

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 449

S.P. 147

In Senate, January 27, 2005

An Act To Make Changes to the Pine Tree Development Zones

Submitted by the Department of Economic and Community Development pursuant to Joint Rule 204.

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator MITCHELL of Kennebec.
Cosponsored by Representative ROBINSON of Raymond and
Senator: MILLS of Somerset, Representatives: BEAUDETTE of Biddeford, CROSBY of
Topsham.

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

2
3
4 **Sec. 1. 30-A MRSA §5250-I, sub-§§3 to 5**, as enacted by PL 2003, c. 688, Pt. D, §2, are amended to read:

6 **3. Average employment during base period.** "Average employment during the base period" for a business means the total number of qualified employees of that business on each of 6 consecutive measurement days in each of the 3 calendar years in the base period as chosen by the business divided by 18 and its affiliated businesses as of March 31st, June 30th, September 30th and December 31st of the base period, divided by 12.

14 **4. Base level of employment.** "Base level of employment" means the greater of either the total employment in the State of a business and its affiliated businesses as of the March 31st, June 30th, September 30th and December 31st of the calendar year immediately preceding its certification as a qualified the year of the business's application to become a certified Pine Tree Development Zone business divided by 4 or its average employment during the base period.

22 **5. Base period.** "Base period" means the 3 calendar years prior to the year in which a business is applies to be certified as a qualified Pine Tree Development Zone business.

26 **Sec. 2. 30-A MRSA §5250-I, sub-§14, ¶¶C and D**, as enacted by PL 2003, c. 688, Pt. D, §2, are amended to read:

30 C. The sales tax exemptions under Title 36, section 1760, subsections 86 and 87; and

32 D. The Pine Tree Development Zone tax credits provided by Title 36, sections 2529 and 5219-W₁;

36 **Sec. 3. 30-A MRSA §5250-I, sub-§14, ¶¶E and F** are enacted to read:

38 E. Discounted rates approved by the Public Utilities Commission, if applicable, and offered by transmission and distribution utilities as authorized under Title 35-A, section 3210-B, subsection 1; and

44 F. Line extensions and conservation programs approved or authorized by the Public Utilities Commission under Title 35-A, section 3210-B, subsections 2 and 3.

48 **Sec. 4. 30-A MRSA §5250-I, sub-§17**, as enacted by PL 2003, c. 688, Pt. D, §2, is amended to read:

17. **Qualified Pine Tree Development Zone business.**

2 "Qualified Pine Tree Development Zone business" or "qualified
business" means any for-profit business in this State engaged in
4 financial services, manufacturing or a targeted technology
business that adds at least one qualified Pine Tree Development
6 Zone ~~employees~~ employee above its base level of employment in
this State and that meets the following criteria:

8
A. It demonstrates that the establishment or expansion of
10 operations within the Pine Tree Development Zone would not
occur within the State absent the availability of the Pine
12 Tree Development Zone benefits. The department shall
~~investigate~~ determine whether the business has met the
14 requirements of this paragraph ~~and--provide--an--advisory~~
~~opinion--to--the--Executive--Director--of--the--Bureau--of--Revenue~~
16 ~~Services--in--the--Department--of--Administrative--and--Financial~~
~~Services,--who--shall--make--the--final--determination;~~ and

18
B. It has received a certificate as a qualified business
20 pursuant to section 5250-O.

22 **Sec. 5. 30-A MRSA §5250-J, sub-§1**, as enacted by PL 2003, c.
688, Pt. D, §2, is amended to read:

24
1. **Creation.** One or more units of local government, or an
26 organization representing one or more units of local government,
may apply to the commissioner for the designation of a Pine Tree
28 Development Zone within the boundaries of the unit or units of
local government in accordance with the requirements of this
30 subchapter. County governments may apply on behalf of
unorganized territories. Groups of units of local government may
32 apply for multijurisdictional or joint projects.
Multijurisdictional applications require designation of one unit
34 of local government as the lead applicant and consent for that
designation by each participating unit of local government.
36 Counties may also apply on behalf of a consortium of units of
local government. The designation of a Pine Tree Development Zone
38 may not conflict with the provisions of a municipal or other unit
of local government charter. Zones that meet the requirements of
40 subsection 2 are authorized for designation as follows:

42 A. Aroostook County, including up to 100 acres of land
reserved for the Aroostook Band of Micmacs and the Houlton
44 Band of Maliseet Indians;

46 B. The Androscoggin Valley region, including the Lewiston
Enterprise Community Zone as designated by the federal
48 Agriculture, Rural Development, Food and Drug
Administration, and Related Agencies, Appropriations Act,
50 Public Law 105-277 (1999);

2 C. The Penobscot Valley region, including up to 500 acres
of land reserved for the Penobscot Nation; and

4

6 D. Washington County and the Downeast region, including up
to 500 acres of land reserved for the Passamaquoddy Tribe.

8 No more than one zone may be established in each of the areas
specified in paragraphs A to D, except that the commissioner may
10 designate up to 4 additional zones and may designate additional
12 acres in qualifying areas in order to respond to the needs of a
particular development project through the process established in
section 5250-L.

14

16 **Sec. 6. 30-A MRSA §5250-J, sub-§3, ¶¶A and D**, as enacted by PL
2003, c. 688, Pt. D, §2, are amended to read:

18 A. The total area of a zone, ~~including all noncontiguous~~
20 ~~parcels,~~ may not exceed 5,000 developable acres, which need
not be contiguous;

22 D. Pine Tree Development Zone benefits may not be provided
based upon any property, employees or positions transferred
24 by the business or affiliated businesses into a Pine Tree
Development Zone from a location elsewhere in the State;

26

28 **Sec. 7. 30-A MRSA §5250-J, sub-§3, ¶E**, as enacted by PL 2003,
c. 688, Pt. D, §2, is repealed.

30 **Sec. 8. 30-A MRSA §5250-K, sub-§§3 and 5**, as enacted by PL
2003, c. 688, Pt. D, §2, are amended to read:

32

34 **3. Effective date.** The establishment of a Pine Tree
Development Zone is effective upon preliminary designation by the
commissioner.

36

38 ~~5. Amendments. The designation, size, location, number and~~
~~configuration of the parcels in a Pine Tree Development Zone or~~
the terms All aspects of a development plan as described in
40 section 5250-J, subsection 4, including the designation of
additional acreage, may be amended by an affirmative a majority
42 vote of all the participating units of local government as
evidenced by either a majority vote of the municipal officers or
44 legislative body of each unit of local government or their
representatives on the zone's governing body. A participating
46 unit of local government may amend, or undesignate entirely,
previously designated acreage within its jurisdiction by a
48 majority vote of its municipal officers or legislative body, as
long as the amendment does not increase its total acres. In no
50 case may an amendment adversely affect the Pine Tree Development

2 Zone benefits of a qualified business. An amendment may not
3 result in the zone's being out of compliance with any of the
4 requirements in section 5250-J.

6 **Sec. 9. 30-A MRSA §5250-L**, as enacted by PL 2003, c. 688, Pt.
D, §2, is amended to read:

8 **§5250-L. Selection criteria**

10 **1. Review and selection of zones.** The commissioner shall
11 review applications and select zones for designation based upon
12 the following criteria:

- 14 A. Severity of economic distress within the region affected
15 by the Pine Tree Development Zone;
- 16 B. Viability of a development plan described under section
17 5250-J, subsection 4, paragraph E;
- 18 C. Commitment of local and regional financial resources;
- 19 D. Partnerships with public and private organizations; and
- 20 E. Impact on surrounding regions of the Pine Tree
21 Development Zone.

22 **2. Review and selection of department acres.** The
23 commissioner shall review information and select acres, referred
24 to in this subsection as "department acres," for designation
25 based upon the following criteria:

- 26 A. Severity of economic distress within the affected
27 community or region;
- 28 B. Impact of the proposed development project on the
29 regional economy; and
- 30 C. Cooperation with regional councils of governments as
31 described in chapter 119 and participating units of local
32 governments.

33 Department acres may be added to an existing Pine Tree
34 Development Zone and must conform generally to the requirements
35 set forth in section 5250-J, subsection 4.

46 **SUMMARY**

48 This bill affects the Pine Tree Development Zone laws by:

- 2 1. Clarifying the base period prior to a business applying
for Pine Tree Development Zone status;
- 4 2. Adding the utility benefits enacted by Public Law 2003,
chapter 610;
- 6 3. Removing the authority of the Department of
8 Administrative and Financial Services, Bureau of Revenue Services
to review a business certification statement;
- 10 4. Clarifying the type of land included in the 5,000-acre
12 cap;
- 14 5. Allowing the Department of Economic and Community
Development to add acreage to a zone in order to meet specific
16 project needs;
- 18 6. Removing the limit on the number of parcels allowed
within a zone;
- 20 7. Simplifying the amendment process for a zone; and
- 22 8. Setting criteria for the department to determine when to
24 add acreage to a Pine Tree Development Zone.