

MAINE STATE LEGISLATURE

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(Governor's Bill)
FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1427

H.P. 1057 House of Representatives, May 4, 1987.
Reference to the Committee on Economic Development
suggested and ordered printed.

EDWIN H. PERT, Clerk
Presented by Representative BAILEY of Farmington.
Cosponsored by Representatives MICHAUD of East
Millinocket, HEPBURN of Skowhegan, and Senator DUTREMBLE of
York.

STATE OF MAINE

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

AN ACT to Create Job Opportunity Zones.

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

5 MRSA c. 403 is enacted to read:

CHAPTER 403

JOB OPPORTUNITY ZONES

§15130. Findings

The creation of job opportunities for Maine citizens is one of the highest priorities to maintain a healthy and balanced economy. Certain parts of the State do not enjoy the same level of economic devel-

1 opment as other areas. Differences in geographical
2 location, variations in the amount of natural or
3 built resources and population, among other factors,
4 have an impact on the ability of these areas to compe
5 te in a global economy and expand job opportuni-
6 ties.

7 Recognizing the need to assist certain areas of
8 the State to address this economic disparity, it is
9 appropriate to establish a program of economic devel-
10 opment incentives targeted to areas of the State
11 which are not sharing in the economic growth or job
12 opportunities associated with that growth.

13 The responsibility for enhancing the development
14 potential of any area must be a partnership between
15 the locality and the State to create a local strate-
16 gy, build capacity, improve infrastructure and ser-
17 vices, identify and provide appropriate development
18 incentives and effectively market and promote the
19 community.

20 §15131. Purpose

21 Job opportunity zones are created to enhance the
22 partnership between the State and localities in se-
23 lected areas which are determined to be economically
24 distressed or face a sudden or severe dislocation
25 within the local economy. By targeting state and lo-
26 cal resources and selected incentives, within the
27 context of a local economic development strategy, job
28 opportunity zones can be an effective tool to encour-
29 age balanced economic growth.

30 §15132. Definitions

31 As used in this chapter, unless the context oth-
32 erwise indicates, the following terms have the fol-
33 lowing meanings.

34 1. Director. "Director" means the Director of
35 the State Development Office.

36 2. Office. "Office" means the State Development
37 Office.

38 3. Zone. "Zone" means a job opportunity zone.

1 §15133. Designation of job opportunity zones

2 The director may establish 4 demonstration zones
3 in economically distressed areas of the State as a
4 means of determining the effectiveness of such zones
5 as a tool for stimulating economic growth and devel-
6 opment.

7 1. Standards for zones. The director, by rules
8 adopted in accordance with the Maine Administrative
9 Procedure Act, Title 5, chapter 375, shall establish
10 standards for the selection of areas to be designated
11 as zones. At a minimum, the director shall apply the
12 following standards.

13 A. All zones, with the exception of zones desig-
14 nated as sudden or severely economically
15 impacted, shall be economically distressed areas
16 as determined by the director. At a minimum, the
17 definition of distress shall include an unemploy-
18 ment rate, in the areas to be designated, of at
19 least 1.5 times greater than the unemployment
20 rate for the State, as reported by the Department
21 of Labor or wherein the per capita income in the
22 area to be designated is less than 80% of the per
23 capita income of the State, or where there is a
24 significant decline in the population, or where
25 there is a significant decline in the labor force
26 as reported by the Department of Labor.

27 B. All areas wishing to be designated as zones
28 will demonstrate local capacity for economic de-
29 velopment, including an active local economic de-
30 velopment organization and a comprehensive local
31 economic development strategy.

32 C. At least one zone shall be a sudden or se-
33 verely economically distressed area which shall
34 have experienced significant layoffs or layoffs
35 are anticipated within the next 18 months.

36 D. At least one zone shall be an urban zone,
37 comprising all or part of a municipality with a
38 population greater than 10,000.

39 E. AT least one zone shall be a rural zone, com-
40 prising a municipality of a collection of contig-

1 uous municipalities, no one of which shall have a
2 population greater than 10,000.

3 F. At least one zone shall be designated as a
4 response to proposed economic development which
5 will ensure the retention or creation, or both,
6 of job opportunities through the location or ex-
7 ansion of an industry.

8 2. Duties and responsibilities of director. The
9 director shall designate at least 2 of the zones
10 within the fiscal year in which this chapter becomes
11 effective.

12 3. Life of zones. Zones shall be effective for
13 10 years from their designation by the director.

14 4. Review of program; report to Governor and
15 Legislature. The director shall review and evaluate
16 the operation of these demonstration zones. The di-
17 rector shall report his findings and recommendations
18 for zones to the Governor and Legislature no later
19 than February 1st of each first regular session of
20 the Legislature.

21 §15134. Assistance to job opportunity zones

22 1. Eligible businesses. Businesses within the
23 zone shall be eligible to deduct from their state in-
24 come taxes an amount equal to that which is allowed
25 under federal law for targeted job tax credits for
26 jobs created within the designated zone.

27 2. Assistance. The office shall assist zones by:

28 A. Giving priority status in the allocation of
29 available resources as a part of the community
30 industrial buildings program;

31 B. Upon request, providing appropriate technical
32 assistance to firms and industries locating with-
33 in zones with respect to the completion of appli-
34 cations for state licenses and permits;

35 C. Providing technical assistance to local and
36 regional economic and community development agen-
37 cies serving the zone in determining approaches

1 and identifying resources which may promote eco-
2 nomical growth;

3 D. Focusing technical assistance and marketing
4 resources to support the business retention, ex-
5 pansion and recruitment activities within the
6 zone; and

7 E. Developing and implementing a grants program
8 for projects within the zones, utilizing such
9 money as may be appropriated by the Legislature
10 for the purpose of encouraging economic develop-
11 ment within job opportunity zones. Eligible ac-
12 tivities may include, but not be limited to, pub-
13 lic improvements and facilities, infrastructure
14 development, education and training activities,
15 construction or renovation of properties to be
16 sold or leased to businesses or a nonlapsing re-
17 volving fund which may be loaned to businesses
18 within the zone.

19 3. State Planning Office. The State Planning Of-
20 fice shall assist zones by:

21 A. Giving priority status to community develop-
22 ment block grant project applications submitted
23 for eligible projects and activities within the
24 zone to the extent allowable under federal law.

25 4. Department of Transportation. The Department
26 of Transportation shall assist zones by:

27 A. Giving priority status to requests for funds
28 for planning and implementation of eligible
29 projects and activities within the zone.

30 5. Department of Labor, Department of Education-
31 al and Cultural Services and the Maine Vocational-
32 Technical Institute System. The Department of Labor,
33 Department of Educational and Cultural Services and
34 the Maine Vocational-Technical Institute System shall
35 assist zones by:

36 A. Giving priority status to requests for funds
37 for training and educational projects and activi-
38 ties within the zone; and

1 B. Giving priority status in the allocation of
2 resources for demonstration projects in training
3 and education within the zone.

4 6. Application. Application for designation of
5 municipal development districts within zones shall be
6 exempt from the limitations on tax increment financ-
7 ing as stipulated in Title 30, section 4863, subsec-
8 tion 1, paragraph C, subparagraph (1). To that end,
9 municipal development district activities shall not
10 affect or be affected by limitations or activities
11 within the county in which the zone is located.

12 STATEMENT OF FACT

13 This bill authorizes the creation of 4 demonstra-
14 tion job opportunity zones to be designated and ad-
15 ministered by the State Development Office. Job op-
16 portunity zones are areas of the State which are eco-
17 nomically distressed and are designated to receive
18 targeted resources, as well as providing additional
19 incentives to businesses to create new employment op-
20 portunities.

21 This bill is companion legislation to another
22 bill proposing a constitutional amendment to permit
23 local option in granting tax exemptions to businesses
24 for personal property within a designated job oppor-
25 tunity zone.

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