

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND THIRTEENTH LEGISLATURE
FIRST REGULAR SESSION

December 3, 1986 to June 30, 1987

Chapters 1-542

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

Twin City Printery
Lewiston, Maine
1987

PUBLIC LAWS

OF THE

STATE OF MAINE

AS PASSED AT THE
FIRST REGULAR SESSION
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ONE HUNDRED AND THIRTEENTH LEGISLATURE
1987

The Secretary of State shall not register any motor vehicle required to obtain an operating permit subject to this chapter and the bureau shall not issue a permit covering the operation of any such motor vehicle or vehicles, until the applicant for that permit has procured a good and sufficient insurance policy or indemnity bond, in such amount as the bureau prescribes, having as surety thereon, a surety company authorized to transact business in this State or 2 responsible individuals, which bond shall be approved by the bureau, or a declaratory judgment issued by the Interstate Commerce Commission authorizing the motor carrier to self-insure. The insurance policy or bond or self-insurance shall adequately provide for cargo insurance and for the collection of damages for which the holder of a permit may be liable by reason of the operation of any motor vehicle or vehicles subject to the operation of this chapter. Notwithstanding this section, any person, firm or corporation transporting logs or pulpwood, garbage, refuse, sludge, junk or unserviceable vehicles, manure, wood chips, bark or hogged fuel is not required to provide cargo insurance. Any person, firm or corporation transporting freight between points within this State and points without the State or between points without the State, but passing through this State, is not required to provide cargo insurance.

Sec. 8. Effective date. Section 4 of this Act shall take effect on March 1, 1988.

Effective September 29, 1987, unless otherwise indicated.

CHAPTER 500

H.P. 1312 — L.D. 1790

AN ACT to Delineate Areas of Economic Distress and to Create Job Opportunity Zones to Alleviate Distress.

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

Sec. 1. 5 MRSA §7002, sub-§3 is enacted to read:

3. Assistance to municipalities to generate economic growth. The director shall administer a program of assistance to municipalities to generate jobs and business development. Potential uses of this money include infrastructure development, planning and technical assistance, marketing and other types of capacity building.

A. This program may consist of a fund consisting of money derived from any general obligation bonds issued for the purposes of generating economic development and jobs. This fund with money not exceeding \$1,000,000 shall be administered by the State Development Office to provide assistance as defined in this subsection. Money available for the purpose of this subsection shall not be used to provide financial assistance to business.

B. At least 20% of the money available to implement this program shall be provided to opportunity zones pursuant to chapter 403.

Sec. 2. 5 MRSA §12004, sub-§10, ¶A, sub-¶(5-A) is enacted to read:

<u>(5-A) Economic Development</u>	<u>Commission on Job Opportunity Zones</u>	<u>Legislative Per Diem for Legislative Members Only</u>	<u>5 MRSA §15136</u>
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Sec. 3. 5 MRSA c. 403 is enacted to read:

CHAPTER 403

JOB OPPORTUNITY ZONES ACT

§15131. Short title

This chapter shall be known and may be cited as the "Job Opportunity Zones Act."

§15132. Findings

The creation of job opportunities for Maine citizens is one of the highest priorities to maintain a healthy and balanced economy. Certain parts of the State do not enjoy the same level of economic development as other areas. Differences in geographical location, variations in the amount of natural or built resources and population, among other factors, have an impact on the ability of these areas to compete in a global economy and expand job opportunities.

Recognizing the need to assist certain areas of the State to address this economic disparity, it is appropriate to establish a program of economic development incentives targeted to areas of the State which are not sharing in the economic growth or job opportunities associated with that growth.

The responsibility for enhancing the development potential of any area must be a partnership between the locality and the State to create a local strategy, build capacity, improve infrastructure and services, identify and provide appropriate development incentives and effective market and promote the community.

§15133. Purpose

Job opportunity zones are created to enhance the partnership between the State and areas which are found to be economically distressed or impacted by sudden or severe dislocation of the economy. By targeting state and local resources and selected incentives, within the context of a local economic development strategy, job opportunity zones can be an effective tool to encourage balanced economic growth.

§15134. Definitions

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

1. Commission. "Commission" means Commission on Job Opportunity Zones.

2. Director. "Director" means the Director of the State Development Office.

3. Office. "Office" means the State Development Office.

4. Zone. "Zone" means a job opportunity zone.

§15135. Commission on Job Opportunity Zones

The Commission on Job Opportunity Zones, as established by chapter 403, shall be composed of 10 voting members.

1. Appointment. The Speaker of the House and the President of the Senate shall appoint 5 members to the commission and the Governor also shall appoint 5 members.

2. Terms of office. Members appointed by the Speaker of the House and the President of the Senate shall serve at the pleasure of these appointing authorities. The appointees of the Governor shall serve at the pleasure of the Governor.

3. Chairmen. There shall be 2 cochairmen of the commission. The Governor shall appoint one cochairman from among the gubernatorial appointees. The appointment of the chairmen from among the members appointed by the Speaker of the House and the President of the Senate shall be made by the Speaker of the House and the President of the Senate. The chairmen shall serve at the pleasure of their respective appointing authorities.

4. Compensation. The members shall be compensated in accordance with chapter 379.

5. Duties and responsibilities. the commission shall review the implementation of this chapter and assist the director in preparing reports. The commission shall report to the Governor and the joint standing committee of the Legislature having jurisdiction over economic development matters pursuant to this chapter.

§15136. Designation of Job Opportunity Zones

The director may establish 4 demonstration zones in economically distressed areas of the State as a means of determining the effectiveness of such zones as a tool for stimulating economic growth and development.

1. Standards for zones. The director, by rules adopted in accordance with the Maine Administrative Procedure Act, Title 5, chapter 375, shall establish standards

for the selection of areas to be designated as zones. The director shall consult with the commission in the preparation of rules for the selection of zones and the provision of assistance within those zones. At a minimum, the director shall apply the following standards.

A. All zones shall be economically distressed areas as determined by the director. At a minimum, the definition of distress includes areas where the unemployment rate is at least 1.5 times greater than the unemployment rate for the State, as reported by the Department of Labor; the per capita income is less than 80% of the per capita income of the State; there is a significant decline in the population; or there is a significant decline in the labor force, as reported by the Department of Labor.

(1) The level of general assistance by the State and municipalities, as well as the level of federal assistance to persons in these zones, shall also be considered.

B. All areas wishing to be designated as zones shall demonstrate actual or potential local capacity for economic development and the willingness to cooperate with the office.

C. At least one zone shall be a sudden or severely economically distressed area which shall have experienced significant layoffs.

D. At least one zone shall be an urban zone, comprising all or part of a municipality or a collection of municipalities within the same geographical area, at least one of which has a population greater than 10,000.

E. At least one zone shall be a rural zone, comprising a municipality or collection of municipalities within the same geographical area, no one of which may have a population greater than 10,000.

F. At least one zone shall be designated as a response to proposed economic development which will ensure the retention or creation of job opportunities through the location or expansion of an industry.

2. Duties and responsibilities of the director. The director shall designate zones. The director, to the fullest extent possible, shall inform communities eligible for designation about the program, providing technical assistance where necessary to communities interested in pursuing this designation.

3. Review of program; report to Governor and Legislature. The director shall report to the Governor and the joint standing committee of the Legislature having jurisdiction over economic development matters his findings on regional economic distress with suggestions for action which may alleviate this economic distress. In cooperation with the commission, the director shall review and evaluate the operation of these demonstration zones. This report shall be presented no later than

February 1st each year and shall include the following:

A. The number, type and quality of the new jobs created through the Opportunity Zone Program;

B. The number of jobs retained as a result of the Opportunity Zone Program that would have been otherwise lost without the targeted assistance of this program;

C. Economic and community development activity within the zone which is related to the designation as a zone; and

D. Any other results that the commission or the director deems significant.

The director, in this report, shall present findings and recommendations, including recommendations for the extension, expansion or elimination of the Job Opportunity Zone Program.

§15137. Determination of regional economic distress

The office shall analyze various regions and localities of the State in order to ascertain the level of economic distress, the causes of that distress and possible actions which may be undertaken to reduce or eliminate the economic distress. This analysis of economic distress shall include, at a minimum, unemployment rate, per capita income, population decline, decline in the labor force, the level of federal assistance afforded to the population, the level of general assistance afforded to the population, plant closings or other significant reductions in employment opportunities, the dependence upon one primary employer or industry within the region and other standards which may measure economic distress and employment opportunities.

§15138. Assistance to job opportunity zones

Agencies of State Government shall cooperate to assess the needs of zones and provide appropriate assistance to these zones. There shall be a committee composed of, at a minimum, the Director of the State Development Office, Director of the State Planning Office, Commissioner of Transportation, Commissioner of Labor, Commissioner of Educational and Cultural Services, Executive Director of the Maine Vocational-Technical Institute System, Chief Executive Officer of the Finance Authority of Maine and the Director of the Maine State Housing Authority.

In special circumstances where it is deemed critical to meeting zone objectives, the director is authorized to extend zone benefits to a business in a contiguous community.

In order to achieve the purposes for which opportunity zones are established, the State Development Office may apply the following programs of assistance.

1. Planning and technical assistance. The office may provide planning, technical assistance and resources to municipalities, regional development organizations serving the zone, persons, groups and other interested entities to assist in the preparation of short-term and long-term goals, the preparation of implementation plans to achieve these goals and determining approaches and identifying resources which can promote economic growth and development in each zone.

2. Small business assistance centers. The director may provide business development services, particularly managerial and technical assistance, to businesses in designated opportunity zones through the Small Business Development Centers.

3. The Maine Job Development Program and Financial Assistance to Business. The Finance Authority of Maine shall designate \$750,000 from the Maine Job Development Program Fund to be administered by the authority and to be used to provide assistance to businesses in zones. This designation shall not be construed to prohibit the use of additional funds from this program to provide additional financial assistance to eligible businesses in the zones. Such financial assistance shall be offered by the Finance Authority of Maine in cooperation with the State Development Office.

A. This fund may consist of money derived from any general obligation bonds for the purpose of generating business opportunities and jobs.

B. In implementing the Maine Job Development Program, the Finance Authority of Maine and the State Development Office and its successor shall coordinate their activities and other resources to the maximum extent possible.

4. The Maine Job Development Program; financial assistance to municipalities in opportunity zones. The State Development Office shall designate \$200,000 from the Maine Job Development Program Fund to be provided to municipalities in opportunity zones. This assistance shall be used to develop municipal capacity to generate jobs and business development. Potential uses of this money shall include, but not be limited to, infrastructure development, planning and technical assistance, marketing and other types of capacity building.

Money available for the purpose of this subsection shall not be used to provide financial assistance to businesses.

5. Opportunity Zone Service Delivery System Program. The Opportunity Zone Service Delivery System Program shall be developed by the director to coordinate development resources and services, including the programs and services of the State Planning Office, the Finance Authority of Maine and the Maine State Housing Authority which shall be targeted to assist zones.

6. Opportunity Zone Human Resource Development Program. The State Development Office shall coor-

dinate and target state and local government human resource development programs to each zone. The programs shall include, but not be limited to, education, including vocational education; job training; work incentive programs; and dependent care. Any of these programs applied to opportunity zones shall use funds appropriated by the Legislature to carry out the purposes of this Act when other existing resources are insufficient or unavailable.

7. Infrastructure Assistance Program. The office shall work with the Department of Transportation, the Department of Environmental Protection and the Public Utilities Commission to develop an infrastructure program for each zone. Such a program shall include, but not be limited to, short-term and long-term goals and a carefully designed plan of implementation.

8. Exemption. Application for designation of municipal development districts within zones shall be exempted from the limitations on tax increment financing as stipulated in Title 30, section 4683, subsection 1, paragraph C, subparagraph (1). To that end, municipal development district activities shall not affect or be affected by limitations or activities within the county wherein the zone is located.

9. Assistance to communities, persons and entities. The director shall provide assistance to communities, persons or entities in opportunity zones to fund programs and activities to develop and implement community economic development, business promotion and marketing activities.

10. Grants for newly created jobs. Businesses within the zones shall be eligible to receive direct grants of up to \$1,250 for each new full-time quality job created for a maximum of 200 jobs in all zones per year. Businesses shall be eligible to receive job grants for a period of 2 years from the date of the designation of the zone. Total grants shall not exceed a total of \$250,000 for all businesses within all the zones in any single year. The grants provided pursuant to this subsection shall be made from funds appropriated by the Legislature to carry out the purposes of this Act.

A. The Finance Authority of Maine shall be responsible for the administration of the Job Grants Program under this subsection. In administering this program, the Finance Authority of Maine, in cooperation with the State Development Office, shall adopt rules for the implementation of this program. These rules shall:

(1) Establish criteria and the process by which the amounts or sizes of grants shall be determined and awarded. Eligible recipients of grants shall be provided with 50% of the credit after a new position has been filled for a period of 6 months. The remainder of the job credit shall be made available to the eligible recipient after the position has been filled for one year;

(2) Define a quality job;

(3) Establish a ranking system with minimum eligibility standards, including factors such as full-time jobs; wages; job benefits, including medical insurance, dependent care, paid vacation and paid sick leave; and any other standards deemed important by the Finance Authority of Maine and the State Development Office;

(4) Provide special consideration for jobs created in manufacturing companies, natural resource-based companies, as well as companies which contribute to the export base of an opportunity zone and companies engaged in the production of value-added products and services; and

(5) Require companies applying for grants to demonstrate their financial viability which may include the use of the grant to make them financially viable.

B. The State Development Office shall be responsible for the promotion and packaging of applications for consideration by the Finance Authority of Maine. The State Development Office shall contract with the Finance Authority of Maine to underwrite and administer the Job Grants Program defined in this subsection. The contract shall allow for the reimbursement of reasonable expenses associated with the administration of the program.

§15139. Cooperation of state agencies

All state agencies shall cooperate with the State Development Office and the State Planning Office and expeditiously respond to their requests to undertake the activities required by this chapter.

§15140. Evaluation

The commission, in cooperation with the State Development Office, shall seek independent professional assistance to assist the commission to undertake an objective evaluation of the program. This evaluation shall be made available to the Governor and the joint standing committee of the Legislature having jurisdiction over economic development, no later than October 1, 1989.

§15141. Sunset

This chapter shall be repealed on June 30, 1990, unless reenacted by the Legislature.

Sec. 4. 10 MRSA c. 110, sub-c. VIII is enacted to read:

SUBCHAPTER VIII

MAINE OPPORTUNITY ZONE

JOB GRANTS PROGRAM

§1100-S. Job grants program

The authority shall be responsible for the administration of the Maine Opportunity Job Grants Program pursuant to Title 5, chapter 403

1. Cooperation with the State Development Office. In administering this program, the authority shall cooperate with the State Development Office. The authority and the State Development Office shall adopt rules in accordance with the Maine Administrative Procedure Act, Title 5, chapter 375, to implement this program. These rules shall:

A. Establish criteria and the process by which the amounts or sizes of grants shall be determined and awarded. Eligible recipients of grants shall be provided with 50% of the credit after a new position has been filled for a period of 6 months. The remainder of the job credit shall be made available to the eligible recipient after the position has been filled for one year;

B. Define a quality job;

C. Establish a ranking system with minimum eligibility standards, including factors such as full-time jobs; wages; job benefits, including medical insurance, dependent care, paid vacation, paid sick leave; and any other standards deemed important by the Finance Authority of Maine and the State Development Office;

D. Provide special consideration for jobs created in manufacturing companies, natural resources based companies as well as companies which contribute to the export base of an opportunity zone and companies engaged in the production of value-added products and services; and

E. Require companies applying for grants to demonstrate their financial viability which may include the use of the grant to make them financially viable.

Sec. 5. Allocation. The following funds having been appropriated by the Legislature are hereby allocated to carry out the purposes of this Act.

	1987-88	1988-89
<u>EXECUTIVE DEPARTMENT</u>		
State Development Office		
All Other	\$248,320	\$348,320

Funds for the fiscal year 1987-88 are to be used for contractual services to assist the State Development Office and the State Planning Office to conduct the review and analysis required in this Act. In addition, the funds provided in this allocation for the 1987-89 biennium may be used to fund remedies as provided in this chapter.

LEGISLATURE

Commission on Job Opportunity Zones

Personal Services	\$ 880	\$ 880
All Other	880	880
Total	<u>\$ 1,760</u>	<u>\$ 1,760</u>

Provides funds for per diem and expenses for Legislators appointed to the Commission on Job Opportunity Zones.

TOTAL ALLOCATIONS \$250,080 \$350,080

Effective September 29, 1987.

CHAPTER 501

H.P. 194 — L.D. 238

AN ACT Concerning Membership on the Commission on Uniform State Laws.

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

Sec. 1. 3 MRSA §241, first ¶, as amended by PL 1983, c. 812, §6, is further amended to read:

The Commission on Uniform State Laws, as established by Title 5, section 12004, subsection 12, shall consist of 3 members to be appointed for a term of 4 years by the Governor. The commission shall also consist of any residents who, because of long service in the cause of state legislation, are elected life members of the National Conference of Commissioners on Uniform State Laws. The commission shall examine subjects on which uniformity of legislation in the different states is desirable; ascertain the best means to effect uniformity; cooperate with the commissioners of other states in the consideration and drafting of uniform acts for submission to the Legislatures of the several states; and prepare bills for introduction in the Legislature.

Sec. 2. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

	1988-89
<u>LEGISLATURE</u>	
Commission on Uniform State Laws	
All Other	\$1,300
Provides funds to cover the additional travel expenses for one elected life member.	

Effective September 29, 1987.

CHAPTER 502

H.P. 1093 — L.D. 1484