

MAINE STATE LEGISLATURE

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(New Draft of H.P. 1116, L.D. 1512)
(New Title)
FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1790

H.P. 1312 House of Representatives, June 9, 1987
Reported by the Majority from the Committee on Economic
Development and printed under Joint Rule 2.

EDWIN H. PERT, Clerk

Original bill sponsored by Representative BAILEY of
Farmington. Cosponsored by Representative MICHAUD of East
Millinocket, Senators DUTREMBLE of York and COLLINS of
Aroostook.

STATE OF MAINE

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

AN ACT to Delineate Areas of Economic
Distress and to Create Job Opportunity
Zones to Alleviate Distress.

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

Sec. 1. 5 MRSA c. 403 is enacted to read:

CHAPTER 403

JOB OPPORTUNITY ZONES

§15130. Findings

1 The creation of job opportunities for Maine citi-
2 zens is one of the highest priorities to maintain a
3 healthy and balanced economy. Certain parts of the
4 State do not enjoy the same level of economic devel-
5 opment as other areas. Differences in geographical
6 location, variations in the amount of natural or
7 built resources and population, among other factors,
8 have an impact on the ability of these areas to com-
9 pete in a global economy and expand job opportuni-
10 ties.

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

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

24 §15131. Purpose

25 Job opportunity zones are created to promote and
26 generate growth and development, with an emphasis on
27 the creation of quality jobs, in localities and re-
28 gions of the State suffering from economic distress
29 and dislocation. By targeting state, regional and
30 local resources and selected incentives, within the
31 the context of a regional economic development strat-
32 egy, job opportunity zones can be an effective tool
33 to encourage balanced economic growth.

34 §15132. Definitions

35 As used in this chapter, unless the context oth-
36 erwise indicates, the following terms have the fol-
37 lowing meanings.

38 1. Director. "Director" means the Director of
39 the State Development Office.

1 2. Office. "Office" means the State Development
2 Office.

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

4 §15133. Determination of extent of economic distress

5 The office shall analyze various regions and lo-
6 calities of the State and determine the regions and
7 localities which are economically distressed, the
8 ones that are the most economically distressed and
9 ones which face severe economic dislocation, which
10 shall be based on the following:

11 1. Unemployment rate. The unemployment rate,
12 including those unemployed persons not included in
13 the official unemployment rate;

14 2. Per capita and household income. Per capita
15 and household income of the region or locality;

16 3. Population decline. Population decline or
17 degree of population stability;

18 4. Federal assistance. The percentage of the
19 population requiring assistance from federal low-
20 income and poverty assistance programs;

21 5. General assistance. The percentage of the
22 population receiving general assistance from the
23 State and municipalities;

24 6. Plant closings. Plant closings or signifi-
25 cantly reduced business operations that have recently
26 occurred or may be reasonably anticipated in a zone;

27 7. Lack of available, affordable and decent
28 housing. The lack of available, affordable and de-
29 cent housing in a zone;

30 8. Lack of dependent care facilities. The lack
31 of dependent care facilities which prevents or sig-
32 nificantly contributes to the prevention of some peo-
33 ple from participating in the labor force; or

34 9. Other standards. Any other standards that
35 measure economic distress and dislocation or poverty.

1 In determining the economically distressed zones
2 of the State, the office shall not be limited to con-
3 tiguous municipalities, but may consider regions as
4 economically distressed zones in which municipalities
5 with strong local economies are located.

6 The State Planning Office shall work closely with
7 the State Development Office to develop and analyze
8 the information and data necessary to undertake the
9 activities in this section and section 15135, subsec-
10 tion 2.

11 §15134. Determination of remedies

12 The office shall consider various remedies and
13 approaches that may be targeted to specific economi-
14 cally distressed or dislocated zones to promote eco-
15 nomical growth and development and reduce poverty in
16 these areas. At a minimum, the office shall consider
17 the following:

18 1. Capacity to develop a strategy. Providing
19 the capacity to a region or zone to develop a compre-
20 hensive economic development strategy;

21 2. Job tax credits. Providing job tax credits
22 to promote expansion of business in or the attraction
23 of business to these zones;

24 3. Job training programs. Providing job train-
25 ing programs that meet the specific needs of a zone;

26 4. Financing programs. Financing programs, in-
27 cluding the programs of the Finance Authority of
28 Maine that can assist growth;

29 5. Tax increment financing. Tax increment fi-
30 naning, including any necessary changes to current
31 law, that may assist distressed zones;

32 6. Infrastructure construction or improvements.
33 Any infrastructure construction or improvements nec-
34 essary to generate growth and development;

35 7. Dependent care facilities. Dependent care
36 facilities that may enable more of the working age
37 population within a zone to participate in the labor
38 force;

1 8. Managerial and technical assistance. Manage-
2 rial and technical assistance that may be necessary
3 to enable existing firms within a zone to realize
4 greater potential and opportunities;

5 9. Technological assistance. Any technological
6 assistance deemed by the office to be necessary for
7 existing enterprises to remain viable enterprises;

8 10. Education. Education, including education
9 programs offered by the Maine Vocational-Technical
10 Institute System that may provide skills needed by a
11 local or regional population that may enable busi-
12 nesses to expand or locate in a zone; and

13 11. Other measures. Any other measures deemed
14 by the office to be effective remedial measures that
15 may be targeted to specific zones in the State.

16 Any task force or commission created by the Governor
17 and Legislature which is concerned in whole or in
18 part with similar issues shall cooperate and work
19 with the office with respect to the provisions of
20 this section.

21 §15135. Advisory committee

22 1. Composition. The director shall form an ad-
23 visory committee to consist of representatives of lo-
24 cally elected officials, regional economic develop-
25 ment organizations and the private sector.

26 In addition, this committee shall consist of the Com-
27 missioner of Educational and Cultural Services,
28 Commissioner of Human Services, Commissioner of Labor,
29 Commissioner of Transportation and Commissioner of
30 Environmental Protection, or their major
31 policy-influencing designees; as well as the Chief
32 Executive Officer of the Finance Authority of Maine,
33 the Executive Director of the Maine State Housing Au-
34 thority, or the major policy-influencing designees of
35 these appointing authorities. The Maine Job Training
36 Council shall also be represented on the committee.

37 The Speaker of the House shall appoint one member
38 from the House of Representatives and the President
39 of the Senate shall appoint one member from the Sen-

1 ate to serve on the advisory committee for terms that
2 coincide with the terms to which the appointed mem-
3 bers have been elected.

4 2. Duties and responsibilities. The advisory
5 committee shall provide advice to the Director of the
6 State Development Office to:

7 A. Determine the different types of economic
8 distress and the causes of this distress;

9 B. Determine the areas or zones of economic dis-
10 tress in the State;

11 C. Determine the solutions to the different
12 types of economic distress using existing re-
13 sources;

14 D. Propose solutions to the different types of
15 economic distress which require resources that
16 exceed the existing capacity of available re-
17 sources, which may include any necessary legisla-
18 tion to apply these solutions;

19 E. Implement the provisions of this chapter;

20 F. Evaluate the effectiveness of the program es-
21 tablished in this chapter; and

22 G. Propose any changes deemed by the committee
23 to make the program more effective.

24 §15136. Designation of zones; process

25 The zones established pursuant to this chapter
26 shall be created in accordance with this section.

27 1. Report to Legislature. The office shall re-
28 port its findings and recommendations to the joint
29 standing committee of the Legislature having juris-
30 isdiction over economic development no later than Feb-
31 ruary 1st of each year. This report shall include:

32 A. Specific zones or regions of the State con-
33 sidered to be economically distressed;

1 B. Most significantly distressed zones;

2 C. Areas of the State facing economic dislocation;
3

4 D. Proposed targeted remedial measures to be applied to these zones;
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6 E. Fiscal impact of the proposed remedial measures on the various state agencies which may be affected by or responsible for administering these remedies. In addition, this report shall show the effect of these measures on the rest of the State which may be denied assistance or resources as a result of this chapter; and
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13 F. The zones designated by the office and any necessary implementing legislation required to implement any of the remedies.
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16 2. Designation of zones. The State Development Office shall designate the zones and report to the joint standing committee of the Legislature having jurisdiction over economic development matters in accordance with section 15138.
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21 A. The Legislature may also direct the office to consider and evaluate areas of the State for future designation as economically distressed zones and to report its findings to the Legislature in accordance with this section.
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26 §15137. Cooperation of state agencies

27 All state agencies shall cooperate with the State Development Office and the State Planning Office and expeditiously respond to their requests in order to undertake the activities required by this chapter.
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31 §15138. Evaluation

32 The director shall report to the joint standing committee of the Legislature having jurisdiction over economic development matters, not later than February 1, 1989, with respect to the results and implementation of this chapter. The Legislative Council shall make staff available, including fiscal, policy and
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1 program analysts, to assist the committee in evaluat-
2 ing the results of the program established in this
3 chapter.

4 1. Contents of director's report. The direc-
5 tor's report to the Legislature at a minimum shall
6 consider the following:

7 A. The number of new jobs created;

8 B. The number of new quality jobs created;

9 C. The number of jobs retained that may have
10 been lost without the targeted remedial measures;

11 D. The effect on the degree of poverty in the
12 region;

13 E. The spin-off effects of assistance to busi-
14 ness; and

15 F. Any other results that the office deems sig-
16 nificant.

17 **Sec. 2. Appropriation.** The following funds are
18 appropriated from the General Fund to carry out the
19 purposes of this Act.

20 1987-88 1988-89

21 EXECUTIVE DEPARTMENT

22 State Development Office

23 All Other \$ 98,320 \$498,320

1 Funds for the fiscal
 2 year 1987-88 are to
 3 be used for
 4 contractual ser-
 5 vices to assist the
 6 State Development
 7 Office and the State
 8 Planning Office to
 9 conduct the review
 10 and analysis re-
 11 quired in this Act.
 12 Funds for the fis-
 13 cal year 1988-89 may
 14 not be spent until
 15 the State Develop-
 16 ment Office reports
 17 to the Joint Stand-
 18 ing Committee on Ec-
 19 onomic Development,
 20 as required in Title
 21 5, section 15136.

22 LEGISLATURE

23 Job Opportunity Zone
24 Advisory Committee

25	Personal Services	\$ 880	\$ 880
26	All Other	800	800
27			
28	Total	<u>\$ 1,680</u>	<u>\$ 1,680</u>

29 Provides funds for
 30 per diem and ex-
 31 penses for Legisla-
 32 tors appointed to
 33 the advisory commit-
 34 tee.

35			
36	TOTAL APPROPRIATIONS	<u>\$100,000</u>	<u>\$500,000</u>

37 STATEMENT OF FACT

38 This new draft provides a procedure by which:

1 1. The areas of economic distress are delineated
2 throughout the State;

3 2. The types of economic distress and the causes
4 of this distress are determined; and

5 3. Solutions and remedial measures are developed
6 and targeted to the specific types and cause of dis-
7 tress.

8 Following the careful and comprehensive analysis,
9 the State Development Office will establish job op-
10 portunity zones. The State Development Office will
11 use whatever existing resources are available, in-
12 cluding appropriations in this new draft and any fu-
13 ture bill, to address the problems and encourage
14 growth and development in these zones. The State De-
15 velopment Office will report annually by February 1st
16 to the Legislature describing the zones that have
17 been created, the areas and zones which are economi-
18 cally distressed and the areas and zones which are
19 the most economically distressed. In addition, this
20 report will describe the measures that have been ap-
21 plied in these zones to bring about economic growth
22 and development.

23 The report will also include any necessary imple-
24 menting legislation to apply specific remedial mea-
25 sures, such as appropriations, tax credits and other
26 similar measures.

27 The State Development Office will be assisted by
28 the advice of an advisory committee composed of state
29 agency department heads, representatives of business,
30 locally elected officials, regional economic develop-
31 ment organizations and a Senator and a Representative
32 from the Legislature.

33 The Joint Standing Committee on Economic Develop-
34 ment will evaluate the results of the job opportunity
35 zone program during the First Regular Session of the
36 114th Legislature.

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