

MAINE STATE LEGISLATURE

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R.S.

L.D. 2506

DATE: 3-29-00

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BUSINESS AND ECONOMIC DEVELOPMENT

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
119TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1785, L.D. 2506, Bill, "An Act to Establish the Applied Technology Center System"

Amend the bill by striking out the title and substituting the following:

'An Act to Establish the Applied Technology Development Center System'

Further amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

'Sec. 1. 5 MRSA §12004-G, sub-§33-E is enacted to read:

<u>33-E.</u>	<u>Applied</u>	<u>Not</u>	<u>5 MRSA</u>
<u>Technology</u>	<u>Technology</u>	<u>Authorized</u>	<u>§15321</u>
	<u>Development</u>		
	<u>Center</u>		
	<u>System</u>		
	<u>Coordinating</u>		
	<u>Board</u>		

Sec. 2. 5 MRSA c. 407 is amended by inserting before §15301 the following:

SUBCHAPTER I

MAINE TECHNOLOGY INSTITUTE

COMMITTEE AMENDMENT

Sec. 3. 5 MRSA c. 407, sub-c. II is enacted to read:

SUBCHAPTER II

APPLIED TECHNOLOGY DEVELOPMENT CENTER SYSTEM

§15321. Applied Technology Development Center System

1. Establishment; purpose. The Applied Technology Development Center System, referred to in this section as the "system," is established. The purpose of the system is to permit early-stage development of technology-based businesses while minimizing or eliminating debilitating overhead expenses. The system is an integral component of the State's efforts to foster new technology-based businesses and consists of a network of self-managed, state-coordinated centers strategically placed throughout the State. The goals of the system include the following:

A. The retention of successful start-up businesses in the State;

B. The improvement of opportunities for workers through the creation of technologically advanced jobs;

C. The encouragement of private-sector initiatives;

D. The renovation and utilization of vacant commercial real estate; and

E. The generation of new sources of revenue for local and state tax bases.

2. Administration. The following provisions govern the administration of the system.

A. The system is administered by the Applied Technology Development Center System Director, referred to in this section as the "director," who is appointed by the Commissioner of Economic and Community Development. The director shall report to the Commissioner of Economic and Community Development in the execution of the director's responsibilities. The duties of the director include, but are not limited to:

(1) Assisting in the recruitment of tenants for the system;

(2) Providing marketing services for the system; and

2 (3) Providing business training for tenants of the
system, including:

4 (a) Developing a business plan; and

6 (b) Providing information and assistance
regarding legal issues and financing.

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10 B. The Department of Economic and Community Development
shall establish an Applied Technology Development Center
System Coordinating Board that consists of interested
12 parties in the State to coordinate system activities. The
Applied Technology Development Center System Coordinating
14 Board consists of at least the following members:

16 (1) The Commissioner of Economic and Community
Development or the commissioner's designee;

18 (2) The director;

20 (3) A representative from each applied technology
22 development center, chosen by that center;

24 (4) A representative from the University of Maine
System, chosen by the Chancellor of the University of
26 Maine System;

28 (5) A representative of the Maine Technical College
System, chosen by the President of the Maine Technical
30 College System;

32 (6) A representative of a nonprofit organization that
is funded by the State and promotes the State to
34 business entities, chosen by that organization;

36 (7) An attorney, chosen by the Commissioner of
Economic and Community Development;

38 (8) A financial expert, chosen by the Commissioner of
40 Economic and Community Development; and

42 (9) A representative of the institute.

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46 C. Each applied technology development center is governed
by its own board of directors. Each board of directors
shall establish standards for the selection of tenants.

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50 D. The Department of Economic and Community Development
shall determine where the applied technology development

centers are to be located. The Center for Environmental Enterprise in South Portland, the Thomas M. Teague Biotechnology Park in Fairfield and the Loring Biotechnology Incubator in Limestone are exempt from a determination made under this paragraph.

3. Applied technology development centers. The following provisions govern applied technology development centers.

A. An applied technology development center may be incorporated as a nonprofit organization, be part of a nonprofit organization, be incorporated as a for-profit organization or be part of a for-profit organization. The following provisions govern a for-profit applied technology development center.

(1) Services made available to an applied technology development center by the director must be made available to all tenants of a for-profit center.

(2) A for-profit center in a targeted technology may apply for available funding. A for-profit center selected for funding shall accept the funding as a loan that may be paid back in the form of cash, equity or royalties as agreed upon by the for-profit center and the Department of Economic and Community Development.

B. The Department of Economic and Community Development and the director shall assist in the recruitment of tenants for the applied technology development centers that are representative of the targeted technologies. Sources of tenant recruitment may include nonprofit and academic institutions, entrepreneurial start-up companies referred to the system by a technology-based trade organization or economic development organization and system-recruited and self-referred start-up companies.

C. Each applied technology development center shall provide shared, low-cost space to selected tenants and be designed to be self-sufficient with regard to operational costs and structural maintenance. Existing real estate must be considered where suitable. Specific business support tailored to each tenant must be provided by existing organizations such as the small business development centers and regional economic development districts. Each applied technology development center must have simultaneous-broadcast or interactive-television capability or access to these capabilities nearby to facilitate common training for the system.

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4. Funding. The following provisions govern funding for applied technology development centers.

A. An applicant may not receive more than \$750,000 from the system for an applied technology development center.

B. An entity that requests initial funding for an applied technology development center shall obtain or must have obtained at least 25% of the funding from nonstate sources. These sources may include in-kind donations, federal grants, federal funding, local funding initiatives and private foundation grants. The Applied Technology Development Center System Coordinating Board shall determine whether the matching funds meet this requirement. The Center for Environmental Enterprise in South Portland, the Thomas M. Teague Biotechnology Park in Fairfield and the Loring Biotechnology Incubator in Limestone must meet this requirement in order to receive funding under this subsection.

5. Relationship with academic institution. An applied technology development center shall establish a relationship with at least one academic institution in this State. The Applied Technology Development Center System Coordinating Board shall establish guidelines for such a relationship and determine whether an applied technology development center has met the requirements of this subsection.

6. Rule-making authority. The Department of Economic and Community Development may adopt rules to carry out the purposes of this section. Rules adopted pursuant to this section are routine technical rules as defined in chapter 375, subchapter II-A.

Sec. 4. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

2000-01

**ECONOMIC AND COMMUNITY DEVELOPMENT,
DEPARTMENT OF**

**Administration - Economic and
Community Development**

Positions - Legislative Count	(1,000)
Personal Services	\$73,400

2 Provides for the appropriation of funds for
one Applied Technology Development Center
4 System Director position.

6 **Administration - Economic and
Community Development**

8 All Other \$450,000

10 Provides for the appropriation of funds for
12 the Center for Environmental Enterprise in
South Portland. This funding may be
14 provided only if that applied technology
development center raises or has raised at
16 least 25% of the cost of the project from
nonstate sources.

18 **Administration - Economic and
20 Community Development**

22 All Other \$950,000

24 Provides for the appropriation of funds for
the Thomas M. Teague Biotechnology Park in
26 Fairfield. This funding may be provided
only if that applied technology development
28 center raises or has raised at least 25% of
the costs of the project from nonstate
30 sources. This funding is not subject to the
\$750,000 limitation set forth in the Maine
32 Revised Statutes, Title 5, section 15321,
subsection 4, paragraph A.

34 **Administration - Economic and
36 Community Development**

38 All Other \$550,000

40 Provides for the appropriation of funds for
the Loring Biotechnology Incubator in
42 Limestone. This funding may be provided
only if that applied technology development
44 center raises or has raised at least 25% of
the cost of the project from nonstate
46 sources.

48 **Administration - Economic and
Community Development**

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COMMITTEE AMENDMENT "A" to H.P. 1785, L.D. 2506

All Other \$750,000

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Provides for the appropriation of funds for the Target Technology Center at Orono. This funding may be provided only if that applied technology development center raises or has raised at least 25% of the cost of the project from nonstate sources.

10 Administration - Economic and Community Development

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All Other \$420,000

Provides for the appropriation of funds for managerial expenses for the Applied Technology Development Center System.

20 Applied Technology Development Center System

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All Other \$3,250,000

Provides for the appropriation of funds for applied technology development centers. Applicants for this funding must raise 25% of the cost of the project from nonstate sources. These funds do not lapse and must be carried forward.

32 DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TOTAL

\$6,443,400'

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Further amend the bill by inserting at the end before the summary the following:

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FISCAL NOTE

2000-01

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APPROPRIATIONS/ALLOCATIONS

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General Fund \$6,443,400

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This bill includes General Fund appropriations totaling \$6,443,400 in fiscal year 2000-01 for the Department of Economic

2 and Community Development to establish the Applied Technology
Development Center System.

4 The Department of Economic and Community Development will
6 incur some minor additional costs to adopt rules. These costs
can be absorbed within the department's existing budgeted
resources.

8 The University of Maine System and the Maine Technical
10 College System will incur some minor additional costs to serve on
12 the Applied Technology Development Center System Coordinating
Board. These costs can be absorbed within each system's existing
budgeted resources.'

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SUMMARY

18 This amendment changes the name of the system to permit
20 early-stage development of technology-based businesses from the
Applied Technology Center System to the Applied Technology
22 Development Center System. The amendment moves the
administration of the system from the Maine Technology Institute
24 to the Department of Economic and Community Development and adds
a representative of the Maine Technology Institute to the Applied
26 Technology Development Center System Coordinating Board. The
amendment sets a limit on the amount of state funding each center
28 may receive. The amendment authorizes the Department of Economic
and Community Development to adopt routine technical rules. The
30 amendment appropriates funds to the Target Technology Center at
Orono. Finally, the amendment decreases the appropriation of
32 funds to the Applied Technology Development Center System and
clarifies that applicants for these funds do not have to be new
34 centers to be eligible for funding.