

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
ONE HUNDRED AND THIRTEENTH LEGISLATURE  
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE ON  
ECONOMIC DEVELOPMENT  
BILL SUMMARY



JUNE 1987

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ONE HUNDRED AND THIRTEENTH LEGISLATURE  
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE  
BILL SUMMARIES  
JUNE 1987

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The summaries are arranged by LD number under each committee.

All Adopted Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor if it is a floor amendment or the designation "COMMITTEE" if it is a committee amendment.

Final action for each bill is listed to the right of the title. If final House action and Senate action differ, both are listed.

Please let us know if you would prefer a different format or additional information and if the summaries are helpful.

Key to Committee Reports and Floor Action:

OTP	Ought to Pass
OTP-ND	Ought to Pass in New Draft
OTP-ND-NT	Ought to Pass in New Draft, New Title
OTP-A	Ought to Pass as Amended
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

LD 1393 RESOLUTION, PROPOSING AN AMENDMENT TO THE CONSTITUTION OF MAINE ALLOWING MUNICIPALITIES WITH OPPORTUNITY ZONES TO AUTHORIZE SELECTIVE TAX EXEMPTIONS TO NEW OR EXPANDED BUSINESSES WITHIN THE ZONE LVWD

Sponsor: MURPHY, T., Martin, J., Gould, R.R., Erwin, E.  
Committee Report: LVWD

SUMMARY: LD 1393 proposed to allow municipalities which establish economic development opportunity zones to exempt personal property of new or expanding businesses from the municipalities' property taxes for a period not to exceed 10 years. The governing bodies of the municipalities are authorized to provide the tax abatements. The personal property exempt from taxation consists primarily of machinery and equipment used in the operation of a business.

LD 1427 AN ACT TO CREATE JOB OPPORTUNITY ZONES LVWD

Sponsor: BAILEY, Michaud, Hepburn, Dutremble, D.  
Committee Report: LVWD

SUMMARY: LD 1427 proposed to authorize the director of the State Development Office to establish 4 demonstration job opportunity zones in economically distressed areas of the State. The director will select or establish zones by standards established through the rule-making process in accordance with the APA. The standards require:

- A. the zones to be located in economically distressed areas or to be severely economically impacted;
- B. areas applying for the designation to have an active local economic development organization and an economic development strategy; and
- C. at least one area to be an urban area (population greater than 10,000) and one zone to be a rural area.

Job opportunity zone designations would have a life of 10 years. Businesses expanding or locating in these zones would be eligible for assistance from the State Development Office, the State Planning Office, the Department of Labor, and the Department of Transportation which would consider these areas as top priorities for assistance from these organizations.

In addition, businesses locating in job opportunity zones would be eligible for a state income tax credit equal to federal tax credits for targeted job tax credits. Federal

targeted job tax credits, however, sunset on January 1, 1989. Currently, federal targeted job tax credits are established with a ceiling of 40% of the first \$6,000 of wages or \$2,400 per employee. The credit is available to employers who employ handicapped persons undergoing vocational rehabilitation; youth between the ages 16 and 19 years; and persons between 18 and 24 years of age who are from economically disadvantaged families, who are local and state welfare recipients, former convicts, etc.

In order to qualify for the credit, the employee must have worked for the firm for 90 days.

The bill provided that 4 state agencies (SPO, SDO, Labor, and Transportation) would give priority to job opportunity zones, with respect to assistance of each department to these zones.

The bill was withdrawn, but LD 1512, the Governor's bill, addressed this same issue.

LD            AN ACT TO CONSOLIDATE ECONOMIC AND COMMUNITY            LVWD  
1495        DEVELOPMENT ACTIVITIES

Sponsor:    WHITMORE, Nadeau, G.G., Bott  
Committee Report:    LVWD

SUMMARY:    LD 1495 proposed to establish the Department of Economic and Community Development to replace the State Development Office and to revise the purpose and responsibilities of the Maine Development Foundation to be more consistent with their operation and with those of the new department.

LD 1495 created a department with "offices" as opposed to "bureaus." Each office would be headed by a deputy commissioner.

In addition, authority is granted to the commissioner to organize the department as the commissioner deems necessary without Legislative approval.

LD 1495 elevated the promotion of tourism by changing the program from division level to an "office" level comparable with the Office of Business Development and the Office of Community Development.

LD 1495 provided very limited and vague responsibility with respect to marketing activities. Page 14, sub-§2, ¶A, sub-¶(2) is the only citation in the bill to departments' marketing activities. The bill, LD 1151, of the Select Committee perceives both marketing and tourism as programs of equal status. Both would be divisions within the Bureau of Marketing and Tourism. There were several other