

MAINE STATE LEGISLATURE

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Date: 2-22-16

(Filing No. S-363)

LABOR, COMMERCE, RESEARCH AND ECONOMIC DEVELOPMENT

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**STATE OF MAINE
SENATE
127TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “ **A** ” to S.P. 578, L.D. 1480, Bill, “An Act To Create and Sustain High-quality Maine Jobs”

Amend the bill in section 1 in §1026-U in subsection 1 in paragraph C in the first line (page 1, line 13 in L.D.) by striking out the following: “established” and inserting the following: ‘authorized’

Amend the bill in section 1 in §1026-U in subsection 2 in the first line (page 1, line 15 in L.D.) by striking out the following: “established. The authority shall” and inserting the following: ‘authorized. The authority may’

Amend the bill in section 1 in §1026-U in subsection 6 in paragraph B in the first line (page 2, line 17 in L.D.) by inserting after the following: “funding” the following: ‘from bonds issued pursuant to subsection 7’

Amend the bill in section 1 in §1026-U by striking out all of subsections 7 to 9 (page 2, lines 22 to 32 in L.D.) and inserting the following:

7. Bonding authorization. The authority may provide by resolution for the issuance of bonds in accordance with subsection 6, paragraph B for the purpose of funding business development projects. Bonds issued pursuant to this subsection do not constitute a general obligation of the authority, and the authority may not pledge an obligation under section 1053 or otherwise seek an appropriation for repayment. Bonds issued under this subsection do not constitute a debt of the State or any agency or political subdivision of the State and are payable solely from the revenues of the business development project for which the bonds are issued. Neither the faith nor credit nor taxing power of the State or any political subdivision of the State may be pledged to payment of the bonds issued under this subsection. Notwithstanding any other provision of law, any bonds issued pursuant to this subsection are fully negotiable. If any member of the authority whose signature appears on the bond or coupons ceases to be a member of the authority before the delivery of those bonds, that signature is valid and sufficient for all purposes as if that member of the authority had remained a member of the authority until delivery.

1 8. Requirements of recipient. A recipient of financial support under subsection 6
2 shall provide the following.

3 A. In addition to repayment of the financial support received under subsection 6
4 pursuant to the terms set by the authority, within 5 years after the completion of the
5 business development project the recipient shall pay to the fund an amount equal to
6 10% of the amount of the financial support received under subsection 6 pursuant to
7 terms determined by the authority.

8 B. The recipient shall report to the authority 5 years after completion of the business
9 development project. The report must include a description of the business
10 development project and the number of jobs created or retained. The report must
11 identify the entity or entities using the business development project and, for each
12 entity, indicate the extent to which the entity is owned or managed by minorities or
13 women, the percentage of the entity's operations located within and outside the State,
14 the entity's payroll and the property taxes paid by the entity.

15 9. Report. The authority shall report annually, on or before January 1st, to the joint
16 standing committee of the Legislature having jurisdiction over economic development
17 matters. The report must include a description of each business development project
18 under the program, the amount, type and terms of financial support the business
19 development project received and the information reported to the authority pursuant to
20 subsection 8. The report must contain an accounting of the fund, bonds issued pursuant
21 to subsection 7 and any loans or bonds that are in default. The accounting must include,
22 at a minimum, identification of amounts received from each public or private source,
23 identification of amounts returned to each public or private source and an accounting of
24 the authority's implementation and administration expenses incurred and charged to the
25 fund.

26 The committee may request that the joint legislative committee established to oversee
27 program evaluation and government accountability matters direct the Office of Program
28 Evaluation and Government Accountability to review the program as provided in Title 3,
29 section 991.

30 10. Rules. The authority may adopt rules as necessary to implement this section.
31 Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5,
32 chapter 375, subchapter 2-A.'

33 Amend the bill in section 2 in the 4th line (page 2, line 36 in L.D.) by striking out the
34 following: "\$250,000,000" and inserting the following: '\$50,000,000'

35 **SUMMARY**

36 This amendment authorizes, instead of requiring, the Finance Authority of Maine to
37 establish the Maine Capital Investment Program and reduces the amount of funding
38 required for the bill to take effect from \$250,000,000 to \$50,000,000.

39 This amendment eliminates the provision of the bill that provides that investments
40 into the Maine Capital Investment Fund may be eligible for the seed capital investment
41 tax credit.

1 This amendment authorizes the authority to issue bonds for the purpose of funding
2 business development projects and specifies that such bonds are not general obligation
3 bonds of the authority or the State or any agency or political subdivision of the State.

4 This amendment requires a report to the authority by each recipient of financial
5 support under the program as well as an annual report from the authority to the joint
6 standing committee of the Legislature having jurisdiction over economic development
7 matters regarding the business development projects that have received financial support
8 and the administration of the program. The committee may request an independent
9 evaluation of the program by the Office of Program Evaluation and Government
10 Accountability.

11 **FISCAL NOTE REQUIRED**

12 **(See attached)**



127th MAINE LEGISLATURE

LD 1480

LR 2196(02)

An Act To Create and Sustain High-quality Maine Jobs

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-363)
Committee: Labor, Commerce, Research and Economic Development
Fiscal Note Required: Yes

Fiscal Note

Maine Capital Investment Program authorized

Fiscal Detail and Notes

Contingent upon receipt of at least \$50,000,000 in appropriations, allocations or other funding sources, this bill authorizes the Maine Capital Investment Program within the Finance Authority of Maine and establishes a nonlapsing revolving loan and equity fund to provide loans or bond funding to certain eligible business projects. The Finance Authority of Maine has indicated that it will be able to implement and administer the program within the provisions established in this legislation.