

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

SECOND REGULAR SESSION-2000

Legislative Document

No. 2506

H.P. 1785

House of Representatives, January 21, 2000

An Act to Establish the Applied Technology Center System.

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

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

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

JOSEPH W. MAYO, Clerk

Presented by Representative TESSIER of Fairfield.

Under suspension of the rules, cosponsored by Senator DAGGETT of Kennebec and Representatives: BAGLEY of Machias, CIANCHETTE of South Portland, CLOUGH of Scarborough, COLWELL of Gardiner, COWGER of Hallowell, DUGAY of Cherryfield, FRECHETTE of Biddeford, GAGNON of Waterville, GOODWIN of Pembroke, KNEELAND of Easton, MADORE of Augusta, MAILHOT of Lewiston, MARTIN of Eagle Lake, MATTHEWS of Winslow, MURPHY of Kennebunk, MUSE of South Portland, O'NEAL of Limestone, O'NEIL of Saco, RICHARDSON of Brunswick, ROSEN of Bucksport, Speaker ROWE of Portland, SAXL of Bangor, SAXL of Portland, SHOREY of Calais, STANWOOD of Southwest Harbor, Senators: AMERO of Cumberland, KONTOS of Cumberland, President LAWRENCE of York, MILLS of Somerset, MITCHELL of Penobscot, PINGREE of Knox.

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

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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>§15310</u>
	<u>Center</u>		
	<u>System</u>		
	<u>Coordinating</u>		
	<u>Board</u>		

Sec. 2. 5 MRSA §15310 is enacted to read:

§15310. Applied Technology Center System

1. Establishment; purpose. The Applied Technology 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 a director who is appointed by the Board of Directors of the Maine Technology Institute and serves at the pleasure of the board. The duties of the director of the system include, but are not limited to, the following:

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

2 (2) Providing marketing services for the system; and

4 (3) Providing business training for tenants of the
system including the following:

6 (a) Developing a business plan; and

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

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

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

20 (2) The director of the system;

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

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

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

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

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

32 (8) A financial expert, chosen by the Commissioner of
Economic and Community Development.

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

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

2 Limestone are exempt from a determination made under this
3 paragraph.

4 3. Applied technology centers. The following provisions
5 govern applied technology centers.

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

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

14 (2) A for-profit center in a targeted technology may
15 apply for available funding. A for-profit center
16 selected for funding shall accept the funding as a loan
17 that may be paid back in the form of cash, equity or
18 royalties as agreed upon by the for-profit center and
19 the Board of Directors of the Maine Technology
20 Institute.

21 B. The Board of Directors of the Maine Technology Institute
22 and the director of the system shall assist in the
23 recruitment of tenants for the applied technology centers
24 that are representative of the targeted technologies.
25 Sources of tenant recruitment may include nonprofit and
26 academic institutions, entrepreneurial start-up companies
27 referred to the system by a technology-based trade
28 organization or economic development organization and
29 system-recruited and self-referred start-up companies.

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

42 4. Funding. An entity that requests initial funding for an
43 applied technology center shall obtain or must have obtained at
44 least 25% of the funding from nonstate sources. These sources
45 may include in-kind donations, federal grants, federal funding,
46 local funding initiatives and private foundation grants. The

2 Applied Technology Center System Coordinating Board shall
 3 determine whether the matching funds meet this requirement. The
 4 Center for Environmental Enterprise in South Portland, the Thomas
 5 M. Teague Biotechnology Park in Fairfield and the Loring
 6 Biotechnology Incubator in Limestone must meet this requirement
in order to receive funding under this subsection.

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

14 **Sec. 3. Appropriation.** The following funds are appropriated
 15 from the General Fund to carry out the purposes of this Act.

18 2000-01

20 **ECONOMIC AND COMMUNITY DEVELOPMENT,**
 21 **DEPARTMENT OF**

22 **Administration - Economic and**
 23 **Community Development**

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

28 Provides for the appropriation of funds
 30 through the Maine Technology Institute, for
 31 one Applied Technology Center System
 32 Director position.

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

36	All Other	\$450,000
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38 Provides for the appropriation of funds
 40 through the Maine Technology Institute, for
 41 the Center for Environmental Enterprise in
 42 South Portland. This funding may be
 43 provided only if that applied technology
 44 center raises or has raised at least 25% of
 45 the cost of the project from nonstate
 46 sources.

48 **Administration - Economic and**
 49 **Community Development**

2 All Other \$950,000
3
4 Provides for the appropriation of funds, to
5 come through the Maine Technology Institute,
6 for the Thomas M. Teague Biotechnology Park
7 in Fairfield. This funding may be provided
8 only if the center raises or has raised at
9 least 25% of the costs of the project from
10 nonstate sources.

11 **Administration - Economic and**
12 **Community Development**

13 All Other \$550,000
14
15 Provides for the appropriation of funds
16 through the Maine Technology Institute, for
17 the Loring Biotechnology Incubator in
18 Limestone. This funding may be provided
19 only if that applied technology center
20 raises or has raised at least 25% of the
21 cost of the project from nonstate sources.

22 **Administration - Economic and**
23 **Community Development**

24 All Other \$420,000
25
26 Provides for the appropriation of funds
27 through the Maine Technology Institute for
28 managerial expenses for the Applied
29 Technology Center System.

30 **Applied Technology Center System**
31 **Development**

32 All Other \$4,000,000
33
34 Provides for the appropriation of funds
35 through the Maine Technology Institute for
36 new applied technology centers. Applicants
37 for this funding must raise 25% of the cost
38 of the project from nonstate sources. These
39 funds do not lapse and must be carried
40 forward.

41 **DEPARTMENT OF ECONOMIC AND**
42 **COMMUNITY DEVELOPMENT**
43 **TOTAL**

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\$6,443,400
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SUMMARY

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4 This bill establishes the Applied Technology Center System.
6 The system is an integral component of the State's efforts to
8 foster new technology-based businesses in fields such as
10 biotechnology, aquaculture and marine technology, composite
12 materials technology, environmental technology, advanced
14 technologies for forestry and agriculture, information technology
 and precision manufacturing technology. The system consists of a
 network of self-managed, state-coordinated centers strategically
 placed throughout the State and administered under the auspices
 of the Maine Technology Institute. Each applied technology
 center provides to selected tenants shared, low-cost space and
 business support in order to encourage the establishment and
 growth of technology-based businesses.