

MAINE STATE LEGISLATURE

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L.D. 1790

(Filing No. H-402)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
113TH LEGISLATURE
FIRST REGULAR SESSION

HOUSE AMENDMENT "B" to H.P. 1312, L.D. 1790,
Bill, "AN ACT to Delineate Areas of Economic Distress
and to Create Job Opportunity Zones to Alleviate Dis-
tress."

Amend the bill by striking out everything after
the enacting clause and inserting in its place the
following:

Sec. 1. 5 MRSA §7002, sub-§3 is enacted to read:

3. Assistance to municipalities to generate economic growth. The director shall administer a program of assistance to municipalities to generate jobs and business development. Potential uses of this money include infrastructure development, planning and technical assistance, marketing and other types of capacity building.

A. This program may consist of a fund consisting of money derived from any general obligation bonds issued for the purposes of generating economic development and jobs. This fund with money not exceeding \$1,000,000 shall be administered by the State Development Office to provide assistance as defined in this subsection. Money available for the purpose of this subsection shall not be used to provide financial assistance to business.

B. At least 20% of the money available to implement this program shall be provided to opportunity zones pursuant to chapter 403.

Sec. 2. 5 MRSA §12004, sub-§10, ¶A, sub-¶(5-A) is enacted to read:

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1 gy, build capacity, improve infrastructure and ser-
2 vices, identify and provide appropriate development
3 incentives and effectively market and promote the
4 community.

5 §15133. Purpose

6 Job opportunity zones are created to enhance the
7 partnership between the State and areas which are
8 found to be economically distressed or impacted by
9 sudden or severe dislocation of the economy. By
10 targeting state and local resources and selected in-
11 centives, within the context of a local economic de-
12 velopment strategy, job opportunity zones can be an
13 effective tool to encourage balanced economic growth.

14 §15134. Definitions

15 As used in this chapter, unless the context oth-
16 erwise indicates, the following terms have the fol-
17 lowing meanings.

18 1. Commission. "Commission" means Commission on
19 Job Opportunity Zones.

20 2. Director. "Director" means the Director of
21 the State Development Office.

22 3. Office. "Office" means the State Development
23 Office.

24 4. Zone. "Zone" means a job opportunity zone.

25 §15135. Commission on Job Opportunity Zones

26 The Commission on Job Opportunity Zones, as es-
27 tablished by chapter 403, shall be composed of 10
28 voting members.

29 1. Appointment. The Speaker of the House and the
30 President of the Senate shall appoint 5 members to
31 the commission and the Governor also shall appoint 5

1 members.

2 2. Terms of office. Members appointed by the
3 Speaker of the House and the President of the Senate
4 shall serve at the pleasure of these appointing au-
5 thorities. The appointees of the Governor shall
6 serve at the pleasure of the Governor.

7 3. Chairmen. There shall be 2 cochairmen of the
8 commission. The Governor shall appoint one cochair-
9 man from among the gubernatorial appointees. The ap-
10 pointment of the chairmen from among the members ap-
11 pointed by the Speaker of the House and the President
12 of the Senate shall be made by the Speaker of the
13 House and the President of the Senate. The chairmen
14 shall serve at the pleasure of their respective ap-
15 pointing authorities.

16 4. Compensation. The members shall be compen-
17 sated in accordance with chapter 379.

18 5. Duties and responsibilities. the commission
19 shall review the implementation of this chapter and
20 assist the director in preparing reports. The com-
21 mission shall report to the Governor and the joint
22 standing committee of the Legislature having juris-
23 isdiction over economic development matters pursuant to
24 this chapter.

25 §15136. Designation of Job Opportunity Zones

26 The director may establish 4 demonstration zones
27 in economically distressed areas of the State as a
28 means of determining the effectiveness of such zones
29 as a tool for stimulating economic growth and devel-
30 opment.

31 1. Standards for zones. The director, by rules
32 adopted in accordance with the Maine Administrative
33 Procedure Act, Title 5, chapter 375, shall establish
34 standards for the selection of areas to be designated
35 as zones. The director shall consult with the com-

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1 mission in the preparation of rules for the selection
2 of zones and the provision of assistance within those
3 zones. At a minimum, the director shall apply the
4 following standards.

5 A. All zones shall be economically distressed
6 areas as determined by the director. At a mini-
7 imum, the definition of distress includes areas
8 where the unemployment rate is at least 1.5 times
9 greater than the unemployment rate for the State,
10 as reported by the Department of Labor; the per
11 capita income is less than 80% of the per capita
12 income of the State; there is a significant de-
13 cline in the population; or there is a signifi-
14 cant decline in the labor force, as reported by
15 the Department of Labor.

16 (1) The level of general assistance by the
17 State and municipalities, as well as the
18 level of federal assistance to persons in
19 these zones, shall also be considered.

20 B. All areas wishing to be designated as zones
21 shall demonstrate actual or potential local ca-
22 capacity for economic development and the willing-
23 ness to cooperate with the office.

24 C. At least one zone shall be a sudden or se-
25 verely economically distressed area which shall
26 have experienced significant layoffs.

27 D. At least one zone shall be an urban zone,
28 comprising all or part of a municipality or a
29 collection of municipalities within the same geo-
30 graphical area, at least one of which has a popu-
31 lation greater than 10,000.

32 E. At least one zone shall be a rural zone, com-
33 prising a municipality or collection of munici-
34 palities within the same geographical area, no
35 one of which may have a population greater than
36 10,000.

1 F. At least one zone shall be designated as a
2 response to proposed economic development which
3 will ensure the retention or creation of job op-
4 portunities through the location or expansion of
5 an industry.

6 2. Duties and responsibilities of the director.
7 The director shall designate zones. The director, to
8 the fullest extent possible, shall inform communities
9 eligible for designation about the program, providing
10 technical assistance where necessary to communities
11 interested in pursuing this designation.

12 3. Review of program; report to Governor and
13 Legislature. The director shall report to the Gover-
14 nor and the joint standing committee of the Legisla-
15 ture having jurisdiction over economic development
16 matters his findings on regional economic distress
17 with suggestions for action which may alleviate this
18 economic distress. In cooperation with the commis-
19 sion, the director shall review and evaluate the op-
20 eration of these demonstration zones. This report
21 shall be presented no later than February 1st each
22 year and shall include the following:

23 A. The number, type and quality of the new jobs
24 created through the Opportunity Zone Program;

25 B. The number of jobs retained as a result of
26 the Opportunity Zone Program that would have been
27 otherwise lost without the targeted assistance of
28 this program;

29 C. Economic and community development activity
30 within the zone which is related to the designa-
31 tion as a zone; and

32 D. Any other results that the commission or the
33 director deems significant.

34 The director, in this report, shall present findings

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1 and recommendations, including recommendations for
2 the extension, expansion or elimination of the Job
3 Opportunity Zone Program.

4 §15137. Determination of regional economic distress

5 The office shall analyze various regions and lo-
6 calities of the State in order to ascertain the level
7 of economic distress, the causes of that distress and
8 possible actions which may be undertaken to reduce or
9 eliminate the economic distress. This analysis of ec-
10 onomic distress shall include, at a minimum, unem-
11 ployment rate, per capita income, population decline,
12 decline in the labor force, the level of federal as-
13 sistance afforded to the population, the level of
14 general assistance afforded to the population, plant
15 closings or other significant reductions in employ-
16 ment opportunities, the dependence upon one primary
17 employer or industry within the region and other
18 standards which may measure economic distress and em-
19 ployment opportunities.

20 §15138. Assistance to job opportunity zones

21 Agencies of State Government shall cooperate to
22 assess the needs of zones and provide appropriate as-
23 sistance to these zones. There shall be a committee
24 composed of, at a minimum, the Director of the State
25 Development Office, Director of the State Planning
26 Office, Commissioner of Transportation, Commissioner
27 of Labor, Commissioner of Educational and Cultural
28 Services, Executive Director of the Maine Vocational-
29 Technical Institute System, Chief Executive Officer
30 of the Finance Authority of Maine and the Director of
31 the Maine State Housing Authority.

32 In special circumstances where it is deemed crit-
33 ical to meeting zone objectives, the director is au-
34 thorized to extend zone benefits to a business in a
35 contiguous community.

36 In order to achieve the purposes for which oppor-

1 tunity zones are established, the State Development
2 Office may apply the following programs of assist-
3 ance.

4 1. Planning and technical assistance. The of-
5 office may provide planning, technical assistance and
6 resources to municipalities, regional development or-
7 ganizations serving the zone, persons, groups and
8 other interested entities to assist in the prepara-
9 tion of short-term and long-term goals, the prepara-
10 tion of implementation plans to achieve these goals
11 and determining approaches and identifying resources
12 which can promote economic growth and development in
13 each zone.

14 2. Small business assistance centers. The di-
15 rector may provide business development services,
16 particularly managerial and technical assistance, to
17 businesses in designated opportunity zones through
18 the Small Business Development Centers.

19 3. The Maine Job Development Program and Finan-
20 cial Assistance to Business. The Finance Authority of
21 Maine shall designate \$750,000 from the Maine Job De-
22 velopment Program Fund to be administered by the au-
23 thority and to be used to provide assistance to busi-
24 nesses in zones. This designation shall not be con-
25 strued to prohibit the use of additional funds from
26 this program to provide additional financial assist-
27 ance to eligible businesses in the zones. Such fi-
28 nanacial assistance shall be offered by the Finance
29 Authority of Maine in cooperation with the State De-
30 velopment Office.

31 A. This fund may consist of money derived from
32 any general obligation bonds for the purpose of
33 generating business opportunities and jobs.

34 B. In implementing the Maine Job Development
35 Program, the Finance Authority of Maine and the
36 State Development Office and its successor shall
37 coordinate their activities and other resources

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1 to the maximum extent possible.

2 4. The Maine Job Development Program; financial
3 assistance to municipalities in opportunity zones.
4 The State Development Office shall designate \$200,000
5 from the Maine Job Development Program Fund to be
6 provided to municipalities in opportunity zones.
7 This assistance shall be used to develop municipal
8 capacity to generate jobs and business development.
9 Potential uses of this money shall include, but not
10 be limited to, infrastructure development, planning
11 and technical assistance, marketing and other types
12 of capacity building.

13 Money available for the purpose of this subsection
14 shall not be used to provide financial assistance to
15 businesses.

16 5. Opportunity Zone Service Delivery System Pro-
17 gram. The Opportunity Zone Service Delivery System
18 Program shall be developed by the director to coordi-
19 nate development resources and services, including
20 the programs and services of the State Planning Of-
21 fice, the Finance Authority of Maine and the Maine
22 State Housing Authority which shall be targeted to
23 assist zones.

24 6. Opportunity Zone Human Resource Development
25 Program. The State Development Office shall coordi-
26 nate and target state and local government human re-
27 source development programs to each zone. The pro-
28 grams shall include, but not be limited to, educa-
29 tion, including vocational education; job training;
30 work incentive programs; and dependent care. Any of
31 these programs applied to opportunity zones shall use
32 funds appropriated by the Legislature to carry out
33 the purposes of this Act when other existing re-
34 sources are insufficient or unavailable.

35 7. Infrastructure Assistance Program. The of-
36 fice shall work with the Department of Transporta-
37 tion, the Department of Environmental Protection and

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1 the Public Utilities Commission to develop an
2 infrastructure program for each zone. Such a program
3 shall include, but not be limited to, short-term and
4 long-term goals and a carefully designed plan of im-
5 plementation.

6 8. Exemption. Application for designation of
7 municipal development districts within zones shall be
8 exempted from the limitations on tax increment fi-
9 ncancing as stipulated in Title 30, section 4683, sub-
10 section 1, paragraph C, subparagraph (1). To that
11 end, municipal development district activities shall
12 not affect or be affected by limitations or activi-
13 ties within the county wherein the zone is located.

14 9. Assistance to communities, persons and enti-
15 ties. The director shall provide assistance to com-
16 munities, persons or entities in opportunity zones to
17 fund programs and activities to develop and implement
18 community economic development, business promotion
19 and marketing activities.

20 10. Grants for newly created jobs. Businesses
21 within the zones shall be eligible to receive direct
22 grants of up to \$1,250 for each new full-time quality
23 job created for a maximum of 200 jobs in all zones
24 per year. Businesses shall be eligible to receive
25 job grants for a period of 2 years from the date of
26 the designation of the zone. Total grants shall not
27 exceed a total of \$250,000 for all businesses within
28 all the zones in any single year. The grants pro-
29 vided pursuant to this subsection shall be made from
30 funds appropriated by the Legislature to carry out
31 the purposes of this Act.

32 A. The Finance Authority of Maine shall be re-
33 sponsible for the administration of the Job
34 Grants Program under this subsection. In admin-
35 istering this program, the Finance Authority of
36 Maine, in cooperation with the State Development
37 Office, shall adopt rules for the implementation
38 of this program. These rules shall:

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- 1 (1) Establish criteria and the process by
2 which the amounts or sizes of grants shall
3 be determined and awarded. Eligible recipi-
4 ents of grants shall be provided with 50% of
5 the credit after a new position has been
6 filled for a period of 6 months. The re-
7 mainder of the job credit shall be made
8 available to the eligible recipient after
9 the position has been filled for one year;
- 10 (2) Define a quality job;
- 11 (3) Establish a ranking system with minimum
12 eligibility standards, including factors
13 such as full-time jobs; wages; job benefits,
14 including medical insurance, dependent care,
15 paid vacation and paid sick leave; and any
16 other standards deemed important by the Fi-
17 nance Authority of Maine and the State De-
18 velopment Office;
- 19 (4) Provide special consideration for jobs
20 created in manufacturing companies, natural
21 resource-based companies, as well as compa-
22 nies which contribute to the export base of
23 an opportunity zone and companies engaged in
24 the production of value-added products and
25 services; and
- 26 (5) Require companies applying for grants
27 to demonstrate their financial viability
28 which may include the use of the grant to
29 make them financially viable.
- 30 B. The State Development Office shall be respon-
31 sible for the promotion and packaging of applica-
32 tions for consideration by the Finance Authority
33 of Maine. The State Development Office shall
34 contract with the Finance Authority of Maine to
35 underwrite and administer the Job Grants Program
36 defined in this subsection. The contract shall

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1 allow for the reimbursement of reasonable ex-
2 penses associated with the administration of the
3 program.

4 §15139. Cooperation of state agencies

5 All state agencies shall cooperate with the State
6 Development Office and the State Planning Office and
7 expeditiously respond to their requests to undertake
8 the activities required by this chapter.

9 §15140. Evaluation

10 The commission, in cooperation with the State De-
11 velopment Office, shall seek independent professional
12 assistance to assist the commission to undertake an
13 objective evaluation of the program. This evaluation
14 shall be made available to the Governor and the joint
15 standing committee of the Legislature having juris-
16 isdiction over economic development, no later than Oc-
17 tober 1, 1989.

18 §15141. Sunset

19 This chapter shall be repealed on June 30, 1990,
20 unless reenacted by the Legislature.

21 Sec. 4. 10 MRSA c. 110, sub-c. VIII is enacted
22 to read:

23 SUBCHAPTER VIII

24 MAINE OPPORTUNITY ZONE

25 JOB GRANTS PROGRAM

26 §1100-S. Job grants program

27 The authority shall be responsible for the admin-
28 istration of the Maine Opportunity Job Grants Program
29 pursuant to Title 5, chapter 403

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	<u>1987-88</u>	<u>1988-89</u>
1		
2	<u>EXECUTIVE DEPARTMENT</u>	
3	State Development Office	
4	All Other	\$248,320
5	Funds for the fiscal	
6	year 1987-88 are to	
7	be used for	
8	contractural ser-	
9	vices to assist the	
10	State Development	
11	Office and the State	
12	Planning Office to	
13	conduct the review	
14	and analysis re-	
15	quired in this Act.	
16	In addition, the	
17	funds provided in	
18	this allocation for	
19	the 1987-89 biennium	
20	may be used to fund	
21	remedies as provided	
22	in this chapter.	
23	<u>LEGISLATURE</u>	
24	Commission on Job Oppor-	
25	tunity Zones	
26	Personal Services	\$ 880
27	All Other	880
28		880
29	Total	<u>\$ 1,760</u>
30	Provides funds for	
31	per diem and ex-	
32	penses for Legisla-	
33	tors appointed to	

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1 the Commission on
2 Job Opportunity
3 Zones.

4			
5	TOTAL ALLOCATIONS	<u>\$250,080</u>	<u>\$350,080</u>

1 STATEMENT OF FACT

2 This amendment provides for the creation of 4
3 demonstration job opportunity zones. In addition,
4 the amendment provides for the analysis of economic
5 distress in areas throughout the State and the means
6 by which the distress can be alleviated.

7 The State Development Office will be advised by
8 the Commission on Job Opportunity Zones which will
9 also report findings and recommendations concerning
10 opportunity zones to the Governor and the Legisla-
11 ture. The commission is composed of 10 members, 5 of
12 whom are appointed by the presiding officers of each
13 House, and 5 persons appointed by the Governor. The
14 Governor appoints one cochairman from among the gu-
15 bernatorial appointees and the presiding officers of
16 the Legislature appoint one cochairman from among
17 their appointees.

