

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 1833

H.P. 1304

House of Representatives, June 4, 2019

An Act Establishing a Review Process for Measures with a Potential Economic Impact and Directing the Department of Economic and Community Development To Develop a Strategic Economic Plan

Reported by Representative DAUGHTRY of Brunswick for the Joint Standing Committee on Innovation, Development, Economic Advancement and Business pursuant to Joint Order 2019, H.P. 1252.

A handwritten signature in cursive script that reads "R. B. Hunt".

ROBERT B. HUNT
Clerk

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

2 **Sec. 1. 1 MRSA c. 34** is enacted to read:

3 **CHAPTER 34**

4 **REVIEW OF MEASURES WITH ECONOMIC IMPACTS**

5 **§2801. Definitions**

6 As used in this chapter, unless the context otherwise indicates, the following terms
7 have the following meanings.

8 **1. Measure with potential economic impact.** "Measure with potential economic
9 impact" means a proposed statute that includes a measure to:

10 A. Grow the State's workforce; or

11 B. Advance innovation in the private business sector.

12 **2. Review committee.** "Review committee" means the joint standing committee of
13 the Legislature having jurisdiction over innovation, development, economic advancement
14 and business matters.

15 **§2802. Review process**

16 **1. Procedures before legislative committees.** Whenever a measure with potential
17 economic impact is proposed, the joint standing committee of the Legislature having
18 jurisdiction over the measure shall hold a public hearing and determine the level of
19 support for the measure among the members of the committee. If there is support for the
20 measure among a majority of the members of the committee, the committee shall request
21 the review committee to review and evaluate the measure pursuant to subsection 2 and to
22 report back to the committee of jurisdiction. A measure with potential economic impact
23 may not be enacted into law unless a review and evaluation pursuant to subsection 2 has
24 been completed.

25 **2. Review and evaluation.** Upon referral of a measure with potential economic
26 impact from the joint standing committee of the Legislature having jurisdiction over the
27 measure, the review committee shall conduct a review and evaluation of the measure and
28 shall report in a timely manner to the committee of jurisdiction. The review committee
29 shall determine pursuant to the review and evaluation whether the measure is consistent
30 with the current strategic plan produced by the Department of Economic and Community
31 Development.

32 **3. Report.** The review committee shall report its findings and recommendations
33 pursuant to subsection 2 on whether the proposed measure with potential economic
34 impact should be enacted to the joint standing committee of the Legislature having
35 jurisdiction over the measure.

36 **4. Review; repeal.** The review committee shall review this section in the Second
37 Regular Session of the 130th Legislature and may report out a bill regarding this section

1 to the Second Regular Session of the 130th Legislature. This section is repealed effective
2 90 days following the adjournment of the Second Regular Session of the 130th
3 Legislature.

4 **Sec. 2. Strategic economic plan.** The Department of Economic and Community
5 Development, in collaboration with public and private constituents, shall facilitate the
6 creation of a 10-year strategic economic plan, referred to in this section as "the strategic
7 plan," that recommends breakthrough strategies for increased economic prosperity for all
8 citizens of the State in all regions, ultimately measured by increased household income, a
9 growing workforce and sustainable business development.

10 The strategic plan must extend broadly from the Maine Innovation Economy
11 Advisory Board's 2017 innovation economy action plan created pursuant to the Maine
12 Revised Statutes, Title 10, section 949 and seek to leverage private and federal
13 investment, particularly in areas of scientific research and commercialization. The
14 strategic plan's strategic goals must include the following:

15 1. To drive the value-added contribution per job from \$87,160 to a goal identified by
16 the Department of Economic and Community Development;

17 2. To equitably grow the annual median wage per job from \$31,550 to a goal
18 identified by the Department of Economic and Community Development; and

19 3. To grow the workforce from 700,000 workers to a goal identified by the
20 Department of Economic and Community Development.

21 The strategic plan must include sufficient assignments of accountability to ensure
22 execution of the plan with sufficient metrics for effective management.

23 The strategic plan must include an analysis of gaps in funding and policy and
24 recommendations that ensure dependable continuity of access to capital across business
25 start-up stages from equity investments, seed capital tax credits, start-up grants and direct,
26 revolving and commercial loans with clear benchmarks, rigorous accountability, public
27 transparency and risk mitigation that protect public benefits.

28 Following a comprehensive assessment and trend analysis of research and
29 development and business and commercial assets in the State, the Department of
30 Economic and Community Development shall ensure that the strategic plan includes
31 consideration of but is not limited to directing policy supports that suit economic
32 development in the emerging sectors of: life sciences and biomedical technology,
33 environmental and renewable energy technology, information technology, advanced
34 technologies for forestry and agriculture, aquaculture and marine technology, composites
35 and advanced materials and precision manufacturing.

36 The strategic plan must complement and support other concurrent and parallel state
37 planning initiatives on energy and broadband connectivity such as the comprehensive
38 state energy plan pursuant to the Maine Revised Statutes, Title 2, section 9, subsection 3,
39 paragraph C, the Statewide Broadband Action Plan of the Department of Economic and

1 Community Development dated March 2018 and the Detailed 2019-2021 Strategic Plan
2 for Broadband Service in Maine created by the ConnectME Authority in February 2019.

3 The Department of Economic and Community Development shall establish a steering
4 committee composed of representatives from the Department of Economic and
5 Community Development, the Finance Authority of Maine and the Department of Labor
6 and the State Economist; the steering committee shall guide the development of the
7 strategic plan.

8 The Department of Economic and Community Development shall establish a work
9 team, and the work team shall develop the content of the strategic plan. The work team
10 must include, but is not limited to, the members of the steering committee and
11 representatives from a state business organization, the Maine Technology Institute, the
12 Maine Development Foundation, a venture capital fund operating in the State, the office
13 of the President of the University of Maine and a state building and trades organization.

14 The content of the strategic plan must be informed by the work team and developed
15 in consultation with individuals and agencies, including, but not limited to, those with
16 qualifications and experience related to: scientific research leading to creation of
17 intellectual property, entrepreneurship and successful development of start-up and spin-
18 off businesses; evaluating and underwriting successful business start-ups; technology
19 transfer and capitalization of intellectual property; evaluating or completing successful
20 projects funded in partnership with institutions such as the National Science Foundation,
21 the United States Department of Health and Human Services, the National Institutes of
22 Health and National Institute of General Medical Sciences and the Maine Experimental
23 Program to Stimulate Competitive Research, established in the Maine Revised Statutes,
24 Title 5, section 13110, federal small business innovation research and small business
25 technology transfer programs, national research laboratories and the Maine Technology
26 Institute's technology asset fund.

27 The strategic plan must also be informed by input from, without limitation, the
28 Finance Authority of Maine, the Maine Technology Institute, the Governor's office of
29 innovation and the future, the Department of Economic and Community Development,
30 the Maine Innovation Economy Advisory Board, the office of the President of the
31 University of Maine, the office of the Chancellor of the University of Maine System, the
32 ConnectME Authority, an organization representing the energy sector, a venture capital
33 fund operating in the State, organizations in the State dedicated to entrepreneurship, an
34 organization in the State dedicated to biomedical research excellence and the State's
35 congressional delegation.

36 The Department of Economic and Community Development shall establish within
37 the strategic plan a schedule for periodic review of the plan goals and progress made
38 pursuant to those goals. The Department of Economic and Community Development
39 shall also include within the strategic plan a strategy for continuation of the strategic plan
40 following the expiration of the 10-year plan period.

41 By December 31, 2019, the Department of Economic and Community Development
42 shall provide a report on the strategic plan to the Joint Standing Committee on
43 Appropriations and Financial Affairs and the Joint Standing Committee on Innovation,

1 Development, Economic Advancement and Business and shall provide copies of the
2 strategic plan to all members of the Legislature. The Joint Standing Committee on
3 Innovation, Development, Economic Advancement and Business may report out a bill
4 based on the report to the Second Regular Session of the 129th Legislature.

5 **SUMMARY**

6 This bill establishes a process in statute by which the Joint Standing Committee on
7 Innovation, Development, Economic Advancement and Business reviews all legislative
8 measures with potential economic impact. The bill authorizes the committee to report out
9 legislation regarding this provision in the Second Regular Session of the 130th
10 Legislature pursuant to a sunset review. This provision is repealed 90 days following the
11 adjournment of the Second Regular Session of the 130th Legislature.

12 The bill directs the Department of Economic and Community Development to
13 develop a strategic plan to recommend strategies for increased economic prosperity in the
14 State. The bill establishes goals for the plan and directs the department to include an
15 analysis of gaps in funding and policy in the plan. The bill requires that the department
16 establish a steering committee and a work team to guide the development of the plan.
17 The bill requires the department to report on the plan to the Joint Standing Committee on
18 Innovation, Development, Economic Advancement and Business and provides the
19 committee permission to report out related legislation in the Second Regular Session of
20 the 129th Legislature.