

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST SPECIAL SESSION-1997

Legislative Document

No. 1854

S.P. 637

In Senate, May 1, 1997

An Act to Establish the Maine Economic Improvement Fund.

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Business and Economic Development suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by President LAWRENCE of York.

Cosponsored by Senators: MacKINNON of York, RAND of Cumberland.

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

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Sec. 1. 5 MRSA §1513, sub-§1, as amended by PL 1991, c. 589, §2, is further amended to read:

1. **Maine Rainy Day Fund.** The State Controller shall at the close of each fiscal year transfer from the unappropriated surplus of the General Fund to the Maine Rainy Day Fund ~~1/2~~ 40% of the excess of total General Fund revenues received over accepted estimates in that fiscal year. No accepted revenue estimate may be increased after adjournment of each First Regular Session of the Legislature except as provided. For the first year of the biennium, revenue estimates for the 2nd year of the biennium may be adjusted once during the Second Regular Session of the Legislature. Accepted revenue estimates may be increased for other fiscal periods only if an amount not to exceed ~~1/2~~ 40% of the increase is appropriated to the Rainy Day Fund at the same time. The fund may not exceed 4% of the total General Fund revenues received in the immediately preceding fiscal year and may not lapse, but remain in a continuing carrying account to carry out the purposes of this section. No reduction in the fund is necessary in the event the total General Fund revenues received in the immediately preceding fiscal year are less than the total General Fund revenues received in the fiscal year 2 years previous and if the fund is at its 4% limit.

Sec. 2. 5 MRSA §1517, as enacted by PL 1995, c. 464, §4, is amended to read:

§1517. Transfer to Retirement Allowance Fund

At the close of each fiscal year, the State Controller shall transfer from the unappropriated surplus of the General Fund to the Retirement Allowance Fund established in section 17251 an amount equal to ~~1/2 of the balance remaining after all other required transfers from the excess of total General Fund revenues received over accepted estimates in that fiscal year and all required deductions of appropriations, financial commitments, designated funds, transfers from the unappropriated surplus of the General Fund or transfers from the available balance remaining in the General Fund have been made~~ 20% of the excess of total General Fund revenues received over accepted estimates in that fiscal year.

General Fund revenue estimates may be made once during the First Regular Session of the Legislature and adjustments to these accepted revenue estimates may be made once during the Second Regular Session of the Legislature without mandatory transfer of funds to the Retirement Allowance Fund. If adjustments are made to those initial estimates presented to each regular session of

2 the Legislature, an amount not to exceed $\frac{1}{2}$ 20% of the excess of
4 the estimated revenue over the amounts required by law to be set
6 aside for other purposes must be appropriated to the Retirement
8 Allowance Fund.

10 **Sec. 3. 10 MRSA c. 107-C** is enacted to read:

12 **CHAPTER 107-C**

14 **MAINE ECONOMIC IMPROVEMENT FUND**

16 **§946. Establishment**

18 The Maine Economic Improvement Fund is established to
20 administer investments in targeted research and development and
22 product innovation and to provide the basic investment necessary
24 to obtain matching funds and competitive grants from private and
26 federal sources.

28 **§947. Definitions**

30 As used in this chapter, unless the context otherwise
32 indicates, the following terms have the following meanings.

34 1. Fund. "Fund" means the Maine Economic Improvement Fund.

36 2. Research and development. "Research and development"
38 means applied scientific research and related commercial
40 development conducted by the University of Maine System, its
42 member institutions and its employees and students in the target
44 areas.

46 3. Target areas. "Target areas" mean the following
48 economic sectors for which applied research and development is
considered most likely to produce significant benefits to the
people and economy of the State:

A. Aquaculture and marine sciences and technology;

B. Biotechnology;

C. Composite materials engineering;

D. Environmental sciences and technology; and

E. Information sciences and technology.

§948. Funding; transfer to the Maine Economic Improvement Fund

2 The Maine Economic Improvement Fund must receive an annual
3 General Fund appropriation not to exceed \$20,000,000. At the
4 close of each fiscal year, the State Controller shall transfer
5 from the unappropriated surplus of the General Fund to the Maine
6 Economic Improvement Fund established in section 946 an amount
7 equal to 20% of the excess of total General Fund revenues
8 received over accepted estimates in that fiscal year.

9
10 General Fund revenue estimates may be made once during the
11 First Regular Session of the Legislature and adjustments to these
12 accepted revenue estimates may be made once during the Second
13 Regular Session of the Legislature without mandatory transfer of
14 funds to the Maine Economic Improvement Fund. If adjustments are
15 made to those initial estimates presented to each regular session
16 of the Legislature, an amount not to exceed 20% of the excess of
17 the estimated revenue over the amounts required by law to be set
18 aside for other purposes must be appropriated to the Maine
19 Economic Improvement Fund.

20 **§949. Administration of fund**

21
22 The Board of Trustees of the University of Maine System
23 shall administer the fund. The board may utilize the assets of
24 the fund to carry out and effectuate the purposes, duties and
25 responsibilities of this chapter, including, but not limited to:

26
27 A. Taking actions in partnership with private enterprise,
28 the Federal Government and private and public research
29 institutions to:

30 (1) Invest in applied research and development in the
31 target areas within the University of Maine System; and

32 (2) Support the development of private enterprise
33 based upon research and development performed within
34 the University of Maine System;

35
36 B. Receiving money from any public or private source to
37 augment state contributions to the fund;

38
39 C. Approving an annual budget for the fund and investing
40 and expending money from within the fund;

41 D. Contracting with public entities as necessary to further
42 the directives of this section;

43 E. Carrying forward any unexpended state appropriations
44 into succeeding fiscal years;
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2 F. Providing an annual report to the Governor and the
3 Legislature by January 1st of each regular session of the
4 Legislature setting forth:

5 (1) The operations and accomplishments of the fund
6 during the fiscal year; and

7 (2) The assets and liabilities of the fund at the end
8 of its most recent fiscal year; and

9
10 G. Protecting all intellectual property in accordance with
11 the "University of Maine System Statement of Policy
12 Governing Patents and Copyrights," including, but not
13 limited to, proprietary information contained in proposals,
14 grants, contracts or other legal agreements. Publication of
15 information may be reasonably delayed until appropriate
16 measures have been taken to protect the intellectual
17 property.

18
19 **Sec. 4. Maine Economic Improvement Task Force established.**

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21 **1. Establishment.** The Maine Economic Improvement Task
22 Force, referred to in this Act as the "task force," is
23 established. The task force shall review and summarize the
24 current policies and programs within the State in support of
25 applied research and development in the following target areas:

26
27 A. Aquaculture and marine sciences and technology;

28 B. Biotechnology;

29 C. Composite materials engineering;

30 D. Environmental sciences and technology; and

31 E. Information sciences and technology.

32
33 The task force shall create a plan to coordinate and maximize
34 these policies and programs throughout the State.

35
36 **2. Membership.** The task force consists of 8 members,
37 appointed as follows:

38
39 1. Two members from the University of Maine System,
40 appointed by the Chancellor of the University of Maine System;

41
42 2. One member from the Maine Technical College System,
43 appointed by the President of the University of Maine System;

2 3. One member from the Maine Science and Technology
4 Foundation, appointed by the President of the Maine Science and
5 Technology Foundation;

6 4. Two members from the Department of Economic and
7 Community Development, the Department of Marine Resources or the
8 State Planning Office, appointed by the Governor;

9 5. One member appointed by the President of the Senate; and

10 6. One member appointed by the Speaker of the House of
11 Representatives.

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14 **3. Appointments.** All appointments must be made no later
15 than 30 days following the effective date of this Act. The
16 appointing authorities shall notify the Executive Director of the
17 Legislative Council upon making their appointments. When the
18 appointment of all members is complete, the Chair of the
19 Legislative Council shall call and convene the first meeting of
20 the task force no later than November 1, 1997. The task force
21 shall select a chair from among its members.

22
23 **4. Duties.** The task force shall review and summarize the
24 current policies and programs in support of research and
25 development within the State. The task force also shall review
26 the policies and programs that are employed by other states. The
27 task force shall create a plan to coordinate and maximize these
28 policies and programs throughout the State.

29
30 **5. Staff assistance.** The task force shall request staffing
31 and clerical assistance from the Maine Science and Technology
32 Foundation, which must be provided within available resources.

33
34 **6. Compensation.** The members of the task force are not
35 entitled to compensation.

36
37 **7. Report.** The task force shall submit its findings and
38 plan to the Second Regular Session of the 118th Legislature by
39 January 1, 1998. If the task force requires an extension of time
40 to make its report it may apply to the Legislative Council, which
41 may grant the extension.

42 43 44 SUMMARY

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46 This bill establishes the Maine Economic Improvement Fund to
47 provide funding for applied research and development in 5 target
48 areas and to provide funding to match funds and grants from
49 private and federal sources.

2 The source of the funding is an annual General Fund
3 appropriation not to exceed \$20,000,000. This amount is obtained
4 through a decrease in transfers of the unappropriated surplus of
5 the General Fund to the Maine Rainy Day Fund and the Retirement
6 Allowance Fund to 40% and 20%, respectively. The Maine Economic
7 Improvement Fund, under this bill, must get 20% of the
8 unappropriated surplus.

9
10 This bill also establishes the Maine Economic Improvement
11 Task Force to review policies and programs in support of applied
12 research and development in the 5 target areas and to create a
13 plan to be submitted to the Legislature for the coordination and
14 maximization of these policies and programs.

15 The 5 target areas are aquaculture and marine sciences and
16 technology, biotechnology, composite materials engineering,
17 environmental sciences and technology and information sciences
18 and technology.

19 The purpose of this investment is to spur economic growth
20 through the development and support of new technologies and
21 related businesses.
22