

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## SECOND REGULAR SESSION-1998

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Legislative Document

No. 2249

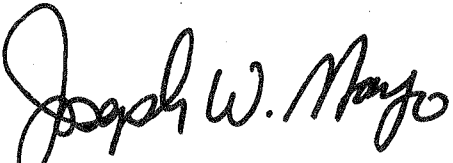
H.P. 1619

House of Representatives, March 3, 1998

**An Act to Promote Sustained Economic Growth and to Implement  
Recommendations Regarding the Department of Economic and  
Community Development.**

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Reported by Representative VIGUE for the Joint Standing Committee on Business and  
Economic Development pursuant to the Maine Revised Statutes, Title 3, section 955,  
subsection 4.

  
JOSEPH W. MAYO, Clerk

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

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**PART A**

**Sec. A-1. 5 MRSA §13063, sub-§5,** as enacted by PL 1993, c. 430, §1, is repealed.

**Sec. A-2. 5 MRSA §13063, sub-§6,** as amended by PL 1995, c. 488, §3, is repealed.

**Sec. A-3. 5 MRSA §13063, sub-§7,** as enacted by PL 1993, c. 430, §1, is repealed.

**Sec. A-4. Report on operations of the Department of Economic and Community Development.** During the Second Regular Session of the 119th Legislature, the Commissioner of Economic and Community Development shall submit a report to the joint standing committee of the Legislature having jurisdiction over economic and community development matters regarding operations of the department. The report must describe enhanced services and accomplishments in the areas of business development, small business assistance, administration, tourism and Maine products marketing directly attributable to funding provided in this Part. Upon receipt of the report, the joint standing committee of the Legislature having jurisdiction over economic and community development matters shall review the operations of the department using performance-based budgeting and shall make recommendations to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs regarding the staffing of the department.

**Sec. A-5. Appropriation.** The following funds are appropriated from the General Fund to carry out the purposes of this Part.

**1998-99**

**ECONOMIC AND COMMUNITY DEVELOPMENT,  
DEPARTMENT OF**

**Business Development**

Positions - Legislative Count	(8,000)
Personal Services	\$431,757
All Other	33,243
<b>TOTAL</b>	<b>\$465,000</b>

Provides funds for 3 Policy Development

2 Specialist positions, 2 Development Project  
3 Officer positions and one Clerk Typist III  
4 position to expand business development  
5 efforts; one Development Project Officer  
6 position to assist with the small business  
7 program; and one Development Program Manager  
8 position for a Maine products marketing  
9 program. Funds provided for operating  
10 expenses will be supplemented by existing  
11 funds that will no longer be required for  
12 contracted staff.

13 **Small Business Development Centers**

14 All Other \$70,000

15 Provides funds to the Small Business  
16 Development Center to complete the  
17 electronic linkage of the federal Economic  
18 Development Administration Development  
19 Districts, Maine Small Business Development  
20 Center and the Department of Economic and  
21 Community Development.

22 **Business Counseling and Training**

23 All Other \$70,000

24 Provides funds to the Kennebec Valley  
25 Council of Governments and the Northern  
26 Maine Development Corporation for business  
27 counseling and training.

28 **Office of Tourism and Community  
29 Development**

30 Positions - Legislative Count (4,000)  
31 Personal Services \$209,207  
32 All Other 990,793

33 TOTAL \$1,200,000

34 Provides funds for 4 new positions within  
35 the Office of Tourism and Community  
36 Development to maximize the return on the  
37 investment of the program: 2 Policy  
38 Development Specialist positions; one  
39 Development Project Officer position; and  
40 one Clerk Typist III position.

2	<b>Rural Workplace Conversion Assistance</b>	
4	All Other	\$250,000
6	Provides grant funds for a program to assist rural businesses to implement	
8	high-performance workplace organizational practices. Funds provided under this program	
10	must be repaid by the companies receiving assistance under guidelines to be	
12	established by the Department of Economic and Community Development.	
14		
16	<b>Administration - Economic and Community Development</b>	
18	Positions - Legislative Count	(1,000)
	Personal Services	\$59,953
20	All Other	10,000
22	TOTAL	<hr/> \$69,953
24	Provides funds for the salary, fringe benefits and overhead costs of one	
26	Development Program Manager position needed to administer tax increment financing and	
28	employment tax increment financing programs.	
30	<b>Maine Market Development Center</b>	
32	All Other	\$150,000
34	Provides funds for the Maine Market Development Center to be used to provide	
36	technical assistance to companies statewide. This appropriation will match	
38	approximately \$300,000 in federal funds.	
40	<b>Business Attraction Marketing - Development Districts</b>	
42	All Other	\$525,000
44	Provides \$100,000 to each of the following state development districts: Northern Maine	
46	Development Corporation, Eastern Maine Development Corporation, Androscoggin Valley	
48	Council of Governments, Southern Maine Economic Development District and Kennebec	
50		

2 Valley Council of Governments; \$25,000 is  
provided to Mid-Coast Council for Business  
4 Development. These funds must be used for  
expanding businesses and attracting new  
6 businesses to Maine.

8 **Business Attraction Marketing -  
Maine & Company**

10 All Other \$700,000

12 Provides funds to increase national and  
international marketing and outreach to  
14 attract new business into the State.  
Requirements include matching funds and  
16 marketing plan approval by the newly  
established marketing oversight committee.

18 **Business Attraction Marketing -  
20 Regional/Sub-regional/Local Economic  
Development Assistance**

22 All Other \$775,000

24 Provides funds to any economic development  
26 entity in the State, other than Maine &  
Company, for the purpose of expanding  
28 businesses and attracting new businesses.  
Sub-regional and local economic development  
30 groups may access the funds through their  
regional economic development coordinators.  
32 In order for the regional, sub-regional and  
local economic development groups to be  
34 eligible for these funds, they must  
demonstrate the following: (a) receipt of  
36 matching funds that have been designated for  
marketing purposes; (b) a marketing plan  
38 approved by the marketing oversight  
committee; (c) a demonstrated capacity to  
40 execute the plan; and (d) an economic need.

42 **DEPARTMENT OF ECONOMIC AND  
COMMUNITY DEVELOPMENT  
44 TOTAL**

\$4,374,953

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**PART B**

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2           **Sec. B-1. Federal, philanthropic and corporate cost sharing.** In  
3 the First Regular Session of the 119th Legislature, the President  
4 of the Maine Science and Technology Foundation shall submit a  
5 report to the joint standing committee of the Legislature having  
6 jurisdiction over economic and community development matters on  
7 potential federal, philanthropic and corporate cost sharing of  
8 the Maine Science and Technology Foundation's activities  
9 currently funded by the Legislature. The report must describe  
10 the steps the Maine Science and Technology Foundation, in  
11 partnership with other organizations, will take to seek out  
12 support from these sources to augment, reduce or replace state  
13 appropriations.

14           **Sec. B-2. Appropriation.** The following funds are appropriated  
15 from the General Fund to carry out the purposes of this Part.

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1998-99

**MAINE SCIENCE AND TECHNOLOGY  
FOUNDATION**

**Small Business Innovation  
Research Program**

All Other \$185,000

Provides funding to support technical assistance to increase the success rate of Maine businesses applying for the federal Small Business Innovation Research Program, SBIR. The appropriated funding must support outreach, proposal development and business assistance to Maine businesses that are eligible to use federal SBIR funding for research and technology development. The emphasis must be on increasing the number of successful applications and increasing the research success rate of commercialization of SBIR-supported research into new products and processes in the marketplace.

**Commercialization Network of Maine**

All Other \$260,000

Provides funding to support a virtual one-stop, single source of commercialization resources for entrepreneurs and investors to increase the number of successful new high

2 technology start-ups in Maine. This network  
must include: a web-based online resource  
4 directory to increase awareness of and  
access to existing state and private  
6 commercialization resources; ACEnet, a  
national Internet-based program of the  
8 United States Small Business Administration  
to link angel investors and Maine  
entrepreneurs; and an inventors assistance  
10 program to provide, on a merit basis,  
mentoring to technology entrepreneurs  
12 throughout the commercialization life cycle.

14 **Target Industries Program**

16 All Other \$480,000

18 Provides matching funds to support  
initiatives that stimulate the growth of  
20 clusters of technology-based companies in  
emerging industries such as biotechnology,  
22 composites, precision manufacturing,  
marine/aquaculture, environmental technology  
24 and telecommunications/software. Initiatives  
identified by these industry sectors include  
26 international business development,  
workforce training, access to capital,  
28 intellectual property protection, applied  
research and networking.

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32 **Maine Manufacturing Extension  
Partnership**

34 All Other \$500,000

36 Provides one-time funds for technical  
assistance to small manufacturers at high  
38 risk for failure. Funds must be made  
available to companies with fewer than 20  
40 employees under guidelines to be established  
by the Maine Science and Technology  
42 Foundation. Companies employing fewer than  
500 employees are eligible if the company  
44 can demonstrate that jobs are in danger of  
being lost. Funds provided under this  
46 program must be repaid by the companies  
receiving assistance under guidelines to be  
48 established by the Maine Science and  
Technology Foundation.

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2 **Scientific Equipment, Expertise and Internships**

4 All Other \$100,000

6 Provides funds to support innovative  
8 programs designed to offer scientific  
equipment and professional expertise to  
10 Maine's secondary school science teachers  
and internships for Maine's secondary school  
science teachers and their students.  
12 Provides funds to support Science Works for  
ME, a program of the Foundation for Blood  
14 Research, to promote a scientifically  
literate public as well as a continued  
16 source of future scientists and technicians  
for Maine's biotechnology industry. The  
18 Maine Science and Technology Foundation  
shall evaluate the effectiveness of state  
20 investment in this program to achieve some  
of the performance measures in the state  
22 science and technology plan in order to  
determine if additional state investments  
24 should be made for other technology-based  
industries.

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28 **MAINE SCIENCE AND TECHNOLOGY  
FOUNDATION  
TOTAL**

\$1,525,000

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**SUMMARY**

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36 This bill implements the combined recommended General Fund  
appropriation for the state and regional economic development  
38 organizations, including the Maine Science and Technology  
Foundation. In addition, this bill implements the  
40 recommendations regarding the Department of Economic and  
Community Development under the State Government Evaluation Act  
42 and makes appropriations to the Department of Economic and  
Community Development to provide enhanced services to businesses  
44 to promote the marketing of Maine-made consumer goods. This bill  
requires the Department of Economic and Community Development to  
46 report back to the legislative committee of jurisdiction with an  
assessment of the benefits attributable to the additional funding.

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50 Finally, this bill repeals the statutory requirements that  
the Director of the Office of Business Development collect and  
distribute to the appropriate permitting agency permit

2 applications and application fees for retail businesses and that the director establish a municipal centralized permitting program for retail businesses.