

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



119th MAINE LEGISLATURE

SECOND REGULAR SESSION-2000

Legislative Document

No. 2501

S.P. 961

In Senate, January 24, 2000

An Act to Strengthen Maine's Corporate Accountability Law.

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Reference to the Committee on Taxation 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 Senator PINGREE of Knox.
Cosponsored by Representative GREEN of Monmouth and
Senator RUHLIN of Penobscot, Representatives: BERRY of Livermore, LEMOINE of Old
Orchard Beach, MAILHOT of Lewiston, POWERS of Rockport, TOWNSEND of Portland,
TWOMEY of Biddeford, WATSON of Farmingdale.

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

4 **Sec. 1. 5 MRSA §13070-J, sub-§1, ¶D**, as enacted by PL 1997, c.
761, §2, is amended to read:

6 D. "Economic development incentive" means:

8 (1) Assistance from Maine Quality Centers under Title
20-A, chapter 431-A;

10 (2) The Governor's Training Initiative Program under
12 Title 26, chapter 25, subchapter IV;

14 (3) Municipal tax increment financing under Title
30-A, chapter 207;

16 (4) The jobs and investment tax credit under Title 36,
18 section 5215;

20 (5) The research expense tax credit under Title 36,
section 5219-K;

22 (6) Reimbursement for taxes paid on certain business
24 property under Title 36, chapter 915; ~~or~~

26 (7) Employment tax increment financing under Title 36,
chapter 917-~~i~~;

28 (8) The shipbuilding facility credit under Title 36,
30 chapter 919;

32 (9) The Job Retention Program under section 13063-C; or

34 (10) State tax increment financing district approved
36 under Title 30-A, chapter 207.

38 **Sec. 2. 5 MRSA §13070-J, sub-§3, ¶C**, as enacted by PL 1997, c.
761, §2, is amended to read:

40 C. The number, type and wage level of full-time and
42 part-time jobs created or retained and the number of
temporary employees hired for each category of job as a
44 result of an economic development incentive;

46 **Sec. 3. 5 MRSA §13070-J, sub-§4**, as enacted by PL 1997, c.
761, §2, is amended to read:

48 **4. Agency reports.** The following agencies shall submit the
50 following reports.

2 A. The State Tax Assessor shall submit a report by May 1st
3 ~~of 1999 and each odd-numbered year thereafter~~ annually to
4 the Legislature and the commission identifying the amount of
5 public funds spent and the amount of revenues foregone as
6 the result of economic development incentives. The report
7 must identify the amount of the economic development
8 incentives under the jurisdiction of the Bureau of Revenue
9 Services received by each employer to the extent permitted
10 under Title 36, section 191 and other provisions of law
11 concerning the confidentiality of information. The report
12 must include a summary of the disclosures made under
13 subsection 2 in the prior calendar year, including for each
14 affected employer, the employer's name, facility location,
15 type and amount of subsidy, public purpose served and job
16 and wage goals.

17 The State Tax Assessor shall submit an accounting to the
18 Legislature and the commission identifying the cost effect
19 each year to the State on revenue sharing and the school
20 funding formula as a result of a municipality creating a tax
21 increment financing district.

22
23
24 B. The Commissioner of Labor shall report by May 1st
25 annually to the Legislature and the commission on the amount
26 of public funds spent on workforce development and training
27 programs directly benefiting businesses in the State. The
28 report must identify the amount of economic development
29 incentives under the jurisdiction of the Department of Labor
30 received by each employer and the public benefit resulting
31 from those economic development incentives. The report must
32 include a summary of the disclosures made under subsection 2
33 in the prior calendar year, including for each affected
34 employer, the employer's name, facility location, type and
35 amount of subsidy, public purpose served and job and wage
36 goals.

37
38 C. The Maine Technical College System shall report by May
39 1st annually to the Legislature and the commission on the
40 amount of public funds spent on job training programs
41 directly benefiting businesses in the State. The report
42 must identify the amount of economic development incentives
43 under the jurisdiction of the system received by each
44 employer and the public benefit resulting from those
45 economic development incentives. The report must include a
46 summary of the disclosures made under subsection 2 in the
47 prior calendar year, including for each affected employer,
48 the employer's name, facility location, type and amount of
49 subsidy, public purpose served and job and wage goals.
50

2 D. The department shall report by May 1st annually to the
Legislature and the commission on the amount of public funds
4 spent for the direct benefit of businesses in the State
under municipal tax increment financing, employment tax
6 increment financing and the Governor's training initiative.
The report must identify the amount of economic development
8 incentives under the jurisdiction of the department received
by each employer and the public benefit resulting from those
10 economic development incentives. The report must include a
summary of the disclosures made under subsection 2 in the
12 prior calendar year, including for each affected employer,
the employer's name, facility location, type and amount of
14 subsidy, public purpose served and job and wage goals.

16 **Sec. 4. 5 MRSA §13070-L, sub-§1,** as enacted by PL 1997, c.
761, §2, is amended to read:

18 **1. Membership.** The commission consists of ~~11~~ 13 members
appointed as follows:

20 A. Two members of the Senate appointed by the President of
22 the Senate, at least one of whom is a member of the minority
party;

24 B. Two members of the House of Representatives appointed by
26 the Speaker of the House, at least one of whom is a member
of the minority party;

28 C. The commissioner, or the commissioner's designee, to be
30 a nonvoting, ex officio member of the commission, appointed
by the Governor;

32 D. The State Tax Assessor, or the State Tax Assessor's
34 designee, to be a nonvoting, ex officio member of the
commission, appointed by the Governor; and

36 E. ~~Five~~ Seven members of the public, appointed as follows:
38 ~~one member~~ 2 members by the President of the Senate; ~~one
member~~ 2 members by the Speaker of the House; and 3 members
40 by the Governor.

42 **Sec. 5. 5 MRSA §13070-M,** as enacted by PL 1997, c. 761, §2,
is repealed.

44 **Sec. 6. 5 MRSA §13070-O** is enacted to read:

46 **§13070-O. Failure to file report**

48 If an employer receives an economic development incentive,
50 the employer may not receive any further payments until the

2 employer meets all the reporting requirements under section
3 13070-J, subsection 3.

4 **Sec. 7. 36 MRSA §5215, sub-§3, ¶B**, as amended by PL 1999, c.
5 414, §45 and affected by §56, is further amended to read:

6
7 B. With payroll records and reports substantiating that at
8 least 100 new jobs attributable to the operation of property
9 considered to be qualified investment were created in the
10 24-month period following the date the property was placed
11 in service. To assess the continuing nature of the jobs,
12 the taxpayer must demonstrate that the new jobs credit base
13 is at least \$700,000 for the taxable year of the qualified
14 federal credit for either of the next 2 calendar years. The
15 \$700,000 must be adjusted proportionally for any change in
16 Title 26, section 1043, subsection 2 wages from \$7,000.
17 With respect to new jobs created after August 1, 1998, but
18 ~~before October 1, 2001~~, the employer must also demonstrate
19 that the qualifying jobs are covered by a retirement program
20 subject to the Employee Retirement Income Security Act of
21 1974, 29 United States Code, Sections 101 to 1461, as
22 amended; that group health insurance is provided for
23 employees in those positions; and that the wages for those
24 positions, calculated on a calendar year basis, are greater
25 than the average per capita income in the labor market area
26 in which the employee is employed; and

28 **Sec. 8. 36 MRSA §5219-S** is enacted to read:

30 **§5219-S. Confidentiality**

32 Notwithstanding sections 191 and 6760, upon request the
33 State Tax Assessor shall make available to the Legislature, the
34 Economic Development Incentive Commission or any legislative task
35 force or study commission the name of an employer and the amount
36 of tax credit received from the jobs and investment tax credit,
37 the research expense tax credit, employment tax increment
38 financing, shipbuilding facility credit, state tax increment
39 financing district credit or any other tax credit received by an
40 employer.

42
43 **SUMMARY**

44
45 This bill amends the corporate accountability law by
46 creating an enforcement mechanism to ensure that subsidized
47 employers file disclosure reports and by expanding the number of
48 programs subject to disclosure.