

# MAINE STATE LEGISLATURE

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*State Of Maine  
121st Legislature*

*First Regular Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Business, Research and Economic Development*

*July 2003*

**Members:**

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*Sen. Christopher G. L. Hall*

*Sen. Kevin L. Shorey*

*Rep. Nancy B. Sullivan, Chair*

*Rep. Lillian LaFontaine O'Brien*

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# Maine State Legislature



## Office Of Policy And Legal Analysis Office Of Fiscal And Program Review

### 121st Maine Legislature First Regular Session

#### Summary Of Legislation Before The Joint Standing Committees

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing and joint select committees of the Maine Legislature this past session. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills considered by the committees. It is arranged alphabetically by committee name and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet ([www.state.me.us/legis/opla](http://www.state.me.us/legis/opla)).

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

<i>CARRIED OVER PURSUANT TO HP 1212</i> .....	<i>Bills carried over to the 2<sup>nd</sup> Regular Session</i>
<i>CON RES XXX</i> .....	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i> .....	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i> .....	<i>House &amp; Senate disagree; bill died</i>
<i>DIED IN CONCURRENCE</i> .....	<i>One body accepts ONTP report; the other indefinitely postpones the bill</i>
<i>DIED ON ADJOURNMENT</i> .....	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i> .....	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i> .....	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</i> .....	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i> .....	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>NOT PROPERLY BEFORE THE BODY</i> .....	<i>Ruled out of order by the presiding officers; bill died</i>
<i>INDEF PP</i> .....	<i>Bill Indefinitely Postponed</i>
<i>ONTP</i> .....	<i>Ought Not To Pass report accepted</i>
<i>OTP-ND</i> .....	<i>Committee report Ought To Pass In New Draft</i>
<i>P&amp;S XXX</i> .....	<i>Chapter # of enacted Private &amp; Special Law</i>
<i>PASSED</i> .....	<i>Joint Order passed in both bodies</i>
<i>PUBLIC XXX</i> .....	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i> .....	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i> .....	<i>Bill held by Governor</i>
<i>VETO SUSTAINED</i> .....	<i>Legislature failed to override Governor's Veto</i>

Please note that the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is September 13, 2003.

**David C. Elliott, Director**  
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for the purposes of funding the comprehensive evaluation of state investments in research and development. This amendment also proposed to require that private entities receiving general obligation bond proceeds for research and development pay to the Treasurer of State an amount not to exceed 0.8% of the general obligation bond proceeds, which must be paid from available resources in the fiscal year in which the general obligation bond was issued rather than bond proceeds. The amendment also proposed to add an emergency preamble and emergency clause.

**Senate Amendment "A" to Committee Amendment "A" (S-269)**, which was not adopted, was identical to House Amendment "A," except that House Amendment "A" clarified that payment of funds to the Maine Research and Development Fund would not come from general obligation bond proceeds.

### ***Enacted Law Summary***

Public Law 2003, chapter 464 transfers the rule-making authority concerning the Maine Biomedical Research Program from the Department of Economic and Community Development to the Maine Biomedical Research Board and designates rules adopted pursuant to that authority as routine technical rather than major substantive. The law also adds general obligation bonds issued for research and development to the calculation of funds to be transferred to the Maine Research and Development Evaluation Fund that is administered by the Department of Economic and Community Development for the purposes of funding the comprehensive evaluation of state investments in research and development. In addition, the law requires that private entities receiving general obligation bond proceeds for research and development pay to the Treasurer of State an amount not to exceed 0.8% of the general obligation bond proceeds, which must be paid from available resources in the fiscal year in which the general obligation bond was issued.

Public Law 2003, chapter 464 was enacted as an emergency measure effective June 17, 2003.

### **LD 1351                      An Act Regarding the Labeling of Returnable Containers                      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ADAMS BROMLEY	ONTP	

LD 1351 proposed to ensure that the type size of refund information on refundable beverage containers is at least 1/8 inch high so that it can be read by the consumer. The bill would have taken effect 270 days after adjournment of the First Regular Session of the 121st Legislature.

### **LD 1385                      An Act To Establish the Pine Tree Development Zones Program                      DIED ON ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BROMLEY SULLIVAN	OTP-AM	S-231 GAGNON S-68

LD 1385 proposed to establish the Pine Tree Development Zone program within the Department of Economic and Community Development and to authorize qualified businesses in the manufacturing, technology and financial

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services sectors to receive the following benefits for a period of 10 years as a result of their operations established within the zones:

1. Financing assistance equal to 100% of the tax paid on real property improvements;
2. Exemption of personal property from taxation;
3. Employment tax increment financing equal to 100% of qualified employees' state income tax withholdings for a period of 10 years; and
4. A tax credit equal to 100% of the state income tax due and attributable to operations within the zones for each of the first 5 years, followed by a credit equal to 50% of the state income tax due and attributable to operations within the zones for the 6th through the 10th years.

**Committee Amendment "A" (S-68)** proposed to replace the original bill. The amendment proposed to establish the Pine Tree Development Zone program within the Department of Economic and Community Development and to authorize qualified businesses in the manufacturing, target technology and financial services sectors to receive the following benefits as a result of their operations established or expanded within the zones:

1. Sales tax exemptions for certain building materials purchased pursuant to construction contracts with qualified Pine Tree Development Zone businesses and for all tangible personal property purchased by qualified businesses;
2. Exclusion from the calculation of a municipality's total tax increment financing district area and original assessed value limitations of tax increment financing districts established in Pine Tree Development Zones;
3. Employment tax increment financing equal to 80% of qualified employees' state income tax withholdings directly attributable to qualified business activities for a period of no more than 10 years; and
4. A tax credit equal to 100% of the state income tax and insurance premiums tax due and directly attributable to operations within the zones for each of the first 5 years, followed by a credit equal to 50% of the state income tax due and attributable to operations within the zones for the 6th through 10th years.

The amendment also proposed to specify that in no event would any of the tax benefits described above be available to taxpayers after December 31, 2018.

The amendment also proposed to limit designation of Pine Tree Development Zones to areas that have a greater unemployment rate than the state average and lower wages than the state average or that have sustained a loss of workforce or population greater than 5% in the previous 3-year period due to business closings. In addition, the amendment proposed to include technical changes to the original bill, to add an emergency preamble and emergency clause, and to create a reporting requirement for the Commissioner of Economic and Community Development.

**House Amendment "A" to Committee Amendment "A" (H-406)**, which was not adopted, proposed to do the following:

1. Limit the number of Pine Tree Development Zones that the Commissioner of Economic and Community Development may establish in each region;

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2. Change the eligibility standards for zone designation by allowing the property to meet the requirements by having either an unemployment rate higher than the state rate or being located in a county in which the average weekly wage is lower than the state average;
3. Clarify terminology regarding average weekly wages and workforce;
4. Clarify the procedure for determining the apportioned credit for taxes paid;
5. Specify how multijurisdictional applicants meet the requirements of unemployment rate and average weekly wage;
6. Require the Commissioner of Economic and Community Development to report back to the Joint Standing Committee on Business, Research and Economic Development regarding rulemaking and other progress in implementing Pine Tree Development Zones;
7. Require the Commissioner of Economic and Community Development to determine the existence of criteria necessary for a business to qualify as a qualified business, and require the Executive Director of the Bureau of Revenue Services within the Department of Administrative and Financial Services to provide an advisory opinion to the commission; and
8. Remove the emergency preamble and the emergency clause and provide for the application of the tax credits for years beginning on or after January 1, 2003.

### **Senate Amendment "C" (S-231)** proposed to:

1. Limit the number of Pine Tree Development Zones that the Commissioner of Economic and Community Development may establish in each region;
2. Change the eligibility standards for zone designation by allowing the property to meet the requirements by having either an unemployment rate higher than the state rate or being located in a county in which the average weekly wage is lower than the state average;
3. Clarify terminology regarding average weekly wages and workforce;
4. Clarify the procedure for determining the apportioned credit for taxes paid;
5. Specify how multijurisdictional applicants meet the requirements of unemployment rate and average weekly wage;
6. Require the Commissioner of Economic and Community Development to report back to the Joint Standing Committee on Business, Research and Economic Development regarding rulemaking and other progress in implementing Pine Tree Development Zones;
7. Require the Department of Economic and Community Development to investigate whether the establishment or expansion of a business within a Pine Tree Development Zone would not occur but for the availability of the Pine Tree Development Zone benefits and to issue an advisory opinion regarding the results of its investigation to the Executive Director of the Bureau of Revenue Services in the Department of Administrative and Financial Services, who would be required to make a final determination whether the business has met this requirement; and

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8. Remove the emergency preamble and the emergency clause and provide for the application of the tax credits for years beginning on or after January 1, 2003.

**Senate Amendment "A" (S-137)**, which was not adopted, proposed to:

1. Limit the number of Pine Tree Development Zones that the Commissioner of Economic and Community Development may establish in each region;
2. Change the eligibility standards for zone designation by allowing the property to meet the requirements by having either an unemployment rate higher than the state rate or being located in a county in which the average weekly wage is lower than the state average;
3. Clarify terminology regarding average weekly wages and workforce;
4. Clarify the procedure for determining the apportioned credit for taxes paid;
5. Require that preference be given to multijurisdictional applications and specify how multijurisdictional applicants meet the requirements of unemployment rate and average weekly wage;
6. Require the Commissioner of Economic and Community Development to report back to the Joint Standing Committee on Business, Research and Economic Development regarding rulemaking and other progress in implementing Pine Tree Development Zones; and
7. Remove the emergency preamble and the emergency clause and provides for the application of the tax credits for years beginning on or after January 1, 2003.

**Senate Amendment "B" (S-146)**, which was not adopted, proposed to:

1. Limit the number of Pine Tree Development Zones that the Commissioner of Economic and Community Development may establish in each region;
2. Change the eligibility standards for zone designation by allowing the property to meet the requirements by having either an unemployment rate higher than the state rate or being located in a county in which the average weekly wage is lower than the state average;
3. Clarify terminology regarding average weekly wages and workforce;
4. Clarify the procedure for determining the apportioned credit for taxes paid;
5. Specify how multijurisdictional applicants meet the requirements of unemployment rate and average weekly wage;
6. Require the Commissioner of Economic and Community Development to report back to the Joint Standing Committee on Business, Research and Economic Development regarding rulemaking and other progress in implementing Pine Tree Development Zones; and
7. Remove the emergency preamble and the emergency clause and provide for the application of the tax credits for years beginning on or after January 1, 2003.

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LD 1385 died on adjournment. However, the substance of the bill, as amended, was incorporated into Public Law 2003, chapter 451 (the "Part 2 Budget") as section NNN.

**LD 1390**                      **An Act To Suspend Rules of the Board of Dental Examiners**                      **P & S 27**  
**Regarding Permission for Public Health Supervision Status**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
YOUNGBLOOD SULLIVAN	ONTP      MAJ OTP-AM    MIN	S-130

LD 1390 proposed to establish the Board of Licensure of Dental Hygienists and transfer jurisdiction for licensing and regulation of dental hygienists from the Board of Dental Examiners to the Board of Licensure of Dental Hygienists. The bill also proposed to establish membership, procedures and powers of the new board, as well as qualifications, disciplinary procedures, licensure, continuing education and other requirements for dental hygienists who would be licensed by the new board. The bill also proposed to include a provision authorizing dental hygienists to become shareholders in dental practices up to a 49% ownership interest.

**Committee Amendment "A" (S-130)**, which was the minority report of the committee and was adopted, proposed to replace the bill. The amendment proposed to suspend that portion of the rules of the Board of Dental Examiners that requires a dental hygienist to seek permission from the board to perform work under public health supervision status. The amendment also proposed to require a dental hygienist, prior to performing this work, to give notice to the board that identifies the site where the work is to be performed, the nature of the work and the name of the supervising dentist with whom the hygienist has entered into the required public health supervision agreement.

***Enacted Law Summary***

Private and Special Law 2003, chapter 27 suspends until May 1, 2004 that portion of the rules of the Board of Dental Examiners that requires a dental hygienist to seek permission from the board to perform work under public health supervision status. The law requires a dental hygienist, prior to performing this work, to give notice to the board that identifies the site where the work is to be performed, the nature of the work and the name of the supervising dentist with whom the hygienist has entered into the required public health supervision agreement.

**LD 1402**                      **An Act To Conform the Voting Members of Certain State Entities**                      **PUBLIC 385**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RICHARDSON J	OTP      MAJ ONTP      MIN	H-358    RINES

LD 1402 proposed to amend the status of the Treasurer of State from being a nonvoting member to a voting member of the group of representatives who vote with respect to agreements or recommendations for allocation or reallocation of the state ceiling and a voting member of the Maine Educational Loan Authority.

**House Amendment "A" (H-358)**, which was presented on behalf of the Committee on Bills in the Second Reading and was adopted, proposed to incorporate changes made by Public Law 2003, chapter 112, section 1.