

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)

RofS

L.D. 561

DATE: 3-30-04

(Filing No. H-820)

MAJORITY
LABOR

Reproduced and distributed under the direction of the Clerk of the House.

STATE OF MAINE
HOUSE OF REPRESENTATIVES
121ST LEGISLATURE
SECOND SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 424, L.D. 561, Bill, "An Act To Improve Standards for Public Assistance to Employers in the State"

Amend the bill by striking out all of section 1 and inserting in its place the following:

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

§13070-P. Wage, benefit and return-to-employment standards for economic development incentive recipients

Each recipient of an economic development incentive described in section 13070-J, subsection 1, paragraph D must comply with the following standards.

1. General. For an economic development incentive described in section 13070-J, subsection 1, paragraph D, subparagraph (1), (3), (5) or (6), the recipient must:

A. Certify upon application for or upon renewal of benefits under the economic development incentive that every employee of the recipient receives a living wage and that the recipient is in compliance with all federal, state and local laws. For purposes of this subsection, "living wage" means a wage, calculated on a calendar-year basis, that is at least sufficient to meet the annual basic needs budget as most recently published by the Executive Department, State Planning Office;

B. Pay a living wage to every employee of the recipient. This paragraph does not apply if the economic development incentive received is pursuant to Title 36, chapter 915 and

COMMITTEE AMENDMENT

R. 616.

COMMITTEE AMENDMENT "A" to H.P. 424, L.D. 561

2 the recipient does not qualify for more than \$10,000 in a
year from that economic development incentive;

4 C. Demonstrate that every employee of the recipient
receives a living wage; is covered by a retirement program
6 subject to the Employee Retirement Income Security Act of
1974, 29 United States Code, Sections 1001 to 1461, as
8 amended; and receives group health insurance that is at
least as comprehensive as, and that provides similar limits
10 on coinsurance, deductibles, copayments and out-of-pocket
maximums as, Dirigo Health Insurance provided under Title
12 24-A, section 6910 and for which the recipient of the
economic development incentive pays at least 50% of the
14 premiums;

16 D. Following the termination of any strike or lockout
involving its employees, return to their former jobs all
18 employees who wish to be returned to their former jobs; and

20 E. Comply with all federal, state and local laws.

22 2. Certain employment and training incentives. For an
economic development incentive described in section 13070-J,
24 subsection 1, paragraph D, subparagraph (2), (4) or (7), the
recipient must:

26 A. Provide to all employees the same wages and benefits
28 that the recipient provides to employees whose wages and
benefits qualify the recipient for the economic development
30 incentive; and

32 B. Following the termination of any strike or lockout
involving its employees, return to their former jobs all
34 employees who wish to be returned to their former jobs.

36 3. Rules; violations. An agency administering an economic
development incentive may adopt routine technical rules pursuant
38 to chapter 375, subchapter 2-A to implement the provisions of
this section.

40 A. An agency implementing the economic development
42 incentive shall suspend or terminate benefits of a recipient
if that recipient fails to file a certificate as required by
44 subsection 1 or if the agency determines that the
certificate is false or inaccurate.

46 B. A recipient that violates the living wage standard under
48 this section shall reimburse the State for any benefits
received during the period of noncompliance. A recipient
50 that willfully violates a provision of this section shall

2 reimburse the State for any benefits received during the
3 benefit period in which the violation occurred plus a
4 penalty equal to the amount of any benefits received during
5 that benefit period in addition to any other penalty
6 required by law.

7 4. Relocation to another municipality. An employer that
8 relocates from one municipality in the State to another
9 municipality in the State within 100 miles does not qualify for
10 municipal tax increment financing under section 13070-J,
11 subsection 1, paragraph D, subparagraph (3) absent a showing by
12 clear and convincing evidence that the relocation involves a
13 significant expansion that could not have been made in the former
14 municipality.

15 **Sec. 2. 36 MRSA §6652, sub-§4** is enacted to read:

16 4. Bankruptcy. A person who is a debtor in a bankruptcy
17 proceeding pending in United States Bankruptcy Court at the time
18 reimbursement would be paid is not eligible for reimbursement
19 under this chapter.

20 **Sec. 3. Application.** The provisions of this Act that apply to
21 municipal tax increment financing under the Maine Revised
22 Statutes, Title 30-A, chapter 206 apply to development districts
23 designated by a municipality on or after the effective date of
24 this Act. The provisions of this Act that apply to employment
25 tax increment financing under Title 36, chapter 917 apply to
26 employment tax increment financing programs approved under Title
27 36, section 6755 on or after the effective date of this Act.

28 **Sec. 4. Appropriations and allocations.** The following
29 appropriations and allocations are made.

30 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**
31 **Maine Revenue Services 0002**

32 Initiative: Provides funds for one Revenue Agent position and
33 related costs to audit the affected businesses.

34	General Fund	2003-04	2004-05
35	Positions - Legislative Count	(0.000)	(1.000)
36	Personal Services	\$0	\$55,310
37	All Other	0	11,460
38			
39	General Fund Total	<u>\$0</u>	<u>\$66,770</u>

40 **ADMINISTRATIVE AND FINANCIAL SERVICES,**
41 **DEPARTMENT OF**

R. of S.

COMMITTEE AMENDMENT "A" to H.P. 424, L.D. 561

2	DEPARTMENT TOTALS	2003-04	2004-05
4	GENERAL FUND	\$0	\$66,770
6	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$66,770

8 **ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF**
10 **Administration - Economic and Community Development 0069**

12 Initiative: Provides funds for one Development Project Officer
14 position and related All Other costs associated with enforcing
16 the certification of the wage and benefit package requirements
for each employee in a new TIF or ETIF.

18	General Fund	2003-04	2004-05
20	Positions - Legislative Count	(0.000)	(1.000)
22	Personal Services	\$0	\$52,599
	All Other	0	15,000
	General Fund Total	\$0	\$67,599

24 **ECONOMIC AND COMMUNITY DEVELOPMENT,**
26 **DEPARTMENT OF**

26	DEPARTMENT TOTALS	2003-04	2004-05
28	GENERAL FUND	\$0	\$67,599
30	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$67,599

32	SECTION TOTALS	2003-04	2004-05
34	GENERAL FUND	\$0	\$134,369
36	SECTION TOTAL - ALL FUNDS	\$0	\$134,369'

38
40 **SUMMARY**

42 This amendment moves the proposed wage, benefit and
44 return-to-employment language to a more appropriate location in
46 the Maine Revised Statutes. The amendment changes the definition
48 of "living wage" to mean a wage that would provide sufficient
50 funds to meet the annual basic needs budget developed pursuant to
law by the Executive Department, State Planning Office. It also
requires that the group health insurance required to be provided
by a business receiving an economic development incentive must be
at least as comprehensive and beneficial as Dirigo Health
Insurance.

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 424, L.D. 561

2 The amendment adds a requirement that businesses must allow
employees to return to their jobs following a strike or lockout.

4
6 The amendment adds a provision to the law governing the
Business Equipment Tax Reimbursement program to deny
reimbursement to a company that is in bankruptcy.

8
10 The amendment clarifies that the provisions of the bill
relating to tax increment financing districts and employment tax
increment financing districts apply only to districts formed
12 after the effective date of the bill.

14 The amendment adds an appropriations and allocations section.

FISCAL NOTE REQUIRED
(See attached)

121st Maine Legislature
Office of Fiscal and Program Review



LD 561

An Act to Improve Standards for Public Assistance to Employers in the State

LR 1652(02)

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Labor

Fiscal Note Required: Yes

Fiscal Note

	2003-04	2004-05	Projections 2005-06	Projections 2006-07
Net Cost (Savings)				
General Fund	\$0	\$134,369	\$128,466	\$135,017
Appropriations/Allocations				
General Fund	\$0	\$134,369	\$128,466	\$135,017

Fiscal Detail and Notes

This bill includes a General Fund appropriation of \$67,599 in fiscal year 2004-05 for the Administration - Economic and Community Development program within the Department of Economic and Community Development for one Development Project Officer position and the related All Other costs associated with enforcing the certification requirements of this bill. This fiscal note assumes that it is the intent of this legislation that the certification requirements be actively enforced. If that is not the intent of this measure, then the Development Project Officer position would not be required and the Department of Economic and Community Development would be able to absorb the costs associated with rulemaking utilizing existing budgeted resources.

This legislation will require agencies to grant economic development incentives only to those employers that meet certain wage and benefit standards. This requirement may result in fewer businesses being eligible to receive funds from the Governor's Training Initiative program within the Department of Labor. The number of businesses impacted can not be determined at this time.

This bill also includes a General Fund appropriation of \$66,770 in fiscal year 2004-05 for Maine Revenue Services for one Revenue Agent position and related costs to audit the affected businesses. The fiscal impact to the Business Equipment Tax Reimbursement Program as a result of the limitation concerning bankruptcy can not be determined at this time.