

# MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
119TH LEGISLATURE
SECOND REGULAR SESSION

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

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 §13070-J, sub-§1, ¶E is enacted to read:

E. "Health benefit plan" means a plan that:

(1) Includes comprehensive coverage for the following benefits:

(a) Inpatient and outpatient hospital services;

(b) Physicians' surgical and medical services;

(c) Laboratory and radiological services;

(d) Well-child care and immunizations; and

(e) Mental health and pharmaceutical expenses;

(2) Affords health coverage that has an actuarial value no less than 80% of the actuarial value of health coverage that is provided to employees of the State. For purposes of this paragraph, "actuarial value" means the expected cost of a benefit based on common assumptions as to relevant variables such as morbidity.

2 mortality, persistency and interest. When comparing  
3 the actuarial value of one group of benefits to  
4 another, both actuarial values must be based on the  
5 same assumptions;

6 (3) Imposes on the employee copayment and deductible  
7 costs that have an aggregate actuarial value that does  
8 not exceed 10% of the actuarial value of all benefits  
9 afforded by the plan; and

10 (4) Makes comparable health coverage available to the  
11 employee's spouse and dependent children.

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14 **Sec. 2. 5 MRSA §13070-O is enacted to read:**

15 **§13070-O. Conditions for certain economic development incentives**

16  
17 **1. Definitions.** As used in this section, unless the  
18 context otherwise indicates, the following terms have the  
19 following meanings.

20  
21 **A. "Conditional economic development incentive" means an**  
22 **economic development incentive, the value of which exceeds**  
23 **\$10,000 in one year and which is described in section**  
24 **13070-J, subsection 1, paragraph D under:**

25  
26 **(1) Subparagraph (3), which is a municipal tax**  
27 **increment financing program first approved after**  
28 **October 1, 2000;**

29  
30 **(2) Subparagraph (4) or (5) when the credit was first**  
31 **applied for with regard to a tax year beginning on or**  
32 **after October 1, 2000; and**

33  
34 **(3) Subparagraph (6) when the property that is the**  
35 **basis of the claim was first placed in service in Maine**  
36 **on or after April 1, 2001.**

37  
38 **2. Wage and benefit standards.** Each employer receiving a  
39 conditional economic development incentive must certify  
40 compliance with the following wage and benefit standards at the  
41 time when those incentives are applied for, claimed or renewed:

42  
43 **A. Hourly wages subject to taxation under Title 36, chapter**  
44 **803 paid to employees based in the State must exceed 1/60th**  
45 **of the average weekly wage as determined by the Department**  
46 **of Labor, Bureau of Employment Security for the county in**  
47 **which the employee is based;**

48  
49 **B. The employer must maintain a health benefit plan that is**  
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2 available to all of the employer's employees based in the  
3 State who have been employed for 60 days or more on a  
4 schedule that regularly exceeds 25 hours per week;

6 C. The employer must pay at least 60% of the cost of  
7 covering each employee who is under the health benefit plan;

8 D. The employer must pay at least 50% of the cost of  
9 benefits for children under 19 years of age who are covered  
10 under the health benefit plan as dependents of an employee;  
11 and

12 E. The employer must be able to document a reasonably  
13 accurate apportionment between the cost of benefits  
14 attributable to dependents and the cost of benefits  
15 attributable to employees.

18 Each agency administering an economic development incentive for  
19 which standards are required under this subsection may adopt  
20 routine technical rules pursuant to chapter 375, subchapter II-A  
21 to implement this subsection. The agency shall suspend or  
22 terminate economic development incentives to an employer that  
23 does not properly certify compliance with this subsection. The  
24 agency shall recover the value of any incentives paid or allowed  
25 on the basis of a false or inaccurate certification. An employer  
26 that intentionally violates this subsection shall reimburse the  
27 State for all economic development incentives received during the  
28 period in which the violation occurred and shall pay a penalty of  
29 twice the amount of any economic development incentives received  
30 on the basis of false or misleading information provided.

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

40 4. Waiver. An agency administering an economic development  
41 incentive may waive any requirement for receipt of benefits under  
42 subsection 2 or 3 if the claimant demonstrates that the reason  
43 for not meeting the requirement is economic hardship beyond the  
44 control of the claimant.

46 **Sec. 3. Appropriation.** The following funds are appropriated  
48 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**

Positions - Legislative Count	(2.000)
Personal Services	\$39,233
All Other	26,863

Provides funds for a Senior Revenue Agent position and a Planning and Research Associate II position, effective January 1, 2001, computer programming, rulemaking and new forms to administer the certification of wage and benefit standards for certain tax credits and reimbursement programs.

**DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES  
TOTAL**

\$66,096

**ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF**

**Business Development Finance**

Positions - Legislative Count	(2.000)
Personal Services	\$64,699
All Other	20,000

Provides funds for a Development Project Officer position and a Clerk Typist III position to administer the certification of wage and benefit standards for tax increment financing districts.

**DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT  
TOTAL**

\$84,699

**TOTAL APPROPRIATIONS**

\$150,795'

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

**FISCAL NOTE**

**2000-01**

**APPROPRIATIONS/ALLOCATIONS**

General Fund \$150,795

The additional requirements for eligibility for certain economic development incentive programs will result in some reduction in the number of eligible employers and businesses and, consequently, savings to these programs. The amount of savings resulting from these reductions in the number of eligible employers and businesses can not be estimated at this time. Any reduction in eligibility for the jobs and investment tax credit and the research expenses tax credit may increase income tax collections, resulting in additional General Fund revenue and dedicated revenue to the Local Government Fund for state-municipal revenue sharing. Any reduction in eligibility for reimbursement of personal property taxes on business equipment will result in reductions in the amount of the future General Fund appropriations required to fund the Personal Property Tax Reform (BETR) program. Any change in the eligibility for municipal tax increment financing may affect the distribution of General Purpose Aid for Local Schools and state-municipal revenue sharing among municipalities but will not affect the total amounts to be distributed.

The Bureau of Revenue Services will incur additional costs estimated to be \$66,096 in fiscal year 2000-01 and approximately \$95,000 annually beginning in fiscal year 2001-02 for a Senior Revenue Agent position and a Planning and Research Associate II position, effective January 1, 2001, related expenses, computer programming, rulemaking and new certification forms in order to implement and administer the certification process for conditional economic development incentives. An additional General Fund appropriation is included to fund these additional costs.

This bill also includes a General Fund appropriation of \$84,699 in fiscal year 2000-01 for the Department of Economic and Community Development to administer the certification of conditional municipal tax increment financing districts.'

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**SUMMARY**

This amendment replaces the original bill. The amendment provides that future applicants for municipal tax increment financing, the jobs and investment tax credit, the research expense credit and business equipment tax reimbursement must certify that they pay hourly wages that are at least 1/60th of the average weekly wage for the county where the employee is based and provide health insurance benefits. The amendment provides a waiver if the failure to meet standards results from economic hardship beyond the control of the claimant. The amendment also adds a fiscal note to the bill.