

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND FIFTEENTH LEGISLATURE

THIRD SPECIAL SESSION

October 1, 1992 to October 6, 1992

FOURTH SPECIAL SESSION

October 16, 1992

ONE HUNDRED AND SIXTEENTH LEGISLATURE

FIRST REGULAR SESSION

December 2, 1992 to July 14, 1993

THE GENERAL EFFECTIVE DATE FOR
FIRST REGULAR SESSION
NON-EMERGENCY LAWS IS
OCTOBER 13, 1993

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

J.S. McCarthy Company
Augusta, Maine
1993

PUBLIC LAWS
OF THE
STATE OF MAINE

AS PASSED AT THE
FIRST REGULAR SESSION

of the
ONE HUNDRED AND SIXTEENTH LEGISLATURE

1993

1993-94

**PROFESSIONAL AND FINANCIAL
REGULATION, DEPARTMENT OF**

**Board of Licensure of
Railroad Personnel**

All Other \$34,600

Provides funds to repay all fees paid to the Board of Licensure of Railroad Personnel.

See title page for effective date.

CHAPTER 429

H.P. 704 - L.D. 956

**An Act to Clarify the Laws Related to State Tax
Increment Financing**

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

**Sec. 1. 30-A MRSA §5252, sub-§§1-C, 1-D,
2-B, 5-A, 6-A and 8-B** are enacted to read:

1-C. Affiliated business. “Affiliated business” means 2 businesses exhibiting either of the following relationships:

A. One business owns 50% or more of the stock of the other business or owns a controlling interest in the other; or

B. Fifty percent of the stock or a controlling interest is directly or indirectly owned by a common owner or owners.

1-D. Affiliated group. “Affiliated group” means a designated business and its corresponding affiliated businesses.

2-B. Committee. “Committee” means the Revenue Forecasting Committee consisting of the State Budget Officer, State Planning Officer, State Tax Assessor, Director of the Office of Fiscal and Program Review and a university economist appointed by the Governor.

5-A. Gross state tax increment. “Gross state tax increment” means the difference, if any, between the sales and income tax revenues attributable to the state tax increment financing district for the current period and the sales and income tax revenues attributable to the state tax increment financing district for the base period.

6-A. Market area. “Market area” means a geographic region that will be impacted by the operation of

a state tax increment financing district exclusive of the district.

8-B. State tax increment. “State tax increment” means the net annual gain, if any, in sales tax paid as a result of taxable events occurring within the state tax increment financing district and the net annual gain, if any, in state income taxes withheld as a result of wages paid for labor performed within the district.

Sec. 2. 30-A MRSA §5254-A, sub-§1-A, ¶C, as enacted by PL 1991, c. 856, §5, is amended to read:

C. Prior to approval of the proposed state tax increment financing district, the ~~Commissioner of Administrative and Financial Services~~ committee shall estimate the annual amount to be deposited in the state tax increment contingent account for all existing state tax increment financing districts, including the proposed district, and that estimate ~~must~~ may be used only in determining compliance with the limitations imposed under subsection 4, paragraphs D and E. The committee shall project for 2 calendar years immediately subsequent to retail activity commencing in a state tax increment financing district the level of income and sales tax collections for a market area assuming the absence of the state tax increment financing district. After the initial projection, the committee must every 2 years project the level of income and sales tax collections for a market area assuming the absence of the state tax increment financing district. The committee shall determine a market area and every 2 years update that determination as retail activity develops in the state tax increment financing district and market area.

Sec. 3. 30-A MRSA §5254-A, sub-§2, ¶A, as enacted by PL 1991, c. 856, §5, is amended to read:

A. On or before April 15th of each year, designated businesses located within a state tax increment financing district shall report the amount of sales tax paid in connection with operations within the district, the number of employees, the state income taxes withheld for the immediately preceding calendar year and any further information the ~~State Tax Assessor~~ committee may reasonably require.

~~On or before June 30th of each year, the State Tax Assessor committee shall determine, based on a comparison of the current reports and the base period reports contained in the application to the Commissioner of Economic and Community Development for approval of a state tax increment financing district, the net annual gain in sales tax paid in connection with operations within the district and the state income taxes withheld the state tax increment of a district for the preceding calen-~~

dar year. The net annual gain is referred to as the state tax increment.

Sec. 4. 30-A MRSA §5254-A, sub-§2-A, as enacted by PL 1991, c. 856, §5, is repealed and the following enacted in its place:

2-A. Calculation of state tax increment. The committee shall calculate a state tax increment for a particular district by:

A. Determining the gross state tax increment as applicable to the particular district;

B. Determining the state tax increment as applicable to the particular district by removing from the gross state tax increment the following:

(1) Revenues attributed to business activity shifted from affiliated businesses to the state tax increment financing district. This adjustment is calculated by comparing the current year's sales and income tax revenues for each designated business that is a member of an affiliated group with revenues for the group as a whole. If the growth in sales and income tax revenue for the entire group exceeds the growth of sales and income tax revenue generated by the designated business, the gross state tax increment does not have to be adjusted to remove business activity shifted from affiliated businesses. If the growth in sales and income tax revenue for the affiliated group is less than the growth in sales and income tax revenue for the designated business, the difference is presumed to have been shifted from affiliated businesses to the designated business and the gross state tax increment for the district is reduced by the difference;

(2) Revenues attributed to retail spending shifts. Actual sales tax collections within the market area during the current year must be compared to the committee's projected level of sales tax collections within the market area for the current year assuming the absence of the state tax increment financing district. If actual sales tax collections within the market area are less than projected sales tax collections within the market area, the difference is presumed to be shifts in retail spending and the total sales tax collection within the state tax increment financing district is reduced by the difference; and

(3) Revenues attributed to normal growth. This adjustment is calculated by subtracting from the gross state tax increment a figure obtained by multiplying the previous year's

total amount of sales taxes reported and income taxes withheld by designated businesses within the district by the percentage change in sales tax receipts and withholding taxes for all businesses within the State as a whole;

C. Offsetting designated businesses with negative tax increments with those with positive increments in determining the state tax increment for the district as a whole; and

D. Excluding all income tax revenue in calculating the state tax increment attributable to retail business operations.

Sec. 5. 30-A MRSA §5254-A, sub-§4, ¶G, as enacted by PL 1991, c. 856, §5, is amended to read:

G. State tax increment revenues received by a municipality pursuant to subsection 2 may not be used by the municipality to cover offset up to 1/2 of existing tax increment financing obligations arising under section 5254.

See title page for effective date.

CHAPTER 430

H.P. 399 - L.D. 512

An Act to Centralize Further the Permitting Process for Retail Businesses and to Allow Some Municipalities to Act as Central Permitting Agents

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

Sec. 1. 5 MRSA §13063, sub-§§5 to 7 are enacted to read:

5. Retail business permitting program. By July 1, 1994, the director shall establish and administer a central permitting program for all permits required by retail businesses selling directly to the final consumer, except permits issued by the Department of Environmental Protection, the Department of Marine Resources and the Maine Land Use Regulation Commission. Agencies and permits referred to in subsections 5 to 7 do not include these excepted agencies or permits issued by them. The director shall:

A. Create a consolidated permit procedure that allows each business to check on a cover sheet all state permits for which it is applying and to receive all permit applications from a centralized office;

B. Total all permit fees due from a business, collect those fees on a semiannual basis, with 1/2 of