

MAINE STATE LEGISLATURE

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(Governor's Bill)
SECOND REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1831

S. P. 695

In Senate, January 18, 1980

Referred to the Committee on Appropriations and Financial Affairs. Sent down for concurrence and ordered printed.

MAY M. ROSS, Secretary of the Senate

Presented by Senator Pray of Penobscot.

Cosponsors: Senator O'Leary of Oxford and Senator Usher of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY

AN ACT to Expand the State's Industrial Development Promotion Program.

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

Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1980-1981

STATE DEVELOPMENT OFFICE

All Other

\$300,000

These funds shall be used for an industrial development promotion program.

STATEMENT OF FACT

Maine has not in recent years been able to make significant progress in altering its position as a low wage, low income, slow growth state. Maine income has not increased at the rate of either New England or of the nation. In fact, the "income gap" has grown worse. In 1977, per capita income for Maine was \$5,734 as compared with \$7,183 for New England and \$7,019 for the United States. Industrial

promotion and expansion is a slow process. From the initial "lead" to the final announcement of a move or expansion to the actual employment of new workers can easily involve several years. One of the major mandates of the State Development Office is to attract and assist new industries, however, no moneys have been appropriated specifically for this purpose. Maine has pressing needs for new and improved services. To a large extent, the only way in which the State can afford to meet these needs is through economic growth. Maine is now at one of the lowest points of the last 20 years in the amount which is being spent for industrial promotion or marketing. This drop in the actual dollar amount being expended is substantially magnified when it is realized that inflation would have required a substantial increase in 10 years just to stay even, while our actual experience has been a decline in total dollars spent. Maine is not even close to meeting the intense competition from other states. Most other states have superior incentives, in the form of write offs, reductions of taxes, financial assistance, low cost loans, etc., and are expending far more to sell what they have to offer. The whole area of industrial promotion is intensely competitive and requires a selling effort of some magnitude and sophistication. Both the State Development Office and local industrial development representatives need leads on which to work. There are several ways to get leads but marketing in the form of advertising and the distribution of well-prepared printed material remains one of the key techniques. Maine has approximately 44 industrial parks and the State should be making a substantial effort to assist the various localities in the over all promotion of Maine as a good and financially rewarding place to locate a business.