

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
119TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to S.P. 967, L.D. 2516, Bill, "An Act to Improve Standards for Public Assistance to Maine Employers"

Amend the amendment by striking out all of sections 1 to 3 and inserting in their place the following:

'Sec. 1. 5 MRSA §13070-O is enacted to read:

§13070-O. Conditions for certain economic development incentives

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Conditional economic development incentive" means an economic development incentive for which a taxpayer receives payments, credits or reimbursements totaling \$10,000 or more in one calendar year and which is described in section 13070-J, subsection 1, paragraph D under:

(1) Subparagraph (3), which is a municipal tax increment financing program first approved after October 1, 2000;

(2) Subparagraph (4) or (5) when the credit was first applied for with regard to a tax year beginning on or after October 1, 2000; and

(3) Subparagraph (6) when the property that is the basis of the claim was first placed in service in the State on or after April 1, 2001.

2 2. Wage standards. An employer applying for a conditional
3 economic development incentive must certify the percentage of its
4 employees that meet the following wage standard at the time when
5 the incentive is applied for, claimed or renewed:

6 A. Hourly wages subject to taxation under Title 36, chapter
7 803 paid to employees based in the State who have been
8 employed by the employer for more than 90 days must exceed
9 1/60th of the average weekly wage as determined by the
10 Department of Labor, Bureau of Employment Security for the
11 county in which the employee is based.

12 For any calendar year the amount of the conditional economic
13 development incentive benefit must be prorated based upon the
14 percentage of the employer's employees who meet the wage standard
15 set forth in this subsection as first determined during that
16 calendar year. Each agency administering an economic development
17 incentive for which standards are required under this subsection
18 may adopt routine technical rules pursuant to chapter 375,
19 subchapter II-A to implement this subsection. The agency shall
20 suspend or terminate economic development incentives to an
21 employer that does not properly certify compliance with this
22 subsection. The agency shall recover the value of any incentives
23 paid or allowed on the basis of a false or inaccurate
24 certification. An employer that intentionally violates this
25 subsection shall reimburse the State for that portion of economic
26 development incentives received to which it was not entitled
27 during the period in which the violation occurred and shall pay a
28 penalty equal to the amount of any economic development
29 incentives received on the basis of false or misleading
30 information provided.

31 3. Relocation to another municipality. An employer that
32 relocates after October 1, 2000 from one municipality in the
33 State to another municipality in the State located within 100
34 miles does not qualify for an economic development incentive
35 under section 13070-J, subsection 1, paragraph D, subparagraph
36 (3) absent a clear and convincing showing that the relocation
37 involves a significant expansion that could not have been made in
38 the former municipality.

39 **Sec. 2. Appropriation.** The following funds are appropriated
40 from the General Fund to carry out the purposes of this Act.

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2000-01

ADMINISTRATIVE AND FINANCIAL
SERVICES, DEPARTMENT OF

Bureau of Revenue Services

2 All Other \$26,863

4 Provides funds for computer
6 programming, rulemaking and
8 new forms to administer the
10 certification of wage and
benefit standards for certain
tax credits and reimbursement
programs.'

12 FISCAL NOTE

14 This amendment reduces the General Fund appropriations in
16 fiscal year 2000-01 by \$123,932. The Department of Economic and
Community Development and the Bureau of Revenue Services within
18 the Department of Administrative and Financial Services will be
required to administer conditional economic development
20 incentives within existing staff resources. This amendment will
divert staff resources from other programs and responsibilities
of these agencies. The ability of these departments to absorb
22 these costs and the impact on other programs and responsibilities
can not be determined at this time.

24 This amendment does provide a General Fund appropriation of
26 \$26,863 in fiscal year 2000-01 to the Bureau of Revenue Services
for other initial costs to implement this bill, such as
28 rulemaking, computer programming and developing new forms.

30 SUMMARY

32 This amendment amends the committee amendment by:

- 34 1. Eliminating the health insurance provision requirements;
- 36 2. Prorating business incentives based upon the percentage
38 of employees of the business that meet the proposed wage
standard; and
- 40 3. Excluding the wage standard for employees who have been
42 employed for less than 91 days.

44 This amendment eliminates the economic hardship waiver.

46 This amendment also reduces the General Fund appropriation
48 included in the committee amendment by eliminating the positions
authorized within the Bureau of Revenue Services within the
Department of Administrative and Financial Services and the

SENATE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to S.P. 967,
L.D. 2516

Department of Economic and Community Development to implement
conditional economic development incentives.

SPONSORED BY:

(Senator MICHAUD)

COUNTY: Penobscot