

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND EIGHTEENTH LEGISLATURE

SECOND REGULAR SESSION
January 7, 1998 to March 31, 1998

SECOND SPECIAL SESSION
April 1, 1998 to April 9, 1998

THE GENERAL EFFECTIVE DATE FOR
SECOND REGULAR SESSION
NON-EMERGENCY LAWS IS
JUNE 30, 1998

SECOND SPECIAL SESSION
NON-EMERGENCY LAWS IS
JULY 9, 1998

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
1997

1998-99

**EDUCATION,
DEPARTMENT OF**

Magnet Schools

All Other \$150,000

Provides funding for the Maine School of Science and Mathematics on a one-time basis to pay outstanding bills.

See title page for effective date.

CHAPTER 761

S.P. 837 - L.D. 2243

An Act to Encourage Accountability and Return on Investment for Maine Taxpayers from Economic Development Initiatives

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

Sec. 1. 5 MRSA §12004-I, sub-§6-E is enacted to read:

<u>6-E.</u>	<u>Economic</u>	<u>Legislative</u>	<u>5 MRSA</u>
<u>Economic</u>	<u>Development</u>	<u>per diem</u>	<u>§13070-L</u>
<u>Develop-</u>	<u>Incentive</u>	<u>and</u>	
<u>ment</u>	<u>Commission</u>	<u>expenses</u>	
		<u>Legislators</u>	
		<u>only</u>	

Sec. 2. 5 MRSA c. 383, sub-c. II, art. 6 is enacted to read:

Article 6

Return on Public Investment From Economic Development Incentives

§13070-J. Employer reporting associated with eligibility for public subsidies and incentives

1. Definitions. As used in this article, unless the context otherwise indicates, the following terms have the following meanings.

A. "Commission" means the Economic Development Incentive Commission established in section 12004-I, subsection 6-E.

B. "Commissioner" means the Commissioner of Economic and Community Development.

C. "Department" means the Department of Economic and Community Development.

D. "Economic development incentive" means:

(1) Assistance from Maine Quality Centers under Title 20-A, chapter 431-A;

(2) The Governor's Training Initiative Program under Title 26, chapter 25, subchapter IV;

(3) Municipal tax increment financing under Title 30-A, chapter 207;

(4) The jobs and investment tax credit under Title 36, section 5215;

(5) The research expense tax credit under Title 36, section 5219-K;

(6) Reimbursement for taxes paid on certain business property under Title 36, chapter 915; or

(7) Employment tax increment financing under Title 36, chapter 917.

2. Disclosure. Each applicant for an economic development incentive described in subsection 1, paragraph D, subparagraphs (1) to (4) and (7) shall at a minimum identify in writing:

A. The public purpose that will be served by the employer through use of the economic development incentive and the specific uses to which the benefits will be put; and

B. The goals of the employer for the number, type and wage levels of jobs to be created or retained as a result of the economic development incentive received.

Applications filed under this subsection are public records for purposes of Title 1, chapter 13.

3. Report. Annually, an employer receiving an economic development incentive, the value of which exceeds \$10,000 in one year, shall submit a written report to the commissioner containing but not limited to the following information:

A. The amount of assistance received by the employer in the preceding year from each economic development incentive and the uses to which that assistance has been put;

B. The total amount of assistance received from all economic assistance programs;

C. The number, type and wage level of jobs created or retained as a result of an economic development incentive;

D. Current employment levels for the employer for all operations within the State, the number of employees in each job classification and the average wages and benefits for each classification;

E. Any changes in employment levels that have occurred over the preceding year; and

F. An assessment of how the employer has performed with respect to the public purpose identified in subsection 2, paragraph A, if applicable.

Reports filed under this subsection are public records for purposes of Title 1, chapter 13.

4. Agency reports. The following agencies shall submit the following reports.

A. The State Tax Assessor shall submit a report by May 1st of 1999 and each odd-numbered year thereafter to the Legislature and the commission identifying the amount of public funds spent and the amount of revenues foregone as the result of economic development incentives. The report must identify the amount of the economic development incentives under the jurisdiction of the Bureau of Revenue Services received by each employer to the extent permitted under Title 36, section 191 and other provisions of law concerning the confidentiality of information.

B. The Commissioner of Labor shall report by May 1st annually to the Legislature and the commission on the amount of public funds spent on workforce development and training programs directly benefiting businesses in the State. The report must identify the amount of economic development incentives under the jurisdiction of the Department of Labor received by each employer and the public benefit resulting from those economic development incentives.

C. The Maine Technical College System shall report by May 1st annually to the Legislature and the commission on the amount of public funds spent on job training programs directly benefiting businesses in the State. The report must identify the amount of economic development incentives under the jurisdiction of the system received by each employer and the public benefit resulting from those economic development incentives.

D. The department shall report by May 1st annually to the Legislature and the commission on the amount of public funds spent for the direct benefit of businesses in the State under municipal tax increment financing, employment tax increment financing and the Governor's training initiative. The report must identify the amount of economic development incentives under the

jurisdiction of the department received by each employer and the public benefit resulting from those economic development incentives.

6. Rules. Rules adopted by the commissioner under this section are routine technical rules as defined in chapter 375, subchapter II-A.

§13070-K. Economic development incentive contract

If the commissioner enters into a contractual relationship with an employer regarding the provision of an economic development incentive in return for the employer's agreement to locate, expand or retain its facilities in the State, that contract must contain a statement of the State's expected public benefit from its investment of public funds.

§13070-L. Economic Development Incentive Commission

The Economic Development Incentive Commission, established in section 12004-I, subsection 6-E is created to review and advise the commissioner and the Legislature on public benefits derived from economic development incentives provided to employers.

1. Membership. The commission consists of 11 members appointed as follows:

A. Two members of the Senate appointed by the President of the Senate, at least one of whom is a member of the minority party;

B. Two members of the House of Representatives appointed by the Speaker of the House, at least one of whom is a member of the minority party;

C. The commissioner, or the commissioner's designee, appointed by the Governor;

D. The State Tax Assessor, or the State Tax Assessor's designee, appointed by the Governor; and

E. Five members of the public, appointed as follows: one member by the President of the Senate; one member by the Speaker of the House; and 3 members by the Governor.

2. Appointments; first meeting. Appointments of the first members of the commission must be made by August 1, 1998. The State Tax Assessor or the State Tax Assessor's designee shall convene the first meeting of the commission by September 30, 1998.

3. Terms; vacancies. Terms of the 5 public members are for 3 years, except that for those members first appointed, terms expire on October 1, 2001. Vacancies must be filled for the remainder of

the term in the same manner as the original appointment. Nonpublic members serve at the pleasure of the appointing authority or until their term of office or employment that qualified them for appointment ends. A quorum of the commission is 6 members and the affirmative vote of at least 6 members of the commission is necessary to conduct business. Each year the members shall select a chair from among the members.

4. Duties. The commission has the following duties:

A. Gathering information pertaining to economic development incentives provided in the State and analyzing the effectiveness of those incentives relative to alternative public investment opportunities;

B. Making recommendations to the commissioner on additional economic development incentives that should be included in section 13070-J, subsection 1;

C. Examining and making recommendations to the Legislature concerning whether economic development incentives are being used by employers to relocate employees outside the State or to encourage intercommunity competition for development projects;

D. Reviewing every 2 years economic development incentives provided to employers including the effect of all business-related grants, subsidies, tax exemptions, tax credits and tax abatements made under state law on the aggregate number of jobs created, the cost to taxpayers per job created and the wages paid in those jobs; and making recommendations to the Legislature concerning the public benefit to be gained and the feasibility of applying the wage and benefit standards of Title 36, chapter 917 to other economic development incentives;

E. Reporting biannually to the Legislature, the Governor and the commissioner on the rate of return to the State on its economic development incentives as determined by the commission; and

F. Examining whether economic incentive programs inhibit competition or provide preferential treatment to private employers and making recommendations to the Governor and the Legislature for improvement in the purpose, award criteria, administration, accountability and enforcement of economic development incentive programs.

5. Staffing. The Bureau of Revenue Services shall provide staff assistance to the commission.

§13070-M. Repeal

This article is repealed October 1, 2001.

Sec. 3. 36 MRSA §5215, sub-§3, ¶¶A and B, as amended by PL 1993, c. 672, §1 and affected by §2, are further amended to read:

A. With property considered to be qualified investment of at least \$5,000,000 for that taxable year with a situs in the State and placed in service by the taxpayer after January 1, 1979; ~~and~~

B. With payroll records and reports substantiating that at least 100 new jobs attributable to the operation of property considered to be qualified investment were created in the 24-month period following the date the property was placed in service. To assess the continuing nature of the jobs, the taxpayer must demonstrate that the new jobs credit base is at least \$700,000 for the taxable year of the qualified federal credit or either of the next 2 calendar years. The \$700,000 must be adjusted proportionally for any change in Title 26, section 1043, subsection 2 wages from \$7,000-; ~~and~~

Sec. 4. 36 MRSA §5215, sub-§3, ¶C is enacted to read:

C. After August 1, 1998 and before October 1, 2001, who demonstrate that the qualifying jobs under paragraph B are covered by a retirement program subject to the Employee Retirement Income Security Act of 1974, 29 United States Code, Sections 101 to 1461, as amended; that group health insurance is provided for employees in those positions; and that the wages for those positions, calculated on a calendar year basis, are greater than the average annual per capita income in the labor market area in which the employee is employed.

Sec. 5. 36 MRSA §6660 is enacted to read:

§6660. Availability of information

Notwithstanding section 191, information contained in applications for reimbursement, the names of persons receiving reimbursement and the amount of reimbursement paid to an applicant may be publicly disclosed by the bureau. This section does not permit the disclosure of taxpayer identification numbers.

Sec. 6. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

**ADMINISTRATIVE AND
FINANCIAL SERVICES,
DEPARTMENT OF**

Bureau of Revenue Services

All Other \$25,000

Provides funds for the computer programming and other costs associated with gathering information necessary to provide biannual reports to the Legislature related to economic development incentives.

**DEPARTMENT OF
ADMINISTRATIVE AND
FINANCIAL
SERVICES
TOTAL**

\$25,000

LEGISLATURE

**Economic Development
Incentive Commission**

Personal Services \$2,420
All Other 3,200

Provides funds for the per diem and expenses of legislative members and miscellaneous costs, including printing, of the Economic Development Incentive Commission.

**LEGISLATURE
TOTAL**

\$5,620

**APPROPRIATION
TOTAL**

\$30,620

See title page for effective date.

CHAPTER 762

H.P. 1518 - L.D. 2140

**An Act to Implement the Maine Arts
Commission's Arts in Education
Program**

**1998-99 Be it enacted by the People of the State of
Maine as follows:**

Sec. 1. 27 MRSA c. 15, sub-c. I-A is enacted to read:

SUBCHAPTER I-A

ARTS IN EDUCATION PROGRAM

§411. Arts in Education Program

The Maine Arts Commission shall establish the Arts in Education Program, referred to in this subchapter as the "program," to provide support for planning and implementing artist residencies and related school and community arts programs to increase arts education opportunities in the State. The program is designed on a 3-year rotating basis. The program allows a public school system to participate by developing a comprehensive arts education plan, activities to implement the plan and an evaluation of the plan.

§412. Duties of the Maine Arts Commission

To accomplish the goals of the program, the Maine Arts Commission shall:

1. Funding. Provide funding to 1/3 of the schools in the State each year on a 3-year rotating basis;

2. Professional artists. Use professional artists in developing a process for achieving learning results;

3. School systems. Invite school systems, through their superintendents, to participate in the program;

4. Goals. Work with school systems to identify common education goals;

5. Training; information; seed money. Provide training, information and seed money to each local arts education committee composed of school personnel and residents of the school district to develop a 3-year plan to increase arts education opportunities; and

6. Curriculum; projects. Promote artist residencies, professional development for teachers, curriculum development and advocacy and information projects.

§413. Duties of the school district

Under the program, each participating school district shall:

1. Committee. Establish a local arts education committee to develop a 3-year plan to increase arts