

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
121ST LEGISLATURE
FIRST REGULAR SESSION

SENATE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to S.P. 456, L.D. 1385, Bill, "An Act To Establish the Pine Tree Development Zones Program"

Amend the amendment by striking out all of the first indented paragraph and all of the emergency preamble (page 1, lines 22 to 37 in amendment)

Further amend the amendment in the 5th indented paragraph in the first line (page 1, line 39 in amendment) by striking out the following: "Further amend" and inserting in its place the following: 'Amend'

Further amend the amendment in section 2 in that part designated "§5246." in subsection 17 in paragraph A in the first line (page 5, line 4 in amendment) by inserting after the following: "demonstrates" the following: 'to the Executive Director of the Bureau of Revenue Services in the Department of Administrative and Financial Services'

Further amend the amendment in section 2 in that part designated "§5246." in subsection 18 in the 9th and 10th lines (page 5, lines 20 and 21 in amendment) by striking out the following: ', calculated on a calendar year and per capita basis,'

Further amend the amendment in section 2 in that part designated "§5247." in subsection 1 in the next to last line (page 6, line 31 in amendment) by striking out the following: "The" and inserting in its place the following: 'No more than one zone may be established in each of the areas specified in paragraphs A to D, except that the'

Further amend the amendment in section 2 in that part designated "§5247." in subsection 3 by striking out all of paragraphs G to I (page 7, lines 21 to 36 in amendment) and inserting in their place the following:

'G. All property included within a Pine Tree Development Zone must meet one of the following:

(1) The property is located within a market area for which the labor market unemployment rate is greater than the state unemployment rate at the time of the application; or

(2) The property is included within a county in which the average weekly wage is below the state average weekly wage at the time of the application.

In the case of a multijurisdictional or joint application, the requirements of this paragraph are met if the combined unemployment rate of the cooperating units of local government meets the requirements of subparagraph (1) or the average weekly wage of the cooperating units of local government, on a per-employed-worker basis, meets the requirements of subparagraph (2); and

H. The restrictions contained in paragraph G may be waived for property that is contained within a labor market area that has sustained a greater than 5% loss of population or employed workers during the 3-year period immediately preceding the time of application if the loss was caused by business closings.'

Further amend the amendment in section 2 in that part designated "§5250-C." in the first paragraph in the first line (page 10, line 22 in amendment) by inserting before the following: "Not" the following: 'By January 15, 2004, the commissioner shall report to the joint standing committee of the Legislature having jurisdiction over economic development matters regarding rulemaking and progress in implementing Pine Tree Development Zones.'

Further amend the amendment in section 4 in that part designated "§2529." in subsection 2 in the 9th line (page 11, line 45 in amendment) by striking out the following: "assumption" and inserting in its place the following: 'assumptions'

Further amend the amendment in section 4 in that part designated "§2529." in subsection 2 in the 12th line (page 11,

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line 48 in amendment) by striking out the following: "but" and
inserting in its place the following: 'and that'

Further amend the amendment in section 4 in that part
designated "§2529." in subsection 2 in the 14th line (page 11,
line 50 in amendment) by striking out the following: "Part" and
inserting in its place the following: 'chapter'

Further amend the amendment in section 5 in that part
designated "§5219-W." in subsection 2 in the 13th line (page 13,
line 1 in amendment) by striking out the following: "assumption"
and inserting in its place the following: 'assumptions'

Further amend the amendment in section 5 in that part
designated "§5219-W." in subsection 2 in the 17th line (page 13,
line 5 in amendment) by striking out the following: "but" and
inserting in its place the following: 'and that'

Further amend the amendment in section 5 in that part
designated "§5219-W." in subsection 2 in the 19th line (page 13,
line 7 in amendment) by striking out the following: "Part" and
inserting in its place the following: 'chapter'

Further amend the amendment by striking out all of section 8
and inserting in its place the following:

'Sec. 8. Application. That section of this Act that enacts
the Maine Revised Statutes, Title 36, section 2529 applies to
calendar years beginning on or after January 1, 2003. That
section of this Act that enacts Title 36, section 5219-W applies
to tax years beginning on or after January 1, 2003.'

Further amend the amendment by striking out all of the
emergency clause (page 14, lines 11 to 13 in amendment)

SUMMARY

This amendment:

1. Limits the number of Pine Tree Development Zones that
the Commissioner of Economic and Community Development may
establish in each region;

2. Changes the eligibility standards for zone designation
by allowing the property to meet the requirements by having
either an unemployment rate higher than the state rate or being
located in a county in which the average weekly wage is lower
than the state average;

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3. Clarifies terminology regarding average weekly wages and
workforce;

4. Clarifies the procedure for determining the apportioned
credit for taxes paid;

5. Specifies how multijurisdictional applicants meet the
requirements of unemployment rate and average weekly wage;

6. Requires the Commissioner of Economic and Community
Development to report back to the Joint Standing Committee on
Business, Research and Economic Development regarding rulemaking
and other progress in implementing Pine Tree Development Zones;
and

7. Removes the emergency preamble and the emergency clause
and provides for the application of the tax credits for years
beginning on or after January 1, 2003.

FISCAL NOTE REQUIRED
(See attached)

SPONSORED BY:

(Senator GAGNON)

COUNTY: Kennebec



**121st Maine Legislature
Office of Fiscal and Program Review**

LD 1385

An Act To Establish the Pine Tree Development Zones Program

LR 2032(08)

Fiscal Note for Senate Amendment 'B' to Committee Amendment "A"

Sponsor: Sen. Gagnon of Kennebec

Fiscal Note Required: Yes

Fiscal Note

Potential current biennium revenue decrease - General Fund

Current biennium cost increase - General Fund

Fiscal Detail and Notes

This amendment will increase the areas eligible for designation as a Pine Tree Development Zone and may increase the revenue loss associated with this bill. The amount of the potential additional impact will depend on whether the Commissioner of Economic and Community Development designates a zone meeting the expanded definition through the application process for the 4 zones undesignated within the bill. This amendment also increases the administrative costs to Maine Revenue Services by approximately \$72,000 in fiscal year 2003-04 and \$94,000 in fiscal year 2004-05. This increase represents the cost of one Policy Development Specialist position identified by Maine Revenue Services as necessary to review Pine Tree Development Zone applications to determine if the expansion would occur elsewhere in the state absent these benefits. If this position is not funded there may be delays in the approval of applications and/or adverse effects on other programs.