

MAINE STATE LEGISLATURE

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STATE OF MAINE
128TH LEGISLATURE
FIRST SPECIAL, SECOND REGULAR AND SECOND SPECIAL SESSIONS



Summaries of bills, adopted amendments and laws enacted or finally passed

**JOINT STANDING COMMITTEE ON LABOR, COMMERCE,
RESEARCH AND ECONOMIC DEVELOPMENT**

October 2018

STAFF:

HENRY FOUTS, LEGISLATIVE ANALYST
JANET STOCCO, LEGISLATIVE ANALYST
OFFICE OF POLICY AND LEGAL ANALYSIS
13 STATE HOUSE STATION
AUGUSTA, ME 04333
(207) 287-1670
<http://legislature.maine.gov/opla/>

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*Committee member for a portion of the session

STATE OF MAINE

128TH LEGISLATURE

FIRST SPECIAL, SECOND REGULAR AND SECOND SPECIAL SESSIONS



LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contain summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Special, Second Regular and Second Special Sessions of the 128th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. An appendix provides a summary of relevant session statistics.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

CARRIED OVER..... carried over to a subsequent session of the Legislature
CON RES XXX..... chapter # of constitutional resolution passed by both houses
CONF CMTE UNABLE TO AGREE..... Committee of Conference unable to agree; legislation died
DIED BETWEEN HOUSES..... House & Senate disagreed; legislation died
DIED IN CONCURRENCE..... defeated in each house, but on different motions; legislation died
DIED ON ADJOURNMENT..... action incomplete when session ended; legislation died
EMERGENCY..... enacted law takes effect sooner than 90 days after session adjournment
FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE..... emergency failed to receive required 2/3 vote
FAILED, ENACTMENT or FINAL PASSAGE..... failed to receive final majority vote
FAILED, MANDATE ENACTMENT..... legislation proposing local mandate failed required 2/3 vote
HELD BY GOVERNOR..... Governor has not signed; final disposition to be determined at subsequent session
LEAVE TO WITHDRAW..... sponsor's request to withdraw legislation granted
NOT PROPERLY BEFORE THE BODY..... ruled out of order by the presiding officer; legislation died
INDEF PP..... indefinitely postponed; legislation died
ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X... ought-not-to-pass report accepted; legislation died
P&S XXX..... chapter # of enacted private & special law
PUBLIC XXX..... chapter # of enacted public law
RESOLVE XXX..... chapter # of finally passed resolve
VETO SUSTAINED..... Legislature failed to override Governor's veto

The effective dates for non-emergency legislation enacted in the First Special, Second Regular or Second Special Sessions of the 128th Legislature are: Monday, February 5, 2018; Wednesday, August 1, 2018; and Thursday, December 13, 2018, respectively. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

Joint Standing Committee on Labor, Commerce, Research and Economic Development

intervals, depending on rulemaking). Self-employed persons may opt in to the program for at least two years (or up to four years, depending on rulemaking) and must pay their contributions directly to the bureau.

In order to be eligible for benefits, an individual must be an employee entitled to benefits under the unemployment compensation system, or a self-employed person, and have contributed to the program for 12 of the last 18 months. The program pays benefits of up to 66% of an employee's wages or self-employed person's earnings capped at the same maximum amount as available for unemployment benefits.

The bill directs the Department of Labor to develop an implementation plan dealing with staffing, technology, start-up expense, rulemaking and scheduling to begin the program on its effective date of October 1, 2019. The bill also repeals the current unpaid family medical leave law effective October 1, 2019.

Committee Amendment "A" (H-699)

This amendment is the majority report of the committee. It strikes the bill and replaces it with a resolve that directs the University of Maine System to carry out a study to examine costs and benefits of implementing a paid family leave program in the State, if funding resources are available to enable the University of Maine System to conduct such a study, and to submit a report of its findings to the joint standing committee of the Legislature having jurisdiction over labor matters. The committee is authorized to report out a bill based on the report to the First Regular Session of the 129th Legislature.

LD 1654

An Act To Protect Economic Competitiveness in Maine by Extending the End Date for Pine Tree Development Zone Benefits and Making Other Changes to the Program

PUBLIC 440

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T FREDETTE K	OTP-AM	S-472

This bill extends by five years the end date for Pine Tree Development Zone certification and benefits.

Committee Amendment "A" (S-472)

This amendment strikes the bill and changes the title. It amends the Pine Tree Development Zone program as follows.

1. It extends the end date for Pine Tree Development Zone certification and benefits by three years, instead of five years as proposed in the bill.
2. It requires the Pine Tree Development Zone program to be evaluated in accordance with existing tax expenditure review provisions in the Maine Revised Statutes, Title 3, chapter 37 and specifies the public policy objective of the program that should be used for evaluation as well as performance measures to be considered for that objective. It also requires the Office of Program Evaluation and Government Accountability to submit a report of its evaluation of the program by January 15, 2021 and authorizes the joint standing committee of the Legislature having jurisdiction over economic development matters to report out a bill to the First Regular Session of the 130th Legislature in response to the report's recommendations.
3. It amends the reporting requirements of qualified Pine Tree Development Zone businesses, the Commissioner of Economic and Community Development and the State Tax Assessor by requiring the annual reports to contain additional specific categories of information and changing the date those reports are due.
4. For businesses applying to the program on or after January 1, 2019, it requires a qualified Pine Tree Development Zone business to obtain certification from the Commissioner of Economic and Community

Joint Standing Committee on Labor, Commerce, Research and Economic Development

Development that the business has added at least one new qualified employee before being eligible for a sales tax exemption with respect to sales of tangible personal property and the transmission and distribution of electricity.

5. For businesses applying to the program on or after January 1, 2019, it provides for sales tax reimbursements to a qualified Pine Tree Development Zone business with respect to sales taxes paid for tangible personal property and the transmission and distribution of electricity for the period of time between the time the business became a qualified Pine Tree Development Zone business and the time the business received a sales tax exemption certificate and limits this benefit to a period of two years.

6. It directs the Department of Economic and Community Development to study whether the income levels currently required for qualified Pine Tree Development Zone employees should be amended in order to more effectually describe high-quality jobs and whether the geographical limitations of the program should be amended in light of the public policy objectives of the program and to submit a report of its findings and any recommended legislation to the joint standing committee of the Legislature having jurisdiction over economic development matters.

7. It requires a signed and notarized statement from a business applying for certification as a qualified Pine Tree Development Zone business that the establishment or expansion of operations within the Pine Tree Development Zone would not occur within the State absent the availability of the Pine Tree Development Zone benefits.

This amendment also includes an appropriation to allow the Department of Economic and Community Development to update tax incentive software to meet the reporting requirements specified in the amendment.

Enacted Law Summary

Public Law 2017, chapter 440 makes changes to the Pine Tree Development Zone program as follows.

1. It extends the end date for Pine Tree Development Zone certification and benefits by three years, instead of five years as proposed in the bill.
2. It requires the Pine Tree Development Zone program to be evaluated in accordance with existing tax expenditure review provisions in the Maine Revised Statutes, Title 3, chapter 37 and specifies the public policy objective of the program that should be used for evaluation as well as performance measures to be considered for that objective. It also requires the Office of Program Evaluation and Government Accountability to submit a report of its evaluation of the program by January 15, 2021 and authorizes the joint standing committee of the Legislature having jurisdiction over economic development matters to report out a bill to the First Regular Session of the 130th Legislature in response to the report's recommendations.
3. It amends the reporting requirements of qualified Pine Tree Development Zone businesses, the Commissioner of Economic and Community Development and the State Tax Assessor by requiring the annual reports to contain additional specific categories of information and changing the date those reports are due.
4. For businesses applying to the program on or after January 1, 2019, it requires a qualified Pine Tree Development Zone business to obtain certification from the Commissioner of Economic and Community Development that the business has added at least one new qualified employee before being eligible for a sales tax exemption with respect to sales of tangible personal property and the transmission and distribution of electricity.
5. For businesses applying to the program on or after January 1, 2019, it provides for sales tax reimbursements to a qualified Pine Tree Development Zone business with respect to sales taxes paid for tangible personal property and the transmission and distribution of electricity for the period of time between the time the business became a qualified Pine Tree Development Zone business and the time the business received a sales tax exemption certificate and limits this benefit to a period of two years.

Joint Standing Committee on Labor, Commerce, Research and Economic Development

6. It directs the Department of Economic and Community Development to study whether the income levels currently required for qualified Pine Tree Development Zone employees should be amended in order to more effectually describe high-quality jobs and whether the geographical limitations of the program should be amended in light of the public policy objectives of the program and to submit a report of its findings and any recommended legislation to the joint standing committee of the Legislature having jurisdiction over economic development matters.

7. It requires a signed and notarized statement from a business applying for certification as a qualified Pine Tree Development Zone business that the establishment or expansion of operations within the Pine Tree Development Zone would not occur within the State absent the availability of the Pine Tree Development Zone benefits.

This law also includes an appropriation to allow the Department of Economic and Community Development to update tax incentive software to meet the reporting requirements specified in the amendment.

LD 1718 An Act To Empower Maine's Rural Economy and Workforce

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HERBIG E THIBODEAU M	ONTP	

This bill is a concept draft pursuant to Joint Rule 208 that proposes to empower Maine's rural economy and workforce.

LD 1757 An Act To Protect Maine's Economy by Slowing the Rate at Which the State's Minimum Wage Will Increase and Establishing a Training and Youth Wage

Died Between Houses

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STETKIS J	ONTP OTP-AM	

This bill affects the minimum wage by:

1. Reducing the minimum wage from \$10 per hour to \$9.50 per hour beginning June 1, 2018;
2. Reducing the amount by which the minimum hourly wage rates are scheduled to increase annually on January 1st from 2019 to 2021 from \$1 per year to 50 cents per year, and decreasing from \$12 to \$11 the minimum hourly wage rate required to be paid in 2021;
3. Eliminating the cost-of-living adjustment to the minimum wage; and
4. Establishing a training minimum wage for employees 18 years of age or older and under 20 years of age for the first 90 days of employment and a youth minimum wage for employees under 18 years of age.

Committee Amendment "A" (H-666)

This amendment is the minority report of the committee. It strikes and replaces the bill. It amends the minimum wage law by keeping the current minimum wage of \$10 per hour until January 1, 2020, when the minimum hourly wage rate is increased to \$10.50. On January 1st from 2021 to 2023 the minimum hourly wage rate is increased 50¢ per year, ending in a \$12 minimum hourly wage rate in 2023. Beginning January 1, 2024, the minimum hourly wage rate is increased by any increase in the annual cost of living, as is scheduled in current law for 2021.