

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1151

H.P. 857 House of Representatives, April 8, 1987
Reported by Representative CROWLEY from the Joint Select
Committee on Economic Development pursuant to Resolves 1985,
chapters 45 and 53.

EDWIN H. PERT, Clerk
Reference to the Joint Standing Committee on Economic
Development suggested and printing ordered under Joint Rule 18.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SEVEN

1 AN ACT to Create the Department of Community
2 and Economic Development and to
3 Establish Consistency among Economic
4 Development Laws.
5

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

8 PART A

9 Sec. 1. 2 MRSA §6, sub-§1, as amended by PL
10 1985, c. 785, Pt. A, §1, is further amended to read:

11 1. Range 91. The salaries of the following
12 state officials and employees shall be within salary
13 range 91:

14 Commissioner of Transportation;

1 Commissioner of Conservation;
2 ~~Director of State Development Office;~~
3 Commissioner of Finance;
4 Commissioner of Administration;
5 Commissioner of Educational and Cultural Ser-
6 vices;
7 Commissioner of Environmental Protection;
8 Commissioner of Human Services;
9 Commissioner of Mental Health and Mental Retarda-
10 tion;
11 Commissioner of Public Safety;
12 Commissioner of Business, Occupational and Pro-
13 fessional Regulation;
14 Commissioner of Labor;
15 Commissioner of Agriculture, Food and Rural Re-
16 sources;
17 Commissioner of Inland Fisheries and Wildlife;
18 Commissioner of Marine Resources; and
19 Commissioner of Corrections; and
20 Commissioner of Community and Economic Develop-
21 ment.

22 Sec. 2. 5 MRSA §934-A is enacted to read:

23 §934-A. Department of Community and Economic Devel-
24 opment

25 1. Major policy-influencing positions. The fol-
26 lowing positions are major policy-influencing posi-
27 tions with the Department of Community and Economic
28 Development. Notwithstanding any other provision of
29 law, these positions and their successor positions
30 shall be subject to this chapter:

- A. Director, Bureau of Business Assistance;
- B. Director, Bureau of Marketing and Tourism;
- C. Director, Bureau of Community Development;
and
- D. Director, Division of Administration, Planning and Research.

Sec. 3. 5 MRSA §3302, sub-§1, as enacted by PL 1967, c. 533, §1, is repealed and the following enacted in its place:

1. Comprehensive planning. "Comprehensive planning" includes, but is not limited to:

- A. Preparation of strategic and long-range plans and goals for human and physical resources development and utilization, but does not include preparation of an economic development strategy or economic planning pursuant to chapter 383;
- B. Standards and procedures for programming and financing plans for capital improvements;
- C. Coordination of related departmental plans;
- D. Intergovernmental coordination of related planning activities;
- E. Preparation of regulatory and administrative measures in support of paragraphs A to D; and
- F. Continuing analysis of the economy of the State in conjunction with the Department of Community and Economic Development.

Sec. 4. 5 MRSA §3305, sub-§1, ¶A, as repealed and replaced by PL 1979, c. 672, Pt. A, §4, is amended to read:

A. Coordinate the preparation of goals and policies to guide and carry forward the ~~wise and coordinated development of the state's economy~~ and the conservation of the ~~state's~~ State's natural resources. These goals and policies and recommen-

1 dations for implementation shall be submitted to
2 the Governor and Legislature for their approval.
3 They shall be developed in such areas as: Land
4 use, housing, and natural resource development
5 and conservation ~~and--commerce--and--industrial~~
6 development.

7 The State Planning Office shall give the public
8 full opportunity to participate in the formula-
9 tion of these goals and policies and these goals
10 and policies shall not be in direct conflict with
11 adopted local and regional plans;

12 Sec. 5. 5 MRSA §3305, sub-§1, §C, as enacted by
13 PL 1967, c. 533, §1, is amended to read:

14 C. Conduct, in conjunction with the Department
15 of Community and Economic Development, continuing
16 economic analysis of the economy and resources of
17 the State of Maine, including economic forecast-
18 ing, and collect and collate all pertinent data
19 and statistics relating thereto; participate in
20 establishing a data and statistics center for
21 making such material available in useful form;
22 and assist the Governor, the Legislature and the
23 various state departments in formulating economic
24 goals and programs and policies to achieve such
25 goals;

26 Sec. 6. 5 MRSA §3305, sub-§1, §G, as amended by
27 PL 1979, c. 672, Pt. A, §6, is further amended to
28 read:

29 G. As coordinating agency:

30 (1) Act as the coordinating agency between
31 the several officers, authorities, boards,
32 commissions, departments and divisions of
33 the State in matters relative to the phys-
34 ical development of the State, and review the
35 proposals of said those agencies in the
36 light of their relationship to the adopted
37 goals and policies and incorporate such re-
38 views in the reports of the office. Noth-
39 ing, in this section ~~shall~~ may be construed
40 as limiting the powers and duties of any of-

1 ficer, authority, board, commission, depart-
2 ment or political subdivision of the State;
3 and to

4 (2) Provide general coordination and review
5 of plans in functional areas of State Gov-
6 ernment as may be necessary for receipt of
7 federal funds; and

8 Sec. 7. 5 MRSA §3305, sub-§1, ¶H, as amended by
9 PL 1983, c. 477, Pt. E, sub-pt. 26, §1, is further
10 amended to read:

11 H. Compile, analyze and maintain information
12 useful to the development of industry in the
13 State concerning resources, sites, space, equip-
14 ment, adequate housing, contracts, materials,
15 transportation, markets, labor supply, population
16 trends and other economic considerations. The
17 State Planning Office, in conjunction with the
18 Department of Community and Economic Development,
19 shall study problems peculiar to the industry and
20 economy of Maine with a view toward the broader
21 utilization of our natural resources and the de-
22 velopment of new and improved products and
23 techniques, which studies shall be advanced by
24 coordination of research with existing private
25 and governmental agencies and educational insti-
26 tutions, and may be advanced by contractual rela-
27 tions with persons or organizations equipped to
28 conduct the needed research. Additionally, the
29 office shall prepare evidence and supporting data
30 on types of industries particularly suited to the
31 needs of Maine, including the travel industry.
32 The State Planning Office shall, upon request
33 from the Governor or any state department, assist
34 in the preparation of reports regarding the re-
35 sponsibilities and duties provided by this sub-
36 section.

37 Sec. 8. 5 MRSA §3305, sub-§1, ¶I, as enacted by
38 PL 1981, c. 702, Pt. Y, sub-Pt. 3, is repealed.

39 Sec. 9. 5 MRSA §3307-A, as enacted by PL 1985,
40 c. 457, §5, is repealed.

41 Sec. 10. 5 MRSA c. 361, as amended, is repealed.

1 Sec. 11. 5 MRSA Pt. 19-A is enacted to read:

2 PART 19-A

3 ECONOMIC DEVELOPMENT

4 CHAPTER 403

5 ECONOMIC GROWTH AND DEVELOPMENT

6 SUBCHAPTER I

7 GENERAL STRUCTURE AND AUTHORITY

8 ARTICLE 1

9 DEPARTMENT OF COMMUNITY AND ECONOMIC
10 DEVELOPMENT: GENERAL ORGANIZATION MISSION
11 AND RESPONSIBILITIES

12 §15051. Legislative findings

13 The Legislature finds that the State's economy is
14 linked to the national and international economies.
15 Economic changes and disruptions around the world and
16 in the nation have a significant impact upon the
17 State's economy. The rise of 3rd-world and 4th-world
18 countries as manufacturers of commodities for mass
19 markets and the gradual evolution of the national
20 economy to a technological, informational, specialty
21 product-based economy have significantly affected the
22 State and its communities.

23 In order for the State's economy to grow and gain
24 a solid footing, it is necessary to determine the
25 State's assets and the economic opportunities that
26 are or will be available to the State's enterprise,
27 municipalities and labor force. When these opportuni-
28 ties are determined or become apparent, state econom-
29 ic development policies and programs must be focused
30 on facilitating the realization of these opportuni-
31 ties and removing barriers that impede the exploita-
32 tion of these opportunities.

33 The Legislature finds that an economic develop-
34 ment strategy designed to focus the State's economic
35 development activities and resources on economic op-

1 portunities can significantly help the State and its
2 municipalities realize greater growth and prosperity
3 without adversely affecting the quality of life in
4 the State. An economic development strategy must recog-
5 nize and reflect the different needs, conditions
6 and opportunities of the several different economic
7 regions of the State. This strategy must be flexible
8 and periodically evaluated to make it consistent with
9 changes in conditions and opportunities that arise
10 during these times of dynamic change. It is necessary
11 to involve municipalities, regional economic develop-
12 ment organizations and the private sector in the for-
13 mulation of this strategy in order to establish a
14 well developed and comprehensive plan that has the
15 support of the State's citizens and officials.

16 §15052. Purpose

17 The Legislature finds that the decentralization
18 of economic growth and development programs among
19 several state agencies without any coordination of
20 programs and agencies and without coordination with
21 the State's municipal and regional economic efforts
22 is not in the best interest of the State. The Legis-
23 lature further finds that the State's economic devel-
24 opment programs and policies and the economies of mu-
25 nicipalities and regions mutually affect each other.

26 For state economic growth and development poli-
27 cies and programs to realize the greatest possible
28 degree of effectiveness, it is necessary to coordi-
29 nate these policies and programs on the state level,
30 as well as with local and regional levels. It is nec-
31 essary to formulate and implement economic develop-
32 ment policies and programs that are consistent with
33 an economic development strategy for the State.

34 §15053. Definitions

35 As used in this chapter, unless the context indi-
36 cates otherwise, the following terms have the follow-
37 ing meanings.

38 1. Commissioner. "Commissioner" means the Com-
39 missioner of Community and Economic Development.

40 2. Department. "Department" means the Department
41 of Community and Economic Development.

1 §15054. Department established; mission

2 The Department of Community and Economic Develop-
3 ment is established to administer economic growth and
4 community development policies and programs of the
5 State and to coordinate these programs and policies
6 with a state economic development strategy. The de-
7 partment is established to work with municipalities
8 and regional economic development organizations to
9 build strong local and regional economies and to im-
10 plement programs and services through local and re-
11 gional organizations.

12 The mission of the department is to facilitate
13 economic development throughout the State, remove
14 barriers to growth, assist enterprise to expand and
15 develop and to increase the number and quality of
16 jobs in the State.

17 §15055. Organization of the department

18 The department shall consist of the organizations
19 as established in this section. The commissioner
20 shall not establish any other organizations within
21 the department without approval of the Legislature.

22 1. Organizations. The department shall contain
23 the following organizations:

24 A. The Bureau of Business Assistance;

25 B. The Bureau of Marketing and Tourism;

26 C. The Bureau of Community Development; and

27 D. The Division of Administration, Planning and
28 Research.

29 §15056. Duties and responsibilities of the depart-
30 ment

31 The department shall, at a minimum, have the du-
32 ties and responsibilities as described in this sec-
33 tion:

34 1. Implement policies and programs. Implement
35 economic development policies and programs in compli-
36 ance with the state economic development strategy;

1 2. Work with other organizations. Work closely
2 with other state agencies, municipalities and region-
3 al economic development organizations;

4 3. Conduct planning and research. Conduct plan-
5 ning and research for department needs, but not
6 macroeconomic planning or forecasting which shall be
7 the responsibility of the State Planning Office. The
8 State Planning Office shall provide this information
9 to the department;

10 4. Communication with the private sector. Commu-
11 nicate, on a regular basis, with the private sector
12 to inform them of departmental programs and services
13 and to determine their needs, problems and opportuni-
14 ties;

15 5. Prepare and distribute publications. Prepare
16 and distribute publications that:

17 A. Describe various business assistance programs
18 within the State that are available to state
19 businesses;

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

22 C. List and describe the various licenses and
23 permits issued to businesses by state agencies;
24 and

25 6. Implement programs. Implement programs for-
26 merly administered by other state agencies to in-
27 clude:

28 A. The programs of the State Development Office,
29 including the Community Industrial Buildings Pro-
30 gram;

31 B. The Community Development Block Grant Program
32 formerly administered by the State Planning Of-
33 ice;

34 C. The Community Development Revolving Loan Fund
35 and Program formerly administered by the State
36 Planning Office;

1 D. The Local Grants Program of the Coastal Zone
2 Management Program of the State Planning Office,
3 but not the entire Coastal Zone Management Pro-
4 gram;

5 E. The Regional Planning Commission Grant Pro-
6 gram formerly administered by the State Planning
7 Office;

8 F. The Waterfront Action Grants Program formerly
9 administered by the State Planning Office; and

10 G. Local Capital Improvements Planning Program
11 formerly administered by the State Planning Of-
12 fice.

13 §15057. Commissioner; appointment

14 The commissioner shall be appointed by the Gover-
15 nor, subject to review by the joint standing commit-
16 tee of the Legislature having jurisdiction over eco-
17 nomical development matters and legislation and to con-
18 firmation by the Legislature. The commissioner shall
19 serve at the pleasure of the Governor.

20 1. Qualifications. The commissioner shall be a
21 person with education, experience and demonstrated
22 interest in the area of economic development.

23 §15058. Duties and responsibilities of the commis-
24 sioner

25 The Department of Community and Economic Develop-
26 ment shall be administered by the commissioner. The
27 commissioner shall have the following powers and du-
28 ties.

29 1. Employ and remove staff. The commissioner
30 shall employ and remove the staff of the office. Per-
31 sons employed in major policy-influencing positions,
32 as defined in section 934-A, and professional staff
33 shall serve at the pleasure of the commissioner.
34 Clerical and other nonprofessional staff shall be
35 hired pursuant to the Civil Service Law for classi-
36 fied state employees.

1 A. The director may employ or engage such out-
2 side technical or professional consultants as may
3 be necessary or appropriate to assist the office
4 in carrying out its functions; and may enter into
5 contracts with other boards, commissions, depart-
6 ments and divisions of the State or with the Uni-
7 versity of Maine System to assist him in carrying
8 out his duties under this chapter.

9 2. Accept federal funds. The commissioner may
10 accept for the State any federal funds appropriated
11 under any federal law relating to the authorized pro-
12 grams of the department, including community and eco-
13 nomi c development in those nonentitlement areas and
14 for those projects duly authorized under the United
15 States Housing and Community Development Act of 1974,
16 Title 1, and its subsequent amendments. The commis-
17 sioner may undertake the necessary duties and tasks
18 to implement federal law with respect to the autho-
19 rized programs of the department.

20 A. The commissioner may accept for the depart-
21 ment any funds from any other agency of govern-
22 ment, individual, group or corporation to carry
23 out this chapter, including fees designated by
24 the commissioner for books, brochures, pamphlets,
25 films, photos, maps and similar materials.

26 3. Hold hearings and adopt rules. The commis-
27 sioner may hold hearings and adopt rules, in accord-
28 ance with the Maine Administrative Procedure Act,
29 chapter 375, with respect to the implementation of
30 authorized programs of the department.

31 A. The commissioner may adopt rules to distrib-
32 ute funds or assistance under the United States
33 Housing and Community Development Act of 1974,
34 Title 1, and its subsequent amendments. The rules
35 shall be consistent with the annual final state-
36 ment for the State Community Development Program
37 submitted to the Federal Government. The depart-
38 ment shall give notice in writing of any such
39 rules to the joint standing committee of the Leg-
40 islature having jurisdiction over appropriations
41 and financial affairs at least 20 days before the
42 hearing, as stipulated in the Maine Administra-
43 tive Procedure Act, chapter 375, or before the

1 deadline for comments if no hearing is scheduled.

2 4. Coordinate programs and services. The commis-
3 sioner shall coordinate the programs and services of
4 the department. The commissioner shall coordinate to
5 the greatest possible extent, the department's pro-
6 grams and services with those of other state agencies
7 and regional economic development organizations.

8 5. Review of program; report to Governor and
9 Legislature. The commissioner shall review and evalu-
10 ate the programs and functions of the department and
11 the operation of the economic delivery system. The
12 commissioner shall report his findings and recommen-
13 dations with respect to the issues described in this
14 subsection to the Governor and to the Legislature no
15 later than February 1st of each First Regular Session
16 of the Legislature. The commissioner shall conduct
17 his review and evaluation with respect to the follow-
18 ing:

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

21 B. The degree of significance of the purposes of
22 the programs and functions of the department;

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

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

28 E. The types of programs and services necessary
29 to meet the needs, problems and opportunities as
30 described in paragraph D; and

31 F. The problems and successes in the economic
32 delivery system.

33 6. Responsible for oversight. The commissioner
34 shall be responsible for the oversight and implemen-
35 tation of the following:

36 A. A program of technical assistance provided to
37 businesses pursuant to subchapter II;

1 B. The Business Assistance Referral and
2 Facilitation Program pursuant to section 15066,
3 subsection 4;

4 C. A promotional program for tourism, the promo-
5 tion of Maine products and Maine as an investment
6 opportunity;

7 D. A foreign trade zone program;

8 E. Community development programs, including the
9 Community Development Block Grants Program, the
10 Local Grants Program of the Coastal Zone Manage-
11 ment Program and the Regional Planning Grants
12 Program; and

13 F. The Community Industrial Buildings Program
14 pursuant to subchapter IV.

15 7. Promotion of Business Assistance Referral and
16 Facilitation Program. The commissioner shall adver-
17 tise and promote the Business Assistance Referral
18 Program throughout the State. At a minimum, the pro-
19 gram shall be advertised in the major circulating
20 state newspapers as often as necessary to establish a
21 public awareness of the program.

22 8. Coordination of programs. The commissioner
23 shall coordinate department programs with employment
24 training agencies and councils for the purpose of de-
25 veloping, promoting and identifying employment oppor-
26 tunities for recipients of Aid to Families with De-
27 pendent Children consistent with the policy and in-
28 tent of Title 22, chapter 1054.

29 9. Certify local and regional organizations. The
30 commissioner may certify competent local and regional
31 economic development organizations and post-secondary
32 educational institutions to implement state programs
33 and services in whole or in part.

34 A. The commissioner shall adopt rules with re-
35 spect to standards and criteria for local and re-
36 gional agencies to be certified, for evaluation
37 and monitoring local and regional organizations
38 in regard to the implementation of these programs
39 and services and for the process by which certi-

1 fication of an organization may be voided for
2 failure to comply with the rules adopted under
3 this subsection.

4 10. Develop marketing strategies. The commis-
5 sioner may develop marketing strategies for the mar-
6 keting of goods produced in this State for foreign
7 and national markets. Any marketing strategies devel-
8 oped pursuant to this chapter shall be consistent
9 with the state economic development strategy.

10 11. Implement a targeted business attraction
11 program. The commissioner shall be responsible for
12 the formulation of a targeted business attraction
13 program. This program shall be implemented following
14 a careful analysis of the various economic sectors.

15 12. Develop a Challenge Grant Program. The com-
16 missioner may develop a Challenge Grant Program by
17 which municipalities may be awarded grants to develop
18 local or regional development strategies pursuant to
19 subchapter IV.

20 §15059. Advisory council

21 The Governor shall appoint an ad hoc advisory
22 board to advise him and the commissioner with respect
23 to department programs and policies, problems and op-
24 portunities of the State's economy, the economic de-
25 velopment delivery system in the State and any other
26 issue deemed by the commissioner to require the as-
27 sistance of the advisory board.

28 1. Membership. The advisory board shall include
29 representatives of different economic sectors which
30 are affected by the policies and programs of the de-
31 partment. At a minimum, any ad hoc advisory board
32 shall include representatives of labor, the private
33 sector, municipalities, regional economic development
34 organizations and employment training organizations.

35 §15060. State agencies to cooperate

36 All state agencies and any other organization
37 certified by the department to implement economic de-
38 velopment programs and policies shall cooperate with
39 and expeditiously respond to requests of the depart-
40 ment.

1 2. Implement a plant-site visitation program.
2 Implement a plant site visitation program in which
3 economic development officials discuss business op-
4 portunities and problems with individual business
5 persons and to familiarize them with state business
6 assistance programs;

7 3. Publish a directory of licenses. Create and
8 publish a directory or guide of state licenses and
9 permits required for various types of new or expand-
10 ing businesses. This directory, which shall be up-
11 dated annually, shall delineate the business licenses
12 and permits by the name of the agency that issues the
13 licenses and permits, the type of business or indus-
14 try and the type of activity involved.

15 A. All state agencies and departments shall co-
16 operate with and expeditiously respond to the re-
17 quests of the State Development Office. Each or-
18 ganization required by this subchapter to cooper-
19 ate with the State Development Office shall, at a
20 minimum, provide the State Development Office
21 with descriptions of licenses and permits issued
22 by each organization, the criteria necessary to
23 qualify for each license or permit granted by the
24 organization, time schedules established by law
25 or rule for the submission of applications and
26 appeals, the time schedules of agency responses
27 to applications and appeals and any other infor-
28 mation requested by the State Development Office;

29 4. Implement a Business Assistance Referral and
30 Facilitation Program. In accordance with section
31 15067, the director shall implement a program to as-
32 sist businesses by referring businesses and persons
33 to the proper agencies designed to provide the busi-
34 ness services or assistance requested and to serve as
35 a central clearinghouse of information with respect
36 to business assistance programs and services availa-
37 ble in the State;

38 5. Monitor and evaluate programs and activities
39 of the bureau. The director shall monitor and evalu-
40 ate the programs and activities of the bureau and
41 make recommendations to the commissioner.

1 A. The director shall consult with the private
2 sector in order to evaluate the effectiveness of
3 business assistance programs; and

4 6. Monitor certified local and regional economic
5 development organizations. The director shall monitor
6 the activities of certified public and private, local
7 and regional economic development organizations and
8 departments of the University of Maine System as pro-
9 vided in this chapter. The director, with the approv-
10 al of the commissioner, may require any of these cer-
11 tified organizations to change or terminate programs
12 or activities that the commissioner finds to be in
13 noncompliance with state strategy, unproductive or
14 inefficient.

15 A. The director shall evaluate these certified
16 organizations with respect to their administra-
17 tion of programs and services, their consistency
18 with state strategy and their degree of effec-
19 tiveness.

20 §15067. Business Assistance Referral and
21 Facilitation Program

22 The director shall be responsible for the imple-
23 mentation of a Business Assistance Referral and
24 Facilitation Program.

25 1. Referral and central clearinghouse service.
26 The director shall maintain and update annually a
27 list of the business assistance programs and services
28 and the names, locations and telephone numbers of the
29 organizations providing these programs and services
30 that are available within the State. The director may
31 publish a guide consisting of the business assistance
32 programs and services available from public or pri-
33 vate sector organizations throughout the State. This
34 program shall be designed to:

35 A. Expeditiously respond to written and oral re-
36 quests for information about business services
37 and business assistance programs available
38 throughout the State;

39 B. Obtain and compile the most current and
40 available information pertaining to business as-

1 sistance programs and services within the State;

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

5 D. Maintain a list, to be updated annually, of
6 marketing programs of state agencies with a de-
7 scription of each program.

8 State agencies and departments and economic develop-
9 ment agencies of political subdivisions of the State
10 shall cooperate with and expeditiously respond to the
11 requests of the Bureau of Business Assistance. Each
12 organization required by this subchapter to cooperate
13 with the bureau shall provide, at a minimum, the bu-
14 reau with descriptions of its business assistance
15 programs and services, marketing programs, geographi-
16 cal areas served, client qualifications, funding lev-
17 els and other information requested by the State De-
18 velopment Office to implement this program.

19 2. Business facilitation service. The director
20 shall implement a business facilitation service which
21 shall be designed to:

22 A. Strive to resolve problems encountered by
23 business persons with other state agencies and
24 with certified regional and local economic devel-
25 opment organizations;

26 B. Work to coordinate programs and services for
27 businesses among agencies and all levels of gov-
28 ernment;

29 C. Strive to facilitate responsiveness of State
30 Government to small business needs; and

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

35 SUBCHAPTER III

36 MARKETING AND TOURISM

1 §15075. Bureau of Marketing and Tourism; purpose

2 1. Purpose. The Bureau of Marketing and Tourism
3 shall promote Maine's goods and services in national
4 and international markets and market Maine as an in-
5 vestment opportunity and a vacationland. To achieve
6 this purpose, the bureau shall consist of the follow-
7 ing:

8 A. The Division of Business Attraction;

9 B. The Division of Markets and Trade; and

10 C. The Division of Tourism.

11 §15076. Director, Bureau of Marketing and Tourism

12 The director shall administer the Bureau of Mar-
13 keting and Tourism in accordance with the policies of
14 the commissioner and this chapter. The director shall
15 have the following powers and duties.

16 1. Promote the State as an investment opportuni-
17 ty. The director shall promote Maine as a good loca-
18 tion for new businesses and business expansions.

19 2. Promote Maine's products and services. The
20 director shall promote Maine's products and services
21 in national and international markets.

22 3. Market development and international trade.
23 The director shall be responsible for an internation-
24 al trade program and market assistance for Maine in-
25 dustry.

26 A. This subsection shall apply to foreign trade
27 zones.

28 4. Market and product analysis. The director may
29 conduct market and product analyses on an
30 industry-wide basis for Maine industry. The informa-
31 tion developed by these analyses shall be provided to
32 Maine industries to assist them in developing market-
33 ing and product strategies.

34 5. Work with other state agencies. The director
35 shall work with other state agencies which implement

1 product marketing programs and strive to coordinate
2 the marketing activities of the department with those
3 of other agencies whenever possible.

4 6. Analyze and propose marketing strategies. The
5 director may analyze and propose marketing strategies
6 to the commissioner for different industries of the
7 State. The director, in undertaking this task, shall
8 work with other state agencies, regional organiza-
9 tions and the private sector.

10 7. Promote tourism. The director shall promote
11 the tourism industry and Maine as a vacationland. The
12 director shall implement this program in accordance
13 with sections 15081 and 15082.

14 8. Contract. The bureau, with the approval of
15 the commissioner, may contract with any firm, organi-
16 zation or association to achieve the purpose of this
17 subsection.

18 §15077. Division of Business Attraction

19 The Division of Business Attraction shall be re-
20 sponsible for the implementation of a targeted busi-
21 ness attraction program designed to attract particu-
22 lar types of businesses which have significant poten-
23 tial for Maine and which are deemed to be compatible
24 with the State's environment and interests. The divi-
25 sion shall actively seek and encourage firms to ex-
26 pend or locate in the State.

27 1. Analysis. The division shall conduct a care-
28 ful analysis of the various industrial sectors of the
29 economy. The types of businesses to be targeted for
30 attraction shall be those which have significant po-
31 tential for development and which will contribute to
32 a healthy business and environmental climate.

33 2. Findings and recommendations. The division
34 shall report its findings and recommendations to the
35 director and the commissioner. The commissioner, with
36 the advice of the director, shall determine the type
37 and extent of the business attraction program to be
38 implemented.

39 §15078. Division of Markets and Trade

1 The Division of Markets and Trade shall be re-
2 ponsible for the implementation of programs designed
3 to promote Maine products in national and interna-
4 tional markets and to develop markets for industry
5 located in this State.

6 1. Provide marketing information. The division
7 shall provide marketing information to firms and in-
8 dustry. The division, in conjunction with local and
9 regional organizations and other institutions with
10 marketing expertise, may conduct marketing seminars
11 to educate Maine businesses about marketing.

12 A. This function may also be contracted by the
13 department to any organization with marketing ex-
14 pertise.

15 2. Identification of Maine products. The direc-
16 tor shall implement a program to identify goods manu-
17 factured in the State under a "Product of Maine" des-
18 ignation. This program shall include agricultural,
19 marine, mineral and forestry products processed in
20 the State, but shall remain separate and distinct
21 from the blue, white and red identification promul-
22 gated by the Commissioner of Agriculture, Food and
23 Rural Resources.

24 A. A product shall qualify for this designation
25 upon submission by the manufacturer or final pro-
26 cessor of a signed affidavit which attests that
27 the product is manufactured in the State or re-
28 ceives final assembly or processing in the State.
29 This affidavit shall be submitted to the director
30 who shall then grant permission for use of the
31 "Product of Maine" designation, but who shall
32 withdraw the permission upon finding that the
33 contents of the affidavit are false. The director
34 may withdraw the permission if it comes to his
35 attention that the product is mislabeled in a
36 manner which is deceiving to the purchaser.

37 B. The mere packaging of a product within the
38 State shall not be deemed sufficient for inclu-
39 sion under the "Product of Maine" label.

40 C. The director, as the funds become available,
41 shall promote consumer recognition of the

1 "Product of Maine" designation and shall encourage
2 the use of this designation by manufacturers.

3 D. The director shall advise the commissioner
4 with respect to products and firms that are to be
5 included pursuant to this subsection. The commis-
6 sioner may adopt rules, in accordance with the
7 Maine Administrative Procedure Act, chapter 375,
8 by which standards and definitions are estab-
9 lished to determine which products qualify under
10 this subsection.

11 3. Foreign trade zone grants. The director, with
12 the approval of the commissioner and through the di-
13 vision, shall make grants for market development from
14 appropriations for those grants to any municipality
15 or group of municipalities which have received a
16 grant of authority from the Federal Government to es-
17 tablish a foreign trade zone, provided that:

18 A. No municipality or group of municipalities
19 may be granted amounts totaling more than \$20,000
20 under this chapter; and

21 B. The municipality or group of municipalities,
22 during the fiscal year in which any grant expend-
23 iture is made, shall expend from its own appro-
24 riated funds a matching amount, equal to or
25 greater than the amount expended from the grant,
26 for market development. "Market development"
27 means any activity to encourage use of the trade
28 zone, or of its sections or subzones where they
29 may be located in Maine communities away from the
30 main zone.

31 3. Application for foreign trade zones. The di-
32 rector may apply to establish foreign trade zones as
33 provided for in this subsection.

34 A. The director, with the approval of the com-
35 missioner, on behalf of the State, may make ap-
36 plications to the Foreign Trade Zone Board and
37 establish foreign trade zones that are to be lo-
38 cated on state-owned, leased or otherwise con-
39 trolled property. A municipality or group of mu-
40 nicipalities, with the approval of the depart-
41 ment, may make applications to the Foreign Trade

1 Zone Board and establish foreign trade zones at
2 other locations. Foreign trade zones shall be es-
3 tablished in or adjacent to any ports of entry in
4 the State, where personal property in transit
5 shall be exempt from the stock-in-trade tax and
6 such other taxes and customs as are normally
7 levied in a port of entry.

8 B. Any development or activity with a foreign
9 trade zone established in the State is subject to
10 the laws which the Department of Environmental
11 Protection, Department of Conservation, Depart-
12 ment of Marine Resources and Department of Inland
13 Fisheries and Wildlife are responsible for admin-
14 istering, as well as any other law which protects
15 the environment.

16 C. For the purpose of this subsection, personal
17 property in transit through the areas established
18 under paragraph A, is defined as follows: Goods,
19 wares and merchandise moving in interstate or in-
20 ternational commerce through these zones or which
21 were consigned to a public or private warehouse
22 within these zones, whether specified when trans-
23 portation begins or afterward. This property
24 shall not be deprived of exemption because, while
25 in the warehouse, the property is assembled,
26 bound, joined, processed, disassembled, divided,
27 cut, broken in bulk, relabeled or repackaged. The
28 exemption granted shall be liberally construed to
29 effect the purposes of this subsection. The ware-
30 house in which these goods, wares or merchandise
31 are stored shall not be owned, in whole or in
32 part, by either the consignee or consignor. This
33 paragraph does not apply to agricultural
34 products.

35 ARTICLE 1

36 DIVISION OF TOURISM

37 §15080. Division of Tourism

38 There is established, to carry out the purposes
39 of this section, a Division of Tourism, called the
40 "division," within the Bureau of Marketing and Tour-
41 ism which shall be directly responsible to the direc-
42 tor.

1 1. Director. The director and staff of the Divi-
2 sion of Tourism shall be appointed by the director
3 with the approval of the commissioner and shall serve
4 at his pleasure.

5 2. Powers and duties. The director shall:

6 A. Conduct travel product planning and research
7 to determine market demand; prepare marketing,
8 promotion and advertising strategies; prepare a
9 travel product development plan; determine the
10 feasibility of travel facility development pro-
11 posals; develop and implement a comprehensive
12 travel product information system; and evaluate
13 the impact of travel product programs and grants;

14 B. Implement advertising and promotional pro-
15 grams to market the Maine's travel product;

16 C. Print, or cause to have printed, alone or in
17 cooperation with other travel promotion agencies
18 and groups, booklets; brochures; pamphlets; and
19 other materials as required to fulfill requests
20 for information on Maine's travel product;

21 D. Encourage the development of travel product
22 facilities and activities by locating potential
23 developers, providing market and feasibility
24 analysis, assisting developers in complying with
25 public rules and laws and providing technical as-
26 sistance to location decision making, including
27 site selection, financing and utilities;

28 E. Review and comment upon the policies and pro-
29 grams of state agencies which directly affect the
30 achievement of the duties and responsibilities of
31 the division;

32 F. Provide basic support and discretionary
33 matching grants to local, regional and statewide
34 nonprofit agencies which directly affect the
35 achievement of the duties and responsibilities of
36 the division;

37 G. Staff, or cause to be staffed, any informa-
38 tion center constructed, owned, leased, acquired
39 or operated by the State;

1 H. Employ or engage such outside technical or
2 professional consultants or organizations as may
3 be necessary or appropriate to assist the divi-
4 sion in carrying out its functions;

5 I. Accept such fees as the director may desig-
6 nate for the preparation and distribution of
7 books, booklets, brochures, pamphlets, films,
8 photos, maps, exhibits, mailing lists and all
9 like materials and media advertising. There is
10 established within the division a revolving fund
11 for the use of the division to help offset the
12 preparation and distribution costs of these mate-
13 rials. The division shall retain, without charge,
14 an appropriate number of each publication for
15 complimentary distribution. Income from the sale
16 of publications and other materials that were
17 charged to the revolving fund shall be credited
18 to the revolving fund to be used as a continuing
19 carrying account to carry out the purposes of the
20 revolving fund;

21 J. Subject to the approval of the commissioner,
22 adopt; amend; and repeal rules to carry out the
23 purposes of this article; and

24 K. Undertake such other activities as the direc-
25 tor considers appropriate and necessary to ensure
26 the successful implementation of this section.

27 §15081. Maine Vacation-travel Commission

28 1. Maine Vacation-travel Commission. The Maine
29 Vacation-travel Commission, established by chapter
30 379, shall assist; advise; recommend; and guide the
31 Division of Tourism's operation. It shall consist of
32 9 members of major tourism trade associations and 8
33 public members who shall represent their respective
34 regions and who are experienced in the field or who
35 have demonstrated a concern for the travel industry.
36 The terms of the members shall be 4 years each; ex-
37 cept that, for the members first appointed, 4 shall
38 be appointed for terms of 4 years, 4 for terms of 3
39 years, 4 for terms of 2 years and 5 for a term of one
40 year. The members shall be appointed by the Governor,
41 who shall fill any vacancies in the appointed member-
42 ship for the unexpired term. The commissioner or di-

1 rector, or his designee, of the following state de-
2 partments or offices shall serve as ex officio, non-
3 voting members of the commission: Department of Com-
4 munity and Economic Development; State Planning Of-
5 ice; Department of Conservation; Department of
6 Transportation; Department of Inland Fisheries and
7 Wildlife; Department of Agriculture, Food and Rural
8 Resources; Department of Educational and Cultural
9 Services; Bureau of Public Improvements; and the Com-
10 mission on Canadian Affairs. A chairman and vice-
11 chairman shall be elected annually from the appointed
12 membership.

13 2. Powers and duties. The commission shall:

14 A. Recommend rules for the implementation of
15 this article and make recommendations on the
16 award of matching funds to the commissioner and
17 the Director of Marketing and Tourism;

18 B. Recommend policy guidelines on marketing,
19 promotion and advertising strategies to the Divi-
20 sion of Tourism;

21 C. Conduct public hearings as necessary to ob-
22 tain input concerning tourism policy development
23 from a broad cross section of travel interests;

24 D. Assist the Division of Tourism in providing
25 technical assistance to the travel industry and
26 in planning and conducting periodic tourism con-
27 ferences;

28 E. Prepare a report for annual submission to the
29 Governor and the Legislature relative to the pro-
30 grams, policies and accomplishments of the Maine
31 Vacation-travel Commission; and

32 F. Assist the Division of Tourism in such other
33 areas as the commissioner considers appropriate
34 and necessary to ensure the successful implemen-
35 tation of this section.

36 3. Compensation. Commissioners shall be compen-
37 sated as provided by chapter 379.

38 §15082. Travel Promotion Matching Fund Program

1 1. Statement of purpose. There is established a
2 Travel Promotion Matching Fund Program to serve the
3 following purposes:

4 A. To allow the State to provide part of the
5 funds necessary for public and private nonprofit
6 travel promotion organizations to conduct promo-
7 tional programs; and

8 B. To strengthen the state image by coordinating
9 the promotional efforts of the private sector,
10 the Division of Tourism and the Bureau of Market-
11 ing and Tourism within the Department of Communi-
12 ty and Economic Development.

13 2. Allocation of funds. Within the limits of
14 available funding, for every dollar raised by the
15 private sector for travel promotion under this sec-
16 tion, the State shall provide \$1 in matching funds.
17 No grant may exceed the amount raised by the organi-
18 zation and applied to its proposed program. It is not
19 the intent of this section to reduce any
20 organization's financial participation in any ongoing
21 project, but rather to increase them or develop new
22 programs. The grant program shall be geared to spe-
23 cific promotional efforts and costs and is not in-
24 tended to match any administrative costs, including
25 any form of personal service.

26 3. Eligible organizations. Matching funds shall
27 be made available to those nonprofit travel promo-
28 tional organizations which best meet the purposes of
29 this section. No such organization may disburse state
30 matching funds to a private business for the purpose
31 of promoting its goods, services, functions or activ-
32 ities.

33 4. Administration. The Bureau of Marketing and
34 Tourism, through the Division of Tourism, shall ad-
35 minister the Travel Promotion Matching Fund Program
36 with such flexibility as to bring about the most ef-
37 fective and economical travel promotional program
38 possible. Applications from all regions of the State
39 shall be equally considered. The Maine
40 Vacation-travel Commission shall recommend rules and
41 procedures necessary and appropriate to the proper
42 operation of the Travel Promotion Matching Fund Pro-

1 gram. These rules shall establish eligibility re-
2 quirements, allocation formulas, application proce-
3 dures and criteria subject to the final approval of
4 the commissioner. The Maine Vacation-travel Commis-
5 sion shall establish a schedule for review of grant
6 applications and make timely recommendations of grant
7 awards to the Division of Tourism. Grants recommended
8 by the commission to the division must be approved by
9 the director prior to any disbursement of funds.

10 5. Bookkeeping systems. The department and all
11 tourist promotional organizations qualifying for
12 matching funds under this section shall keep accurate
13 records of any applications, transactions, payment
14 receipts and correspondence relating to the implementa-
15 tion of the Travel Promotion Matching Fund Program.

16 A. The department, with the advice of the De-
17 partment of Finance, shall establish a standard
18 accounting procedure to be used by any organiza-
19 tion receiving money under this section.

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

25 6. Reimbursement procedures. Upon receipt in
26 writing of satisfactory evidence of program progress
27 and funds expended or committed, the Division of
28 Tourism shall reimburse the organization according to
29 a matching funds contract. Within 60 days of comple-
30 tion of the program, each grant recipient shall pro-
31 vide the Division of Tourism with the following:

32 A. A completed program evaluation report on a
33 form supplied by the Division of Tourism;

34 B. Copies of all advertisements purchased;

35 C. Samples of any promotional material used in
36 the program; and

37 D. Any other information requested by the Divi-
38 sion of Tourism. No additional matching funds may
39 be awarded to an organization until the provi-
40 sions of this subsection have been met.

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SUBCHAPTER IV

COMMUNITY DEVELOPMENT

§15085. Findings

The Legislature finds that the strength of the State's economy is based on the strength of the 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.

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.

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.

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.

§15086. Bureau of Community Development; purpose

The purpose of the Bureau of Community Development is to work with and help municipalities achieve economic growth and development and, at the same time, preserve and protect their resources and assets. To achieve this purpose, the department, through the bureau, shall strive to remove barriers to growth and provide resources to the greatest possible extent to assist or generate growth in municipalities.

1 §15087. Bureau of Community Development; duties and
2 responsibilities

3 The Director of the Bureau of Community Develop-
4 ment shall administer the bureau in accordance with
5 the policies of the commissioner and this chapter.
6 The director shall have the following powers and du-
7 ties.

8 1. Establish communications network. The direc-
9 tor shall establish a communications network by which
10 information resources and assistance are transferred
11 between the department and municipalities.

12 A. The director shall work with municipalities
13 and regional economic development organizations.
14 The director shall work closely with persons or
15 organizations representing municipalities and
16 with regional economic development organizations
17 to address the economic development needs, prob-
18 lems and opportunities of municipalities and re-
19 gions.

20 B. The director may propose to the commissioner
21 changes in the State's economic development
22 strategy policies or programs to address the is-
23 ssues that evolve pursuant to this subsection.

24 2. Challenge grants. The director, with the ap-
25 proval of the commissioner, may provide challenge
26 grants to municipalities and regional economic devel-
27 opment organizations to develop strategies and poli-
28 cies.

29 3. Provide information. The director shall pro-
30 vide municipalities with information about the de-
31 partment's programs and services and shall refer mu-
32 nicipalities to the bureaus and programs within the
33 department that can best assist them.

34 4. Work with state agencies. The director shall
35 work with other state agencies that administer pro-
36 grams and services used by municipalities. The direc-
37 tor shall strive to coordinate department programs
38 and services with those of the agencies.

1 5. Develop distressed zone assistance. The di-
2 rector, with the assistance of the State Planning Of-
3 ice, shall determine areas and municipalities of the
4 State that are economically distressed. The director
5 shall analyze these areas with respect to their prob-
6 lems and determine the causes.

7 A. The director shall work with distressed mu-
8 nicipalities and areas to define a remedial ap-
9 proach and incentives to encourage growth and de-
10 velopment in each area.

11 B. The director shall report his findings and
12 recommendations to the commissioner.

13 6. Oversee community development programs. The
14 director shall oversee the implementation of communi-
15 ty development programs to include:

16 A. The Community Development Block Grant Pro-
17 gram;

18 B. The Local Grants Program of the Coastal Zone
19 Management Program;

20 C. The Regional Planning Grants Program;

21 D. The Waterfront Action Grants Program; and

22 E. The Community Industrial Buildings Program.

23 §15088. Community Development Block Grant Program

24 The Director of the Bureau of Community Develop-
25 ment shall implement the Community Development Block
26 Grant Program pursuant to the United States Housing
27 and Community Development Act of 1974, Title 1, and
28 its subsequent amendments.

29 1. Community Development Revolving Loan Fund.
30 The Community Development Block Grant Program shall
31 include the Community Development Revolving Loan Fund
32 which shall be a nonlapsing revolving fund.

33 2. Repayments to fund. To this fund shall be
34 credited all repayments of grants made to municipali-
35 ties that elect not to retain those funds under the

1 Community Development Revolving Loan Fund part of the
2 State Community Development Program, including interest,
3 penalties and other fees and charges related to
4 fund grants.

5 3. Investment of fund money. Money in the fund
6 not needed to meet the current obligations of the
7 program shall be deposited with the Treasurer of
8 State to the credit of the Community Development Re-
9 volving Loan Fund and may be invested in such manner
10 as is provided by law. Interest received on that in-
11 vestment shall be credited to the Community Develop-
12 ment Revolving Loan Fund.

13 4. Legislative allocation of the Community De-
14 velopment Revolving Loan Fund is required. The De-
15 partment of Community and Economic Development shall
16 submit to the Legislature, through the budget process
17 as required by chapter 149, its recommendations for
18 disbursement from the fund.

19 5. Expenditures from fund. Upon approval of the
20 allocation by the Legislature and approval of the al-
21 lotment by the Governor, the State Controller shall
22 authorize expenditures from the Community Development
23 Revolving Loan Fund as approved by the department for
24 the following purposes:

25 A. Administrative expenses related to the devel-
26 opment fund;

27 B. Grants to cities and towns under the develop-
28 ment fund; and

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

31 6. Administer the Community Industrial Buildings
32 Program. The director shall administer the Community
33 Industrial Buildings Program as defined in article 1.

34 §15089. Local Grants Program

35 The Director of the Bureau of Community Develop-
36 ment shall administer the local grants program of the
37 Coastal Zone Management Program and the Regional
38 Planning Commission Grant Program established under

1 Title 30, chapter 204-A, subchapter III, and of councils
2 of government empowered under Title 30, chapter
3 204-A, subchapter II. Participation in the Regional
4 Planning Commission Grant Program shall be limited to
5 1/2 of the nonfederal share of a federally assisted
6 project or 1/3 of a nonfederally assisted planning
7 operation.

8 ARTICLE 1

9 COMMUNITY INDUSTRIAL BUILDINGS AUTHORITY

10 §15091. Definitions

11 As used in this article, unless the context oth-
12 erwise indicates, the following terms have the fol-
13 lowing meanings.

14 1. Carrying costs. "Carrying costs" means rea-
15 sonable costs incurred for the maintenance, protec-
16 tion and security of a community industrial building
17 prior to occupancy, including, but not limited to,
18 insurance, taxes and interest.

19 2. Community industrial building. "Community in-
20 dustrial building" means a building of flexible de-
21 sign whose construction or carrying costs, or both,
22 are financed through this subchapter for the purpose
23 of creating new jobs in a municipality resulting from
24 the sale or lease of the building.

25 3. Industrial park. "Industrial park" means an
26 area of land that is planned and designed for one or
27 more industrial buildings.

28 4. Lease. "Lease" means a contract providing for
29 the use of a project or portions of a project for a
30 term of years for a designated or determinable rent.
31 A lease may include an installment sales contract.

32 5. Lessee. "Lessee" means a tenant under lease
33 and may include an installment purchaser.

34 6. Local development corporation. "Local devel-
35 opment corporation" means any nonprofit organization
36 created by a municipality, incorporated under Title
37 13, chapter 81; Title 13-B or otherwise chartered by

1 the State and designed to foster, encourage and as-
2 sist the settlement or resettlement of industrial,
3 manufacturing, fishing, agricultural, recreational
4 and other business enterprises within the State. A
5 majority vote of the municipal officers is sufficient
6 to form a local development corporation, notwith-
7 standing Title 13, chapter 81.

8 7. Municipality. "Municipality," as used in this
9 subchapter, means any county, city or town in the
10 State.

11 8. Rural area. "Rural area" means any area that
12 is not an urban area as defined in this article.

13 9. Urban area. "Urban area" means any municipal-
14 ity with a population greater than 10,000 persons.

15 §15092. Community Industrial Buildings Fund

16 1. Creation. The Community Industrial Buildings
17 Fund is created as a nonlapsing revolving fund to be
18 used by the department only for the purposes of this
19 article. There is created within the fund separate
20 accounts for rural and urban areas, respectively
21 called the "rural" and "urban" accounts, which shall
22 be separately charged and credited, as provided under
23 this section, according to the location in a rural or
24 urban area of each community industrial building.

25 2. Items charged or credited. Operating expenses
26 of the department incurred under this article shall
27 be charged to the fund and all payments required by
28 this subchapter shall be credited to it. All depart-
29 ment expenses that arise out of assistance to local
30 development corporations under this article shall be
31 charged solely against the proceeds of the sale or
32 rental of a community industrial building or all or
33 part of an industrial park assisted under this sub-
34 chapter.

35 3. Deposited funds. Money in the fund not cur-
36 rently needed to meet the obligations of the depart-
37 ment under this article shall be deposited with the
38 Treasurer of State to the credit of the fund with all
39 interest earned by the deposit credited to the fund.

1 4. Successor to fund. The department shall be
2 the successor to the State Development Office for the
3 purposes of this article. All properties, rights in
4 land, buildings and equipment and any funds, money,
5 revenue and receipts or assets of the State Develop-
6 ment Office as they apply to the Community Industrial
7 Buildings Program, including funds previously appro-
8 riated by the State for the Community Industrial
9 Buildings Program, shall belong to the department as
10 successor to the State Development Office. All lia-
11 abilities of the State Development Office with respect
12 to the Community Industrial Buildings Program shall
13 become liabilities of the department. Any action
14 taken by the State Development Office with respect to
15 assisting a local development corporation to create
16 community industrial buildings shall be an action
17 taken by the Department of Community and Economic De-
18 velopment.

19 §15093. Assistance to development corporations

20 The department may assist a local development
21 corporation to construct a community industrial
22 building by loaning it money, for construction or
23 carrying costs, or both, for the project, subject to
24 subsection 1.

25 1. Project. The following conditions apply to
26 the project.

27 A. The project shall be within the scope of this
28 subchapter, be of public use and benefit and rea-
29 sonably be expected to create new employment op-
30 portunities.

31 B. Within the separate rural and urban accounts,
32 preference shall be given to projects in economi-
33 cally deprived areas within labor market dis-
34 tricts declared to be in need of economic devel-
35 opment assistance by the Department of Labor.

36 C. No more than one unoccupied community indus-
37 trial building project may be financed in a labor
38 market area at any one time.

39 2. Local development corporation. The local de-
40 velopment corporation shall comply with the follow-
41 ing.

1 A. The local development corporation shall own
2 or hold on long-term lease the site for the
3 project.

4 B. The local development corporation, in the
5 opinion of the department, shall be responsible
6 and shall present evidence of its ability to car-
7 ry out the project as planned.

8 C. The site owned or leased by the local devel-
9 opment corporation shall be not less than 4 times
10 the size of the community industrial building.

11 D. The local development corporation shall pro-
12 vide and maintain, with funds other than those
13 provided by the department, an adequate access
14 road from a public highway to the proposed site
15 and water, sewer and power facilities. The devel-
16 opment corporation will also be responsible for
17 plowing out the plant site at all times and for
18 landscaping the building in an attractive fashion
19 until the building is occupied by an industrial
20 tenant.

21 E. The local development corporation's project
22 plans shall comply with applicable zoning, plan-
23 ning and sanitary regulations in the municipality
24 where it is to be located. No loan may be ap-
25 proved and no certificate of approval for the
26 project or for any subsequent enlargement or ad-
27 dition to the project may be issued until the De-
28 partment of Environmental Protection has certi-
29 fied to the department that all licenses required
30 from the department have been issued or that none
31 are required.

32 F. The local development corporation shall make
33 adequate provisions for insurance protection,
34 fire protection and maintenance of the building
35 while it is unoccupied.

36 3. Loan terms. Terms for a loan are as follows.

37 A. The department may prescribe the terms and
38 conditions of the loan.

1 B. Loans shall be repaid in full, including in-
2 terest and other charges, within 90 days after
3 the building is occupied.

4 C. The building financed by a department loan
5 may not be sold or leased without the express ap-
6 proval of the department of the purchaser or les-
7 see. If the local development corporation and the
8 department agree that a community industrial
9 building is unlikely to be sold in the near fu-
10 ture despite a marketing effort, the department
11 may permit an interim lease upon terms it deems
12 appropriate for the protection of the fund. Occu-
13 pation of the premises under an interim lease
14 shall not require payment in full of the entire
15 loan within 90 days, as provided in paragraph B.

16 4. Promotion and development. The department
17 shall undertake promotional and publicity activities
18 on behalf of community industrial buildings to prop-
19 erly market them to prospective purchasers or ten-
20 ants. The department shall maintain a constant and
21 continual effort to secure suitable tenants or pur-
22 chasers for these buildings and shall prepare neces-
23 sary advertising and promotional materials.

24 5. Taxes. While the community industrial build-
25 ing remains unoccupied and a first mortgage is held
26 by the department, it is declared to be property held
27 for a legitimate public use and benefit and shall be
28 exempt from all taxes and special assessments of the
29 State or any of its political subdivisions. This sec-
30 tion shall not apply to any community industrial
31 building whose construction is not financed under
32 this chapter.

33 6. Municipality. A municipality may raise or ap-
34 propriate money supporting and guaranteeing the obli-
35 gation of a chamber of commerce, a board of trade and
36 a local development corporation for the purpose of
37 constructing a community industrial building subject
38 to this article.

39 Sec. 12. Transition. The provisions of this sec-
40 tion shall govern the transition.

1 1. Funds transferred. Notwithstanding the Maine
2 Revised Statutes, Title 5, sections 1585 and 1586,
3 all accrued expenditures, assets, liabilities, bal-
4 ances, appropriations or allocations, transfers, rev-
5 enues or other available funds in any account or sub-
6 division of an account of any unit of State Govern-
7 ment, including any department bureau, division, pro-
8 gram or other subunit of a state agency, affected by
9 this Act shall remain with that unit following trans-
10 fer to another department.

11 2. Personnel transferred. All employees of any
12 unit of State Government, including department, of-
13 fice, bureau, division, section, program or any por-
14 tion thereof to be transferred to the Department of
15 Community and Economic Development shall be trans-
16 ferred with their accrued rights and benefits. The
17 accrued fringe benefits, including vacation and sick
18 leave, health and life insurance and retirement of
19 those personnel shall remain with those personnel.

20 3. Rules and procedures. All rules and proce-
21 dures currently in effect and in operation pertaining
22 to any unit or program and which are in compliance
23 with this Act shall remain in effect until rescinded
24 or amended as provided by state law.

25 4. Contracts and agreements. All contracts and
26 agreements currently in effect with respect to any
27 unit or program of State Government affected by this
28 Act shall remain in effect until rescinded, termi-
29 nated or modified as provided by state law.

30 5. Equipment and property transferred. All
31 equipment and property of the State used by employees
32 and officials of any unit of State Government af-
33 fected by this Act shall remain with that unit upon
34 transfer to another department.

35 6. Organization and operation. Notwithstanding
36 any other provision of law, any appointment required
37 by this Act and preparation work may be made or may
38 occur prior to the appropriate effective date of this
39 Act, but shall not become binding until the appropri-
40 ate effective date.

1 7. Community Development Block Grant Program.
2 Following the transfer of the Community Development
3 Block Grant Program from the State Planning Office to
4 the Department of Community and Economic Develop-
5 ment, the focus and direction of the Community Devel-
6 opment Block Grant Program shall not be determined by
7 the Community Development Block Grant Advisory Com-
8 mittee.

9

PART B

10 Sec. 1. 10 MRSA §917, as amended by PL 1985, c.
11 161, §1, is repealed.

12 Sec. 2. 10 MRSA §917-A. is enacted to read:

13 §917-A. Purpose

14 The Maine Development Foundation shall foster,
15 assist and participate in efforts for economic growth
16 and revitalization, in coordination with existing
17 state, regional and local agencies, such efforts to
18 include, but not be limited to, providing for or
19 stimulating the following provisions.

20 1. Public; private partnerships. The Maine De-
21 velopment Foundation shall strive to:

22 A. Bridge the knowledge and communications gap
23 between the public and private sectors;

24 B. Build the leadership capacity of public and
25 private sector persons and institutional capacity
26 of agencies to accomplish economic development;
27 and

28 C. Expand the traditional business and govern-
29 ment partnership to include other significant
30 sectors of the economy.

31 2. Economic analysis. The Maine Development
32 Foundation may:

33 A. Develop and propose new ideas and recommend
34 changes to State Government and others for the
35 growth and development of the State's economy,
36 including development strategies and economic de-

1 velopment programs to best meet the economic
2 needs, problems and conditions of the State;

3 B. Analyze opportunities to improve the market-
4 ing of Maine's products and the development of
5 new markets, especially foreign; and

6 C. Analyze opportunities to promote business in-
7 vestment in the State.

8 3. Economic education. The Maine Development
9 Foundation may provide Legislators, State Government
10 officials, business people, municipal officials, de-
11 velopment professionals and others with an education
12 program on the State's economy, including training,
13 information and experiential learning on the State's
14 economy, business investment, government operations
15 and the relationship between public policy decisions
16 and business investment, with the goal of strengthen-
17 ing public and private partnership to accomplish eco-
18 nom ic development.

19 4. Economic opportunities. The Maine Development
20 Foundation may:

21 A. Identify and develop specific economic oppor-
22 tunities in the State;

23 B. Design, coordinate and implement, when neces-
24 sary, development projects of a statewide or
25 broad regional significance; and

26 C. Provide assistance to business and communi-
27 ties for economic growth and revitalization.

28 5. Good climate for economic development. The
29 Maine Development Foundation shall strive to promote
30 an improved climate for economic development in the
31 State through judicious use of the public and private
32 nature of the foundation to provide objective analy-
33 sis and develop broad consensus on issues of signifi-
34 cance to the economic health of the State, provided
35 that the promotion does not require the foundation to
36 register as a lobbyist employer pursuant to Title 3,
37 chapter 15, and that the foundation does not advocate
38 to the general public a position on a question as de-
39 fin ed in Title 21-A, section 1, subsection 35.

1 Sec. 3. 10 MRSA §920, sub-§8, as enacted by PL
2 1977, c. 548, §1, is repealed.

3 Sec. 4. 10 MRSA §962, as amended by PL 1985, c.
4 714, §5, is further amended by adding after the first
5 paragraph a new paragraph to read:

6 In order to fulfill these purposes and to make
7 the best use of the State's limited resources, it is
8 essential that the Finance Authority of Maine imple-
9 ment its powers, duties and responsibilities consist-
10 ent with a state economic development strategy and
11 the policies and activities of the Department of Com-
12 munity and Economic Development.

13 Sec. 5. 10 MRSA §964, sub-§3 is enacted to read:

14 3. Consistency of policies and programs. The Fi-
15 nance Authority of Maine shall implement its powers,
16 duties, responsibilities and programs consistent with
17 the State's economic development strategy and the po-
18 licies and activities of the Department of Community
19 and Economic Development.

20 PART C

21 Sec. 1. 5 MRSA §1664, as amended by PL 1983, c.
22 526, §1, is further amended by adding at the end a
23 new paragraph to read:

24 Part 4 shall consist of the state capital budget
25 required under section 1676.

26 Sec. 2. 5 MRSA c. 149-A is enacted to read:

27 CHAPTER 149-A

28 CAPITAL BUDGETING AND PLANNING

29 §1675. Definition

30 The term "1987 dollars" means dollar amounts ad-
31 justed for inflation using the implicit price
32 deflator for the purchases of goods and services by
33 State Government and local government, published by
34 the United States Department of Commerce or other ap-
35 propriate measure of inflation.

1 §1676. State capital budget

2 1. Preparation. The Department of Finance,
3 through the Bureau of the Budget, shall prepare, at
4 the same time as the state budget document is pre-
5 pared, a capital budget. The capital budget shall be
6 prepared and submitted to the Governor or Governor-
7 elect in accordance with the procedures for preparing
8 the state budget document set forth in chapter 149.

9 2. Contents. The capital budget shall embrace
10 all expenditures of State Government for facilities
11 and equipment and all revenues to be raised for pur-
12 pose of meeting expenditure commitments during the
13 ensuing biennium.

14 A. Except as provided in this paragraph, "capi-
15 tal facilities and equipment" for purposes of
16 this chapter means facilities and equipment hav-
17 ing an expected useful life of greater than one
18 year and a cost in excess of \$10,000 in 1987
19 dollars, including, but not limited to:

20 (1) The capital improvements program for
21 state facilities prepared by the Bureau of
22 Public Improvements;

23 (2) Capital expenditures of the Department
24 of Transportation for highways, bridges,
25 air, marine and public transportation and
26 other transportation facilities;

27 (3) Expenditures by state agencies, from
28 both state and federal sources, for the pur-
29 pose of funding capital facilities and
30 equipment for political subdivisions of the
31 State. When federal program policies or re-
32 quirements preclude precise estimates of ex-
33 penditures, general estimates may be pre-
34 sented. These general estimates shall not
35 be considered as binding limitations, except
36 as otherwise provided by law;

37 (4) Capital expenditures by the University
38 of Maine System;

1 (5) School construction projects for which
2 concept approval from the State Board of Ed-
3 ucation has been issued in accordance with
4 Title 20-A, chapter 609. The definition of
5 "school construction project," used in Title
6 20-A, shall apply for purposes of this sub-
7 paragraph;

8 (6) Acquisition and development of state
9 parks and recreational areas; and

10 (7) Acquisition of land.

11 The capital budget shall indicate for each ex-
12 penditure and class of expenditures the costs to
13 be incurred in each fiscal year of ensuing bien-
14 niun, plus where appropriate, the annual operat-
15 ing and maintenance costs of the facilities and a
16 schedule of depreciation calculated in accordance
17 with the principles and standards of capital bud-
18 geting authorized by section 1678.

19 B. The capital budget shall indicate the reve-
20 nuces and sources required to meet projected ex-
21 penditures during the ensuing biennium. Revenue
22 sources to be indicated include, but are not lim-
23 ited to, the General Fund, the Highway Fund, oth-
24 er special funds, proceeds of bond sales, federal
25 funds, local government revenues or other
26 sources.

27 (1) Where additional revenues in the form
28 of additional taxes, user fees or new bond
29 issues are proposed to meet expenditure re-
30 quests, these shall be indicated.

31 3. Relationship to capital plan. The capital
32 budget shall be based upon the capital plan and shall
33 contain a summary of the most recent capital plan
34 prepared by the State Planning Office in accordance
35 with section 1677 and indicate the relationship be-
36 tween the proposals contained in the capital budget
37 and the capital plan.

38 4. Effective date. The capital budget shall be
39 prepared beginning with the 1990-91 biennium.

1 §1677. The capital plan

2 1. Capital plan required. The Governor shall
3 biannually prepare and submit to the Legislature a
4 plan for addressing the needs for public capital fa-
5 ilities during the ensuing 6 years. The capital
6 plan shall form the basis for the capital budget and
7 shall be prepared in a timely manner to meet the re-
8 quirements for preparation of the capital budget.

9 2. Contents. The plan shall assess long-term
10 needs for capital facilities provided by both State
11 Government and local governments and shall include:

12 A. An inventory of capital facilities held by
13 State Government and local governments and spe-
14 cial purpose and quasi-municipal districts, in-
15 cluding such information as is reasonably availa-
16 ble on the physical and economic condition of
17 these assets;

18 B. A projection of economic and demographic
19 trends likely to influence the needs for new or
20 expanded capital facilities and an analysis of
21 the relationship between capital needs and any
22 economic development strategy prepared by state
23 or political subdivisions of the State;

24 C. An estimate of mandatory, essential,
25 desireable and deferrable repair, replacement and
26 expansions;

27 D. Estimates of life-cycle costs for new and
28 substantially expanded or renovated facilities.
29 Life-cycle costs shall include the costs of con-
30 struction, financing, repair and maintenance and
31 shall be determined, taking into account the pro-
32 cedures, for calculating life-cycle costs re-
33 quired under section 1764; and

34 E. An analysis of recent trends and projects of
35 revenues available from general and revenue obli-
36 gation bonds, general and dedicated taxes used
37 for capital facilities finance, user fees, the
38 Federal Government and other sources.

39 §1678. Principles and standards for capital planning
40 and budgeting

1 The State Planning Office, in cooperation with
2 the Bureau of the Budget, shall prepare and publish
3 guidelines that set forth principles and standards
4 for capital planning and budgeting to be used by
5 state agencies and, when appropriate, local agencies.
6 The guidelines shall set forth definitions of rele-
7 vant terms to be used in the capital planning and
8 budgeting processes, establish accounting standards
9 and standards for assessing costs and benefits of
10 public facility investments. The guidelines shall be
11 prepared by July 1, 1988, and may be revised from
12 time to time thereafter.

13 §1679. Grants to regional planning agencies

14 The Department of Community Economic Development
15 shall administer a program of grants to regional
16 planning agencies for the purpose of assisting munic-
17 ipal and other local government agencies to prepare
18 information for the capital plan.

19 A. Grants shall be awarded to regional planning
20 agencies in proportion to the number of local
21 government units within their service area.

22 B. In the event that an area of the State is not
23 served directly by a regional planning agency,
24 the Department of Community and Economic Develop-
25 ment may arrange for another regional planning
26 agency to assist the municipalities or may assist
27 the municipalities directly or by contract ser-
28 vices. In such case, the total number of units
29 of local government eligible for assistance, but
30 without regional planning agency services shall
31 constitute a region for purposes of allocating
32 funds.

33 C. The Department of Community and Economic De-
34 velopment may adopt rules for the administration
35 of this chapter.

36 **Sec. 3. Appropriation.** The following funds are
37 appropriated from the General Fund to carry out the
38 purposes of this Act.

39 1987-88

1988-89

1 EXECUTIVE DEPARTMENT

2 State Planning Office

3	Positions	(1)	(1)
4	Personal Services	\$ 35,000	\$ 35,500
5	All Other	50,000	10,500
6			
7	Total	<u>\$ 85,000</u>	<u>\$ 46,000</u>

8 COMMUNITY AND ECONOMIC DE-
9 VELOPMENT, DEPARTMENT OF

10 Grants to Regional Plan-
11 ning Agencies

12	All Other	\$300,000	\$300,000
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13 FINANCE, DEPARTMENT OF

14 Bureau of the Budget

15	Positions	(1)	(2)
16	Personal Services	\$ 35,000	\$ 60,000
17	All Other	10,000	10,500
18			
19	Total	<u>\$ 45,000</u>	<u>\$ 70,500</u>

20 Sec. 4. Effective date. This Act shall take ef-
21 fect October 1, 1987.

22 STATEMENT OF FACT

23 PART A

24 This bill creates the Department of Community and
25 Economic Development to consist of the following:

- 26 1. The Bureau of Business Assistance:
- 27 A. Business Assistance Referral and Facilitation
28 Program;
- 29 2. The Bureau of Marketing and Tourism:

- 1 A. Division of Business Attraction;
- 2 B. Division of Markets and Trade; and
- 3 C. Division of Tourism; and
- 4 3. The Bureau of Community Development:
- 5 A. Community Development Block Grant Program;
- 6 B. Local Grants Program of the Coastal Zone Man-
- 7 agement Program; and
- 8 C. Community Industrial Buildings Program.

9 The Department of Community and Economic Develop-
10 ment, by certifying local and regional economic de-
11 velopment organizations, will provide convenient
12 business assistance services through these organiza-
13 tions to businesses throughout the State. The de-
14 partment's Business Assistance Referral and
15 Facilitation Program serves to facilitate and assist
16 businesses with respect to economic development pro-
17 grams and with respect to working with state agen-
18 cies. This program also serves to coordinate pro-
19 grams throughout State Government that affect busi-
20 ness.

21 The director of the Bureau of Business Assistance
22 shall report any breakdown in the economic delivery
23 system to the commission. In the event that the com-
24 missioner cannot correct the breakdown, the commis-
25 sioner shall report it to the Governor.

26 The commissioner is required to monitor and eval-
27 uate the programs of the department and to make them
28 consistent with the state strategy. In addition, the
29 commissioner is required to coordinate programs and
30 services of the department and report any proposed
31 changes or recommendations to the Governor.

32 The Bureau of Marketing and Tourism is estab-
33 lished to promote Maine's goods and services in na-
34 tional and international markets, to market Maine as
35 an investment opportunity and a vacationland.

36 The purpose of this bureau is to be achieved from

1 a Division of Business Attraction to implement a
2 targeted business attraction program, particularly
3 types of enterprise that have significant potential
4 in Maine and are compatible with Maine's environment.
5 The Division of Markets and Trade is designed not on-
6 ly to promote Maine products, but also to provide
7 marketing information to Maine firms and industries.

8 The Division of Tourism is designed to promote
9 tourism throughout the State.

10 The Bureau of Community Development is estab-
11 lished to coordinate community development programs
12 of the State, to provide resources to municipalities
13 and regions to assist Maine's municipalities to de-
14 velop strong economies. The Bureau of Community De-
15 velopment also serves to develop an effective commu-
16 nications system that links Maine's municipalities
17 with the State's economic development organizations.

18 **PART B**

19 In Part B of the bill, the provisions of law re-
20 lating to the Finance Authority of Maine are amended
21 to require the authority to implement its programs
22 and policies consistent with the state strategy and
23 with the policies of the Department of Community and
24 Economic Development.

25 The bill also amends the provisions of law relat-
26 ing to the Maine Development Foundation. The Maine
27 Revised Statutes, Title 10, section 917, has been re-
28 pealed and replaced with Title 10, section 917-A, of
29 the Maine Development Foundation, which includes the
30 following duties and responsibilities:

31 1. To bridge the knowledge and communications
32 gap between the public and private sectors;

33 2. To conduct economic analyses;

34 3. To develop educational programs on the Maine
35 economy;

36 4. To identify and develop specific economic op-
37 portunities in the State; and

1 5. To promote an improved business climate in
2 the State.

3 The bill also removes the provision authorizing
4 the Maine Development Foundation to engage in debt
5 and equity financing.

6 **PART C**

7 Part C of the bill was prepared on the recommen-
8 dation of the Joint Select Committee on Economic De-
9 velopment. It requires that a capital budget be pre-
10 pared as a part of the biennial budget process. The
11 budget includes all expenditures on capital facili-
12 ties and equipment for the biennium and the revenues
13 required to fund them and shall be informed by the
14 long-term capital needs identified in the capital
15 plan.

16 The bill authorizes creation of a grant program
17 for regional planning agencies to assist municipali-
18 ties in preparing information for the capital plan.

19 The bill also requires the creation of a long-
20 term, 6 years, capital plan that will identify both
21 state and local needs for capital facilities and
22 equipment and trends in revenues to fund capital fa-
23 cility investments. The plan also projects economic
24 and demographic trends affecting the needs for state
25 and local capital facilities.

26 The bill also requires that guidelines for capi-
27 tal budgeting and planning be prepared for use by
28 State Government and, where appropriate, local gov-
29 ernments.

30 This bill will require a General Fund appropria-
31 tion of \$430,000 in fiscal year 1987-88 and \$426,000
32 in fiscal year 1988-89.

33

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