

# MAINE STATE LEGISLATURE

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Date: 5/25/07

Majority

L.D. 719  
(Filing No. H-330)

**BUSINESS, RESEARCH AND ECONOMIC DEVELOPMENT**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
123RD LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 540, L.D. 719, Bill, "An Act To Encourage Manufacturing by Expanding Pine Tree Development Zones"

Amend the bill by striking out the title and substituting the following:

**'An Act To Encourage Manufacturing by Expanding Pine Tree Development Zone Benefits'**

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 30-A MRSA c. 206, sub-c. 6 is enacted to read:

**SUBCHAPTER 6**

**PINE TREE DEVELOPMENT ZONE EXCEPTIONS**

**§5250-R. Definitions**

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.

- 1. Commissioner. "Commissioner" means the Commissioner of Economic and Community Development.
- 2. Department. "Department" means the Department of Economic and Community Development.
- 3. Manufacturing. "Manufacturing" has the same meaning as in section 5250-I, subsection 11.
- 4. Pine Tree Development Zone. "Pine Tree Development Zone" has the same meaning as in section 5250-I, subsection 13.

**COMMITTEE AMENDMENT**

1 5. Pine Tree Development Zone benefits. "Pine Tree Development Zone benefits"  
2 has the same meaning as in section 5250-I, subsection 14.

3 §5250-S. Exceptions for manufacturing businesses

4 1. Expansion by manufacturing business. The commissioner may certify a  
5 business that does not otherwise qualify as a qualified Pine Tree Development Zone  
6 business pursuant to section 5250-I, subsection 17 or that does not locate in a Pine Tree  
7 Development Zone as qualified to receive Pine Tree Development Zone benefits if the  
8 business:

9 A. Is a for-profit business that has been engaged in the business of manufacturing in  
10 the State for at least 3 years;

11 B. Makes a written commitment to expand its business at one of its current locations  
12 in the State by adding at the location of expansion a minimum of 20 net new,  
13 full-time employees for whom a retirement program subject to the federal Employee  
14 Retirement Income Security Act of 1974, 29 United States Code, Sections 1001 to  
15 1461, as amended, and group health coverage are provided and whose income  
16 derived from employment at the business's location of expansion, calculated on a  
17 calendar-year basis, is greater than the most recent annual per capita personal income  
18 in the county in which the employee is employed; and

19 C. Makes a written commitment to invest a minimum of \$2,000,000 in its expansion  
20 at one of its current locations.

21 2. Application for tax benefits. A manufacturing business may apply to the  
22 commissioner for certification to receive Pine Tree Development Zone benefits pursuant  
23 to subsection 1. An application must include, but is not limited to, a detailed narrative  
24 description of the manufacturing business's plans for expansion and goals for achieving  
25 the requirements listed under subsection 1 and a description of resources to be committed  
26 at the location of expansion, including a related timeline for achieving these goals. Upon  
27 review and determination by the commissioner that the business satisfies the criteria  
28 under subsection 1, the commissioner shall issue a certificate to the manufacturing  
29 business for qualification for Pine Tree Development Zone benefits.

30 3. Sunset. Applications for Pine Tree Development Zone benefits under this  
31 subchapter must be received by the commissioner by December 1, 2009.

32 §5250-T. Rules

33 The department shall adopt rules to implement this subchapter. Rules adopted  
34 pursuant to this section are routine technical rules as defined by Title 5, chapter 375,  
35 subchapter 2-A.'

36 **SUMMARY**

37 This amendment is the majority report of the committee. It replaces the bill, which  
38 was a concept draft, and authorizes the State to provide Pine Tree Development Zone  
39 benefits to Maine manufacturing companies that would not otherwise qualify for these  
40 benefits. A business is required to satisfy specific criteria, including that it is a for-profit  
41 business that has been engaged in manufacturing in the State for at least 3 years; it makes

COMMITTEE AMENDMENT "A" to H.P. 540, L.D. 719

1 a written commitment to expand its business at one of its current locations in the State by  
2 adding at the location of expansion a minimum of 20 net new, full-time employees for  
3 whom a retirement program and group health coverage are provided and whose income  
4 satisfies certain criteria; and it makes a written commitment to invest a minimum of  
5 \$2,000,000 in its expansion at one of its current locations. The amendment specifies the  
6 criteria for the application that an applicant must submit to the Commissioner of  
7 Economic and Community Development, and it also adds a sunset provision that requires  
8 applications for benefits to be received by the commissioner by December 1, 2009. This  
9 amendment also authorizes the Department of Economic and Community Development  
10 to adopt rules to implement this legislation.

**FISCAL NOTE REQUIRED**  
(See attached)

**COMMITTEE AMENDMENT**



# 123rd MAINE LEGISLATURE

LD 719

LR 1172(02)

## An Act To Encourage Manufacturing by Expanding Pine Tree Development Zones

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Business, Research and Economic Development

Fiscal Note Required: Yes

### Fiscal Note

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
<b>Net Cost (Savings)</b>				
General Fund	\$14,123	\$49,412	\$84,562	\$111,885
<b>Revenue</b>				
General Fund	(\$14,123)	(\$49,412)	(\$84,562)	(\$111,885)
Other Special Revenue Funds	(\$775)	(\$2,710)	(\$4,637)	(\$6,137)

#### Fiscal Detail and Notes

The General Fund revenue loss associated with the expansion of Pine Tree Development Zone benefits is estimated to be \$14,123 in fiscal year 2007-08 and \$49,412 in fiscal year 2008-09. The additional costs to the Department of Economic and Community Development associated with rulemaking can be absorbed within existing budgeted resources.