

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 1189

H.P. 858

House of Representatives, April 4, 1995

Resolve, to Create a Task Force on Economic Development Tax Incentives.

(EMERGENCY)

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative ROWE of Portland.
Cosponsored by Senator HARRIMAN of Cumberland and
Representatives: BIRNEY of Paris, CAMERON of Rumford, CAMPBELL of Holden,
DAVIDSON of Brunswick, GATES of Rockport, GWADOSKY of Fairfield, KONTOS of
Windham, LaFOUNTAIN of Biddeford, NASS of Acton, REED of Falmouth, REED of
Dexter, RICHARDSON of Portland, SIMONEAU of Thomaston, SIROIS of Caribou,
TOWNSEND of Portland, TUTTLE of Sanford, Senators: AMERO of Cumberland,
CIANCHETTE of Somerset, GOLDTHWAIT of Hancock, RAND of Cumberland.

2 **Emergency preamble. Whereas,** Acts and resolves of the
Legislature do not become effective until 90 days after
adjournment unless enacted as emergencies; and

4 **Whereas,** state and municipal economic development tax
incentives can contribute to creation and retention of jobs; and

8 **Whereas,** such incentives should be consistent with and
complement the State's strategic long-term economic development
plan; and

12 **Whereas,** current tax increment financing laws do not contain
uniform policies or guidelines to guide municipal legislative
bodies in designating tax increment financing development
districts; and

16 **Whereas,** current tax increment financing laws do not
encourage intermunicipal agreements to assist Maine businesses
seeking to relocate or expand within the State; and

20 **Whereas,** in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
necessary for the preservation of the public peace, health and
safety; now, therefore, be it

26 **Sec. 1. Task Force; establishment. Resolved:** That the Task
Force on Economic Development Tax Incentives, referred to in this
resolve as the "task force," is established; and be it further

30 **Sec. 2. Membership. Resolved:** That the task force consists
of 19 members as follows:

34 1. Two members of the Senate, one of whom serves on the
Joint Standing Committee on Taxation and one of whom serves on
the Joint Standing Committee on Business and Economic
Development, appointed by the President of the Senate;

38 2. Six members of the House of Representatives, 3 of whom
serve on the Joint Standing Committee on Taxation and 3 of whom
serve on the Joint Standing Committee on Business and Economic
Development, appointed by the Speaker of the House of
Representatives;

44 3. The Commissioner of Economic and Community Development
or the commissioner's designee;

48 4. The State Tax Assessor or the assessor's designee;

50 5. The Director of the State Planning Office or the
director's designee;

2 6. The President of the Maine Municipal Association or the
president's designee;

4 7. Three municipal officials appointed by the President of
6 the Maine Municipal Association;

8 8. The President of the Maine Chamber of Commerce and
Industry or the president's designee; and

10 9. Three representatives of business appointed by the
12 President of the Maine Chamber of Commerce and Industry; and be
it further

14 **Sec. 3. Appointments. Resolved:** That all appointments must be
16 made no later than 30 days following the effective date of this
resolve. The appointing authorities shall notify the Executive
18 Director of the Legislative Council upon making their
appointments. When the appointment of all members is complete,
20 the chair of the Legislative Council shall call and convene the
first meeting of the task force no later than July 15, 1995. The
22 task force shall select a chair or cochairs from among its
legislative members; and be it further

24 **Sec. 4. Duties. Resolved:** That the task force shall study:

26 1. The State's current economic development tax incentive
28 laws, with emphasis on goods and services not subject to tax,
income, sales and property tax-exempt and tax credit laws and
30 municipal development district and tax increment financing laws;

32 2. The experience of business and state and municipal
governments in working with such laws; and

34 3. Other related issues that the task force determines
36 appropriate; and be it further

38 **Sec. 5. Additional duties. Resolved:** That the task force shall
consider changing the State's municipal development district and
40 tax increment financing laws to:

42 1. Provide additional policy guidelines and criteria for
municipal legislative bodies' use in designating development
44 districts pursuant to the Maine Revised Statutes, Title 30-A,
sections 5253 and 5254;

46 2. Increase area and value limits on taxable property
48 available for tax increment financing districts under the Maine
Revised Statutes, Title 30-A, section 5253;

50

2 3. Expand application of state tax increment financing
districts under the Maine Revised Statutes, Title 30-A, section
5254-A to new investments that retain and create jobs; and

4
6 4. Provide mechanisms by which multiple municipalities are
able to establish a single municipal development district and
utilize tax increment financing and state tax increment financing
8 laws; and be it further

10 **Sec. 6. Recommendations. Resolved:** That the task force shall
make recommendations to change any law, rule, regulation or
12 ordinance necessary to ensure that the State's economic
development tax incentive policies and programs maximize creation
14 and retention of quality jobs and compliment the State's
long-term economic development plan while enhancing the stability
16 and predictability of state revenues; and be it further

18 **Sec. 7. Hearings. Resolved:** That the task force shall hold at
least 2 public hearings to receive public input concerning
20 economic development tax incentives; and be it further

22 **Sec. 8. Staff assistance. Resolved:** That the task force may
request staffing assistance from the Legislative Council; and be
24 it further

26 **Sec. 9. Reimbursement. Resolved:** That the task force members
who are Legislators are entitled to receive the legislative per
28 diem, as defined in the Maine Revised Statutes, Title 3, section
2, for each day's attendance at meetings of the task force. All
30 members of the task force are entitled to reimbursement for
travel and other necessary expenses upon application to the
32 Legislative Council. The Executive Director of the Legislative
Council shall administer the task force's budget; and be it
34 further

36 **Sec. 10. Report. Resolved:** That the task force shall submit
its reports with any accompanying legislation to the Second
38 Regular Session of the 117th Legislature by November 1, 1995.

40 **Emergency clause.** In view of the emergency cited in the
preamble, this resolve takes effect when approved.
42

44 **STATEMENT OF FACT**

46 This resolve establishes the Task Force on Economic
Development Tax Incentives.