. Company participation was up 11.6 percent during the past fiscal year.

### Outreach and Technical Assistance

A record 787 companies were contacted and/or visited by MITC in FY04, which resulted in an increase of 31 percent in technical trade inquiries. Twenty college interns were hired for international trade research assistance from universities/colleges throughout the state and abroad. MITC's internship programs have been growing in popularity (75 applicants for four summer positions) and provide invaluable career experience and opportunities for Maine's youth and future exporters.



## Trade Missions/Shows

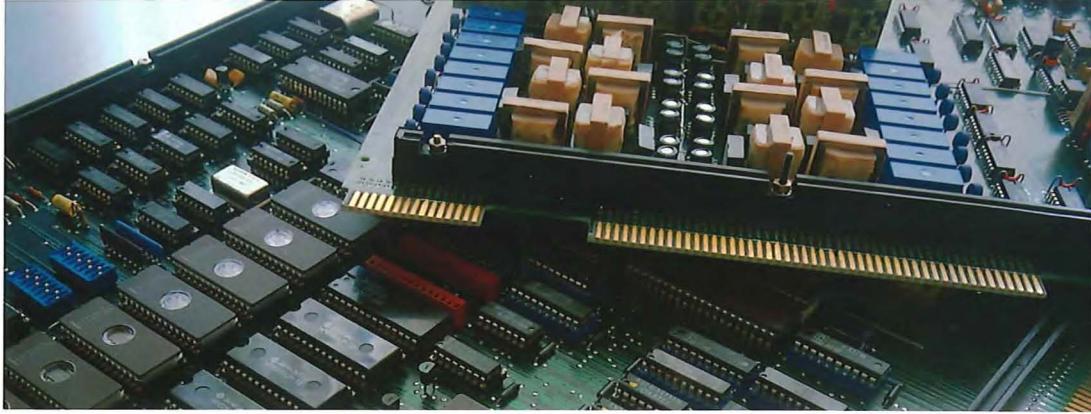
In May 2004, MITC hosted three booths at the National Restaurant Association and Hotel Show in Chicago – one of the largest food service shows in the world. MITC also coordinated matchmaking meetings with international buyers (via Foodexportusa) for the Maine participants. Five Maine companies attended, with projected sales of \$1.9 million in the next 12 months as a result of their participation in the MITC booths.

The November 2004 Trade Mission to Germany and Italy with Governor Baldacci was extremely successful. A delegation of 30 participated in over 55 matchmaking meetings throughout Germany and Italy, resulting in over \$1.2 million of export sales projected. Major destinations for the participants included Düsseldorf, Bonn, Hamburg and Milan. In addition to coordinating the export business meetings, MITC coordinated major events and matchmaking in the foreign direct investment and tourism areas.

## Canada Desk

MITC's Canada Desk, which entered its sixth year of operation in 2004, continued to promote Maine's interests in Canada. More than 100 technical assistance requests involving Canada were reported in 2004.

In February, Governor Baldacci and business, government and economic development leaders visited Quebec City for an economic mission. Firms from Maine availed themselves of matchmaking services offered by economic development partners in Quebec City and Saint-Georges. Tours of research facilities and businesses were also conducted.



## Office of Innovation

The Office of Innovation was established by legislation to encourage and coordinate the state's research and development activities to foster collaboration among the state's higher education and nonprofit research institutions and the business community. The office promotes, evaluates and supports research and development relevant to the state, including assessing the impact of the Maine Technology Institute (MTI) and the technology centers.

### Major Accomplishments

#### Maine Technology Institute

The Maine Technology Institute supports Maine companies' early-stage research and development efforts leading to commercialization of new products and services in the following seven targeted technology sectors:

- Aquaculture and marine technology
- Advanced technologies for forestry and agriculture
- Biotechnology
- Composite materials technology
- Environmental technology
- Information technology
- Precision manufacturing technology

MTI's goals are to:

- contribute to the long-term development of a statewide research, development and product deployment infrastructure,
- enhance the competitive position of Maine's technology-intensive industries,
- support clusters of industrial activity and create jobs for Maine people.



MariCal Inc., an aquaculture company in Portland, has developed a breakthrough technology that allows fish to adapt to saltwater environments while in freshwater environments.

In fiscal year 2004:

- MTI approved funding for 115 Seed Grant proposals. Seed Grant Awards are competitive grants of \$1,000 to \$10,000 per project and support very early activities for product development, commercialization or business planning and development.
  
- MTI approved funding for 15 Development Award proposals. These are competitive awards of \$10,000 to \$500,000 per project that are invested in technology-related companies to support research and development leading to commercialization of new products and services.
  
- MTI approved funding for six Cluster Enhancement Awards. These grants of \$10,000 to \$200,000 per project are made on a competitive basis to seed efforts that will stimulate and support the formation and growth of technology businesses.
  
- An evaluation of MTI's award programs concludes that the organization has been successful in supporting innovative activity and is poised to have substantial economic impact on Maine. Among the most notable findings are:
  - ◆ MTI recipients saw employment grow by 11 percent.
  - ◆ For every dollar of MTI assistance, over \$26 is leveraged in external financing.
  - ◆ Forty-six percent of MTI-funded research projects have led to new products, and 24 percent of projects have resulted in products that are already offered for sale.



- ◆ Seventy-three percent of MTI grant recipients have fewer than 10 employees.
- ◆ Forty-five percent of MTI-funded projects have or will seek patent protection for the results of their research; 84 percent will seek other IP protection such as trade secrets, trademarks and copyrights.

## Applied Technology Development Centers (ATDC)

The Applied Technology Development Centers (ATDC) system is an integral component of the state's efforts to further develop a technology-based economy. Together, the centers comprise a system of business incubators aimed at accelerating the early-stage development of technology-based companies.

The Centers were the recipients of a \$2 million bond in 2003, which allowed for building construction and renovation for several of the Centers in 2004:

- Thomas M. Teague Biotechnology Center - \$650,000 which will allow the Teague Center to offer lower rent and support services to start-up biotech businesses. The Center operates with one anchor tenant and is in discussions with BioMed Development of Sherbrooke, Quebec, Canada, to assist companies wishing to relocate.
- Composite Technology Centers - \$450,000 constructed the wood composite incubator, operated in conjunction with the University of Maine's Advanced Engineering Wood Composite Center students and researchers. The facility opened in March 2005.



- River Valley Precision Manufacturing Incubator - \$500,000 to convert the former MeadWestvaco mill into a small business center/incubator for precision engineering. The center, which opened in August 2004, has four affiliates utilizing the support services and has begun other seminars and training programs.
- Center for Environmental Enterprise - \$400,000 to assist the center in developing new and expanded space. The center continues to lease out 84 percent of its space and in 2004, received over \$50,000 in revenues from clients.
- The Loring Applied Technology Center houses four tenants, leasing about 50 percent of its space and receiving \$55,000 in revenues from tenants.
- The Target Technology Center is 80 percent leased to four startup companies. Additionally, cubicle space is provided to six student startup companies, and nine companies utilize services as affiliates. One company graduated in 2004, with several more expected for 2005/06.
- Three tenants at facilities in Walpole and Franklin occupy the Maine Aquaculture Incubators, and the two locations employ up to 15 people. A new building in Franklin, completed in May 2005, offers an additional 6000 square feet of available space to tenants.







The Hinckley Company

L. A comparison of any related federal laws and regulations to the state laws governing the agency or program and the rules implemented by the agency or program.

## **19-498 CMR DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT CHAPTER 33 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM 2005 PROGRAM STATEMENT**

**Summary:** The Program Statement describes the method by which 2005 Community Development Block Grant (CDBG) program funds will be distributed. The CDBG program is administered pursuant to 5 M.R.S.A 13073. The 2005 CDBG program was developed by the Department of Economic and Community Development (DECD) following a review of past programs, a series of public forums and hearings with program constituents, and a comprehensive assessment of statewide community and economic development needs conducted in 1999. In accordance with the Maine Administrative Procedures Act, DECD held three public hearings regarding the Program Statement.

### **STATE ADMINISTRATION**

- 1. General Administration Allocation:** Pursuant to Section 106(d) (3) (A) of the Housing and Community Development Act of 1974, as amended (the Act), the DECD will utilize \$100,000 plus up to 2% of its allotment from the Department of Housing and Urban Development (HUD) to administer Maine's CDBG Program in accordance with Federal and State requirements.
- 2. Technical Assistance Administration Allocation:** Pursuant to Section 106(d) (5) of the Act, DECD will utilize 1% of its allotment from HUD to provide technical assistance with Federal and State requirements.

### **THRESHOLD CRITERIA AND REGULATIONS FOR THE CDBG PROGRAM**

The following state and federal regulations **APPLY TO ALL PROGRAMS**

#### **1. Federal and State Certification for Local Governments:**

All communities applying for CDBG funds must certify that they will:

- Minimize displacement and adhere to a locally adopted displacement policy in compliance with section 104(d) of the Act;
- Take action to affirmatively further fair housing and comply with the provisions of Civil Rights Acts of 1964 and 1968;

- Not attempt to recover certain capital costs of improvements funded in whole or in part with CDBG funds;
- Establish a community development plan;
- Meet all required State and Federal public participation requirements;
- Comply with the Federal requirements of Section 319 of Public Law 101-122 regarding government-wide restriction on lobbying;
- With the exception of administrative or personnel costs, verify that no person who is an employee, agent, consultant, officer, elected officer, or appointed official of State or local government or of any designated public agencies, or subrecipients which are receiving CDBG funding may obtain a financial interest or benefit, have an interest in or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect to CDBG activities; and
- Review the project proposed in the application to ensure it complies with the community's comprehensive plan and/or applicable state and local land use requirements.

**M. Agency policies for collecting, managing and using personal information over the Internet and nonelectronically, information on the agency's implementation of information technologies and an evaluation of the agency's adherence to the fair information practice principles of notice, choice, access, integrity and enforcement;**

**DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT  
(DECD)**

*Work Rule November 14, 2005*

**POLICY CONCERNING THE USE OF STATE-OWNED INFORMATION AND TECHNOLOGY (I.T.) AND RELATED COMMUNICATIONS EQUIPMENT:**

NOTE: State information and technology and related communications equipment may include, but is not limited to: Computer workstations, voice mail, computer networks, printers, copiers, telephones, fax machines, modems, fax modems, e-mail, local and wide area networks, Internet, and Intranet.

**PURPOSE**

The purpose of this policy is to set out the rules to be followed while using any or all of the State-owned information and technology equipment under the control of the Department of Economic & Community Development (DECD).

**BACKGROUND**

The Department provides its employees access to State-owned I.T. equipment to accomplish tasks, process, and communicate to effectively achieve DECD mission, as directed by law and the administration.

The State of Maine "Freedom of Access Law" (1 MRSA, § 401-410) clearly provides that any and all materials, files, notes, records, copies, etc., regardless of the media used to store or transmit them (paper, film, microfiche, magnetic media, electronic media, etc.) in public offices or in the possession of public employees while at work are public property. As such, the public has access to those materials. All material created, modified, stored, moved, distributed, transferred, printed, imaged, or otherwise manipulated on State-owned office automation equipment is considered to be public property and, as such, is subject to examination by the public. The law places some very narrow restrictions on the public access, such as personnel files, employment applications, employee testing and rating criteria, workers' compensation files, certain investigation files, etc., but most materials are subject to public viewing. *Employees are advised that there should be no expectation of privacy when using any State-owned I.T. or related communications equipment.*

E-mail systems, Internet and WorldWide Web browsers, bulletin board systems, etc., are intended to be used for State business purposes. DECD staff should be aware that cell phones and internet messages are generally not secure and can be easily intercepted by outside parties.<sup>1</sup> Voice mail and e-mail messages may have backup copies that cannot be deleted by the operator. A history of accessed web sites is recorded by most browser software. All of this information may be subject to release under a "Freedom of Access Law" request. In addition, DECD staff and the Office of Information Technology may monitor voice, e-mail, and Internet traffic to improve service levels, enforce this policy, and prevent unauthorized access to State systems.

Unofficial and/or unauthorized use of State-owned equipment places unanticipated and possibly excessive demands on the State's I.T. resources.

Accessing unofficial and/or unauthorized sources unnecessarily exposes the State to the spread of computer viruses, which may be both costly and disruptive to clean from DECD I.T. and related systems.

## POLICY

State-owned I.T. equipment is made available to staff to conduct official DECD business. The use of State-owned I.T. equipment to create, record, store, transmit, distribute, image, modify, print, download, or display inappropriate or unprofessional materials that demean, denigrate, or harass individuals or groups of individuals, on the basis of race, ethnic heritage, religious beliefs, disability, sexual orientation or gender, and/or materials that are sexually explicit or pornographic in nature, whether or not the material was intended to demean, denigrate or harass any employee or group of employees, is prohibited.

The State's E-mail is not to be used to forward or otherwise broadcast "chain letters," mass communications that are not work related, or solicitations for causes unrelated to the State's business, no matter how worthy the cause may be perceived to be. If in doubt as to whether your proposed e-mail meets these guidelines, contact Personnel Services at 624-7400. Solicitations or mass communications for causes believed to be related to State business should be brief, not endorse any particular product or provider, and should refer readers to a webpage for further information. The Commissioner or his/her designee must approve such solicitations or mass mailings. [NOTE: In the Capitol area, Capitol Security must give written permission for solicitations. The *Maine State Employees Combined Charitable Appeal* is the only solicitation with on-going, or "blanket" approval]. State-owned automation equipment may not be used to conduct outside business nor may it be used in conjunction with any outside employment activity.

Additionally, state law makes it a crime to use a computer system operated by a state department or agency to advocate for or against a candidate for federal office, a constitutional office, an elective municipal, county or state office, including leadership

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<sup>1</sup> Care should be exercised to avoid inadvertent disclosure of confidential information over these media.

positions in the Senate and House of Representatives, as well as to solicit contributions required by law to be reported to the Commission on Governmental Ethics and Election Practice.

Any personal use of State-owned I.T. equipment must be incidental in nature. Examples of incidental use may include, but are not limited to, brief e-mails, accessing an appropriate subject on the Internet, phone calls of an urgent nature, using computer capabilities for incidental correspondence, etc.<sup>2</sup> The use of State-owned supplies represents a cost to the State and, as such, printing and copying for personal use is restricted to incidental use only. Any personal, incidental use of State-owned equipment shall not interfere with the Department's business activities, must not involve solicitation in any form, must not be associated with any outside business or employment activity, and must not potentially embarrass or offend the State of Maine, its residents, its taxpayers, or its employees.<sup>3</sup>

#### GUIDELINES AND PROCEDURES

In the event that an employee inadvertently accesses inappropriate or prohibited material, the employee is required to immediately secure the material from view. It is recommended that if an employee inadvertently accesses inappropriate or prohibited materials, his or her supervisor or management should be advised of the circumstances surrounding the inadvertent access. This will ensure that the employee is held harmless for inadvertently accessing the inappropriate or prohibited materials.

If supervisory or management staff become aware that inappropriate or prohibited materials are being accessed, downloaded, or otherwise transmitted to or by an employee in his or her organization, he or she must act immediately to stop such activity. Supervisors and managers should contact the Department's Director of Human Resources, for guidance and consultation.

These rules may be amended as necessary by State policies and procedures or by updated DECD policies.

Each DECD employee is expected to comply with this policy. Violation of this policy may lead to progressive discipline, up to and including dismissal consistent with applicable bargaining agreement and/or *Civil Service Rules*. For further information concerning this policy, contact DAFS Director of Human Resources at 624-7400.

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<sup>2</sup> Certain telephone calls and expenses are allowable under the bargaining agreements.

<sup>3</sup> As is the case in other situations, the time associated with any incidental personal use of State-owned I.T. equipment must not intrude into an employee's work responsibilities.



**N. A list of reports, applications and other similar paperwork required to be filed with the agency by the public. The list must include:**

- 1. The statutory authority for each filing requirement;**
- 2. The frequency that filing is required;**
- 3. The number of filings received annually for the last two years and the number anticipated to be received annually for the next two years; and**
- 4. A description of the actions taken or contemplated by the agency to reduce filing requirements and paperwork duplication.**

All information required in this section can be found in Section A.



## *An Economic Development Strategy for Maine*

Increasing economic opportunity for the people of Maine is Governor John Baldacci's top priority. Economic growth occurs through business retention, business expansion, business creation and business attraction. To achieve each, Maine's economic strategy must embrace four fundamental economic drivers: (1) the creation of a fair and stable business environment to attract investment to Maine; (2) investment in people; (3) a clear focus on key sectors of the state's economy; and (4) building our infrastructure.

### **I. The Creation of a Fair and Stable Business Environment**

A fair and stable business environment is a prerequisite for business growth. For this to occur, the costs of doing business must be controlled; Maine needs to be in a more competitive position in terms of taxes, utility rates and other costs.

In the short term, the tax advantages associated with the Governor's new Pine Tree Zone initiative will provide a significant competitive advantage. In the long term, Maine needs to lower its overall tax burden to below the New England average by 2008. Moreover, we must once and for all remove the personal property tax on business equipment.

Additionally, Maine's regulatory burden must be simplified. This will not only make it easier for our existing businesses to operate, but it will provide a competitive advantage in attracting new business.

#### *Accomplishments:*

- *New Jobs: 13,000 created between November 2003 and November 2005.*
- *Manufacturing: DECD is working diligently to counteract Maine's loss in manufacturing jobs and is directly addressing specific sub-industries with specialized tactics. With the help of DECD:*
  - *Irving Tanning in Hartland was acquired by Meriturn and as a result, 200 jobs and approximately 35% of the town's revenue base were saved.*
  - *Philips Elmet in Lewiston was purchased by a long-time employee, and the potential loss of more than 200 jobs was avoided.*
  - *Tex-Tech Industries in Monmouth obtained Pine Tree Zone certification, which helped it retain 200 jobs. The company is now making a \$3 million investment in its facility and is hiring approximately 70 new employees.*

- **Cost of Doing Business:** Maine is among five U.S. states that achieved the most significant reduction in business costs in 2004 according to the Milken Institute, a non-partisan research organization. According to the Institute's 2004 data, Maine also offers the lowest cost of doing business in Northeast and ranks well below the national average for industrial and office rent costs.
- **Benchmarks to Achieve a Vibrant Economy:** The Maine Economic Growth Council's 2006 Measures of Growth report indicates that Maine must continue to work on lowering its cost of doing business, including the state's tax burden and the cost of healthcare. DECD is working diligently with the Governor and the Maine Legislature to overcome these obstacles.
- **Income:** Maine's per capita personal income growth (PCPI) increased by 5.3% from 2003 to 2004, exceeding the national average of 4.9%. Maine's PCPI continues to increase at a rate exceeding State budget growth (3.1%). In fact, Maine's income growth is still rising while the New England average has begun to decline.
- **Unemployment Taxes:** Maine's unemployment taxes are now among the lowest in the nation.
- **Work Environment:** Maine offers the 4th fairest in the nation, according to a new index completed by the University of Massachusetts.
- **Hotbeds for Business Growth:**
  - American City Business Journals named Portland the **hottest U.S. small business market** in which to develop a company.
  - Portland and Lewiston-Auburn are two of the **top U.S. cities for doing business**, based on Inc. magazine's 2005 rankings.
- **Government Spending:** Through LD1, Maine successfully established spending caps at all levels of government - local, county and state.
- **Tax Legislation:** The State is receiving national attention for its efforts to make Maine a more affordable place to live and do business. In an article that appeared in the "Business" section of the Wall Street Journal on June 1, 2005, it was noted that "... even deep in the heart of Blue State America, the Maine Legislature enacted a tax and expenditure limit earlier this year with real teeth."
- **Worker's Comp:** Maine's workers' compensation costs, which were once among the highest in the nation, have decreased to the national average for both premiums and benefits. Maine's ranking is now 26<sup>th</sup> among 47 states.

- ***The Community Development Block Grant (CDBG) and Municipal Investment Trust Fund (MITF):*** These programs awarded more than \$61 million from 2003 to 2005.
- ***Pine Tree Zones:*** With more than 70 businesses certified in two years, the Pine Tree Zone program is creating more than 3,200 new jobs. The Governor is working to extend Pine Tree Zone eligibility to the Midcoast region to help redevelop Brunswick Naval Air Station.

*In Oakland, T-Mobile is creating nearly 800 new jobs with healthcare benefits. Pine Tree Zone incentives helped seal the deal. Other Pine Tree Zone success stories are noted throughout this document.*

## II. Investment in People

Maine people comprise a workforce that is second to none. They deserve a first-rate educational infrastructure.

Creating an educational system that moves students from K thru 16 and beyond is now more than a goal; it is a plan in the making. Our objective is to have 60% of our high school seniors go on to college by 2006, and 70% by 2010.

The most important measure of economic development in Maine is the educational attainment of its people and the opportunities that arise from our people's participation in the economy of tomorrow. The infrastructure is present. Maine has a strong and comprehensive University of Maine System and a new and exciting Community College system that together provide an extensive array of educational opportunities to traditional and non-traditional students. Business and commercial entities will find educational institutions in every region of the state, and together with one of the nation's most advanced distance learning programs, workers and the general public will have wide-scale access to education. Helping to ensure that this access is affordable will be the new loan programs delivered by the Finance Authority of Maine.

This infrastructure will make it possible for Maine to meet the goal of having 30% of our work force with a college degree. Beyond the raw 30% figure, we need to ensure that we focus our efforts in training and education on the areas that hold the greatest opportunity for growth. Our education system must create Centers of Excellence for the skills required for our targeted industries. The new Work Force Cabinet created by the Governor will play a key role in this effort to shape our training initiatives.

### **Accomplishments:**

- **Governor's Training Initiative:** This program provides no-cost, customized recruiting and training assistance on a pre- or post-employment basis. The program develops and coordinates training programs for firms intending to expand or locate in Maine, reorganize a workplace to remain competitive, or upgrade worker skills.
- **Investment in Public Education:** The State has invested almost \$300 million additional dollars in local education over the past several years. For fiscal year 2007, education spending will increase by nearly \$80 million, bringing the total public education budget for next fiscal year up to just under \$915 million.
- **College Placement Courses:** In February, the College Board will recognize Maine's success in increasing the number of high school students taking college level placement courses.
- **Laptop Program:** The Maine Learning Technology Initiative (MLTI), which provides laptops for seventh- and eighth-grade students and their teachers, continues to be a success and positions Maine as a leader on both a national and international level.
- **Increased Enrollment:** Since the Maine Community College System was created in 2003, enrollment has increased 42%. The University of Maine System has posted record high enrollment figures for the past four years.
- **Guaranteed Admission:** The new Advantage U program provides guaranteed admission into Maine public universities for community college liberal studies graduates who meet certain requirements.
- **Transfer Opportunities:** A matrix of more than 80 articulation agreements between the community colleges and the University of Maine System is enhancing transfer opportunities for students.
- **Public Education Accolades:** In 2005, Maine was named the nation's fifth smartest state in Morgan Quitno Press's annual Education State Rankings, which compares the elementary and secondary education programs of the 50 states.

### **III. A Clear Focus on Key Sectors of the Maine Economy**

Maine's resources are limited, and we must focus our economic development efforts in those areas where we have a competitive advantage. These break into two groups: our mature industries, and our emerging industries.

## A. Our Mature Industries:

### 1. Forest Products Industry

Maine's economic health, traditional landscape and the welfare of many communities are tied to the viability of the forest products industry. However, it is a mature industry, facing intense competition from abroad. To make Maine's forest products industry the national leader it once was, we need to focus on the research and development of new technologies. Moreover, we must increase our emphasis on the commercialization of these new technologies with special attention to wood composites, the increased development of value added wood products, and the continued investigation of by-product technologies. Additionally, we must move Maine-based manufacturers in this industry towards "green certification" with new emphasis on the "certified forest" concept. All of these efforts will benefit from Maine's national reputation as a strong steward of our natural heritage.

#### *Accomplishments:*

- ***The 2003 Blaine House Conference on Maine's Natural Resource-Based Industry:*** The conference brought key industry players together to begin moving forward with the State's strategy to make traditional industries more competitive.
- ***Improving Competitiveness:*** The Governor's Council on the Sustainability of the Forest Products Industry and those involved with the Maine Future Forestry project are moving forward with strategic initiatives to improve the competitiveness of the industry.
- ***Jobs Retained:*** The State and its partners have saved an estimated 1,500 paper mill jobs by reversing the closure of four Maine mills. These mills used 1.7 million tons of fiber in 2004.
- ***Research and Development:*** The University of Maine's Advanced Engineered Wood Composites Center is advancing efforts toward value-added product development and commercialization of those products.
- ***Grant Funding:*** Maine received a \$7 million grant from the Department of Defense, a down payment on creating a Center of Engineering Excellence for composite technology within the University of Maine System. Maine expects a favorable response this spring on a \$7 million grant application submitted to the National Science Foundation for funding to advance bio-refineries technology.

- **Safe Handling:** The Maine Technology Institute awarded the company a development grant for \$210,000 to research and plan for a commercially viable biorefinery. The refinery will use emerging technologies tied to biomass feedstock consisting predominantly of forest bioproducts.
- **Logger Certification:** Maine is the first in the world with a master logger program that offers independent certification of logging companies' harvesting practices according to standards cross-referenced to all major green certification systems. Eighty-five companies in Maine have been third-party certified, and 46 have gone through a recertification process as part of the piloting of this effort.
- **Green Certification:** The State is working with the forestry industry to achieve 10 million acres of certified forestland by 2007 and has already succeeded in certifying more than 7 million acres. Because of the State's dedication to green certified forest products, Time, Inc., the largest buyer of coated magazine stock in the world, has increased its purchases of certified stock from Maine by 10,000 tons.
- **Grant Funding:** The Maine Technology Institute has issued four forest biomass product grants which the U.S. Department of Energy has matched.

#### **Industry Success Stories:**

- **Appalachian Engineered Floors,** a subsidiary of Anderson Flooring, is relocating its hardwood veneer manufacturing facility from South Carolina to Patten, Maine.
- With the help of two loans from the Maine Technology Institute, **Correct Building Products** in Biddeford got its start in wood composites in 2004. Pine Tree Zone tax incentives helped the company expand. Today, it is one of the top 10 composite deck manufacturers in the country.
- **Lincoln Paper & Tissue,** one of the mills saved through the State's intervention and a Pine Tree Zone certified company, is now constructing a \$36 million tissue machine, the first paper machine to be built in Maine in nearly 20 years.
- **Stratton Lumber, Inc.** has increased employment at its saw mill from 50 to 75 workers and expects to increase log procurement, byproducts and lumber sales by 50% in 2006. The company has invested more than \$6.5 million in new equipment and infrastructure upgrades with the help of tax increment financing (TIF) from the State.

- **Safe Handling Inc.** opened its new Port of Auburn distribution hub expansion in Auburn. The expansion includes a multimillion dollar warehouse and transportation project on 150-acres adjacent to the Maine Intermodal Facility. Pine Tree Zone tax incentives helped make the expansion possible.
- **Pleasant River Lumber Company** is completing a \$5 million expansion of its Pine Tree Zone certified facility in Dover-Foxcroft and is constructing a new plant in Enfield that could create as many as 350 jobs.

## 2. Marine Related Activities

Our magnificent coastline is a gift and an opportunity that has fostered a fishing and boat building industry that has led our nation in past years. We can lead again by targeting and coordinating our marine-related research. With a top-10 marine research institute and a multi-million dollar Federal investment currently underway at the University of Maine, the state has the potential to be an international hub for coldwater marine research and a leader in the Northeast in fisheries science.

For this to occur, we must create a world-class research capability in marine science by forming a research coalition made up of Maine's leading research institutions. This will accelerate the development of new technologies and aid us in attracting federal and private research grants.

### *Accomplishments:*

- **Maine Built Boats:** In 2005, the State facilitated the creation of Maine Built Boats, an alliance structured to increase the Maine boat building industry's national and international market share. The alliance's goal is to increase annual boat sales from \$650 million to more than \$1 billion by 2015.
- **Grant Funding:** The State helped secure a three-year, \$15 million grant from the U.S. Department of Labor to develop a regional economic strategy centered on advanced composite materials and boat building. The strategy will aim to create 2,000 new jobs.
- **Lobster Industry Research:** The Maine Lobster Promotion Council recently completed two research studies that indicated: (1) nearly 70% of Maine lobster is currently shipped to Canada for processing; (2) there is a strong market interest for value-added products in which the lobster meat is out of the shell; and (3) consumers have a very high value for Maine lobster. The Council and DECD are working together to help Maine companies increase value-added processing and develop the type of value-added lobster products the market demands.

- **The Maine Marine Research Coalition:** MMRC, composed of 24 public, private, non-profit, and for-profit institutions, is leveraging Maine's traditional maritime strengths to play a significant role in a vibrant 21st century ocean-based economy, combining scientific research, product and technology development, and education to sustain marine resources.
- **Finfish Processing:** More than 80% of finfish are processed outside of Maine, and the State is working proactively with the fishing industry to address the issue.
- **Sea Urchins:** Researchers are working to revive Maine's green sea urchin industry, finding ways to replenish the once-bountiful population along the southern coast while protecting remaining stocks in the north.

#### **Industry Success Stories:**

- With the support of DECD, the Maine Technology Institute and Pine Tree Zone incentives, **Hodgdon Yachts** of East Boothbay was able to secure a \$1 million contract with the U.S. Navy in 2004 to design a composite high-speed prototype vessel. Hodgdon received a second contract in 2005 to start construction of the prototype. Other boat builders, including **Sabre**, **Hinckley**, **Lyman-Morse**, and **Morris Yachts**, are also expanding.
- DECD is working with local businessman John Hathaway in starting up Maine's first high pressure lobster processing plant. A \$400,000 matching Community Development Block Grant will help fund building renovations and equipment purchases.
- Canada-based **Cooke Aquaculture**, now the largest aquaculture company on the East Coast, recently acquired Marine Harvest, a move that will help strengthen and stabilize the Maine salmon farming industry. DECD worked directly with the companies to help facilitate the deal. Cooke has invested \$25 million in its Maine facilities since 2004 and plans to invest an additional \$60 million over the next two years.
- **Seabait Maine**, North America's first marine worm farm, has completed a successful pilot phase and is in the process of preparing for full scale commercial production at its Franklin facility where it is planning to create a number of full- and part-time jobs. The company received start-up funding assistance from the Maine Technology Institute.

- *The Gulf of Maine Aquaculture Business Park is being constructed in Gouldsboro with the help of Community Development Block Grant funding. The park's first tenant, Maine Halibut Farms, is graduating from its incubator status and relocating from the University of Maine's Center for Cooperative Aquaculture Research.*

### 3. Precision and Niche Manufacturing

The state has a long and honorable manufacturing tradition. As our manufacturing sector matures, we must be creative and flexible in developing the manufacturing jobs of the future. This will involve support for research, development of cutting-edge technology, and a highly skilled workforce. It will also require innovative financing and participation from the Finance Authority of Maine and DECD.

#### ***Industry Success Stories:***

- *PTZ incentives helped fund upgrades to the General Dynamics Armament and Technical Products site in Saco, saving the plant from closure. In summer 2005, General Dynamics secured federal orders totaling \$36.9 million. The company has created 50 manufacturing jobs over the last year, and by 2006, investments into modernizing the facility will top \$1.1 million.*
- *Pride Manufacturing's Guilford wood turning facility was acquired by Maine Wood Turning in New Vineyard, saving all 60 of the plant's jobs. DECD was instrumental in putting the deal together, and a Community Development Block Grant helped in the financing.*
- *Founded in 2002 as a spin-off of University of Maine, Stillwater Scientific Instruments brought its first mass spectrometer to market in 2005. Maine Technology Institute funding helped get Stillwater started, and the Target Technology Center provided a place for Stillwater to develop its research.*

### 4. Tourism

This traditional industry is vital to Maine's economic future. Already, tourism accounts for 15% of Maine's gross state product – compared to 5% for the nation, and 6% for the rest of New England. Tourism leverages our magnificent natural resources in a way that, for the most part, is environmentally friendly. We will: continue to work with local agencies to promote different areas of Maine; work with our higher education institutions to provide degree programs in hospitality; and expand our marketing efforts, utilizing "single image" branding to promote our state.

### **Accomplishments:**

- **CenTRO:** *The University of Maine System created the Center for Tourism Research & Outreach (CenTRO), an interdisciplinary initiative geared toward strengthening tourism through research and education.*
- **The Maine Tourism Marketing Partnership Program:** *The program is a successful collaborative effort between the Office of Tourism and Maine's eight tourism regions. The primary objective is the creation and implementation of programs designed to stimulate and expand travel within Maine while strengthening the state's image by coordinating the promotional efforts of the private sector with those of the Office of Tourism and Community Development. For fiscal year 2006, two special events and the eight tourism regions were awarded \$678,476 in grants.*
- **Web Site:** *In 2005, www.visitmaine.com had more than 1 million unique visitors. New interactive maps assist travelers with vacation planning and educate them about tourism opportunities.*
- **Tourism Training:** *The Maine Community College System is establishing regional tourism training programs to provide ongoing employee training and education.*
- **Tourism Development:** *A Governor-appointed task force is implementing a new action plan to expand tourism opportunities in rural Maine. The plan is based on recommendations made by FERMATA, a nationally known tourism development consulting firm, following the completion of a year-long study. The objective is to take full advantage of the growth in nature-based tourism.*

### **B. Emerging Industries:**

#### **1. Biotech and Biomedical Research**

The groundwork in this important area is in place. Maine is already home to several leading biotech and biomedical research organizations. We will work with them to strengthen our hold in this field. Moreover, the state is currently seeing the components of a medical instrumentation “cluster” take shape; we must encourage this development. Additionally, we have an excellent School of Engineering at the University of Maine that includes world-class research and development capabilities in digital information technology. We also have a strong tradition of manufacturing and the existence of a number of Maine companies in this field. With Jackson Labs, the Maine Technology Institute, and the Maine incubator program, we have the infrastructure to be competitive in biotech and biomedical product development. In the future, we will call on Maine’s biotech community to assist us in identifying other areas where Maine can excel.

The world of biotechnology is very competitive. To be successful, we must achieve our objective of \$1,000 of investment in research and development per Maine worker by 2010. It will be the task of the head of the new Office of Innovation, within the Department of Economic & Community Development, to ensure that we reach this goal.

### **Accomplishments:**

- **Office of Innovation:** DECD created the Office of Innovation and hired a full-time science advisor.
- **Research Jobs:** More than 600 research and development jobs were created between 2003 and 2004, representing an 11% increase in tech-based jobs. According to the Charting the Course economic profile report released in December 2004, the biotech industry now supports more than 3,700 jobs.
- **Plan for Growth:** The State is implementing a Science and Technology Action Plan that calls for Maine's annual investment in research and development, including both private and public funding, to reach \$1 billion by 2010. The plan builds on the strengths of Maine's natural resources as well as its emerging industries.
- **Investments:** The State has invested more than \$150 million in research and development since 2000, successfully attracting approximately \$610 million from outside funding sources.
- **Non-Profit Research and Development:** Maine currently ranks tenth in the nation in non-profit research and development activity, up from a ranking of second to last in 1999.
- **Bond Funding:** With the help of the Maine Marine Research Coalition, the State successfully passed a \$16 million bond supporting Biomedical Research and Marine Research.
- **Biotech in Portland:** In 2005, Portland was ranked the 15<sup>th</sup> most affordable place to locate a biotech company out of 42 major U.S. biotech hubs ranked by The Boyd Company, Inc. Portland was the only Northeast city to rank among the top 20.
- **New Graduate School:** The University of Maine's new Graduate School of Biomedical Sciences at Camden Hall will connect Maine's world-class biomedical institutions with the University of Maine System, enhancing the technology labor pool and creating a pipeline for moving ideas from the lab to the marketplace. It is expected to be in place by 2007.

- ***Human Genetics and Health:*** The Maine Institute for Human Genetics and Health, a subsidiary of Eastern Maine Healthcare Systems, will bring together scientists and bioscience related businesses to work together in a new state-of-the-art facility located in the Brewer Professional Center. This effort, initiated and coordinated by the State of Maine, is the first to merge the Maine Biomedical Research Coalition, the University of Maine System and the state's hospitals.

***Industry Success Stories:***

- ***Idexx Laboratories*** is investing more than \$100 million in its Westbrook facility over the next 20 years and will add up to 500 local jobs over the next five years. The state is helping to facilitate the expansion through an employment tax break and by pursuing federal Community Development Block Grants for infrastructure improvements in the area.
- ***The Jackson Laboratory*** in Bar Harbor will add 400 to 500 jobs over the next four years.

## 2. Financial Services

The financial services sector offers significant growth opportunities, and we will intensify our outreach efforts. Maine is well positioned to grow in this important area. The numerous companies that have already located in the state point to our favorable bank franchise tax situation, our advanced telecommunications network, our strong labor pool, affordable office space, and unparalleled quality of life.

***Industry Success Stories:***

- Pine Tree Zone incentives helped encourage **Maine Mutual Group** to expand its technology-based services in Presque Isle. The company plans to add up to 50 jobs over the next several years.
- **T.D. BankNorth** recently announced the addition of more than 100 new jobs in Lewiston, bringing its total employment in Maine to over 2,700. Pine Tree Zone incentives have helped facilitate the bank's continued expansion.
- Financial services giant **Citigroup** acquired Portland-based Forum Financial Group, a move that has created a number of new jobs in Maine.
- **Prudential Financial** continues to expand its presence in Maine and most recently selected Portland as the location for its disability management services office. DECD helped convince Prudential to make the move to Maine.

### **3. Radio Frequency Identification (RFID)**

RFID presents significant potential for Maine. It is an important emerging industry in the world economy. An initiative in this field will support Maine's two premier semiconductor companies, one of which has already staked out a leadership position in the field. In addition, two other cutting edge end-use manufacturing companies in Maine have already begun establishing a presence. Properly developed and supported, this industry could become a dominant force in the state.

#### ***Accomplishments:***

- ***Laminate Paper Production:*** *DECD has been working with the Maine paper industry to forwardly integrate the process of creating pressure treated laminate paper with the next steps of embedding RFID tags into the paper. Each of these steps will create separate manufacturing facilities and create a total of approximately 600 jobs.*

## **IV. Building Our Infrastructure**

We must also increase our investment in infrastructure, defined broadly to include investments in research and development, transportation, telecommunications and waterfront facilities. State government should serve as a catalyst for securing funds from state, federal, business and nonprofit sources.

We have developed a telecommunications infrastructure that is advanced beyond much of our competition in the Northeast. We must continue to improve on this advantage.

Our systems of transportation must be improved to minimize any transportation cost disincentives and to take advantage of our proximity to the Canadian provinces. In this regard, we will strive to complete the NEAR initiative begun last year, with the goal of achieving an agreement with New Brunswick, Nova Scotia and Quebec by the end of 2004.

Competitive energy costs also comprise an important element of Maine's infrastructure, and it is critical that we reduce the cost of all sources of energy. Additionally, we must develop "green" energy sources and become an energy exporter by increasing our production and developing transmission capabilities to both the north south.

### ***Accomplishments:***

- ***Broadband:*** *The State's goal of providing 90% of Maine homes and businesses with broadband by 2010 is expected to be reached in 2006 – four years ahead of schedule.*
  - ***IT and Telecoms:*** *According to fDi, a sister publication of the Financial Times of London, Maine ranks third in the nation with Texas and Maryland when it comes to IT and telecoms.*
  - ***Connect Maine:*** *The Governor will submit "Connect Maine" legislation to further expand the availability and quality of broadband and wireless phone service throughout the state.*
  - ***Office of Energy Independence and Security:*** *The Governor created the Office to increase Maine's energy independence and efficiency and to tap into the State's renewable energy resources.*
- V. **Cross-Cutting Issues:** The following issues cut across the four targeted areas outlined above.

### **1. Entrepreneurship**

We must continue to improve our efforts to promote entrepreneurial enterprises. Critical to this will be the Maine Technology Institute, the state's incubator program, and the state's education system. We will also continue to promote the Small Enterprise Growth Fund and the Maine Seed Capital Tax Credit.

### ***Accomplishments:***

- ***The Finance Authority of Maine:*** *FAME offers more than 20 financing programs, including the Small Enterprise Growth Fund which can provide up to \$500,000 in capital to small businesses. Stillwater Scientific Instruments in Orono is a good example of a company that benefited from the fund.*
- ***Bond Funding:*** *Maine voters have approved an Economic Development Bond Issue that includes \$1 million to recapitalize the Small Enterprise Growth Fund.*
- ***Business First:*** *DECD and the Midcoast Economic Development District, with support from the Entrepreneurship Working Group, are implementing a "Business First" model for coordinating small business and entrepreneurship support at the regional level. Business First partners are using [www.mainebusinessworks.org](http://www.mainebusinessworks.org) to coordinate business skills training events. The site now includes 450 training events across the state.*

## **2. The Creative Economy**

Our society is just beginning to understand the importance of this new sector. Highly educated and mobile, creative economy workers have much to offer Maine, and our natural heritage makes the state an obvious destination for them. Maine is a leader among the states in trying to understand and nurture this new force.

### ***Accomplishments:***

- ***The 2004 Blaine House Conference on the Creative Economy:*** *The conference attracted more than 700 participants, and the information gathered was used to create a platform for the new Creative Economy Council.*
- ***The Creative Economy Council:*** *The council, which is overseen by DECD, will present its strategy for growing Maine's creative economy in spring 2006.*
- ***The Creative Economy Steering Committee:*** *The committee is producing a handbook for communities and entrepreneurs focusing on the building blocks necessary for the Creative Economy to take root in a community.*

## **2. Small Business Support**

Maine is a state of small business: Approximately half of Maine people work for businesses of 20 and fewer employees, and over 90% of Maine businesses have 20 and fewer employees. Our system of support for this vital sector must be one-stop and user-friendly. The business-permitting process is especially onerous for these thinly staffed enterprises and must be simplified.

### ***Accomplishments:***

- ***New Office:*** *To better focus attention and resources on the vital small business sector, DECD is establishing a new Office of Small Business and Entrepreneurship within the agency.*
- ***Business Answers:*** *DECD is developing plans to more aggressively promote its Business Answers toll-free telephone and Web-based information resource and to enhance the Business Answers experience. Live online help was added to the Business Answers Web site in early January, allowing users to submit questions and receive answers in real time.*

- **Business License Pilot:** DECD is working with InforME and state business licensing agencies to develop a pilot interactive web-based business licensing application for restaurants. This application, which will follow Business Answers' online business licensing assistant, will allow users to submit applications (including payment) online.
- **Maine Small Business Development Centers:** An economic impact study of the Maine SBDC/SBTDC conducted by Dr. James Chrisman of Mississippi State University concluded that for every dollar of state funds invested in the Maine SBDC in 2003, more than \$4 in state tax revenue was generated in 2004. The study reported the following impacts for Maine SBDC long-term clients receiving assistance in 2003: \$67 million in aggregate sales, 497 new jobs and 495 jobs saved, and \$28 million in financing obtained.
- **Made In Maine:** This online showcase of Maine-made products now has 1,800 company members, and www.mainemade.com receives an average of 50,000 visits per month. As a part of Made in Maine, DECD sponsors the New England Products Trade Show, which features approximately 300 businesses and 2,000 buyers annually. In 2005, the show resulted in \$3.5 million in sales.
- **Tech Center Grants:** DECD/OOI administers competitive grants ranging from \$20,000 to \$40,000 for each of Maine's seven technology centers.

### **3. Youth Summit**

Maine's aging population is a source of concern. The Youth Summit called by Governor Baldacci will examine the issue and map out strategies for keeping our young people in Maine, as well as strategies for attracting to Maine the additional young and skilled workers we will need for the future.

#### **Accomplishments:**

- **Youth Summit:** The 2004 Realize!Maine Summit on Migration brought together a cross-section of the state's youth to find out what can be done to encourage them to stay in Maine while still advancing their career paths.
- **Web Site:** The Realize!Maine initiative, a combined State and grassroots effort, is enhancing its Web site to function as a resource tool for young people in and out of the State who are looking for opportunities in Maine.
- **Job Opportunities:** Realize!Maine is working to facilitate the creation of internship and mentor programs to assist young people in securing employment in Maine.

## **5. Indian Tribe Development**

The state's Indian Tribes are integral partners in our economic development efforts. Their land ownership and sovereign status present numerous investment opportunities, and the State will work with the Tribes to target, coordinate and maximize economic development options.

### ***Accomplishments:***

- ***NAMI:*** Through a partnership with the State, the Maine Manufacturing Extension Partnership and Maine's Native American tribes, a two year Native American Manufacturing Initiative (NAMI) has been created to build Native American manufacturing capabilities and target Department of Defense contracts, which represent approximately \$50 billion in annual R&D and manufacturing opportunities.
- ***PIN Rx:*** The Penobscot Nation, with assistance from the State, created Maine's first mail order pharmacy in fall 2005. PIN Rx offers discounted drugs to the needy and has created a significant economic development opportunity for the tribe.
- ***Biomass Energy:*** The Aroostook Band of Micmacs has received more than \$80,000 in federal funding to develop its plentiful wind and biomass resources, ultimately enabling the tribe to become energy self-sufficient and circumvent high energy costs.

## **6. International Trade and Business Attraction**

Together with our Canadian neighbors, we need to promote an "Atlantic Rim" trade corridor to Europe. The creation of trading partnerships with our Atlantic Province neighbors can increase our trade relations with the European Union, and enhance our ability to attract direct foreign investment to Maine.

### ***Accomplishments:***

- ***Export Growth:*** Maine exports have risen 23% since 2003, and our state ranks ninth in the nation in export growth, according to 2000 to 2004 data.
- ***UK and Ireland:*** Trade missions the Governor led to the U.K. and Ireland in 2002 are expected to generate \$5 million to \$7 million in new sales.
- ***Cuba:*** An agriculture and forest products-focused trade mission to Cuba in 2005 netted \$20 million in negotiated agreements.

- **France:** Companies that participated in the 2005 gubernatorial trade mission to France estimate that it will generate more than \$5 million in first year sales.
- **Sister City:** The Maine International Trade Center and the Eastern Maine Development Corporation have developed a sister city relationship between Bangor and St. John, New Brunswick to promote economic development on both sides of the border.
- **How To Do Business In Maine:** The Maine International Trade Center hosted a seminar on how to do business in Maine for emerging entrepreneurs from the St. John, New Brunswick area. Representatives from 10 companies participated.

February 2006



## PROPOSAL FOR MARKETING **BUSINESS ANSWERS**

### The Product: *Business Answers*



**Business Answers** is Maine's toll-free and web-based business information resource. For individuals who are starting or expanding a business in Maine, *Business Answers* staff and its web-based resources can help with business licensing, tax registration and other nuances of doing business in Maine. Its web site, [www.maine.gov/businessanswers](http://www.maine.gov/businessanswers), and knowledgeable staff are also a valuable resource for identifying sources of financial and technical assistance and referring entrepreneurs to the providers of these services. *Business Answers* services, including its Business Start-Up Kit and "A Guide to Doing Business in Maine" publication, online business licensing assistant and referrals to sources of financial and technical assistance, are designed to facilitate the process of starting up, operating and growing a business in Maine.

In order to increase access to this resource and to enhance the *Business Answers* experience, the following improvements have been made or are being explored:

- Expansion of normal business hours (when toll-free line is staffed) to 8:30 am to 4:30 pm.
- Availability of "live online help" on *Business Answers* web site.
  - Rebranding strategy to include vanity 800 number and more catchy/intuitive web address.
  - Developing more interactive web applications (e.g. allowing entrepreneurs to complete and submit business license applications and associated fees online).

## **Positioning *Business Answers***

- *Business Answers* staff and online “business licensing assistant” are Maine’s premier resource for identifying state business licensing requirements.
- For individuals who are starting or expanding a business but do not know where to go for help, *Business Answers*, with its knowledgeable, helpful staff is the best place to begin. (*Business Answers* is the ideal portal (i.e. “first stop” or “first experience”) through which to access Maine’s entrepreneurship and small business support system.)
- *Business Answers* offers convenient access (toll-free telephone and 24/7 web) to a wealth of business-related information.

## **Target Market**

Prospective and existing entrepreneurs/small business owners, who need assistance with the following:

- Identifying licensing requirements and other nuances of doing business in Maine, and
- where to go for sources of financial and technical assistance.

## **Place (Distribution)**

### Channels:

- End customer
- Government agencies that interact with start-up and existing businesses (e.g. IRS, Maine Revenue Services, Department of Labor, etc.)
- Public and non-profit agencies that support small business development (e.g. FAME, SBA, Maine SBDC, regional and local development corporations, industry associations, chambers of commerce, etc.)
- Private organizations that support small business development (e.g. banks, accountants, lawyers, consultants, etc.)

## **Promotion**

Objective: To create awareness of *Business Answers* services and build a *Business Answers* brand.

### *1. Public Relations/Advertising*

Public relations will be the primary source of communication, supported by advertising and event (i.e. trade show) participation.

- Issue press releases and/or place print advertisements announcing product improvements (e.g. new vanity 800 number and/or web address, live online help, etc.).

## *2. Partnerships / Cooperative Marketing*

Partner with organizations that provide complementary services to cross-promote Maine's entrepreneurship support system as a whole.



- Example: Cross-promote *Business Answers* and [www.mainebusinessworks.com](http://www.mainebusinessworks.com), positioning each as the point of entry for telephone callers and portal for web resources respectively. (DECD is currently working with the Maine SBDC to produce and distribute bookmarks that cross-promote *Business Answers* and [www.mainebusinessworks.com](http://www.mainebusinessworks.com).)

## *3. Indirect Marketing*

Continue to use “multipliers” to promote *Business Answers* indirectly through organizations with which small business people interact on a regular basis:

- Draft press releases announcing product improvements (e.g. new, easy-to-remember toll-free number, live online help, etc.) and distribute to local chambers of commerce and industry associations throughout the state.
- Continue to provide *Business Answers* brochures in bulk to local chambers, industry associations, Maine Revenue Services, FAME, SBA, regional economic development agencies, Maine SBDC, SCORE chapters and other organizations that provide financial and/or technical assistance to entrepreneurs.
- Identify private organizations that provide services to small businesses (e.g. banks and accountants) and develop strategies for disseminating information through these organizations. (For example, *Business Answers* staff could make a presentation to commercial lenders at a Maine Association of Community Banks event.)