

# MAINE STATE LEGISLATURE

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# 127th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2015

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Legislative Document

No. 1364

S.P. 497

In Senate, April 23, 2015

### **An Act To Expand Opportunities for Economic Development in Maine**

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

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

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Secretary of the Senate

Presented by Senator CUSHING of Penobscot.  
Cosponsored by Representative LOCKMAN of Amherst and  
Senators: EDGECOMB of Aroostook, VOLK of Cumberland, WHITTEMORE of Somerset,  
Representatives: MAKER of Calais, MARTIN of Eagle Lake, SAUCIER of Presque Isle.

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

2 **Sec. 1. 30-A MRSA §5250-I, sub-§18**, as amended by PL 2005, c. 351, §4 and  
3 affected by §26, is further amended to read:

4 **18. Qualified Pine Tree Development Zone employees.** "Qualified Pine Tree  
5 Development Zone employees" means new, full-time employees hired in this State by a  
6 qualified Pine Tree Development Zone business for work directly in one or more  
7 qualified business activities for whom a retirement program subject to the Employee  
8 Retirement Income Security Act of 1974, 29 United States Code, Sections 101 to 1461, as  
9 amended, ~~and group health insurance are~~ is provided and whose income derived from  
10 employment within the Pine Tree Development Zone, calculated on a calendar year basis,  
11 is greater than the ~~most recent annual per capita personal income in the county in which~~  
12 ~~the qualified employee is employed~~ average weekly wage for the most recent available  
13 calendar year as derived from the Quarterly Census of Employment and Wages and  
14 provided annually by the Department of Labor. The calculation of the average weekly  
15 wage must include data from the counties of Androscoggin, Aroostook, Franklin,  
16 Hancock, Kennebec, Knox, Lincoln, Oxford, Penobscot, Piscataquis, Sagadahoc,  
17 Somerset, Waldo and Washington. In a county where the average annual unemployment  
18 rate at the time of certification for the most recent calendar year is greater than the state  
19 average for that same year, the wage threshold is 90% of the average weekly wage as  
20 derived from the Quarterly Census of Employment and Wages. "Qualified Pine Tree  
21 Development Zone employees" does not include employees shifted to a qualified  
22 business activity from a nonqualified activity of the qualified Pine Tree Development  
23 Zone business or an affiliated business. The commissioner shall determine whether a  
24 shifting of employees has occurred.

25 **Sec. 2. 30-A MRSA §5250-I, sub-§18-A** is enacted to read:

26 **18-A. Quarterly Census of Employment and Wages.** "Quarterly Census of  
27 Employment and Wages" means the comprehensive tabulation of employment and wage  
28 information for workers produced by the Quarterly Census of Employment and Wages  
29 program, a cooperative program involving the federal Department of Labor, Bureau of  
30 Labor Statistics and the state employment security agencies.

31 **Sec. 3. 30-A MRSA §5250-I, sub-§23**, as enacted by PL 2009, c. 21, §3, is  
32 repealed.

33 **Sec. 4. 30-A MRSA §5250-I, sub-§24**, as enacted by PL 2009, c. 21, §4, is  
34 repealed.

35 **Sec. 5. 30-A MRSA §5250-J, sub-§4-A**, as enacted by PL 2009, c. 21, §5, is  
36 amended to read:

37 **4-A. Catastrophic occurrence; benefits.** A qualified Pine Tree Development Zone  
38 business ~~whose primary purpose is to support the State's working waterfront industry~~  
39 may apply for an adjustment of the base level of employment or an extension of its

1 certification period by no more than 2 years, or both, as described in this section, if it  
2 meets the following criteria:

- 3 ~~A. It is located on a working waterfront in a Pine Tree Development Zone;~~  
4 B. It has sustained at least a 5% loss of employed workers due to a catastrophic  
5 occurrence; and  
6 C. It has appropriate infrastructure and zoning or other land use regulations in place.

7 For the purposes of this section and calculation of Pine Tree Development Zone benefits  
8 in section 5250-I, subsection 14, the base level of employment may be adjusted to mean  
9 25% of the average number of employees of that business over the 3 months immediately  
10 preceding the catastrophic occurrence. A qualified business must apply for an adjustment  
11 of the base level of employment or for an extension of certification in accordance with  
12 this subsection within 16 24 months of the catastrophic occurrence. Applications pursuant  
13 to this subsection must be received by August 1, 2011. To apply for an extension of  
14 certification, the qualified business shall submit a written request for an extension to the  
15 department, which may, after consultation with the Governor, grant the extension of  
16 certification.

17 **Sec. 6. 36 MRSA §6753, sub-§12**, as amended by PL 2009, c. 434, §82, is  
18 further amended to read:

19 **12. Qualified employee.** "Qualified employee" means a new, full-time employee  
20 hired in this State by a qualified business, for whom a retirement program subject to the  
21 Employee Retirement Income Security Act of 1974, 29 United States Code, Chapter 18  
22 ~~and group health insurance are~~ is provided, and whose income derived from employment  
23 with the applicant, calculated on a calendar year basis, is greater than the ~~most recent~~  
24 ~~annual per capita personal income in the county in which the qualified employee is~~  
25 ~~employed~~ average weekly wage for the most recent available calendar year as derived  
26 from the Quarterly Census of Employment and Wages and provided annually by the  
27 Department of Labor, as long as Maine income tax withholding attributed to the qualified  
28 employee is subject to reimbursement to the qualified business under this chapter.  
29 "Qualified employee" does not include an employee who is shifted to a qualified business  
30 from an affiliated business. The commissioner shall determine whether a shifting of  
31 employees has occurred. The calculation of the average weekly wage must include data  
32 from the counties of Androscoggin, Aroostook, Franklin, Hancock, Kennebec, Knox,  
33 Lincoln, Oxford, Penobscot, Piscataquis, Sagadahoc, Somerset, Waldo and Washington.  
34 In a county where the average annual unemployment rate at the time of certification for  
35 the most recent calendar year is greater than the state average for that same year, the  
36 wage threshold is 90% of the average weekly wage as derived from the Quarterly Census  
37 of Employment and Wages. "Quarterly Census of Employment and Wages" means the  
38 comprehensive tabulation of employment and wage information for workers produced by  
39 the Quarterly Census of Employment and Wages program, a cooperative program  
40 involving the federal Department of Labor, Bureau of Labor Statistics and the state  
41 employment security agencies.

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## SUMMARY

2           This bill makes the following changes to the laws governing Pine Tree Development  
3 Zones.

4           1. Current law authorizes Pine Tree Development Zone businesses whose primary  
5 purpose is to support the State's working waterfront to apply for adjustments based on a  
6 catastrophic occurrence. This bill eliminates the restriction that the business be within the  
7 working waterfront industry, and allows such affected businesses to apply for an  
8 extension of their certification period of up to 2 years. This bill authorizes the  
9 Department of Economic and Community Development, after consultation with the  
10 Governor, to grant extensions of certification.

11           2. Current law defines a qualified Pine Tree Development Zone employee as an  
12 employee for whom group health insurance is provided. This bill eliminates the  
13 requirement that group health insurance be provided.

14           3. Current law defines a qualified Pine Tree Development Zone employee as one  
15 whose income is greater than the most recent annual per capita personal income in the  
16 county in which the qualified employee is employed. Under this bill, the income of a  
17 qualified employee is greater than the average weekly wage for the most recent calendar  
18 year as derived from the Quarterly Census of Employment and Wages. The calculation  
19 of the average weekly wage must include data from the counties of Androscoggin,  
20 Aroostook, Franklin, Hancock, Kennebec, Knox, Lincoln, Oxford, Penobscot,  
21 Piscataquis, Sagadahoc, Somerset, Waldo and Washington.

22           4. It amends the laws governing employment tax increment financing reimbursement  
23 to reflect the revised definition of "qualified employee" under the Pine Tree Development  
24 Zone laws.