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**STATE OF MAINE
119TH LEGISLATURE
FIRST REGULAR SESSION**

**Final Report
of the**

**TASK FORCE TO STUDY
THE EFFECT OF
GOVERNMENT REGULATION
ON SMALL BUSINESSES**

December 1999

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Executive Summary

The Task Force to Study the Effect of Government Regulation on Small Businesses was established in the First Regular Session of the 119th Legislature by Resolves 1999, chapter 74.

The Task Force included legislators as well as members representing the private sector, businesses employing fewer than fifteen people, the public sector, and the Department of Economic and Community Development. The Task Force was directed to:

- Study the extent of government regulation on small business;
- Develop an inventory of filings and permits required to start and continue operation of a small business, including filings required for taxation, licenses pertaining to health and safety compliance, licenses pertaining to pollution prevention and filings required under state labor laws;
- Examine the purposes of the inventoried filings and permits;
- Determine whether the filings and permits are necessary to meet legislative intent or federal regulations; and
- Examine areas in which there is duplication of federal and state filing requirements.

For purposes of the Task Force, “small business” was defined in the Resolve to mean businesses employing 15 or fewer employees.

The Task Force was convened on September 28, 1999 and met four times. The Task Force makes the following recommendations:

1. The Task Force recommends that the Governor issue an Executive Order requiring each agency to conduct an internal evaluation wherein the agency (1) identifies rules, policies and procedures affecting small businesses; (2) determines how it can simplify and reduce those rules, policies and procedures; and (3) submits a report of the evaluation to the Governor and the Joint Standing Committee on Business and Economic Development by October 16, 2000, and every two years thereafter.

2. The Task Force recommends that the Governor issue an Executive Order requiring each agency to: (1) identify the licenses and permits the agency requires small businesses to obtain in order to operate in Maine; (2) identify ways to eliminate or consolidate the required licenses and permits, where feasible; and (3) submit an evaluation report of these findings by October 16, 2000 to the Governor.

3. The Task Force recommends that agencies develop and implement a plan to solicit suggestions from the small businesses they regulate on ways to simplify that regulatory process, utilizing guidelines developed by the Department of Economic and Community Development.

4. The Task Force recommends that the One-Stop Business License Center within the Department of Economic and Community Development increase the accessibility of the Center's resources to small business owners by providing remote access to the licensing and permit data during non-business hours.

5. The Task Force recommends that the statutory provisions of the Government Evaluation Act be amended to include a requirement that each agency under review: (a) compare relevant federal legislation and regulations to the agency's state governing statutes and rules; and (b) identify how the agency works with other state and federal agencies to coordinate services and eliminate redundant requirements.

I. INTRODUCTION

A. Enabling Legislation

The Task Force to Study the Effect of Government Regulation on Small Businesses was established in the First Regular Session of the 119th Legislature by Resolves 1999, chapter 74. Chapter 74 was enacted by the Legislature and became effective June 17, 1999. A copy of the Resolve is attached as **Appendix A**.

B. Membership

The Task Force consisted of 9 members as follows:

- Four members appointed by the President of the Senate, including:
 - one Senator,
 - one member representing the private sector,
 - one member representing a business employing fewer than 15 people, and
 - one member from the Joint Standing Committee on Business and Economic Development;
- Four members appointed by the Speaker of the House including:
 - one member of the House of Representatives,
 - one member representing the public sector,
 - one member representing a business employing fewer than 15 people, and
 - one member from the Joint Standing Committee on Business and Economic Development; and
- The Commissioner of Economic and Community Development or the commissioner's designee.

The Task Force's enabling legislation provided that the first named Senator be the Senate chair and the first named House member be the House chair of the Task Force. Senator Lloyd LaFountain was the Senate chair. Representative Douglas Ahearne was the House chair. A list of Task Force members is included as **Appendix B**.

C. Charge to the Task Force

The charge to the Task Force was specified in the enabling legislation. The Task Force was charged with the following:

1. Studying the extent of government regulation on small business;
2. Developing an inventory of filings and permits required to start and continue operation of a small business, including filings required for taxation, licenses pertaining to

health and safety compliance, licenses pertaining to pollution prevention and filings required under state labor laws;

3. Examining the purposes of the inventoried filings and permits;
4. Determining whether the filings and permits are necessary to meet legislative intent or federal regulations; and
5. Examining areas in which there is duplication of federal and state filing requirements.

For purposes of the Task Force, “small business” was defined in the Resolve to mean businesses employing 15 or fewer employees.

II. TASK FORCE PROCESS

A. Scope and Focus of Task Force Meetings

The legislation that created the Task Force became effective on June 17, 1999. The Task Force was convened on September 28, 1999. In addition to this first meeting, the Task Force held three other meetings. These meetings were held on October 19, 1999, November 10, 1999 and December 1, 1999.

The first three meetings of the Task Force focused on fact finding and information gathering in the areas of government regulations and their effects on small businesses in Maine. Several parties were invited to present information to the Task Force. These included representatives of the National Federation of Independent Business (NFIB), Maine Chamber and Business Alliance, Maine Restaurant Association, Maine Merchants Association, Maine Department of Economic and Community Development (DECD), Department of Human Services - Division of Support Enforcement and Recovery (DHS), and the Bureau of Banking Securities Division. The following is a summary of the various issues presented and discussed by the Task Force.

- *At the request of Task Force members, the NFIB presented the Task Force with a summary of NFIB members’ comments on state government regulation and paperwork issues. While the comments expressed a broad range of concerns, the predominant theme was that small business owners are overwhelmed by the amount of paperwork they are required to submit and by the regulations that they are required to comply with. NFIB also presented information to the Task Force regarding the Maine New Hire Reporting law (19-A M.R.S.A. § 2154) and the various reporting time frames in other states. The information presented by NFIB discussed how Maine law requires employers to report new hires within seven days, and how this differs from most states (except for Alabama) and from the federal requirement. The frequency of reporting new hires results in increased*

*paperwork and compliance costs for small business owners. The new hire issue is a major complaint of small business owners. NFIB made recommendations as to how the Task Force could address the issue. The memos submitted by NFIB are included as **Appendices C (member comments) and D (new hire information, and final recommendations)**.*

- *The DHS, Division of Support Enforcement and Recovery, was requested by the Task Force to present information on Maine New Hire Reporting law. The Director of the Division provided the Task Force with the background on Maine New Hire Reporting law, and the financial benefits that Maine receives by having a seven day reporting time frame.*
- *The Maine Chamber and Business Alliance stated that their members' complaints were primarily related to insurance and tobacco issues, and were outside of the scope of this Task Force. The Maine Merchants Association stated that their members had similar complaints.*
- *At the request of Task Force members, the DECD provided information on the background of its One-Stop Licensing Center and the services provided. The Center is currently exploring how to expand its services to more small business owners. Task Force members discussed the feasibility of informing small business owners of new laws that may affect them through the One-Stop Center or through various other state agencies. The members also discussed whether or not DECD should be encouraged to put the One-Stop's data resources on the Internet for increased accessibility to small business owners. DECD provided the Task Force members with the Business Answers pamphlet (**Appendix E**), a summary of company tax filings and deposit requirements (**Appendix F**), labor filing requirements (**Appendix G**), and business licensing information for five sample businesses (**Appendix H**).*
- *The Task Force members requested that information be provided from the Department of Professional and Financial Regulation, Bureau of Banking, regarding Maine Securities laws, to address concerns relating to small business owner investments. The Bureau of Banking provided the members with background information on state and federal securities laws, as well as a description of its outreach program and how information is disseminated to small business organizations and small business conferences. The Bureau of Banking's pamphlets Capitalizing Your Business with SCOR, as well as So, You Want to Go Public are included as **Appendices I and J**, respectively.*
- *The Department of Environmental Protection's Small Business Assistance Program provided a summary of various environmental licenses necessary for different types of businesses, as well as a brief description of the DEP's outreach programs to small businesses. The DEP's Environmental Compliance Guide for Small Businesses is included as **Appendix K**.*

- *The Task Force requested information on how to minimize required paperwork and filing time between the IRS and Maine Revenue Services for small business owners. Task Force Staff provided members with the Maine Revenue Services STAWRS Project Report (Simplified Tax and Wage Reporting System). STAWRS is a joint effort among the Department of Labor, Department of the Treasury, the IRS, the Small Business Administration, the Social Security Administration and various states to decrease the tax and wage reporting burden of employers by improving the reporting process. The goals of STAWRS are to: (1) provide timely and accurate tax information to employers; (2) decrease the number of tax and wage related forms that employers must file; (3) provide employers more opportunities to file tax and wage related forms electronically, (4) simplify federal and state tax employment laws; (5) provide employers with the opportunity to file employment-related returns to one location; (6) increase voluntary compliance; and (7) support federal and state electronic tax strategies. A summary of the status of Maine's progress in simplifying the reporting process as well as the future of STAWRS is summarized in the Maine Revenue Services STAWRS Project Report included as **Appendix L**.*
- *At the Task Force's request, the Maine Secretary of State provided a presentation on InforME, a public/private system of delivery of government services and information to citizens and businesses via Internet technology. Services provided online to small businesses by InforME were discussed. The Secretary of State's Office provided the Task Force with two pamphlets, *The Basics to Incorporating in Maine* and *The Maine Marks Guide*, that are included as **Appendices M and N**, respectively.*

Portions of the third meeting and the fourth meeting focused on formulating recommendations and reviewing a draft of the final report. Meeting summaries are included as **Appendix O**.

B. Report and Legislation

Resolve 1999, chapter 74 established December 15, 1999 as the reporting date of the Task Force to the Joint Standing Committee on Business and Economic Development. The Joint Standing Committee on Business and Economic Development is authorized pursuant to Resolve 1999, chapter 74 to report out a bill during the Second Regular Session of the 119th Legislature concerning the findings and recommendations of the Task Force.

III. SMALL BUSINESSES IN MAINE

According to the Maine Department of Labor, as of March of 1998 the number of private sector employers (excluding government) in Maine was 39,336. Almost 61 percent of private sector employers had a total of 4 or less employees. Almost 90 percent of these businesses employed 19 or fewer employees. Please refer to Table 1.

As of March of 1998, the total number of employees in private sector employment in Maine was 442,241. Thirty-one and a half percent of the total number of employees in Maine were employed by private sector employers with 19 or fewer employees. Please refer to Table 2.

Table 1: Number of Private Sector Employers in Maine Based on Number of Employees

Number of Private Sector Employers (excluding government)	Number of Persons Employed	Percent of Total Private Sector Employers (excluding government)
23,906	4 or Less	60.77%
7,191	5-9	18.28%
4,207	10-19	10.70%
2,503	20-49	6.36%
887	50-99	2.25%
480	100-249	1.22%
102	250-499	.26%
45	500-999	.11%
15	1000 and Over	.04%

Total number of private employers=39,336

Source: Table 7B (Covered Private Employers by Size by Industry, Maine Employment Statistical Handbook, Maine Department of Labor, March 1998)

Table 2: Number of Private Sector Employees in Maine Based on Size of Business

Number of Private Sector Employees (excluding government)	Size of Business (# of Employees)	Percent of Total Private Sector Employees (excluding government)
35,409	4 or Less	8.01%
47,519	5-9	10.75%
56,237	10-19	12.72%
75,083	20-49	16.98%
60,534	50-99	13.69%
70,279	100-249	15.89%
35,474	250-499	8.02%
31,129	500-999	7.04%
30,577	1000 and Over	6.91%

Total number of private sector employees=442,241

Source: Table 7A (Covered Private Employment by Size by Industry, Maine Employment Statistical Handbook, Maine Department of Labor, March 1998)

IV. DISCUSSION AND RECOMMENDATIONS

The Task Force to Study the Effect of Government Regulation on Small Businesses makes the following findings and recommendations:

1. Agency Simplification of Rules and Procedures

- **Findings and Discussion**

The Task Force finds that agency rules, policies and procedures should be based on sound scientific and economic information and be consistent with the requirements of law. However, rules, policies and procedures should, whenever feasible, be developed in such a way as to be readily understood by most small business owners. Additionally, the Task Force finds that small business owners have limited time and money to spend on gathering information and on completing complex, often duplicate, forms to comply with license and reporting requirements. The Task Force further finds that small businesses would benefit if each agency was required to conduct an internal evaluation that includes a review of its rules, policies and procedures affecting small businesses to ensure that: (a) they are clearly written so requirements and objectives are easily understood by those persons affected by them; (b) they are necessary, and do not duplicate or exceed existing federal or state statutes unless required by law; and (c) requests for information to small business owners by an agency are targeted only to businesses from whom the information is needed, avoiding broad requests for information. Furthermore, requests for information should clearly indicate what the information is being collected for and whether a response from the small business owner is required.

- **Recommendation**

The Task Force recommends that the Governor issue an Executive Order requiring each agency to conduct an internal evaluation wherein the agency (1) identifies rules, policies and procedures affecting small businesses; (2) determines how it can simplify and reduce those rules, policies and procedures; and (3) submits a report of the evaluation to the Governor and the Joint Standing Committee on Business and Economic Development by October 16, 2000, and every two years thereafter.

2. Agency Identification of Required Licenses and Permits

- **Findings and Discussion**

The Task Force finds that small business owners strongly oppose the large number of licenses and permits needed to operate a business. By way of example, the Business Answers Licensing Information at the Department of Economic and Community Development reported that at least 17 licenses and permits may be required by state agencies to operate a grocery/convenience store. Several of

those 17 licenses and permits are issued by the same agency. Additionally, the Task Force was presented with a list of concerns from a small business owner itemizing the large number of necessary licenses and inspections he was required to have in order to successfully operate his small convenience store. (Please see **Appendix H** for the itemized list provided by DECD regarding the licenses necessary for operation of a grocery/convenience store and for a copy of the small business owner's concerns.) The Task Force finds that some small businesses are required to obtain an excessive number of licenses and permits in order to operate in Maine. Thus, the Task Force finds that each agency should be required to develop a list that identifies all licenses and permits required by small businesses and to identify ways to eliminate and/or consolidate them.

- **Recommendation**

The Task Force recommends that the Governor issue an Executive Order requiring each agency to: (1) identify the licenses and permits the agency requires small businesses to obtain in order to operate in Maine; (2) identify ways to eliminate or consolidate the required licenses and permits, where feasible; and (3) submit an evaluation report of these findings by October 16, 2000 to the Governor.

3. Suggestions from Small Businesses for Regulatory Improvement

- **Findings and Discussion**

The Task Force was provided information by NFIB on the New York State Governor's Office of Regulatory Reform's (GORR), which has made significant progress in the area of reducing unnecessarily complex regulations and permit requirements since 1995. The Task Force recognizes that one reason for the success of GORR was the high level of input from the public and regulated community. (Further information on GORR and New York State's progress on permit and regulatory reform may be accessed through their website: www.gorr.state.ny.us/gorr/.)

The Task Force finds that workable solutions to address small business concerns often come from the people who are being regulated. The Task Force further finds that regulatory issues should be addressed through collaborative efforts that bring together agency expertise and the practical know-how and common sense of business owners. The Task Force believes that the best way to bring about this collaboration is to encourage agencies to solicit suggestions on a regular basis from the small businesses they regulate. As an example, small business owners on the Task Force supported NFIB's suggestion regarding the need for further evaluation of the new hire reporting requirement. Other Task Force members supported this suggestion.

The Task Force finds that there should be uniformity in the way agencies collect suggestions and comments. The Task Force further finds that the Department of Economic and Community Development is the appropriate agency to develop guidelines for agencies to follow in order to effectively collect suggestions and comments submitted by small business owners. A potential model for this process is the New York State's GORR "What's Driving You Nuts?" form (submitted as **Appendix P**).

- **Recommendation**

The Task Force recommends that agencies develop and implement a plan to solicit suggestions from the small businesses they regulate on ways to simplify that regulatory process, utilizing guidelines developed by the Department of Economic and Community Development.

4. Increasing Accessibility to the One-Stop Business License Center

- **Findings and Discussion**

The Department of Economic and Community Development (pursuant to 5 M.R.S.A section 13063, a copy of which is included as **Appendix Q**) is required to operate a program whereby a person can obtain comprehensive information on all permits needed to operate a business in Maine. That service is the One-Stop Business License Center within the Department of Economic and Community Development. The One-Stop Center is a central clearinghouse for state regulatory information. The goal of the One-Stop Center is to help business owners identify the licenses and permits they will need to start or expand a business in Maine.

In Maine, over 270 different business activities require state licenses or permits. Those licenses and permits are issued by 41 state agencies that are located in 10 different state departments. The One-Stop Center was created to be a central resource to help business owners identify licenses or coordinate the application process.

Currently, there are 2 staff positions that are available Monday through Friday from 9:00 a.m. to 4:00 p.m. to provide licensing and permit assistance to business owners. The One-Stop Center receives approximately 40-50 inquiries each day.

The Task Force finds that small business owners should be able to conveniently access the Center's data. Thus, the Task Force finds that the Center should place business permit and license information on-line and provide remote access to the licensing and permit data to enable business owners to access the data when the office is closed. (The Task Force notes that this approach is being explored through linkage with Maine Business Works, a business assistance inter/intranet system.) Additionally, the One-Stop Center should undertake an evaluation to determine whether the program's staffing and technical support are commensurate with the demands for information.

- **Recommendation**

The Task Force recommends that the One-Stop Business License Center within the Department of Economic and Community Development increase the accessibility of the Center’s resources to small business owners by providing remote access to the licensing and permit data during non-business hours.

5. Proposed Amendment to the Government Evaluation Act

- **Findings and Discussion**

The Government Evaluation Act (3 M.R.S.A., sections 951-963) is a system for the periodic legislative review of the executive branch agencies and independent agencies of state government to evaluate their efficacy and performance. The Government Evaluation Act generally applies to agencies and independent agencies that either receive money from the General Fund or that are established, created or incorporated by statute. The Government Evaluation Act replaced the functions of the former Legislative Audit and Program Review Committee that was eliminated in 1994. Each agency scheduled for review must prepare and submit a program evaluation report to the committee of jurisdiction within the Legislature. The statutory specifications for a program evaluation report are included in 3 M.R.S.A. § 956 (2), which is included as **Appendix R**.

The Task Force finds that one of the most commonly cited complaints by small business owners is duplicative federal and state regulations. Often the regulations vary with slightly different information to be supplied by the small business owner. Duplicative efforts require a considerable amount of time and money on the part of small business owners. The Task Force’s recommended amendment to the Government Evaluation Act is an attempt to eliminate some of this duplication by providing a process to identify areas where coordination of services is feasible. Suggested implementing legislation is included as **Appendix S**.

- **Recommendation**

The Task Force recommends that the statutory provisions of the Government Evaluation Act be amended to include a requirement that each agency under review:

- (a) **compare relevant federal legislation and regulations to the agency’s state governing statutes and rules; and**
- (b) **identify how the agency works with other state and federal agencies to coordinate services and eliminate redundant requirements.**

APPENDIX A

APPROVED

CHAPTER

JUN 17 '99

74

BY GOVERNOR

RESOLVES

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-NINE
—

H.P. 99 - L.D. 112

**Resolve, to Study Current Regulations Imposed on Small
Businesses to Require Greater Efficiency**

Emergency preamble. Whereas, Acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, study of the regulation of small businesses is important to determining the appropriate level of regulation; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

Sec. 1. Task force established. Resolved: That the Task Force to Study the Effect of Government Regulation on Small Businesses, referred to in this resolve as the "task force," is established. For the purposes of this task force, "small businesses" means those businesses employing 15 or fewer employees; and be it further

Sec. 2. Task force membership. Resolved: That the task force consists of 9 members. The President of the Senate shall appoint 4 members, to include one Senator, one member representing the private sector, one member representing a business employing fewer than 15 people and one member from the

Joint Standing Committee on Business and Economic Development. The Speaker of the House shall appoint 4 members, to include one member of the House of Representatives, one member representing the public sector, one member representing a business employing fewer than 15 people and one member from the Joint Standing Committee on Business and Economic Development. The first named Senator is the Senate chair. The first named House member is the House chair. The Commissioner of Economic and Community Development or the commissioner's designee must be a member of the task force; and be it further

Sec. 3. Appointments; meetings. Resolved: That all appointments must be made no later than 30 days following the effective date of this resolve. The appointing authorities shall notify the Executive Director of the Legislative Council once the selections have been made. Within 15 days after appointment of all members, the chairs shall call and convene the first meeting of the task force; and be it further

Sec. 4. Duties. Resolved: That the task force shall study the extent of regulation on small business and shall develop an inventory of filings and permits required to start and continue operation of a small business. The inventory must include, but is not limited to, filings required for taxation, licenses pertaining to health and safety compliance, licenses pertaining to pollution prevention and filings required under state labor laws. The task force is not required to undertake as part of the study an analysis of required professional licenses. The task force shall examine the purposes of the inventoried filings and permits, determine whether the filings and permits are necessary to meet legislative intent or federal regulations and examine areas in which there is duplication of federal and state filing requirements. For rules, licenses and permits that the task force determines are necessary to meet legislative intent or federal regulations, the task force shall review the permit, application and filing systems, including the One Stop License and Permit Center, to ensure that the systems are user-friendly and operating efficiently and shall make recommendations for improvements in the systems in its report to the Joint Standing Committee on Business and Economic Development. If the task force determines that certain rules, licenses and permits are not necessary to meet legislative intent or federal regulations, the task force shall submit necessary enabling legislation for the elimination of those rules, licenses or permits; and be it further

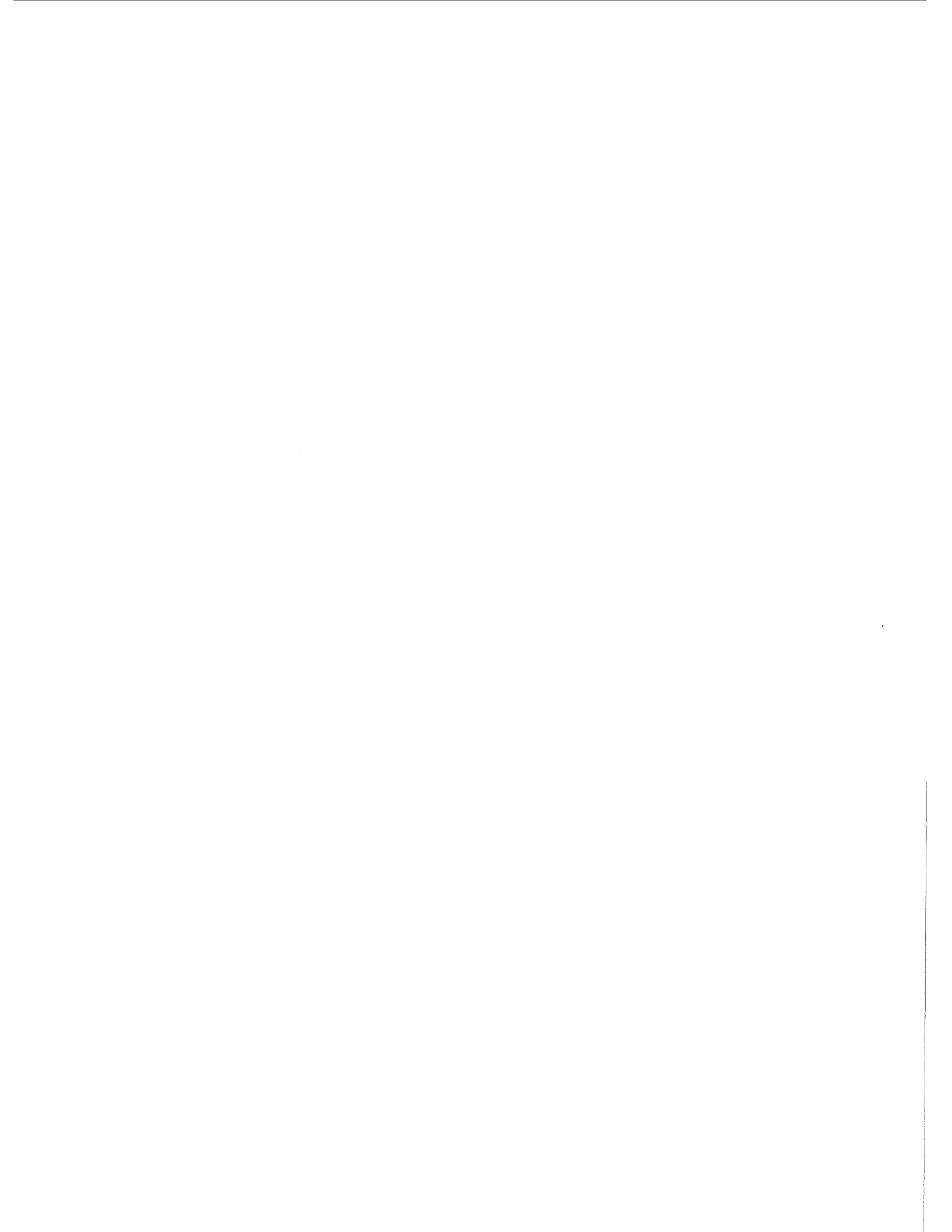
Sec. 5. Staff assistance. Resolved: That the task force may request staffing assistance from the Legislative Council; and be it further

Sec. 6. Expenses. Resolved: That the legislative members of the task force receive legislative per diem, as defined in the Maine Revised Statutes, Title 3, section 2, for each day's attendance at task force hearings, and other members of the task force not otherwise reimbursed by their employer or other entity are entitled to receive reimbursement for reasonable expenses for each day's attendance at task force hearings; and be it further

Sec. 7. Report. Resolved: That no later than December 15, 1999, the task force shall submit its report, together with any recommendations for legislation, to the Joint Standing Committee on Business and Economic Development. The Joint Standing Committee on Business and Economic Development is authorized to report out a bill during the Second Regular Session of the 119th Legislature concerning the findings and recommendations of the task force.

If the task force requires an extension of the reporting deadline, it may apply to the Legislative Council, which may grant the extension.

Emergency clause. In view of the emergency cited in the preamble, this resolve takes effect when approved.



APPENDIX B



**TASK FORCE TO STUDY CURRENT REGULATIONS IMPOSED ON SMALL
BUSINESSES TO REQUIRE GREATER EFFICIENCY**

Chapter 74, Resolves of 1999
Emergency

Membership 1999

Appointments by the President

Senator Lloyd P. LaFountain III, Chair
PO Box 583
Biddeford, Maine 04005
Tel: 283-8529

Senator Bruce MacKinnon
23 Turner Street
Springvale, Maine 04083
Tel: 324-0675

Chris Krauss
PO Box 265
E. Wilton, Maine 04234

Representing Private Sector

Lori Howell, Vice President
Spinney Creek Shellfish
2 Howell Lane
PO Box 310
Eliot, Maine 03903

Representing Business Employing
Fewer than 15 People

Appointments by the Speaker

Representative Douglas J. Ahearne, Chair
58 15th Avenue
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Tel: 728-6030

Representative Harold A. Clough
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Scarborough, Maine 04074
Tel: 839-4696

Charles F. Davis
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Topsham, Maine 04086

Representing Private Sector

Mark Kierstad
Global Protein Products
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Waterville, Maine 04901

Representing Business Employing
Fewer than 15 People

Ex Officio

Dora Dostie, Business Information Specialist
Department of Economic and Community Development
59 State House Station
Augusta, Maine 04333
Tel: 287-2656

Department of Economic and Community
Development – Commissioner's Designee

Staff: Susan Johannesman, Office of Policy and Legal Analysis
287-1670

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APPENDIX C



NFIB Maine

10-15-99

To: Members, Task Force to Study Government Regulation on Small Business

From: David Clough

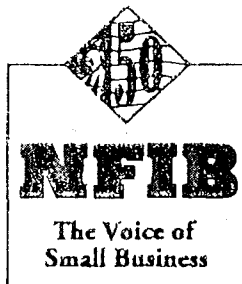
Re: NFIB MEMBER COMMENTS

A request was made at the last Task Force meeting for any recent comments from NFIB members on state government regulation and paperwork issues. Of the several hundreds of 1999 survey returns, about 100 contain comments on a variety of issues, including comments on regulation and paperwork.

New Gloucester	“new law requiring gas servicemen (propane) to be licensed but enforcement and test is very weak for service requirements”	Portland	“paperwork too much, especially payroll, sales tax ... there’s just too much: monthly taxes, employee payroll stuff; it’s overwhelming, hard to keep up with ... being self-employed & trying to run a business is intrinsically hard enough, never mind all the extra stuff, like paperwork, taxes, etc.”
Sabattus	“liquor enforcement”		
Greenville	“because of taxation, if it weren’t for my love of the physical Maine, I’d be doing business from New Hampshire. Fortunately, 90% of my business is out-of-state through mail order”	Portland	“license boards”
		Bangor	“I am an attorney ... the securities law is a big impediment to my clients ... also the changing environmental regs.”
Northeast Harbr	“gov’t reg. in our case as in others the rules are based not on science but on political clout. Our chemicals are regulated to a couple parts per million but you can buy the same chemicals in stores for home use”	Rockland	“outdated rules ... abandoned car regs”
		Rockland	“PUC not controlling rising costs of utilities to businesses ... electricity, telephone, & water are too high in terms of national averages ... PUC allows excessive charges of private water protection hookups (sprinklers) without justification ... these are known as standby charges”
Rockland	“reduce or eliminate all agencies”		
Lincolnville	“Maine Pesticide Control Board”		
Farmington	“Bureau of Alcohol & Tobacco”		
Portland	“the burden placed on small businesses cannot be specifically attributed to state regulation, but it is rather a combination of federal, state, and local regulations which cumulatively overwhelm the small business person”	Union	“rules are enforced only for those of us following the rules; i.e., professional licensing ... there is no effort to find & prosecute those operating without a license (plumbers, electricians, oil burner & gas techs)”



APPENDIX D



NFIB Maine

October 18, 1999

To: Members, Task Force to Study Government Regulation on Small Business

From: David Clough

Re: NEW HIRE REPORTING LAW

At the last meeting of the Task Force I mentioned that Maine's New Hire Reporting law imposes an undue paperwork burden compared to New Hire Reporting laws in other states. Here is information requested that illustrates my point.

REPORTING TIME FRAME

<u>7 Days</u>	<u>10-16 Days</u>	<u>20 Days</u>		
Alabama	Georgia (10 days)	Alaska	Arizona	Arkansas
MAINE	Hawaii (12-16 days)	California	Colorado	Connecticut
	Iowa (15 days)	Delaware	Florida	Idaho
	Massachusetts (14 days)	Illinois	Indiana	Kansas
	Mississippi (15 days)	Kentucky	Louisiana	Maryland
	Rhode Island (14 days)	Michigan	Minnesota	Missouri
	West Virginia (14 days)	Montana	Nebraska	Nevada
		New Hampshire	New Jersey	New Mexico
		New York	North Carolina	North Dakota
		Ohio	Oklahoma	Oregon
		Pennsylvania	South Carolina	South Dakota
		Tennessee	Texas	Utah
		Vermont	Virginia	Washington
		Wisconsin	Wyoming	

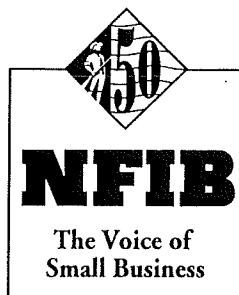
52 reports/year 23-37 reports/year

15 reports/year

Federal law requires employers to report new hire information within 20 days of the date of hire. (Employers that report electronically – usually larger employers – must file at least twice a month; i.e., up to 26 times a year.)

The data required in New Hire Reports varies. Federal law requires W-4 data at a minimum. A little more than one half the states (27) require W-4 data only. Maine is part of the remaining group (23) that require additional information. The amount of additional information ranges from very little (e.g., Maine) to quite a bit.

Penalty provisions in the Maine law are differ from the federal requirements of \$25 per violation (and \$500 if the failure to report is a conspiracy between the employer and employee). Maine law provides for a written warning for the first violation and a penalty up to \$200 per month for subsequent violations. It appears that penalty provisions for first offenses in Maine are equivalent to many states, but the penalties are more severe in Maine for subsequent violations, based on July 15, 1997 information form the U.S. Office of Child Support Enforcement.



NFIB Maine

November 29, 1999

To: Members, Task Force to Study Current Regulations on Small Business and to Require Greater Efficiency

From: David R. Clough, State Director, Maine

Re: FINAL REPORT & RECOMMENDATIONS

A schedule conflict may prevent me from attending the Task Force meeting on Wednesday; however, I am writing to provide you with some additional comments regarding your final report. (A corrected copy of my November 10 memo is attached for background reference.)

- “New Hire” reporting issue – Maine’s overly stringent reporting frequency is not warranted compared to that of some 41 other states; however, rather than urge you recommend a change at this point, *I respectfully recommend that your final report note the comparative difference in Maine’s reporting requirement, the potential paperwork and compliance costs this may impose on small employers, and call upon employer groups to work with the Department of Human Services on ways to reduce compliance costs, including conforming the reporting period with prevailing national standards.*
- Forms, reports, licenses, and permits – No one seems to know how much State Government does require of a small business, and it is very difficult to get a good handle on this. *However, I recommend that your final report include proposed legislation, or request for an Executive Order, requiring state agencies to annually file with the Secretary of State a listing of their forms, reports, licenses and permits and the frequency with which these filled out or renewed.*
- “What’s Driving You Nuts” one-page form and annual report.
- Comprehensive on-line licence & permit information – Dora Dostie mentioned there may be some technical hurdles. *Therefore, I recommend that your final report urge the Department of Economic & Community Development make on-line access to this information a priority over the next 1-3 years.*
- New laws information – Several agencies already provide useful reports on new laws within their jurisdiction. In addition, the Office of Policy & Legal Analysis compiles an excellent committee-by-committee (excepting the Appropriations and Taxation Committees) report on legislation. *I recommend the Secretary of State (or the State’s website committee) create a easily accessible web page that provides hot links to agency write-ups and the OPLA summaries. If one wished to go further, OPLA may have the capacity, since the information already is contained in word processing documents, to issue a subject-by-subject report on bills enacted into law.*

Once again, on behalf of NFIB’s more than 6,000 small business members in Maine, my thanks to Task Force members their efforts on this important issue area and the opportunity to have some input.

Best wishes for Happy Holidays and a terrific New Year.

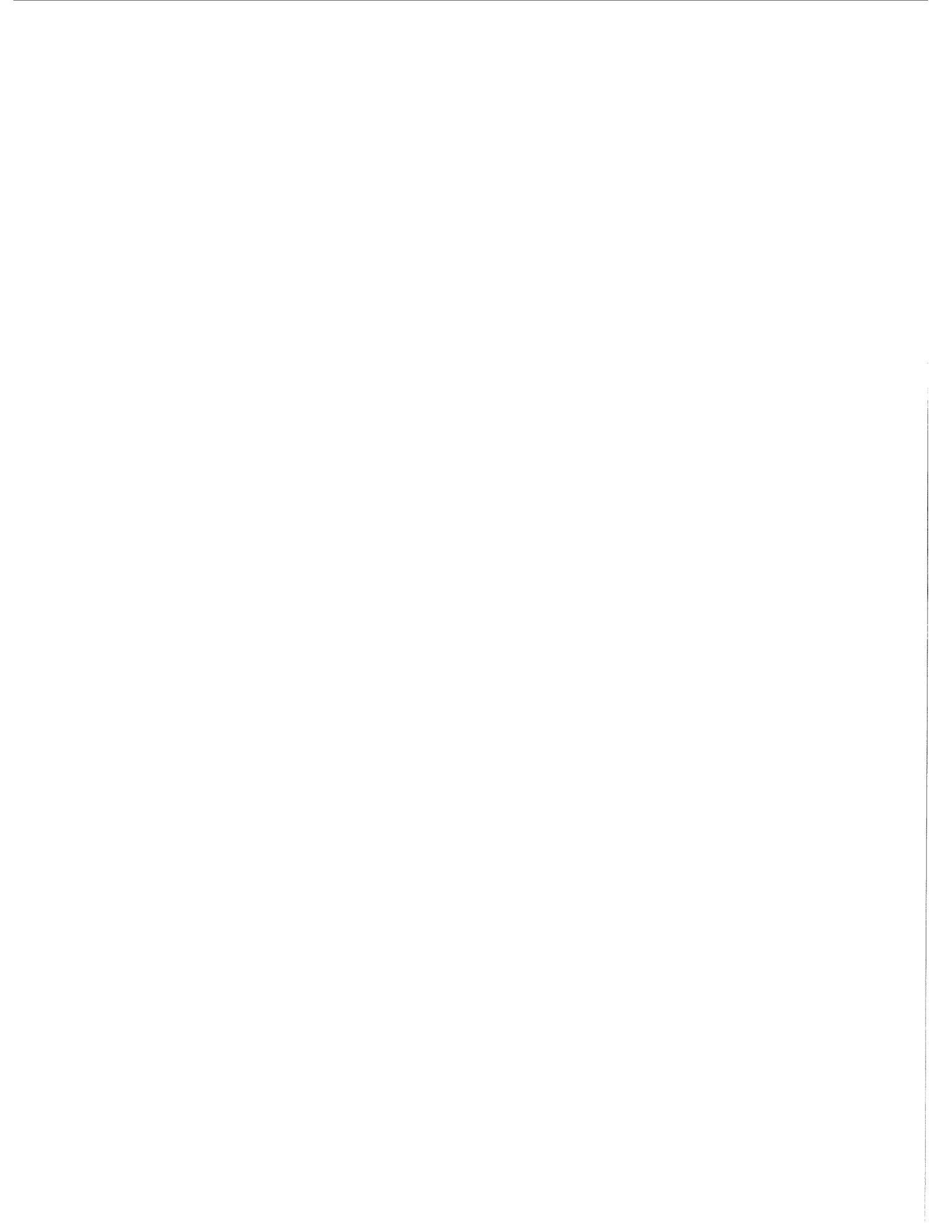
National Federation of Independent Business

P.O. Box 796 • S. Freeport, ME 04078-0796 • 207-846-5776 • Fax 207-846-6067

E-Mail: David.Clough@NFIB.ORG

Small Business Works 
FOR MAINE NFIB
...and NFIB works for small business.

APPENDIX E



WE'VE GOT THE ANSWERS

When you realize you're starting and operating a business, you can find it complicated, especially when dealing with the laws of the land. You're bound to have questions and that's where we're here. Business Answers - to answer your questions and help your business grow.

BUSINESS ANSWERS: YOUR CENTRALIZED INFORMATION SOURCE.

Our knowledge and expertise cover a broad range of business issues, and we can provide you with assistance in most areas of starting and operating a business in Maine. Just call. We'll put our experience to work for you. We can also help you with information about federal and state programs and requirements and about business assistance services that may be available at the local and regional level.

If we can't answer your questions right away, we'll do the research and get back to you within 48 hours or put you in touch with the people who can. And although we're unable to provide legal counsel, we can refer you to the qualified business counseling or guidance programs offered throughout the state.

ONE-STOP BUSINESS LICENSING.

Depending on your type of business, this business of rules, regulations, permits and licenses can be a

challenge. Business Answers is at your service again with our One-Stop Business Licensing Center. When you call, tell us what type of business you're starting and we'll provide you with the required license applications. In addition, our new Small Business Advocate service will offer assistance in resolving issues in the regulatory process.

SEND FOR THE GUIDE: GET YOUR ANSWERS IN WRITING.

Our publication, *A Guide to Doing Business in Maine*, answers the most commonly asked business questions and provides valuable step-by-step information on doing business in Maine. This desk-top business guide is available for just \$4.00. There's also our \$4.00 business start-up kit which includes the Guide along with the necessary state and federal forms and publications you need to get started.

So, before you get started in business in Maine, get off to a great start by calling Business Answers. We're here in person Monday through Friday 9:00 a.m. to 4:00 p.m. After hours, just leave a message and we'll return your call the very next business day.



1-800-872-3838

Outside Maine and in Canada dial
1-800-541-5872

TTY: 1-800-541-5872 from 8:00 a.m. to 5:00 p.m. weekdays.
Please use the relay service to leave a message on weekends, holidays or during off hours.

IF YOU'VE GOT BUSINESS
QUESTIONS, WE'VE GOT
BUSINESS ANSWERS.

YES

I would like more information.

Please send me (check one):

- A Guide to Doing Business in Maine or
- The complete Business Start-Up Kit, which includes
A Guide to Doing Business in Maine.

My check for \$4.00 made payable to the Treasurer, State of Maine, is enclosed.

Per state law, all checks returned for insufficient funds will be charged a \$20.00 transaction fee.

Name _____

Address _____

City _____

State _____ Zip _____

Telephone _____

E-mail _____

The Guide and Kit cannot be ordered by phone.

Mail your check to:

BUSINESS ANSWERS

Department of Economic and Community Development
59 State House Station
Augusta, ME 04333-0059

1-800-872-3838

The Department of Economic and Community Development does not discriminate on the basis of disability in admission to, access to, or operations of its programs, services, or activities. This material is available in alternate format by contacting the Department's ADA Coordinator.



APPENDIX F



STATE OF MAINE
DEPARTMENT OF
ECONOMIC AND COMMUNITY DEVELOPMENT
33 STONE STREET
59 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0059

ANGUS S. KING, JR.
GOVERNOR

STEVEN H. LEVESQUE
COMMISSIONER

COMPANY TAX FILINGS & DEPOSIT REQUIREMENTS

Retailer with over \$1,800 in monthly sales:

Monthly: Maine Sales Tax Return

Quarterly: Federal Estimated Income Tax Deposit
Federal Estimated Corporate Tax Deposit
State Estimated Income Tax Deposit
State Estimated Corporate Tax Deposit

Yearly: Federal Individual Tax Return (1040)
State Individual Tax Return (1040ME)
Federal Corporate Tax Return (1120)
State Corporate Tax Return (1120ME)

Wholesaler:

Quarterly: Federal Estimated Income Tax Deposit
State Estimated Income Tax Deposit
Federal Estimated Corporate Tax Deposit
State Estimated Corporate Tax Deposit

Yearly: Maine Sales Tax Return
Federal Individual Tax Return (1040)
Maine Individual Tax Return (1040-ME)
Federal Corporate Tax Return (1120)
State Corporate Tax Return (1120-ME)

Service Provider:

Quarterly: Federal Estimated Income Tax Deposit
State Estimated Income Tax Deposit
Federal Estimated Corporate Tax Deposit
State Estimated Corporate Tax Deposit

Yearly: Federal Individual Tax Return (1040)
State Individual Tax Return (1040-ME)
Federal Corporate Tax Return (1120)
State Corporate Tax Return (1120-ME)



PRINTED ON RECYCLED PAPER

APPENDIX G





ANGUS S. KING, JR.
GOVERNOR

STATE OF MAINE
DEPARTMENT OF
ECONOMIC AND COMMUNITY DEVELOPMENT
33 STONE STREET
59 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0059

STEVEN H. LEVESQUE
COMMISSIONER

LABOR FILINGS

New hire or rehire: DHS New Hire Notification

Injured Workers: Federal OSHA Recordkeeping 200 Log & 101 Form
State Workers' Compensation

Monthly: Federal 941 Tax Deposits (unless required to deposit semiweekly)

Quarterly: Federal 941
State 941ME (combined withholding & unemployment)

Yearly: Federal 940
Federal W-2 (with copies to state and to employee)
Federal W-3
State W-3ME



PRINTED ON RECYCLED PAPER

APPENDIX H

Bob's Neighborhood Store
174 East Main Street
Madaweska, Maine 04758

10-16-99

TO WHOM IT MAY CONCERN:

IT IS MY PLEASURE TO PROVIDE A FEW SUGGESTIONS TO YOUR COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT IN MAINE.

1. CONSOLIDATE AND SIMPLIFY LICENSING AND INSPECTIONS.

A. I WAS FORCED TO BUY A FISH LICENSE TO SELL MRS. PAUL'S FROZE CLAMS (A FROZEN FOOD ITEM!)

B. I HAVE A PERMINENT CIGARETTE LICENSE FROM THE STATE - NOW I HAVE TO BUY ONE FROM THE DEPT. OF HUMAN SERVICES?

C. I HAVE TO BUY A NURSERY LICENSE TO SELL FLOWERS (DEPT. OF AGRICULTURE) NOW I ALSO NEED ANOTHER LICENSE TO SELL GARDEN SEEDS!

D. I WAS FORCED TO INSTALL THREE SINKS (DEPT. OF AGRICULTURE) TO SELL COFFEE.

THESE ARE SOME OF THE LICENSES I NEED TO OPERATE A SMALL CONVENIENCE STORE.

A FISH LICENCE
A LIQVOR LICENJE
BEER LICENSE
WINE LICENSE
LOTTERY LICENSE

② CIGARETTE LICENJIS
FLOWER LICENSE
SEED LICENSE
VICTUALER'S LICENSE

GAS TANK LICENSE
FOOD STAMP LICENSE
FOOD ESTABLISHMENT LICENIC
SELLERS CERTIFICATE
SPECIAL TAX STAMP

PAGE II -

10-16-99

WITH THE RECORDS WE HAVE TO MAINTAIN DAILY AND THE REPORTS MANDATED BY THE STATE AND FEDERAL GOVERNMENT IT IS VERY HARD TO OPERATE A SMALL BUSINESS IN MAINE.

1. DECLINE IN POPULATION.
2. CANADIAN TRADE IS RESTRICTED - WHILE AMERICANS CAN PURCHASE \$200. DAILY IN CANADA (DUTY FREE)
3. HIGH TAXES
4. INCREASES IN OIL & LIGHTS
5. LABOR COSTS KEEP INCREASING
6. EXPENSIVE WORKMANS COMP. (ALL OTHER INSURANCES ARE INCREASING AS WELL.)
7. UNABLE TO PROVIDE HEALTH INSURANCES BECAUSE OF SHRINKING PROFITS AND HIGHER OVERHEAD.
8. LIMITED ON SUPPLIERS - LARGE CHAINS HAVE THEIR OWN.

SUGGESTION: HELP SMALL BUSINESS WITH HEALTH INSURANCE FOR THEIR EMPLOYEES.

STATE REGULATED PRICES SHOULD BE AT LEAST 20% PROFIT (SUCH AS LIQUOR AND LOTTERY)

FOLLOW FEDERAL MINIMUM WAGE - GIVING THE EMPLOYER A CHANCE TO REWARD GOOD EMPLOYEES WITH PAY RAISES AND INCENTIVES. (EMPLOYERS WITH LESS THAN 10 EMPLOYEES)

CONSOLIDATE LICENSING AND INSPECTIONS!

THANK YOU,
Bob Williams



Department of Economic and Community Development
Business Answers Licensing Information

Date Mailed: 11/09/99

NEW BUSINESS INFORMATION

Name:	Business Activity: AUTO SERVICE STATION
Doing Business As:	Telephone: (207)
Address:	Ext.:
ME	Contact Person:

LICENSES REQUIRED

LICENSE	DEPARTMENT	DIVISION	PHONE
Seller's Certificate (Sales Tax)	ADMINISTRATIVE & FINANCIAL SERVICES	MAINE REVENUE SERVICES	(207)287-2336
Commercial Motor Fuel Dispension	AGRICULTURE	REGULATIONS	(207)287-3841
Below Ground Tank Inspection	DEPARTMENT OF ENVIRONMENT PROTECTION	OIL & HAZARDOUS MATERIALS	(207)287-3901
Self Service Pumps	PUBLIC SAFETY DEPARTMENT	STATE FIRE MARSHAL	(207)624-8744
Auto Inspection License	PUBLIC SAFETY DEPARTMENT	MAINE STATE POLICE	(207)624-8784

ADDITIONAL INFORMATION

ADDITIONAL INFORMATION	DEPARTMENT	PHONE
Solid Waste Advance Disposal Fee	ADMINISTRATIVE & FINANCIAL SERVICES	(207)287-2336
Scales Require Calibration	AGRICULTURE	(207)287-3841
Freon Certificate	EPA	(617)565-3261
Proper Disposal of Hazardous Materials	DEPARTMENT OF ENVIRONMENT PROTECTION	(207)287-3901
Check w/DEP for wetland & pre-application meetings.	DEPARTMENT OF ENVIRONMENT PROTECTION	(207)287-3901

ADDITIONAL COMMENTS

In order to obtain the licenses listed above, complete the enclosed applications and return them to the issuing agency. For more information on the items listed under "Additional Information", contact the agencies listed. Federal and Local Regulations are not included in the lists above



Department of Economic and Community Development
Business Answers Licensing Information

Date Mailed: 10/18/99

NEW BUSINESS INFORMATION

Name: JANE Q PUBLIC
Doing Business As:
Address: MAIN ST
AUGUSTA

Business Activity: GROCERY/CONVENIENCE STORE
Telephone: (207)
Ext.:

Contact Person:
ME

LICENSES REQUIRED

LICENSE	DEPARTMENT	DIVISION	PHONE
Lottery License	ADMINISTRATIVE & FINANCIAL SERVICES	LOTTERY COMMISSION	(800)452-8777
Seller's Certificate (Sales Tax)	ADMINISTRATIVE & FINANCIAL SERVICES	MAINE REVENUE SERVICES	(207)287-2336
Off-Premise Liquor License	DEPARTMENT OF PUBLIC SAFETY	ALCOHOLIC BEVERAGES	(207)624-8745
Nursery Stock License	AGRICULTURE	PLANT INDUSTRY	(207)287-3891
Retail Food License	AGRICULTURE	REGULATIONS	(207)287-3841
General Pesticide Dealers	AGRICULTURE	PESTICIDES CONTROL BOARD	(207)287-2731
Bakery License	AGRICULTURE	REGULATIONS	(207)287-3841
Commercial Motor Fuel Dispension	AGRICULTURE	REGULATIONS	(207)287-3841
Below Ground Tank Inspection	DEPARTMENT OF ENVIRONMENT PROTECTION	OIL & HAZARDOUS MATERIALS	(207)287-3901
Eating Place License	DEPARTMENT OF HUMAN SERVICES	HEALTH ENGINEERING	(207)287-5671
Retail Tobacco License	DEPARTMENT OF HUMAN SERVICES	HEALTH ENGINEERING	(207)287-5671
Live-Bait Retail License	INLAND FISHERIES & WILDLIFE	ADMINISTRATION	(207)287-2571
Inland Fish Sales License	INLAND FISHERIES & WILDLIFE	ADMINISTRATION	(207)287-2571
Retail Seafood License	MARINE RESOURCES	ADMINISTRATION	(207)624-6550
Money Order Agent License	PROFESSIONAL & FINANCIAL REGULATION	CONSUMER CREDIT REGULATION	(207)624-8527
Above Ground Tank Inspection	PUBLIC SAFETY DEPARTMENT	STATE FIRE MARSHAL	(207)624-8744
Self Service Pumps	PUBLIC SAFETY DEPARTMENT	STATE FIRE MARSHAL	(207)624-8744

In order to obtain the licenses listed above, complete the enclosed applications and return them to the issuing agency. Federal and Local Regulations are not included in the lists above



Department of Economic and Community Development
Business Answers Licensing Information

Date Mailed: 11/09/99

NEW BUSINESS INFORMATION

Name:	Business Activity: HARDWARE STORES
Doing Business As:	Telephone: (207) Ext.:
Address:	Contact Person:
ME	

LICENSES REQUIRED

LICENSE	DEPARTMENT	DIVISION	PHONE
Seller's Certificate (Sales Tax)	ADMINISTRATIVE & FINANCIAL SERVICES	MAINE REVENUE SERVICES	(207)287-2336
Nursery Stock License	AGRICULTURE	PLANT INDUSTRY	(207)287-3891
General Pesticide Dealers	AGRICULTURE	PESTICIDES CONTROL BOARD	(207)287-2731
Scale Dealer License	AGRICULTURE	REGULATIONS	(207)287-3841

ADDITIONAL INFORMATION

ADDITIONAL INFORMATION	DEPARTMENT	PHONE
Solid Waste Advance Disposal Fee	ADMINISTRATIVE & FINANCIAL SERVICES	(207)287-2336
Scales Require Calibration	AGRICULTURE	(207)287-3841
Selected Pesticides Require Licensing	AGRICULTURE	(207)287-2731
Any fertilizers sold are registered with the Dept. of Agriculture either by the manufacturer or dealer.	AGRICULTURE	(207)287-2731
You must speak with a Plant Industry Inspector at 287-3891 if you are shipping plant material internationally.	AGRICULTURE	(207)287-3891

ADDITIONAL COMMENTS

In order to obtain the licenses listed above, complete the enclosed applications and return them to the issuing agency. For more information on the items listed under "Additional Information", contact the agencies listed. Federal and Local Regulations are not included in the lists above



Department of Economic and Community Development
Business Answers Licensing Information

Date Mailed: 10/18/99

NEW BUSINESS INFORMATION

Name: JOHN Q PUBLIC	Business Activity: RESTAURANT
Doing Business As:	Telephone: (207)
Address: MAIN STREET	Ext.:
AUGUSTA	ME
	Contact Person:

LICENSES REQUIRED

LICENSE	DEPARTMENT	DIVISION	PHONE
Seller's Certificate (Sales Tax)	ADMINISTRATIVE & FINANCIAL SERVICES	MAINE REVENUE SERVICES	(207)287-2336
On-Premise Liquor License	DEPARTMENT OF PUBLIC SAFETY	ALCOHOLIC BEVERAGES	(207)624-8745
Crabmeat Pickers License	AGRICULTURE	REGULATIONS	(207)287-3841
Food Est. - Food Processors Lic.	AGRICULTURE	REGULATIONS	(207)287-3841
Frozen Dessert Producers License	AGRICULTURE	REGULATIONS	(207)287-3841
Eating Place License	DEPARTMENT OF HUMAN SERVICES	HEALTH ENGINEERING	(207)287-5671
Inland Fish Sales License	INLAND FISHERIES & WILDLIFE	ADMINISTRATION	(207)287-2571
Public Dancing License	PUBLIC SAFETY DEPARTMENT	STATE FIRE MARSHAL	(207)624-8744

ADDITIONAL INFORMATION

ADDITIONAL INFORMATION	DEPARTMENT	PHONE
Scales Require Calibration	AGRICULTURE	(207)287-3841
The canning process for foods may be regulated by the federal government. Speak with your ME Dept. of Agr. inspector about federal regs. Check w/DEP for wetland & pre-application meetings.	AGRICULTURE	(207)287-3841
	DEPARTMENT OF ENVIRONMENT PROTECTION	(207)287-3900
The Department of Environmental Protection can be reached at (800)452-1942 if reside in Maine	DEPARTMENT OF ENVIRONMENT PROTECTION	(207)287-3900
Contact DMR for all seafood licenses.	MARINE RESOURCES	(207)624-6555

ADDITIONAL COMMENTS

In order to obtain the licenses listed above, complete the enclosed applications and return them to the issuing agency. For more information on the items listed under "Additional Information", contact the agencies listed. Federal and Local Regulations are not included in the lists above



Department of Economic and Community Development
Business Answers Licensing Information

Date Mailed: 11/09/99

NEW BUSINESS INFORMATION

Name:	Business Activity: WOOD PRODUCTS MANUFACTURING
Doing Business As:	Telephone: (207)
Address:	Ext.:
ME	Contact Person:

LICENSES REQUIRED

<i>LICENSE</i>	<i>DEPARTMENT</i>	<i>DIVISION</i>	<i>PHONE</i>
Seller's Certificate (Sales Tax)	ADMINISTRATIVE & FINANCIAL SERVICES	MAINE REVENUE SERVICES	(207)287-2336

ADDITIONAL INFORMATION

<i>ADDITIONAL INFORMATION</i>	<i>DEPARTMENT</i>	<i>PHONE</i>
A Wood Scaler License may be required	AGRICULTURE	(207)287-3841
Check w/DEP for wetland & pre-application meetings.	DEPARTMENT OF ENVIRONMENT PROTECTION	(207)287-3901
The Department of Environmental Protection can be reached at (800)452-1942 if reside in Maine	DEPARTMENT OF ENVIRONMENT PROTECTION	(207)287-3901
Fire Marshal approval needed for construction & occupation.	PUBLIC SAFETY DEPARTMENT	(207)624-8744

ADDITIONAL COMMENTS

In order to obtain the licenses listed above, complete the enclosed applications and return them to the issuing agency. For more information on the items listed under "Additional Information", contact the agencies listed. Federal and Local Regulations are not included in the lists above



APPENDIX I

*CAPITALIZING YOUR
BUSINESS WITH SCOR
(Small Company Offering Registration)*

How Do I Get More Information?

If you think SCOR may be right for your business, or if you'd just like to get more information about the program or securities registration in general, call the Securities Division at (207) 624-8551 or visit our Web site at: www.state.me.us/pfr/sec/sechome2.htm.

About the Securities Division

The Securities Division is a part of the Bureau of Banking in the Department of Professional and Financial Regulation. The Division is responsible for regulating offers and sales of securities in the State of Maine. Its major responsibilities include the registration of securities offerings, the licensing of brokerage firms, their salespeople, and investment advisers, and the investigation of alleged violations of the securities laws. The Division also regulates the sales of certain types of business opportunities and commodities. Maine businesses or consumers with complaints or questions relating to transactions in any of these areas should contact the Division for assistance.



Maine Department of Professional and Financial Regulation
Bureau of Banking - Securities Division
121 State House Station
Augusta, Maine 04333
(207) 624-8551

One of the most difficult challenges facing a small business today is raising enough money to execute its business plan. Whether it's to purchase real estate and equipment, to develop a new product or service, or even to add to staff in anticipation of an aggressive marketing campaign, the funding decision is crucial. While there are many loan programs available to small businesses through financial institutions, government, and quasi-governmental agencies, they are not the only options. For a business needing capital to grow and willing to consider a public offering of its securities, SCOR may be the right choice.

What is SCOR?

The Small Company Offering Registration (SCOR) program is available to businesses selling up to \$1,000,000 in securities during any 12-month period. Under this program, the business registers its securities in each state in which it intends to offer them for sale. This registration process is simpler than for larger securities offerings because SCOR securities are exempt from federal registration requirements. In addition, SCOR securities offer more flexibility than other small offerings because they can be sold through general solicitation and advertising, and there are no trading restrictions.

What Forms Do I Use?

Most states, including Maine, use the Form U-7 for SCOR registrations. The U-7 consists of 50 questions intended to provide important information about the business to potential investors. While it is often referred to as a "fill-in-the-blanks" form, the U-7 is really much more, in that it provides an in-depth discussion on many important aspects of the business. Among the questions addressed are:

- What does the business do and how will the sale of securities improve its operation?
- How will the business use the proceeds from the sale of securities?
- What milestones must the business reach to be profitable?
- What are the risks of investing in the business?
- How much experience does management have in this or a related business?

Should I Get Assistance in Completing the U-7?

While management can often complete much of the U-7, certain aspects of the filing will likely require the assistance of independent legal and accounting professionals. The extent of this assistance will vary, depending on management's expertise and the time available to draft the disclosure documents.

How Do I Register Securities?

Submit your completed Form U-7 and related exhibits to the Securities Division, along with the registration fee of \$300 for each security offered. The Division's professional staff will then begin its detailed review, which is designed to ensure full disclosure to potential investors. If you intend to sell your securities in other states, you must register them there as well. Ask our staff about the New England Regional Review Program, which can coordinate the application review process for multiple state filings. Once the registration process is completed, each state will issue you a "notice of effectiveness", and you are free to begin selling.

How Do I Sell My Business's Securities?

While this is the most important part of the capital raising process, it is often the most difficult and demanding of management's time. Usually, a SCOR registrant utilizes members of its management team to sell the securities. This minimizes costs and gives potential investors the opportunity to learn firsthand about the business from the people responsible for its success. This process can be very time-consuming, however, and some businesses engage brokerage firms to assist them in the process. Management should carefully consider this question early in the registration process.

Is SCOR the Right Choice for My Business?

Success rates for companies selling securities under SCOR vary greatly. It's important to remember that a successful registration of your securities does not guarantee a successful sale. While start-up businesses have used SCOR effectively, it is generally more difficult to sell securities in a business which has no operating history than in one which has at least some financial record. Regardless of the development stage of your business, you should consider many financing alternatives before deciding which one best fits your needs.

APPENDIX J

SO, YOU WANT TO GO PUBLIC?



Maine Department of Professional & Financial Regulation
Bureau of Banking
Securities Division
121 State House Station
Augusta, Maine 04333
(207) 624-8551

About the Securities Division

The Securities Division is a part of the Bureau of Banking in the Department of Professional and Financial Regulation. The Division is responsible for regulating offers and sales of securities in the State of Maine. Its major responsibilities include the registration of securities offerings, the licensing of brokerage firms, their salespeople, and investment advisers, and the investigation of alleged violations of the securities laws. The Division also regulates the sales of certain types of business opportunities and commodities. Maine businesses or consumers with complaints or questions relating to transactions in any of these areas should contact the Division for assistance.

For more information, visit the Division's Web site at: www.state.me.us/pfr/sec/sechome2.htm.

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The Decision to Sell

Of all the decisions you will make on the road to selling securities, perhaps the most difficult and important is whether or not selling securities is the right financing tool for your business.

Unless you can comfortably answer "yes" to all three of the following questions, you will find it difficult to sell your company's securities.

Is Your Company Ready?

Yes **No**

- Is your company properly formed and organized? If not, any structural changes should be made before you file your offering, not afterwards.
- Do you already have a well-defined and stable business plan in place? Without a good business plan, it will be virtually impossible to draft a disclosure document that satisfies regulatory requirements **OR** potential investors.
- Does your company have current financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP)? Depending on the size and type of offering, reviewed or audited statements may be required. Even if reviewed or audited statements are not required, it is often advisable to have a CPA help you prepare financial statements.

Are You and Your Management Ready?

Yes **No**

- Are you willing to give up a portion of your profits to provide a return to investors? You must be ready to share the rewards as well as the risks.
- Can you afford to spend a significant amount of time away from your normal business operation to prepare your offering? Many people are surprised at the amount of time it takes.
- Are you prepared to invest a significant amount of energy in actually selling your offering, especially if you will not be using a securities broker to sell the offering? Meetings and presentations to potential investors will often be required.
- If you are successful with your securities offering, others may own a share of your business and may want a say in how things are run. Shareholder relations can take up significant amounts of your time.
- You will have ongoing responsibilities after the offering, such as preparing and distributing an annual financial report to all of your investors.

Will Investors Be Willing to Invest?

Yes **No**

- Investors look for liquidity. Though investments in small businesses should be viewed as long-term, even long-term investors need to see some light at the end of the tunnel. Will your company ever be large enough that a trading market could develop for your securities?
- Investors want a share of the profits. If your company has profits, what are your plans for distribution? Will investors

see any of the profits, or will you give it all away in big salaries or bonuses to keep employees?

- Will investors have any control? If things don't go as planned, investors may want some power to do something about it, such as representation on your board of directors.
- Do potential investors feel an affinity with your company? Investors in small offerings are frequently attracted to the offering because they have an interest in the product or service that the company provides. For instance, people that are interested in beer may be more interested in investing in a microbrewery.
- Are you willing and able to bear the cost of registration? While you can pay for the cost of registration from the gross sales proceeds in a successful offering, your company would have to bear that cost itself if the sale were unsuccessful.

One Final Caution

Securities laws place heavy constraints on all parts of the securities selling process in order to protect you and your investors. The process is complicated and you are wise to consult an experienced securities attorney early on, even if you later decide to do some or all of the preparation yourself. Never attempt to hide anything about your business from your attorney, accountant, securities officials, or potential investors.

Offering Alternatives

Anyone who thinks a securities offering is a "one size fits all" proposition is wrong. The best offerings are tailor-made to specific financial needs and goals. Once you have decided to proceed, then you have to figure out what kind of offering is best for you and your investors. It's important to obtain the services of experienced legal and financial counsel to assist you in making these decisions.

Choosing What Kind of Security to Offer

1. Common Stock

This is the security that is most frequently offered. Selling common stock means selling shares in the equity of your company. It does not require you to make dividend payments or to make any promises or guarantees regarding return-on-investment. As a result, this is usually the most appropriate choice for start-up or developmental stage businesses.

2. Debt

With debt, you agree to pay back to your investors principal, plus interest, on the money they loan you. In order for regulators to approve this type of offering, you must be able to demonstrate your ability to repay the debt.

3. Preferred Stock

Preferred stock is a hybrid between debt and common stock. If it has the characteristics of debt, such as a specific rate of return, the Securities Division will apply standards similar to those applied to debt offerings. If it is structured more like equity, it will be treated more like common stock.

4. Limited Partnership Interests

Limited partnership interests are another form of security. They are typically used for obtaining certain tax advantages and may be subject to many special rules.

5. Limited Liability Company (LLC) Memberships

LLC's are unincorporated entities that combine the limited liability features of corporations with the pass-through taxation and structural flexibility of general partnerships.

attorneys and accountants. The preparation time, however, can be lengthy. Can you take the time away from running your business to do this preparation?

Warning

Securities laws vary from state to state. If you plan to conduct your offering in more than one state, you must register or utilize an appropriate exemption from registration with both the federal Securities and Exchange Commission (SEC) and with each state in which the offering will be conducted. Information on filing requirements can be obtained from the SEC and each state's Securities Division.

Choosing What Type of Offering to Pursue

The type of offering you choose depends on several factors:

- How much money do you need?
- How many investors do you think you'll need in order to raise that amount? It's important to remember that the amount of the securities offering, the number of investors and the means by which you will solicit them will determine whether or not your securities qualify for an exemption from state and/or federal registration.
- How important is it that the securities be freely transferable immediately upon issuance? Keep in mind that, even if the securities are freely transferable, it is extremely unlikely that any type of active trading market will develop in the foreseeable future.
- How much time do you have to devote to the preparation process? For certain types of registrations, there are "fill-in-the-blanks" forms available that can be completed by company management with the assistance of the company's

Preparing the Application

Piecing together a well-prepared offering package requires a lot of time and expertise in many areas. Consulting with an experienced securities attorney and a qualified accountant early in the decision-making process is strongly recommended. Even if you decide to prepare the bulk of the application yourself, attorneys and accountants can offer invaluable assistance with many general business planning issues and with determining what type(s) of offering(s) to pursue.

Consider a Pre-Filing Conference

Taking advantage of a telephone or in-person conference with the Securities Division is a good idea, particularly if you are considering a public offering on a “fill-in-the-blanks” form such as the Small Company Offering Registration (SCOR) Form U-7. Here, you will be able to obtain answers to questions you have about your offering, including how to fill out the various forms and disclosure statements, and how the rules governing the offering will be administered. Even if you’re offering securities solely through a private placement and not through general solicitation and advertising, you can obtain important information from the Division about registration requirements. If you would like an in-person conference, you are welcome to bring your attorney and/or accountant, but before you arrive, please be sure you:

- Make an appointment with the Securities Division by calling (207) 624-8551 and speaking with someone in the Small Business Registration area.
- Come prepared with a list of all your questions. Have on hand as much information as possible about your business, including your business plan.

If you anticipate discussing a particularly difficult or complicated subject or problem during your pre-filing conference, please notify the Securities Division beforehand so that any necessary background research can be conducted before the actual conference.

Disclosure Document

The disclosure document is the most important part of the application, so take the time to prepare it carefully. The information you gather from your attorney, accountant, and at your pre-filing conference, will help you focus on many key areas:

- If you are registering your securities under SCOR, be sure to obtain a copy of the “**Small Company Offering Registration (SCOR) Issuer’s Manual.**” This is a comprehensive and very useful aid in the completion of the Form U-7 Disclosure Document. You can obtain a hard copy of the manual from the Securities Division or you can access it at the Web site of the North American Securities Administrators Association (NASAA) at: www.nasaa.org.
- In preparing your application, pay particularly close attention to the sections on the description of your company’s business, the use of the offering proceeds, and risk factors. These areas will be very closely scrutinized and can be the critical components of a successful registration and sale.
- Avoid inconsistencies, omissions, and errors within the document. This process should include a thorough review of all calculations, not only for accuracy but also for consistency throughout the document.
- Maintain close contact with the Securities Division throughout the preparation process. This can help you avoid problems before they become even more difficult and time-consuming to correct.

Taking the time to consider the above areas will help you create a final document that is easy to read and understand, critical factors in attracting potential investors.

Preparing Your Application Package

Along with a completed Disclosure Document, you will probably need to include several additional items in your final Application Package:

- Review the exhibits to be sent with your application, and make sure that everything referenced in your offering document is included.
- Include a cover letter explaining why any missing items were omitted and naming the contact person at your company or law firm.
- Make sure your Application/Disclosure Document is properly signed.
- If you plan to have officers, directors, or other employees conduct sales, the Form U-4 required to license those individuals as Sales Representatives should be submitted, with the required fee, as early as possible. Application approval is often delayed because company officers have not been properly licensed.
- Don't hesitate to send along any additional supporting information you believe will be helpful to the Securities Division. It's always a good idea to include any document which is referenced in the offering circular such as employment agreements, licensing agreements, and stock option plans. Your cover letter should indicate whether any of this additional information will be provided to potential investors. If so, it should be listed as an exhibit in the table of contents in the Disclosure Document.

The Review Process

Reviewing a securities offering is a time-consuming process for the Securities Division. In the course of a review, certain revisions to your documents will probably be required. Making these revisions quickly and accurately can greatly reduce delays, so the use of word processing software is strongly encouraged. The SCOR form is available from the Division in various word processing formats at no charge and is also available on the Web site of the North American Securities Administrators Association (NASAA) at: www.nasaa.org.

How Long Does It Take?

It is very difficult to provide a general amount of time necessary to clear a registration filing, but naturally, the more complete and thoughtfully prepared your initial filing is, the shorter the review time. If your file is particularly complex, or has some unusual problems, it will usually take longer for the Division to review and longer for you to make necessary changes prior to clearance. The initial review usually takes place within 2-4 weeks of the receipt of your application. This initial review will normally center on substantive problem areas that, unless resolved, will kill an offering regardless of the quality of the disclosure. Potential "deal killers" include:

- Excessive amount of promotional shares;
- Inability to service debt;
- Inadequate minimum or excessive maximum offering amounts;
- Inappropriate affiliated transactions;
- Excessive selling expenses;
- Problems with financial statements;
- Omissions, discrepancies, and poor organization.

Common Problem Areas

1. *Promotional Stock*

Promotional stock exists when insiders have paid disproportionately less consideration for their shares than what public investors are being asked to pay per share. In order to avoid the possibility of insiders selling their shares at an artificially inflated price, the Division may require promotional shares to be escrowed, thereby limiting the number of shares on the market in the early stages of the company's "public" life.

2. *Inability to Service Debt*

If you will be offering debt securities, you must be able to show the ability to service the debt on a pro forma (not projected) basis. It is extremely difficult for an unprofitable or start-up company to demonstrate this ability.

3. *Inadequate Minimum or Excessive Maximum Offering*

The minimum amount to be raised by the offering must be adequate to actually accomplish the purposes of the offering. For example, if the primary purpose of the offering is to expand production by purchasing certain equipment, the minimum offering must provide sufficient funds for such equipment to be purchased. The maximum amount must also be justified. The issuer must be very precise regarding how all proceeds from the offering will be used. If the issuer is incapable of such precision, then it is likely that the maximum offering is excessive.

This is often the case when a large amount of the proceeds is designated for "working capital."

4. *Inappropriate Affiliated Transactions*

There are regulatory guidelines to make sure that any loans or other material affiliated transactions are consistent with public investor protection and are in the public interest. The Division may require changes in an issuer's affiliated transactions policy or it may disallow the offer and sale of securities if it determines that such transactions unfairly benefit the company's officers, directors, or principal shareholders to the detriment of public investors.

5. *Excessive Selling Expenses*

The Division requires the issuer to provide detailed estimates of the costs related to the offer and sale of securities. These costs may include broker's commissions, other broker expenses, legal and accounting fees, printing and postage, etc. Because these costs reduce the amount of the offering proceeds available for the business to execute its stated financial plan, the Division may disallow the offer and sale of securities when these expenses are deemed excessive.

6. *Erroneous or Misleading Financial Statements*

The best way to prevent errors, omissions, or discrepancies in your financial statements may be to have accountants assist in their preparation. In some instances, an independent CPA must audit or review the financial statements. All financial statements must be prepared in accordance with Generally Accepted Accounting Principles (GAAP).

When the Division finds mistakes, further inquiry is required and statements must be corrected before the offering can proceed. Choose your CPA carefully and inform the CPA up front that the statements will be used in a securities offering in which the CPA must consent to the use of his/her name.

7. ***Forecasts and Projections***

Contact the Securities Division if you are contemplating the use of projections or forecasts. Unless there is a reasonable basis for the projections, it is unlikely that they will be permitted. In particular, companies that have been in business for a limited time will have difficulty demonstrating a reasonable basis for projections. When projections are allowed, they must include a detailed description of all underlying assumptions and the rationale behind them.

8. ***Omissions, Discrepancies, and Organization***

A surprising number of disclosure documents contain an inadequate description of exactly what a company does or plans to do. Also, the list of risks connected with the offering is often incomplete. Although issuers are sometimes reluctant to discuss their company's weaknesses, such disclosure is mandatory.

Many offering circulars also lack internal consistency. Statements made in one part of the circular conflict with those made in other parts. For example, the discussion of the company's capital sometimes conflicts with the financial statements. Another frequent problem occurs when the circular discusses certain projects or activities that it plans to undertake upon the conclusion of the offering, but the use of proceeds table contains no

allocation of offering funds for such activities. For offerings that specify minimum and maximum offering amounts, it is important to discuss the consequences to the company of selling only the minimum offering, as well as the maximum offering.

For offerings which utilize a question and answer format, it is important that each answer be a complete response to the question to which it pertains. It is equally important, however, that the response remain tightly focused on the question and not stray into other areas.

Completing the Review Process

The Division will typically make comments by telephone in situations where problems are less complex and likely to be easily correctible. If comments are more extensive or complex, they will generally be made in writing and, in some instances, the Division may suggest an in-person meeting. The applicant is free to request a meeting at any time.

The "fine-tuning" process of modifying a registration and getting it to its finished form may involve many amendments. It is not uncommon for an offering to undergo several rounds of comments and revisions before it is ready for clearance. When all issues have been resolved, the Division will issue a written permit and the offering can begin.

Don't forget that when the Maine Securities Division issues its "notice of effectiveness" letter, it only allows you to offer and sell your securities in Maine. You must receive a similar notice from each state in which you plan to sell before initiating sales activities in those states.

The Offering

Once you receive the notice of effectiveness and any required permits and licenses (e.g. sales representative licenses for insiders intending to actively solicit investors), you are free to begin the sales and issuance process. Of course, it would be nice if once your registration is effective, investors would show up on your doorstep with money in hand. In reality, however, marketing your offering is one of the toughest jobs of all. During the offering period, you may continue to have obligations to the Securities Division.

Material Changes

If changes are to be made at any time to the offering which are material to investors, the Securities Division must be notified and your Disclosure Document must be amended. In these circumstances, you may also be required to provide parties who have already subscribed to buy securities the right to rescind their subscriptions.

Advertising

The Division may ask for copies of each advertisement proposed to be used to solicit buyers. Remember that private placement offerings can't engage in general solicitation, including advertising.

Sales Reports

In order to establish a statistical base for evaluating the success of certain types of securities filings, especially SCOR, the Division may ask you to provide periodic sales reports to track your post-registration progress.

Escrow of Proceeds

If a minimum offering has been specified, all investor funds must be immediately placed in a bank escrow account and may not be released until the minimum offering amount has been raised. The Securities Division requires the terms of such escrow agreements to be firmly established in writing during the registration process.

Termination and Final Report

Notify the Division when your offering is completed, even if no sales took place. This will enable the Division to update its records.

APPENDIX K

Environmental Compliance

A Quick and Easy Guide for
Small Businesses



This booklet provides a quick overview of some common, though sometimes overlooked, federal and state environmental requirements.

After reviewing this booklet you may want help complying with one or more regulations. That's why the DEP has a Small Business Technical Assistance Program (SBTAP).

The SBTAP helps small businesses comply with environmental regulations, and reduce pollution and waste.

The SBTAP also coordinates the DEP's Small Business Compliance Incentives Policy. This policy provides enforcement relief to small businesses for inadvertent violations that are discovered as a result of the business requesting assistance from the DEP. This policy enables businesses to use the DEP as an assistance provider without the fear of being penalized for inadvertent violations.

For additional information please contact:

Brian Kavanah, Coordinator
Small Business Technical Assistance Program
Department of Environmental Protection
17 State House Station
Augusta, Maine 04333
Phone: 1-800-789-9802 or 287-6188
E-mail: brian.w.kavanah@state.me.us
DEP Homepage: <http://www.state.me.us/dep>

Underground fuel tanks have traditionally been built out of bare metal that, over time, corrodes causing fuel to leak into adjacent soil and groundwater. Contamination from leaking tanks has been widespread, and its cleanup has been costly.

Beginning in the 1980's, Maine law and regulations were developed to prevent and minimize the risk to the environment and public health that is posed by leaking underground fuel tanks. Here are a few requirements with which you should be familiar:

- As of October 1997 all privately owned bare steel tanks and bare steel piping should have been removed.
- All new and replacement underground fuel tanks must be double walled and made of fiberglass, cathodically protected steel, or another equally non-corrosive material that has been approved by the DEP.

- Leak detection, spill and overfill, and corrosion protection equipment must be checked annually.
- All underground fuel tanks must be registered with the DEP and installed by a Certified Tank Installer.
- You must notify the DEP prior to the removal of an underground fuel tank.

If you discover that you are not in compliance with any of these regulations, please contact the DEP for assistance.

SEWER

In order to keep our surface and coastal waters clean the waste from sewer systems is treated in publicly owned treatment plants prior to discharge to Maine waters. These plants are designed to treat normal sanitary waste water from bathrooms, sinks etc.

Certain types of waste may upset a treatment plant or pass through the treatment plant untreated and contaminate surface and coastal waters.

Some businesses are subject to federal requirements to pretreat their wastewater. Prior to discharging anything other than sanitary waste water to a publicly owned sewer system, you should contact the local sewer treatment plant to ensure that the treatment plant can accept your waste.

SEPTIC SYSTEMS

Septic systems are a combination of a storage tank and gravel leach field used to treat waste water from homes or businesses not connected to a municipal sewer system.

Only sanitary waste water from bathrooms, sinks etc. should be discharged to a septic system.

Septic systems discharge directly to groundwater and can not remove or treat wastes such as solvents, paints, inks, fuel, antifreeze, food processing wastes, and metals. Discharging these types of wastes to a septic system can easily contaminate groundwater. Discharge of anything other than sanitary waste to a subsurface disposal system requires approval or a license from the DEP.

It is advisable to have the collection tank of your septic system pumped by a licensed septage hauler approximately every three to five years to keep the system functioning properly.

Common sources of air pollution from small businesses include:

- cleaning solvents
- solvent-based paints and thinners
- commercial and industrial boilers
- fiberglass resins

In order to protect air quality, certain air emissions are regulated through a licensing system. Your business might require a license from the DEP if any of the following thresholds are exceeded:

Volatile Organic Compounds (VOC)

- VOC emissions are greater than or equal to 10 pounds per hour or 100 pounds per day.
- VOCs are emitted, or potentially emitted* at levels greater than or equal to 40 tons/ year.

Hazardous Air Pollutants (HAPs)

- HAPs are emitted, or potentially emitted *, at levels greater than or equal to:
 - 10 tons per year or more for any one HAP; or
 - 25 tons per year or more of any combination of HAPs

* In calculating your "potential to emit", you must assume a worst case scenario that includes operation at maximum throughput using typical high VOC or HAP materials for 8,760 hours per year.

Fuel Burning Equipment

- The combined heat inputs of heating units, drying ovens, or other fuel burning equipment exceeds 10 million BTU per hour. Individual units whose input is less than 1 million BTU per hour need not be included in this assessment. (Heat inputs are sometimes listed on the fuel burning equipment.)

Generators

- The combined heat input of generators exceeds 5 million BTU per hour (for diesel engines this is equivalent to a fuel consumption of approximately 35 gallons per hour). Individual units whose input is less than 0.5 million BTU's per hour need not be included in this assessment.

DEFINITIONS

Volatile Organic Compound (VOC): VOCs are any organic compound that reacts in the atmosphere to create ground level ozone. Solvents are a common VOC.

Hazardous Air Pollutant (HAP): Any of the 189 air pollutants identified by the EPA which may reasonably be expected to cause irreversible illness or death. Examples include styrene, benzene, toluene, and xylenes. For a complete list of HAPs please contact the DEP.

Certain types of waste are considered "hazardous" and require special management to protect the environment and human health. Hazardous wastes are those that are ignitable, corrosive, reactive, or toxic, or that have been listed by the EPA or DEP as hazardous waste.

Hazardous wastes are often generated by the following activities:

- printing and cleanup activities
- solvent use
- vehicle repair
- electroplating and metal finishing
- laboratory work
- painting & refinishing
- x-ray and photo developing
- fiberglass manufacturing

It is the responsibility of the generator to determine if their waste is hazardous before disposal. Maine has three categories of hazardous waste generators based on the amount of waste generated: **small quantity generators, small quantity plus, and generators**. The more waste you generate, the more requirements you will need to follow. The following summarizes a few of the requirements:

- **Do not Treat Hazardous Waste without a License from DEP**

Typical forms of treatment include silver recovery and distilling solvents.

- **Labeling**

Label each waste container with the words "Hazardous Waste".

- **Dates**

Label each waste container with the date you **first** put hazardous waste in it (the **start date**) and when the container becomes **full**.

- **Length of Storage**

Small Quantity Generators may have no more than 55 gallons of hazardous waste on site. They must ship a full container off site **within 180 days of filling the drum.**

Small Quantity Generator Plus may have no more than 165 gallons of hazardous waste on site. They must ship each full container off site **within 180 days of filling the drum.**

Generators may have more than 165 gallons of hazardous waste on site. They must ship their hazardous waste off site **within 90 days of the start date.** (There are exceptions to this time frame for certain types of storage.)

- **Use a Hazardous Waste Manifest Form**

The Hazardous Waste Manifest Form is a shipping document that must accompany all hazardous waste shipments. Every person who handles the waste identifies themselves and dates and signs the manifest form to track the hazardous waste "from cradle to grave".

- **Only Use a Licensed Hazardous Waste Transporter to Ship Hazardous Waste**

A list of currently licensed transporters may be obtained by calling the DEP at 287-2651.

- **Send Waste to a Licensed Facility**

Ensure that any facility to which you send hazardous waste is properly licensed.

NEW CONSTRUCTION

Due to the potential for uncontrolled stormwater runoff to negatively impact waterbodies and neighboring properties, the following types of new construction require a stormwater permit from the DEP:

- If the total amount of impervious area is from 20,000 square feet to 1 acre in size, a permit is needed **if the site is located in a watershed of a waterbody classified as "most at risk from new development"**. The DEP and municipalities have maps depicting watersheds "most at risk".
- If the total amount of impervious area is 1 acre or more, or the total amount of disturbed area is 5 acres or more, a permit is needed **regardless of the location**.

DEFINITIONS

Disturbed area: All land areas where the vegetation has been removed to the extent that the natural drainage patterns have been altered such as agricultural fields, paved sites, and dirt roads.

Impervious area: An area where water can not be easily absorbed into the ground, such as locations of buildings, paved areas, or gravel roads.

Stormwater: The part of precipitation, including runoff from rain or melting ice and snow, that flows across land surface.

It is highly recommended that you contact the DEP at 287-3901 prior to any construction project that may exceed these thresholds to obtain more detailed information.

INDUSTRIAL STORMWATER DISCHARGE

Due to the potential for stormwater runoff from certain industries to negatively impact waterbodies, a federal stormwater permit is required from the federal Environmental Protection Agency for certain types of businesses. You probably require a permit if you answer "yes" to all three of the following questions:

1. Does stormwater on your property run through a pipe, ditch, or channel either naturally-occurring or man-made?
2. Does the stormwater discharge into a river, pond, small stream, or wetland, or to a separate storm sewer that in turn discharges into a water body? A "separate" storm sewer means a sewer that carries only storm water.
3. Is the primary activity you engage in at your facility one of the types subject to regulation? Examples of regulated activities and their standard industrial classification numbers include:
24 - lumber and wood products 26 - paper and allied products 28 - chemicals & allied products
3111 - leather tanning and finishing 33 - primary metal industries 3441 - fabricated structural metal
373 - ship and boat building and repairing

This is not a complete list

For more information, please contact: Thelma Hamilton, U.S. EPA Region 1, (617) 918-1615

APPENDIX L



MAINE REVENUE SERVICES

STAWRS PROJECT

**A REPORT PREPARED FOR THE
JOINT STANDING COMMITTEE ON TAXATION**

October 1999

STAWRS PROJECT

October, 1999

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STAWRS PROJECT

BACKGROUND:

What is STAWRS?

The *Simplified Tax and Wage Reporting System* (STAWRS) is a joint National Partnership program of the Department of the Treasury, the Department of Labor, the Internal Revenue Service, the Social Security Administration, the Small Business Administration, the Office of Management and Budget, various states, and private organizations. STAWRS seeks to usher in a new era of partnership among government agencies and businesses as they work together to simplify the employment tax and wage reporting process.

THE VISION: To partner with stakeholders in developing, demonstrating, and transitioning concepts that simplify the employment tax and wage reporting process to improve customer service.

THE MISSION: To reduce employer tax and wage reporting burden while improving the effectiveness and efficiency of government operations.

History:

In 1988, the small business community made recommendations through the IRS Commissioners Advisory Group endorsing employer tax simplification. Federal and state governments then began to focus on simplifying employment tax reporting and filing requirements.

Initially the IRS and the Social Security Administration engaged in cooperative efforts to simplify the wage reporting process and focused on Form W-2. Then IRS determined that the program should include the feasibility of simplifying all payroll and employment tax reporting requirements across federal and state agencies. This broader initiative became STAWRS. The W-2 project remained with IRS and SSA as a separate project.

What is Happening Now?

The current focus is on facilitating the implementation of STAWRS services through intergovernmental efforts. STAWRS will not have any role in making agency determinations, managing employer accounts, ensuring compliance, or creating and maintaining a national data repository for wage-related information.

STAWRS PROGRAM GOALS:

- Provide timely and accurate tax information to employers to strengthen customer service;
- Decrease the number of tax- and wage-related forms that employers must file;
- Provide employers more opportunities to file tax- and wage-related forms electronically;
- Simplify federal and state tax employment laws;
- Provide employers the opportunity to file employment-related returns to one location;
- Increase voluntary compliance; and
- Support federal and state electronic tax strategies.

INITIATIVES:

- **Single Point Filing.**
Employers file employment-related tax and wage reports to one location via either paper or electronic media.
- **Streamlined Customer Service.**
Provide current and accurate tax information to employers electronically (through the Internet), via the telephone, and person-to-person, while demonstrating the benefits of on-line transactions.

Simplify process for application and distribution of Employer Identification Numbers, both federal and state.
- **Simplified Requirements.**
Federal and state employment tax and wage reporting laws are made more consistent across state and federal boundaries (harmonization), so that regulations, instructions, procedures, forms, and filing schedules are simpler and more understandable.

Status of Single Point Filing:

Electronic Filing Employers' Quarterly Returns--State of Iowa:

Single point electronic filing beta software has been made available to employers for evaluation. The STAWRS project team plans for 1999/2000 include conducting a pilot filing demonstration through the state to IRS and to analyze the results of the demonstration.

Paper Filing Employers' Quarterly Returns--State of Montana: IRS and Montana signed a cooperative agreement providing for a pilot project allowing certain employers to file quarterly returns combining state unemployment tax, withholding tax for federal and state, and FICA tax for federal on one return. The State of Montana processed the returns and forwarded the federal information to the IRS. An evaluation of the success

of this pilot project is being done to determine future direction. The estimated completion date of the evaluation is mid-October, 1999.

Commercial Off the Shelf Single Point Electronic Filing (COTS SPEF): The object of this project is to facilitate the development of combined single point electronic filing of tax and wage reports through COTS. The concept has been developed and it has been determined that there are partners interested in participating in a demonstration. Planned milestones for 1999/2000 are to partner with government, employers, and commercial software development community to develop and demonstrate combined electronic single point filing concept. The STAWRS project team will lead this project.

Status of One-Stop Customer Service:

Information Access: The purpose of this project is to facilitate employer access to on-line employment tax and wage information. This has been accomplished by developing a web site for STAWRS. The STAWRS project team's planned milestones for 1999/2000 include further development of the web site and conducting a workshop to promote awareness of the program and to forge additional partnerships for concept development.

Operational Support: The purpose of this project is to facilitate issuance of Employer Identification Numbers (EINs).

Status of Simplified Requirements:

Harmonized Wage Code and Filing Dates (HWC): The purpose of this project is to harmonize federal and state employment tax and wage reporting laws. The HWC report has been completed and made available on the STAWRS web site. The STAWRS project team's planned milestones for 1999/2000 include development of a marketing strategy, demonstrate targeted HWC with a state and conceptualize broader HWC.

WHAT IS MAINE DOING?

- Federal Employer Identification Number: Maine has entered into an agreement with IRS to assign federal employer identification numbers for new employers. The numbers assigned are forwarded to IRS for their records. This allows the employer to register with Maine and IRS at the same time.

- W-2 Project: Maine participated in the early effort with the W-2 project and no longer requires employers to supply paper copies of Form W-2 with their annual filing of form W-3ME, the annual reconciliation of withholding.
- Combined withholding and unemployment contributions filing and remittance: Maine has a combined form for reporting withholding tax and unemployment contributions that allows employers to file one quarterly return including both of these payroll taxes. The combined return can be filed on paper or electronically over the Internet.
- The Maine Revenue Services web site provides an explanation of the STAWRS program and also provides a link to the STAWRS web site. To access this feature from the State of Maine home page, click on "Maine Revenue Services" under "Doing Business with Maine." On the MRS home page, click on "Income Tax Withholding" under "Technical Tax Information" to bring up the Maine Income Tax Withholding page. At the top of this page, just below the heading, is a sentence which reads "[Click here](#) for information about the Federal "Simplified Tax and Wage Reporting System." Following this instruction provides access to a new page explaining the STAWRS project which, in turn, leads to the STAWRS web site.
- The Maine Department of Labor is watching the progress of the project and advises us that, at this point, no legislation has been prepared to address the Harmonized Wage Code.

PROs:

- Simpler filing and reporting requirements for employers.
- Reduction of the cost of compliance with employment tax laws.
- One-stop customer service will provide better, quicker information to employers which will improve compliance with the law.
- The harmonized wage code, if successful, will simplify procedures that employers and governments must follow by harmonizing definitions, due dates, etc.

CONs:

- *The project does not include the remitting of tax payments. This means that separate payments must be made to the federal government and to state government even if single point filing can be used.*
- No fundamental changes in required information have been made. Even when single point filing is used, the same information must be reported. The only

difference is that the information is included on one form filed with one governmental entity rather than on multiple forms filed with two governmental entities.

- There is no provision to include multiple states in single point filing. If an employer operates in more than one state, that employer must file individually in each of those states.
- Currently the single point filing project does not include federal unemployment tax. This annual return would still have to be filed separately with the federal government.
- Maine Revenue Services will incur an extra administrative cost by participating in single point filing. The federal information collected must be maintained and forwarded electronically to the federal agencies involved. Assuming that only some taxpayers participate, two systems will have to be maintained for processing the quarterly returns, one for those with federal information and one for those without federal information. The systems and procedures will have to be defined in order to determine the amount of any extra administrative costs.

CONCLUSION:

At this time, it appears that the "CONS" of the STAWRS Project outweigh the "PROs". Maine will continue to monitor the progress of the project and consider joining the electronic single point filing project if the pilot projects demonstrate that this approach is accepted by business as an effective and efficient solution to state/federal governmental reporting requirements.

Since the evaluation of the Montana project is not complete, we phoned to ask for a preliminary report. We were told that 90 employers were invited to participate. About 90 per cent of those employers liked the system. However, the State found it difficult to meet IRS certification requirements. They hired a contractor to assist with the system development and it took several months to accomplish the task. They will provide us with a copy of the evaluation when it is available.

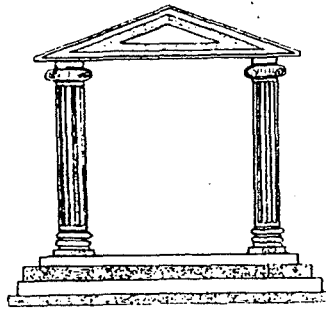
The MRS Internet filing program for the Combined Unemployment Contributions and Withholding Tax began in October 1998. The program allows participating taxpayers to file their combined return and remit their payment electronically which greatly simplifies the taxpayer's filing effort and also the processing of the return by MRS. Since the program began, 640 quarterly returns and payments totaling \$178,850 have been processed. **Since the electronic approach offers greater filing efficiencies for both the taxpayer and MRS, MRS considers this**

effort a much better long term solution than the “paper” approach of the Montana project.

APPENDIX M



**The Basics to
Incorporating
in Maine**



**Dan A. Gwadosky
Secretary of State**

Dear Business Person,

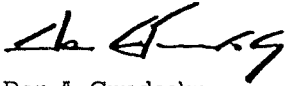
Thank you for your interest in forming a corporation, or other business entity in the State of Maine.

The Department of the Secretary of State, through the Bureau of Corporations, Elections and Commissions, serves as the registry for all corporate filings in Maine. We develop the appropriate forms required to form a business entity, file all corporate documents as required by law and provide information to the public on a corporation's status, directors, officers and business purpose.

This guide will assist you as you begin to examine the options available to you and your business. However, it cannot replace the specific knowledge and guidance that can be provided by a lawyer and a tax advisor as you make your own personal business decisions. Therefore, we encourage you to seek this assistance, when necessary, as you move through this process.

Our experienced staff is always available to assist you with filing procedures. I wish you continued success in your business ventures.

Sincerely,



Dan A. Gwadosky
Secretary of State

What is a corporation?

A corporation is a legal entity established by individual(s) under the laws of a state to conduct particular types of business or transactions. The corporation exists separately from its shareholders, directors and employees. A corporation is a 'person' in the eyes of the law. A corporation functions in the same manner as a person and has the same rights and responsibilities as a person. The corporation may make contracts, assume liabilities, sue and be sued. The corporation and its shareholders and directors have specific duties and obligations to each other.

What are the different types of corporations?

A **business corporation** is formed for the purpose of transacting business in the broadest sense of the word, and these transactions are conducted to return a profit.

A **nonprofit corporation** is formed for the purpose of advancing a particular objective of an organization which is not established to make a profit. Generally, this includes charitable, benevolent and educational organizations. These entities are also called not-for-profit corporations.

Business and nonprofit corporations are either domestic or foreign corporations. A **domestic corporation** has been incorporated under the laws of the State of Maine. A **foreign corporation** has been incorporated under the laws of another state or country and, by registering with the state, may be authorized to do business within Maine.

What are the advantages and disadvantages of incorporating?

The answer to this question varies depending on your business and what you want to gain from incorporating. Some issues to consider when deciding include personal protection from liability, tax liabilities, and business continuity.

Who can form corporations?

Business and nonprofit corporations may be formed by one or more individuals or by another corporation.

How is a corporation formed?

When individuals decide that they wish to form a corporation, they must file articles of incorporation with the Office of the Secretary of State. The articles of incorporation establish the individuals' intent to form the corporation and indicate who is forming the corporation.

Any changes or amendments to a corporation's articles of incorporation must be filed with the Office of the Secretary of State.

What is an annual report?

All corporations must file an annual report with the Office of the Secretary of State by June 1st of each year in order to retain their good standing to do business within Maine. The annual report is a standard form available from the Bureau of Corporations, Elections and Commissions, and provides information on the corporation's current officers, registered agent, and address.

What is a registered agent?

A registered agent (sometimes referred to as the clerk of the corporation) is the individual or company who serves as the corporation's contact to receive service of process in legal matters. A corporation must always have a registered agent on record and any change in the registered agent of a corporation must be filed with the Office of the Secretary of State within 30 days of the change.

What is an assumed name?

An **assumed name** is a name that a business uses to identify itself that is different from its true corporate name. (For example Very Good Corporation, Inc. may also have an assumed name of VGC, Inc.) Any business entity recorded with the Secretary of State must file for authorization to use an assumed name unless that name is always used in conjunction with its corporate name. If the corporation's name is changed in any way from its original filing, this change must be filed with the Office of the Secretary of State.

What does it mean when a corporation dissolves?

If a corporation decides that it no longer wants to remain in business it must file dissolution papers with the Office of the Secretary of State. When a corporation dissolves it can no longer do business. It must wind up its affairs and distribute its assets appropriately.

For additional information contact:

**Bureau of Corporations, Elections
and Commissions**

**101 State House Station
Augusta, ME 04333-0101
207-287-4195**

<http://www.state.me.us/sos/sos.htm>

Other Common Business Organizations

Sole Proprietorship - A business owned and controlled exclusively by one person. This person is responsible for the business, including all liability and any profit or loss.

Partnership - An association of two or more persons to carry on, as co-owners, a business for profit. These individuals are responsible for the business, including all liability and any profit or loss. (This may also be referred to as a general partnership.)

Limited Partnership - A type of partnership made up of one or more general partners who manage the business and who are personally liable for partnership debts; and one or more limited partners who contribute capital and share in profits but who do not run the business and are not liable for the partnership obligations beyond contribution.

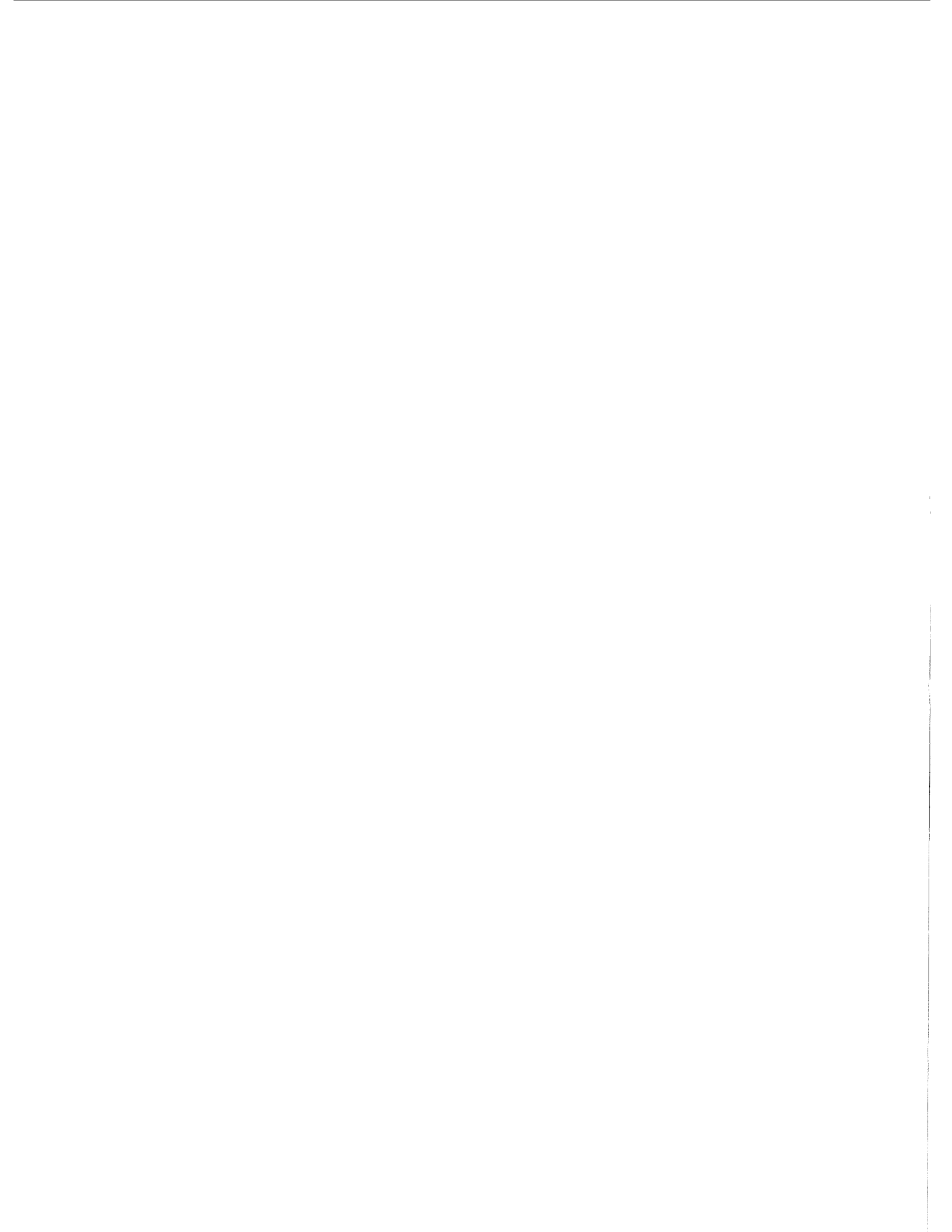
Limited Liability Partnership

(LLP) - A general partnership that has elected to have limited personal liability for its general partners by registering this election with the Secretary of State.

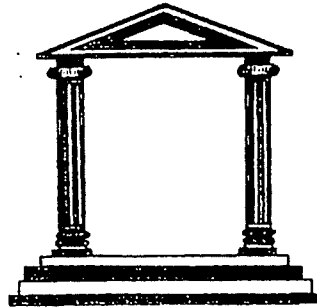
Limited Liability Company

(LLC) - A cross between a corporation (with an ability to limit personal liability) and a partnership (with an ability to assess profits and losses to individuals), this type of organization provides a flexible structure to achieve these ends.

APPENDIX N



Maine Marks Guide



Dan A. Gwadosky
Secretary of State

May, 1999

Dear Business Person,

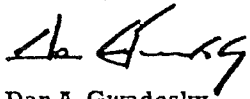
Thank you for your interest in filing a mark in the State of Maine.

The Department of the Secretary of State, through the Bureau of Corporations, Elections and Commissions serves as the registry for all marks filed in Maine. We develop the appropriate forms required to file a mark, approve of all marks to ensure they comply with Maine law and provide information to the public on mark availability and current registrations.

This guide will assist you as you begin to examine the options available to you and your business. However, it cannot replace the specific knowledge and guidance that can be provided by a lawyer as you make your own personal business decisions. Therefore, we encourage you to seek this assistance, when necessary, as you move through this process.

Our experienced staff is always available to assist you with filing procedures. I wish you continued success in your business ventures.

Sincerely,



Dan A. Gwadosky
Secretary of State

What is a mark?

A mark may be a series of words, symbols or design (or a combination) that uniquely identifies a business, trade, or product. There are several different types of marks depending on what is being identified.

What are the different types of marks?

A **trademark** is a word, name, symbol, or device or any combination of those adopted and used by a person to identify the goods made or sold by that person from goods made or sold by others.

A **service mark** is a mark used in the sale or advertising of services to identify the services of one person from the services of others.

A **collective mark** is a trademark or service mark used by the members of a cooperative, an association or other collective group or organization and includes marks used to indicate membership in a union, an association or other organization.

A **certification mark** is a mark used on or in connection with the products or services of one or more people other than the owner of the mark to certify regional or other origin, material, mode of manufacture, quality, accuracy or other characteristics of such goods or services, or that the work or labor on the goods or services was performed by members of a union or other organization.

A **combination service/trademark** is a mark applied to goods and used in connection with services provided by the applicant.

What is the purpose of filing a mark?

One of the main purposes of filing a mark is to protect your trade name or logo from use by other businesses in Maine.

Who can file a mark?

Anyone operating a business in Maine can file a mark, including sole proprietors and general partnerships. To register a mark, it must be in use as part of your business at the time of filing. Marks cannot be reserved for future use.

How can I register a mark?

An application must be filed with the Office of the Secretary of State. Your application will be examined to determine if the requested sign, logo, and/or text is available. Your requested mark may be approved if it is not actually like or deceptively similar to another mark or name on file.

Once a mark is registered, is it good forever?

No. A mark registered with the Secretary of State is valid for a period of ten years. A mark may be renewed at any time during the six months prior to expiration.

What are classifications?

General classifications of goods and services have been established by law to make it easier to determine mark usage. There are four general classifications of goods and services that you must choose from when registering a mark to help categorize your request.

**Do I need to file my mark with
the Maine Secretary of State
and with the U.S. Patent and
Trademark Office?**

It depends on where you are doing business with your mark. By filing your mark with the Maine Secretary of State, you are protecting your mark from use by others within the State of Maine. If you are expanding your business to other states, you may need to file your mark in those states as well.

Marks may also be filed at the federal level with the U.S. Patent and Trademark Office (PTO). Filing with the PTO is generally suggested when your business is involved in interstate commerce activities.

**For additional information regarding
mark filings in Maine please contact:**

**Bureau of Corporations, Elections and
Commissions
101 State House Station
Augusta, ME 04333-0101
207-287-4195**

<http://www.state.me.us/sos/sos.htm>

**For information on federal trademark
and patent requirements contact:**

**U.S. Patent and Trademark Office at
800-786-9199**

www.uspto.gov

APPENDIX O



Maine State Legislature
OFFICE OF POLICY AND LEGAL ANALYSIS

13 State House Station, Augusta, Maine 04333-0013
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Fax: (207) 287-1275

**TASK FORCE TO STUDY THE EFFECT OF GOVERNMENT REGULATION ON SMALL
BUSINESSES**

Summary from the September 28, 1999 Meeting

Task Force Members Present:

Sen. LaFountain, Sen. MacKinnon, Rep. Clough,
Mark Kierstad, Lori Howell, Charles Davis, Dora Dostie

Task Force Staff:

Natalie Hicks, Susan Johannesman

- **Convening of the Task Force:** Senator LaFountain welcomed the Task Force members and convened the first meeting.
- **Overview of the Task Force Duties:** Task Force staff reviewed the Task Force's charge and its reporting date of December 15, 1999. The charge of the Task Force, spelled out in the law creating the Task Force (1999 Resolves, Chapter 74), directs the Task Force to study the extent of regulation on small businesses and develop an inventory of filing and permits required to start and continue operation of a small business. The inventory must include, but is not limited to, filings required for taxation, licenses pertaining to health and safety compliance, pollution prevention and filings required under state labor laws. The Task Force shall determine whether the filings are necessary to meet legislative intent or federal regulations, and examine areas in which there is duplication of federal and state filing requirements.
- **Presentation by David Clough (National Federation of Independent Businesses- NFIB)**
 - ➔NFIB survey concluded that members perceived that there was too much paperwork to process on both the state and federal level. There should be more sharing of information between agencies, and more information pertinent to small business owners that is easily linked from the Maine State homepage. Members requested NFIB to provide survey comments to the Task Force.
 - ➔Suggested requiring agencies to prepare guides geared to the small business community on how to comply with that agency's laws and regulations.
 - ➔Suggested a web page for small business owners that would provide a searchable catalogue of necessary permits, rules and fees that would be easily accessible.
 - ➔Suggested a web page where small business owners could place comments, suggestions, and complaints.
 - ➔Suggested contacting New York State Office of Regulatory Reform to make a presentation to the Task Force.
- **Discussion**
 - ➔Members requested staff to contact New York State Office of Regulatory Reform to attempt to schedule a presentation for the next Task Force meeting.
 - ➔Confidentiality between state and federal agencies is an issue. Members questioned whether individuals could opt to share information with specific agencies to make the process smoother on an individualized basis.



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- ➔ SBDC's (Small Business Development Centers) will soon be linked with the Department of Economic and Community Development. Members questioned whether these centers could potentially be one of the areas where small business issues/information could be linked.
 - ➔ Members questioned whether state and federal agencies (specifically Department of Revenue and the IRS) could improve communication and computer compatibility to save small businesses filing time and paperwork.
 - ➔ Members discussed new hire reporting requirements and that Maine has one of the shortest timeframes within which to report new hires. David Clough offered to supply a timetable for new hire reporting in various states.
 - ➔ Members requested David Clough to poll the membership of NFIB to identify a cross section of perceived problems. Member Charles Davis offered to compile the same information from the SBDC's.
 - ➔ Members requested NFIB and Maine Chamber and Business Alliance to identify small business owners that may be interested in addressing the Task Force at the next meeting.
 - ➔ Members requested Task Force Staff to provide copies of study commission reports on small business from 1991 (executive summary) and 1998.
- **Presentation by Jim McGregor (Maine Merchants Association-MMA)**
 - ➔ 90% of firms in Maine have 20 or fewer employees.
 - ➔ The legislature should prohibit new laws/regulations from being enacted unless there is prior notification to the business entity that will be impacted.
 - ➔ Duplicate regulations should be addressed regarding forms for new employees for the Department of Human Services and the Department of Labor.
 - ➔ Complaints of insensitivity by the Department of Revenue towards small business owners should be addressed.
 - **Discussion**
 - ➔ Members questioned whether MMA members are surveyed.
 - **Dora Dostie (Department of Economic and Community Development- DECD)**
 - ➔ 1992, Public Law Chapter 826 - Directed the Commissioner of DECD to study the feasibility of establishing a One-Stop Business Licensing Center.
 - ➔ The One-Stop Business Licensing Center has developed a computerized questionnaire to administer to potential small business owners to determine their needs. Only two agencies do not currently share permit information with the One-Stop Center.
 - ➔ There are 90 different types of businesses in the One-Stop database.
 - ➔ The One-Stop Center receives 40-50 inquiries each day.
 - ➔ DECD is currently researching how to provide remote access within the SBDC's to make data accessible to people when the DECD office is closed.



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- ➔ DECD is also looking at ways to be more visible on the internet. Currently they rely on their brochure to let people know what services the department provides. The brochure is distributed to state agencies, included with tax applications, the Chamber of Commerce, and to libraries.
- ➔ The One-Stop Center employs 2 staff people.

- **Discussion**

- ➔ Members discussed whether DECD should be encouraged to put the One-Stop Center on the internet in order to make the data more readily accessible.
- ➔ Members discussed how small business owners can find out what new laws will affect them. Currently they rely on professional associations to inform them. Some state agencies are preparing brochures on new laws affecting the agency's statutes.

- **Presentation by Chris Hall (Maine State Chamber of Commerce)**

- ➔ Suggested that the Task Force focus on access to information and customer service. Also suggested that the Task Force try to make improvements on one specific area at a time.
- ➔ Secretary of State's Office is currently working on making information more accessible to small businesses.

- **Discussion**

- ➔ Members requested staff to contact Secretary of State's Office to schedule a presentation at the next Task Force meeting.

- **Additional Information Requests for the Next Meeting**

- ➔ Are other states notifying businesses of new laws that may affect them?
- ➔ Are there currently any proposed bills for next session looking into similar issues?

TASK FORCE TO STUDY THE EFFECT OF GOVERNMENT REGULATION ON SMALL BUSINESSES

Meeting Summary from the October 19, 1999 Meeting

Task Force Members Present:

- Sen. Lloyd LaFountain, Chair
- Sen. Bruce MacKinnon
- Rep. Doug Ahearne, Chair
- Rep. Harold Clough
- Mark Kierstad
- Charles Davis
- Dora Dostie

Task Force Staff: Susan Johannesman, Natalie Hicks

Review of Summary from September 28th meeting: Task Force members reviewed and accepted the summary of the September 28th meeting prepared by staff.

InforME: Dan Gwadosky, Secretary of State provided an overview of the InforME system. InforME is a public/private system of delivery of government services and information to citizens and businesses via Internet technology. The system was created pursuant to Public Law 1997, chapter 713. Dan Gwadosky noted that Maine is one of nine states that currently have Internet gateways with Maine being the only state in the northeast. A common factor among the nine states is that they are geographically large. The advantages of Internet gateways include accelerated electronic access to public information, expanded information through the Internet, financially self-supporting, voluntary participation by state agencies, and a single point of contact for the public. Public/private Internet gateways are established in response to the following factors: the public demands more responsive access, state databases are not electronically accessible, the state lacks resources to invest in technology, disparity in web standards, presentation and navigation, and cost - inequity between agencies and duplication. The private partner provides cutting edge technology and marketing expertise.

Mr. Gwadosky also noted that InforME has been approved to take over the state's homepage. The homepage will provide a key word search capability for all agency sites, a task oriented search application for all agency sites that provides easy to understand instruction on how to perform tasks, the ability to provide live video and audio via the website and the ability to search and update agency databases online.

Mr. Gwadosky noted that the small business services that are currently online include: 150 downloadable corporate forms, APA rules, Guide to Incorporations, Maine Marks Guide, and corporate name availability search. Services anticipated to be online by the year 2000

include interactive corporate records and UCC searches, interactive corporate certificates of good standing, and batch and special request corporate records.

When asked what the administration is doing to encourage agencies to participate in the InforME program, Mr. Gwadosky responded that the Governor is encouraging agencies to prioritize the services that could be included online. Currently 10-12 agencies have attended presentations by InforME.

Notification of New Laws: Task Force staff, after consulting with the National Conference of State Legislatures and other resources, determined that there is currently no information available regarding how other states notify small businesses of new laws which may be relevant to them.

The Task Force identified as a possible recommendation the requirement that new laws be put on-line through InforME.

Simplified Tax and Wage Reporting System (STAWRS): Task Force staff presented information on the Simplified Tax and Wage Reporting System. STAWRS is a joint effort among the Department of Labor, Department of the Treasury, the IRS, Small Business Administration, Social Security Administration and various states. It was established to reduce the tax and wage reporting burden of employers by improving the reporting process. The goals of STAWRS are: (1) to provide timely and accurate tax information to employers; (2) to decrease the number of tax and wage related forms that employers must file; (3) to provide employers more opportunities to file tax and wage related forms electronically; (4) to simplify federal and state tax employment laws; (5) to provide employers the opportunity to file employment-related returns to one location; (6) to increase voluntary compliance; and (7) to support federal and state electronic tax strategies.

LD 1811, Resolve to Direct the State to Implement a Simplified Tax and Wage Reporting System with the Federal Government, was reported out of committee Ought Not to Pass in the 1st session of the 119th Legislature. LD 1811 proposed to require the Bureau of Revenue Services to implement the recommendations of the Task Force on State and Federal Tax Filing, established pursuant to Resolve 1997, chapter 66, by developing a single point for filing and paying state and federal employment taxes, sales and use taxes and unemployment contributions. The State Bureau of Revenue Services is monitoring the STAWRS project and will report back to the Taxation Committee on that project next session.

Proposed Bills for Next Session: Task Force staff informed the Task Force that DECD has indicated that DECD has no plans to propose legislation regarding regulatory reform. Task Force staff will continue to review titles of new bills accepted by the Legislative Council to identify bills that relate to regulatory reform.

NFIB Survey: David Clough presented information regarding NFIB member survey comments which primarily revolved around issues of excessive regulation, outdated rules, and an abundance of paperwork for small business owners.

Securities Laws: Task Force members discussed the apparent conflict between state and federal corporation laws. Mark Kierstad noted that under Maine law, a company can sell stock to only 20 investors. Under federal law, as long as the company is selling to unsophisticated investors, the company can sell to an unlimited number of investors. He noted that state law should reflect the new federal law or the federal law should be made known to small business owners through DECD. A task force member suggested that a possible recommendation of the Task Force may be to require the Securities Division at DPFR to review updating the State law to reflect the federal law. Task Force staff will request a representative of the Securities Division to address the Task Force at its next Task Force meeting.

Small Business Owner Issues: Jim MacGregor, Peter Gore, and Charles Davis all indicated that the majority of the complaints raised by their members are related either to health insurance coverage or tobacco issues.

Representative Ahearne noted concerns identified in a letter from the owner of Bob's Neighborhood Store. A copy of the letter was distributed to each Task Force member. The letter identified concerns with the number of licenses needed to operate a small convenience store. Dora Dostie provided Task Force members with information on the licenses needed by a grocery/convenience store and by a restaurant. She will provide information on additional businesses at the next Task Force meeting.

Agency Review of Rules: Task Force members discussed the need for agencies to review rules and compare them with federal regulations that may override state rules. A Task Force member suggested that a possible recommendation of the Task Force may be to recommend that the Government Evaluation Act procedure be revised to require agencies to review and compare their rules to federal regulations. Task Force staff were directed to review the goals and objectives of the GEA to determine if this type of comparison with federal regulations is required.

New Hire Reporting: Task Force staff presented information to the Task Force on new hire reporting requirements in other states. David Clough, NFIB noted that Maine is only 1 of 2 states that have a 7 day reporting requirement. Seven states have a reporting requirement of between 10-16 days and 41 states have a 20 day reporting requirement. He also noted that federal law requires employers to report new hire information within 20 days of the date of hire. Employers that report electronically must file at least twice a month. The data required in new hire reports varies. Federal law requires W-4 data at a minimum. A little more than one-half the states (27) require W-4 data only. Maine is part of the remaining group (23) that requires additional information. Penalty provisions in the Maine law are different from the federal requirements of \$25 per violation. Maine law provides for a written warning for the first violation and a penalty up to \$200 per month for subsequent violations. Penalty provisions for first offenses in Maine are equivalent to many states, but the penalties are more severe in Maine for subsequent violations, based on July 15, 1997 information from the U.S. Office of Child Support Enforcement. David Clough noted that the new hire reporting law is an example of where the state adopted a law before the federal government adopted federal law. This resulted in all parts of Maine's law not being in conformance with federal law. The Task Force requested

staff to ask a representative from DHS to address the new hire reporting requirements at the next Task Force meeting.

New York State Office of Regulatory Reform: Task Force staff provided an overview of materials provided by David Pietrusza of the Governor's Office of Regulatory Reform (GORR) of New York. Materials included a summary of GORR's success since 1995 in decreasing overly-complex and unnecessary regulations, a 50 percent decline in the adoption of new regulations, and the elimination of over 700 requirements. Reform in the area of permit assistance is being credited by GORR as aiding in the creation/retention of almost 4,500 jobs, and leading to new investments totaling around 800 million dollars. GORR's Permit Assistance Unit provides assistance in identifying and obtaining business licenses and permits the State requires for individuals to start their own business. The Permit Assistance Unit has Permit Coordinators, available from 9 a.m. to 5 p.m., an advanced telephone system with prerecorded information, custom-made permit assistance kits (including checklists of requirements, supplemental information and application forms with instruction booklets), and a master application procedure (used to coordinate permits for complex business projects involving multiple agencies).

Next Meeting: The Task Force will meet again on **Wednesday, November 10 at 10:00 a.m.** at Department of Economic and Community Development, 33 Stone Street.



Maine State Legislature
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**TASK FORCE TO STUDY THE EFFECT OF GOVERNMENT REGULATION ON SMALL
BUSINESSES**

Summary from the November 10, 1999 Meeting

Task Force Members Present:

Sen. Lloyd LaFountain, Chair
Rep. Doug Ahearne, Chair
Rep. Harold Clough
Charles Davis
Dora Dostie

Task Force Staff:

Natalie Hicks, Susan Johannesman

• **Presentation by Steve Hussey (Director of Support, Enforcement and Recovery Unit -DHS)**

- ➔ New hire legislation passed in 1993, prior to federal legislation.
- ➔ This year, there have been 15,000 garnishment actions as a result of the new hire reporting law. New hire reporting requirements have resulted in a 350% increase in confirmed employment. Extending the reporting time frame to 20 days, would result in a loss of \$65,000 per month, and a 3/4 million dollar cost to the program.
- ➔ 60% of every penny collected is collected through wage attachment, and employers are the key link to enforcement. Last year, a total of \$85.6 million dollars was collected and 54 million dollars were wage assignments/garnishments.
- ➔ Department of Human Services is under strict federal guidelines to have a 48 hour turnaround (checks come in Monday and must go out Wednesday. 95% of every order is a weekly child support order.
- ➔ Employers can report new hires in several different ways: fax a W-4 form (24 hrs a day, 7 days a week), call the 800 number, submit information on cd-rom disks, or e-mail. By January 2000, employers will be able to do on-line new hire reporting on the DHS website.
- ➔ 70% of what was collected (60 million dollars) went directly to families last year
- ➔ Maine has a large amount of cyclical/seasonal jobs, and by getting information within 7 days it is easier to keep payments going directly to families.
- ➔ The first penalty for an employer who does not comply is written notification, then a warning notice, followed by a \$200 fine. DHS has never had to give a warning.
- ➔ Staff were requested to obtain information on whether the new hire reporting required by DOL can instead be provided as part of the reporting to HHS.

• **Presentation by Bonnie Russell (Securities Registration Supervisor- Bureau of Banking)**

- ➔ Maine's Securities Laws are a response to scams. The premise behind securities law is that if the issuer wants to issue securities, then it is necessary to register with both the state and federal government, or find an exemption.
- ➔ Federal law exemptions allow issuers to raise small amounts of money or have transactions done privately with minimal filing.

David E. Boulter, Director

Offices Located in the State House, Rooms 101/107/135



Maine State Legislature
OFFICE OF POLICY AND LEGAL ANALYSIS

13 State House Station, Augusta, Maine 04333-0013

Telephone: (207) 287-1670

Fax: (207) 287-1275

- ➔ Private Placement § 42 of 1933 Act, Rule 506: You are allowed to sell securities to up to 45 non-accredited investors (someone who has income under \$200,000 for the past two years with the expectation that will continue in the current year as well, and \$1 million in net worth.) Rule allows you to sell to an unlimited number of accredited investors.
- ➔ Under Federal law, non-accredited investors have to evaluate the merits of the offering, or have someone else evaluate the merits (must be private and not advertised). State law has adopted this policy. Under state law, if the offering complies with § 42 Rule 506 you have an exemption in Maine and have to file with Maine and the federal government. Maine accepts a federal form.
- ➔ Maine exemption 10502-2P: A corporation in Maine can make a private offering if it has no more than 10 total security holders. Maine exemption 10502-2Q: If a private offering, results in the sale of securities to no more than 25 security holders then a four page form must be filled out prior to the offering being made and this information must be given to offerees. Both of these exemptions correlate with the previously mentioned federal exemptions, and are limited to Maine corporations (extended to limited liability corporations and limited partnerships or any other entity if sufficient information is furnished to the Securities Director).
- ➔ Federal Rule 504 and 505 relate to small offerings up to \$1 million and \$5 million respectively. You may make offerings up to \$1 million with no filing necessary. This year this Rule was amended to allow public offerings. Maine has a provision that allows for a simplified registration form prior to a company making a public offering under federal law.
- ➔ Third exemption in Maine allows public offers only if you intend to sell to accredited investors and this requires a two page filing.
- ➔ Members requested where this information was available to small business owners, and Bonnie Russell stated that the information is available in brochures and on their website.
- ➔ Outreach program handles inquiries and disseminates information to small business organizations and small business outreach conferences.
- **Discussion of the Government Evaluation Act (GEA)**
 - ➔ Currently no requirement that agencies compare state to federal rules
 - ➔ Members questioned how cumbersome it would be to include a comparison to federal regulations, and Dora Dostie stated that for DECD it would not have a large impact, but it may for agencies with a lot of regulations such as DEP. Brian Kavanah (Manager for Small Business Assistance and Pollution Prevention Programs at DEP) agreed that it could be quite extensive, and would probably identify areas where state regulations are more stringent than federal.
 - ➔ Members requested that language be drafted by commission staff regarding including a comparison between state and federal regulations during the GEA agency review.
 - ➔ Members suggested that agencies could do continual self-review to eliminate any unnecessary or duplicative regulations.
- **Brian Kavanah (DEP)**
 - ➔ Provided a general summary and handouts of licenses different types of small businesses may need from DEP. Small businesses become aware of whether or not they need to be licensed from information provided by outreach programs, as well as through interaction with trade associations that update small businesses on industry-specific new regulations. The DECD Business Answers Program and other

David E. Boulter, Director

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Maine State Legislature
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service providers typically refer small businesses to DEP that may potentially need licenses in related areas. They also advertise in the paper and in business supplements. Usually, if a small business owner wants to be in compliance they are not penalized for first-time non-compliance, as long as they take steps to ensure they obtain the necessary license.

- **Potential Recommendations**

- ➔ Internal evaluation of each agency: How can the agency simplify its rules and regulations? Recommend that the Governor send a directive to Commissioners and Department Heads to do an internal evaluation of each agency to determine how they can be more simplified.
- ➔ Encourage departments to solicit suggestions from the entities they regulate.
- ➔ Recommend that the One-Stop Center increase accessibility of One-Stop resources to small business owners.
- ➔ Recommend that the GEA review include a comparison between state and federal regulations during each agency review and also include a review of how each agency work with other agencies (both state and local).

CC: Interested Parties

David E. Boulter, Director
Offices Located in the State House, Rooms 101/107/135



APPENDIX P



The Governor's Office of Regulatory Reform
Wants to Know:

What's Driving You Nuts?



**Your Chief Recommendation for
Regulatory, Mandate, or Permit Reform:**

Indicate the agency or agencies involved and how the change would benefit your company or organization. Feel free to use additional paper or to provide attachments. Please write legibly.

Name and Title: _____

Company/Organization: _____

Address: _____

City, State, ZIP: _____

Phone: (Office) _____ (FAX) _____

Email: _____

If you have additional recommendations or ideas, feel free to contact us:
GORR, A. E. Smith State Office Bldg., 17th Floor, Box 7027, Albany, NY 12225
Phone: 518-486-3292 • Fax: 518-473-9342 • Permit Assistance: 800-342-3464
Website: <http://www.gorr.state.ny.us/gorr> • Email Address: gorr@gorr.state.ny.us

APPENDIX Q



Title 5 M.R.S. A. section 13063.

Business Assistance Referral and Facilitation Program

The director shall be responsible for the implementation of the Business Assistance Referral and Facilitation Program.

1. Referral and central clearinghouse service. The director shall maintain and update annually a list of the business assistance programs and services and the names, locations and telephone numbers of the organizations providing these programs and services that are available within the State. The director may publish a guide consisting of the business assistance programs and services available from public or private sector organizations throughout the State. This program shall be designed to:

- A. Respond to written and oral requests for information about business services and assistance programs available throughout the State;
- B. Obtain and compile the most current and available information pertaining to business assistance programs and services within the State;
- C. Delineate the business assistance programs and services by type of program or service and by agency; and
- D. Maintain a list, to be updated annually, of marketing programs of state agencies with a description of each program.

2. Business facilitation service. The director shall implement a business facilitation service which shall be designed to:

- A. Resolve problems encountered by business persons with other state agencies and with certified regional and local economic development organizations;
- B. Coordinate programs and services for business among agencies and all levels of government;
- C. Facilitate responsiveness of State Government to small business needs; and
- D. Report to the commissioner any breakdowns in the economic delivery system, including problems encountered by businesses dealing with state agencies.

3. Comprehensive permit information. The director shall develop and maintain a program to provide comprehensive information on permits required for business undertakings, projects and activities and to make that information available to any person. This program must function as follows.

A. Not later than 90 days from April 6, 1992 each state agency required to review, approve or grant permits for business undertakings, projects and activities shall report to the office in a form prescribed by the office on each type of review, approval and permit administered by that state agency. Application forms, applicable agency rules and the estimated time period necessary for permit application consideration based on experience and statutory or regulatory requirements must accompany each state agency report.

B. Each state agency required to review, approve or grant permits for business undertakings, projects and activities, subsequent to its report pursuant to paragraph A, shall provide to the office, for information purposes only, a report of any new permit or modification of any existing permit together with applicable forms, rules and information required under subsections 1 and 2 regarding the new or modified permit. To ensure that the department's information is current, each agency shall report immediately to the office when a new permit is adopted or any existing permit is modified. "Permit," as used in this paragraph, refers to the categorical authorization required for an activity. "Permit" does not mean a permit issued to a particular individual or business.

C. The office shall prepare an information file on each state agency's permit requirements upon receipt of that state agency's reports and shall develop methods for that file's maintenance, revision, updating and ready access.

D. The office shall provide comprehensive permit information on the basis of the information received under this subsection. The office may prepare and distribute publications, guides and other materials explaining permit requirements affecting business and including requirements involving multiple permits or multiple state agencies that are based on the state agency reports and the information file for the convenience of permit applicants.

4. Permit assistance. Within 90 days of April 6, 1992 the director shall set up procedures to assist permit applicants who have encountered difficulties in obtaining timely and efficient permit review. These procedures must include the following.

A. Any applicant for permits required for a business undertaking, project or activity must be allowed to confer with the office to obtain assistance in the prompt and efficient processing and review of applications.

B. The office shall, as far as possible, give assistance and the director may designate an officer or employee of the office to act as an expediter with the purpose of:

(1) Facilitating contacts for the applicant with state agencies responsible for processing and reviewing permit applications;

(2) Arranging conferences to clarify the interest and requirements of any state agency with respect to permit applications;

(3) Considering with state agencies the feasibility of consolidating hearings and data required of the applicant;

(4) Assisting the applicant in the resolution of outstanding issues identified by state agencies, including delays experienced in permit review; and

(5) Coordinating federal, state and local permit review actions to the extent practicable.

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 the total fees due by January 1st and 1/2 of the total fees due by July 1st, and distribute the fees to the appropriate funds or permitting entities;

C. Forward a copy of the appropriate permit application to any commission, department, municipality or other agency that has responsibility for permitting that retail business;

D. Develop a tracking system to track permits issued by state agencies. This system must at a minimum include information on the applicant,

agency involvement, time elapsed or expended on the permit and action taken;

E. Coordinate and supervise the permitting process to ensure that all involved state agencies process the applications and complete any necessary inspections in a timely fashion; and

F. Respond to inquiries from the business community and requests for information from the individual permitting entities, including reports on the status of an application.

A retail business is not required to participate in the retail business permitting program.

6. Municipal permitting agents. By January 1, 1995, the director shall establish a municipal centralized permitting program.

A. Upon application by the municipal officers of a municipality and upon evidence that the municipality meets all qualifications as determined by departmental rulemaking, the director shall appoint the municipality as a centralized permitting agent to provide all permits for retail businesses. Upon evidence that a municipality qualified to provide permits meets the qualifications for conducting the inspection associated with any of those permits as determined by departmental rulemaking, the director shall appoint that municipality as an agent to provide that inspection for retail businesses with less than 10,000 square feet of retail space. Retail businesses shall pay the municipality an additional fee of \$4 for each permit included in the consolidated application up to a limit of \$40. Municipalities may retain 1/2 of all fees collected for permits requiring inspection. The remaining 1/2 of those permit fees and all fees for permits not requiring inspection must be remitted to the department, which shall remit the fees to the issuing agency. A municipality with less than 4,000 population may contract with an appointed municipality for centralized permitting and inspection services. A retailer is not required to participate in the municipal central permitting program.

B. The director shall make permitting and inspection training programs available to a municipality seeking appointment or appointed as a central permitting agent. The municipality shall pay a fee of \$25 for each person receiving permitting training and \$100 for each person receiving inspection training.

C. A business that seeks to determine why it has not received its permits must be directed to the municipal office where the application was filed.

That office shall bring the matter to the attention of the department, which shall contact the appropriate issuing agency.

D. A joint standing committee of the Legislature that recommends legislation that involves a new permit for retail businesses shall indicate in the legislation whether the permit is to be included in the municipal centralized permitting program.

During a review under Title 3, chapter 35 of a permit issuing agency, the joint standing committee having responsibility for the review shall recommend whether any of the permits issued by that agency should be included in the municipal centralized permitting program.

The director may extend by rulemaking, but may not curtail, the department's centralized permitting program or the municipal centralized permitting program, except that the programs may not be extended to include additional issuing agencies.

7. Goal and evaluation. It is the goal of the programs established in subsections 5 and 6 for retail businesses to obtain permits more quickly at no additional cost to the taxpayers of the State. The director shall devise and implement a program of data collection and analysis that allows a determination as to whether these goals have been met. This program must include the collection of benchmark data before the initiation of the programs and an enumeration of the number of municipalities participating in the program. In analyzing costs, the director shall amortize the costs of computers or computer programs necessary for the program. By January 1, 1994 and every 2 years after that date, the director shall prepare and submit a report to the joint standing committee of the Legislature having jurisdiction over economic development matters based on this data and a recommendation as to why the retail business program and the municipal centralized permitting program should not be expanded to other sizes or types of businesses, to other issuing agencies and to smaller municipalities. The first report must contain an assessment of the levels of willingness of municipalities to participate in the programs established by this section.

APPENDIX R

Title 3 M.R.S.A. section 956, sub-section 2.

Program evaluation report

2. Program evaluation report; contents. Each report must include the following information in a concise but complete manner:

A. Enabling or authorizing law or other relevant mandate, including any federal mandates;

B. A description of each program administered by the agency or independent agency, including the following for each program:

(1) Established priorities, including the goals and objectives in meeting each priority;

(2) Performance criteria, timetables or other benchmarks used by the agency to measure its progress in achieving the goals and objectives; and

(3) An assessment by the agency indicating the extent to which it has met the goals and objectives, using the performance criteria. When an agency has not met its goals and objectives, the agency shall identify the reasons for not meeting them and the corrective measures the agency has taken to meet the goals and objectives;

C. Organizational structure, including a position count, a job classification and an organizational flow chart indicating lines of responsibility;

D. Compliance with federal and state health and safety laws, including the Americans with Disabilities Act, the federal Occupational Safety and Health Act, affirmative action requirements and workers' compensation;

E. Financial summary, including sources of funding by program and the amounts allocated or appropriated and expended over the past 10 years;

F. When applicable, the regulatory agenda and the summary of rules adopted;

G. Identification of those areas where an agency has coordinated its efforts with other agencies in achieving program objectives and other areas in which an agency could establish cooperative arrangements;

H. Identification of the constituencies served by the agency or program, noting any changes or projected changes;

I. A summary of efforts by an agency or program regarding the use of alternative delivery systems, including privatization, in meeting its goals and objectives;

J. Identification of emerging issues for the agency or program in the coming years; and

K. Any other information specifically requested by the committee of jurisdiction.

APPENDIX S



Title: An Act to Amend the Program Evaluation Report Contents of the Government Evaluation Act

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

Sec. 1. 3 MRSA §956, sub-§2 is amended to read:

2. Program evaluation report; contents. Each report must include the following information in a concise but complete manner:

- A. Enabling or authorizing law or other relevant mandate, including any federal mandates;
- B. A description of each program administered by the agency or independent agency, including the following for each program:
 - (1) Established priorities, including the goals and objectives in meeting each priority;
 - (2) Performance criteria, timetables or other benchmarks used by the agency to measure its progress in achieving the goals and objectives; and
 - (3) An assessment by the agency indicating the extent to which it has met the goals and objectives, using the performance criteria. When an agency has not met its goals and objectives, the agency shall identify the reasons for not meeting them and the corrective measures the agency has taken to meet the goals and objectives;
- C. Organizational structure, including a position count, a job classification and an organizational flow chart indicating lines of responsibility;
- D. Compliance with federal and state health and safety laws, including the Americans with Disabilities Act, the federal Occupational Safety and Health Act, affirmative action requirements and workers' compensation;
- E. Financial summary, including sources of funding by program and the amounts allocated or appropriated and expended over the past 10 years;
- F. When applicable, the regulatory agenda and the summary of rules adopted;
- G. Identification of those areas where an agency has coordinated its efforts with other state and federal agencies in achieving program objectives and other areas in which an agency could establish cooperative arrangements including, but not limited to, cooperative arrangements to coordinate services and eliminate redundant requirements;

H. Identification of the constituencies served by the agency or program, noting any changes or projected changes;

I. A summary of efforts by an agency or program regarding the use of alternative delivery systems, including privatization, in meeting its goals and objectives;

J. Identification of emerging issues for the agency or program in the coming years; ~~and~~

K. Any other information specifically requested by the committee of jurisdiction; and

L. A comparison of any related federal legislation and regulations to the state governing statutes of the agency or program and the rules implemented by the agency or program.

SUMMARY

This bill implements a recommendation of the Task Force to Study the Effect of Government Regulation on Small Businesses. It adds a requirement that each agency or program under a Government Evaluation Act review:

1. identify how the agency works with other state and federal agencies to coordinate services and eliminate redundant and overlapping requirements; and
2. compare federal legislation and regulations to state legislation and rules implemented by the agency.