

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Advance the Maine Economy

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

Sec. 1. 5 MRSA §13109-A is enacted to read:

§ 13109-A. Maine Expansion Fund

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

- A. "Advisory board" means the Maine Expansion Fund Advisory Board established in subsection 3.
- B. "Eligible business" means a business entity whose business activity is directly related to financial services, manufacturing or a targeted technology as defined in section 15301, subsection 2.
- C. "Fund" means the Maine Expansion Fund established in subsection 2.
- D. "Project" means a proposal to assist an eligible business to locate in a specific municipality.

2. Fund established. The Maine Expansion Fund is established as a nonlapsing Other Special Revenue Funds account administered by the office at the direction of the board.

3. Advisory board established; members. The Maine Expansion Fund Advisory Board is established and consists of:

- A. The Commissioner of Economic and Community Development;
- B. One member with expertise in business development or business expansion appointed by the President of the Senate;
- C. One member who has successfully operated a mid-sized or large business related to financial services, manufacturing or a targeted technology appointed by the Speaker of the House;
- D. One member with experience in business financing appointed by the Governor; and
- E. One member appointed by the Governor who represents a nonprofit corporation that provides services to help mid-sized and large businesses locate or expand in the State.

4. Sources of money. The office may receive donations and funding from any source on behalf of the fund, including appropriations and allocations made by law.

5. Grants; eligibility. The money in the fund must be used to provide grants to municipalities for projects. A project is limited to one grant under this section of no more than \$200,000. A project must meet the requirements in this subsection to be eligible for a grant.

A. The municipality seeking the grant must match the amount of the grant under this section, either in kind or through tax incentives, public infrastructure investments or grants.

B. The eligible business must have a business plan, cash flow statement, operating budget, other investors and related financial information that demonstrates the financial need.

C. The eligible business must make an investment of at least 5 times the grant amount and create 25 or more net new jobs that pay at least the average labor market weekly wage and provide at least a 50% employer-paid health care benefit, paid sick leave and access to an approved retirement plan.

D. The funds for the project must be used for facilities acquisition or renovation, public infrastructure investments needed for the business to locate or expand, capital machinery or equipment or training of workers.

6. Approval. A grant to a municipality for a project may be made only if the advisory board:

A. Finds that the project meets all the requirements under subsection 5;

B. Determines that the project is consistent with the economic, education and science and technology strategies and policies of the State; and

C. Approves the grant by a majority vote.

The advisory board may attach terms and conditions to the grant that the board determines necessary, including, but not limited to, penalties or repayment requirements if the eligible business fails to fulfill the requirements set out under subsection 5, paragraph C and identifying a nonprofit corporation as facilitator and liaison with the advisory board.

7. Confidentiality. The office and the advisory board shall hold as confidential any information provided by an eligible business.

8. Annual report. By January 1st annually, the office shall provide to the Governor and the Legislature a report that sets forth:

A. The operations of the fund during the immediately preceding fiscal year;

B. The assets and liabilities of the fund at the end of its most recent fiscal year; and

C. The annual measurable goals and objectives of the fund, as established by the commissioner and the office, and an evaluation of the achievement of those goals and objectives. The goals and objectives must include, but are not limited to, attraction and expansion of targeted technology businesses and jobs created or retained. For purposes of this paragraph, "targeted technology" has the same meaning as in section 15301, subsection 2.

Sec. 2. 35-A MRSA §3210, sub-§5, ¶C, as amended by PL 1999, c. 372, §1 and PL 2003, c. 20, Pt. OO, §2 and affected by §4, is further amended to read:

C. Provide for a distribution of the funds to the University of Maine System, the Maine Maritime Academy or the Maine Community College System for renewable resource research and development; and

Sec. 3. 35-A MRSA §3210, sub-§5, ¶D, as amended by PL 2007, c. 18, §1, is further amended to read:

D. Provide for a distribution of the funds to Maine-based nonprofit organizations that qualify under the federal Internal Revenue Code, Section 501(c)(3), consumer-owned transmission and distribution utilities, community-based nonprofit organizations, community action programs, municipalities, quasi-municipal corporations or districts as defined in Title 30-A, section 2351 and school administrative units as defined in Title 20-A, section 1 for community demonstration projects using renewable energy technologies; and

Sec. 4. 35-A MRSA §3210, sub-§5, ¶E is enacted to read:

E. Provide for an annual distribution of 75% of the funds transferred by operation of section 3211-A, subsection 5, paragraph E to the Maine Technology Institute to support the development and commercialization of renewable energy technologies.

Sec. 5. 35-A MRSA §3210, sub-§6, as amended by PL 2007, c. 18, §2, is further amended to read:

6. Fund. There is established the Renewable Resource Fund, referred to in this subsection as the "fund." The fund is a nonlapsing fund administered by the commission. All funds transferred by operation of section 3211-A, subsection 5, paragraph E and all funds collected by the commission pursuant to subsection 5 must be deposited in the fund for distribution by the commission in accordance with subsection 5. The commission may seek and accept funding for the program established pursuant to subsection 5 from other sources, public or private. Any funds accepted for use in the program established pursuant to subsection 5 must be deposited in the fund.

Sec. 6. 35-A MRSA §3211-A, sub-§5, ¶E is enacted to read:

E. At the beginning of each fiscal year, the Treasurer of State shall transfer an amount that represents 20% of the average amount in the program fund for the immediately preceding fiscal year to the Renewable Resource Fund under section 3210.

Sec. 7. Alignment of business support resources with Maine's potential growth sectors. The Department of Economic and Community Development, Office of Innovation and Office of Business Development shall work directly with the Small Business Development Center Program, the Maine Manufacturing Extension Partnership, the Maine Technology Institute and trade organizations to develop and implement a strategic action plan to align the State's business development support network with potential high economic growth areas, specifically its potential high-growth companies. The plan must consider the so-called "cluster analysis" recently done by the Maine Technology Institute as well as other economic data on industries that have great growth potential in Maine and identify specific roles for each partner in the development and support of potential high-growth companies. For purposes of this section, "potential high-growth company" means a company that has the potential to grow at least 15% a

year. The plan must include an aggressive outreach plan, technical assistance, entrepreneurial training and support and financing, including seed, start-up, early debt and venture funds. The Office of Innovation and the Office of Business Development shall jointly report to the joint standing committee of the Legislature having jurisdiction over business and economic development matters on the implementation of the strategic plan to the First Regular Session of the 124th Legislature by March 2, 2009.

Sec. 8. Leadership and entrepreneurial development. The Department of Economic and Community Development, Office of Innovation shall work with the University of Maine's Student Innovation Center to develop a collaborative effort with the Technology Institute, the Small Business Development Centers, the Department of Economic and Community Development's business development specialists, the Maine Manufacturing Extension Partnership, the Target Technology Incubator and the Small Enterprise Growth Fund to design a leadership and entrepreneurial development program. The program must match up to 10 high-growth potential entrepreneurs per year with best-in-class training, resources and mentors. The program may seek outside funds from foundations, government or other sources to fund the program. The Office of Innovation shall submit a report to the joint standing committee of the Legislature having jurisdiction over business and economic development matters on the program by March 1, 2009 to the First Regular Session of the 124th Legislature. The report must include a detailed implementation plan, including, but not limited to, funding needs and recommended sources of funding.

Sec. 9. Appropriations and allocations. The following appropriations and allocations are made.

ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF

Office of Innovation

Initiative: Provides ongoing funding for the Maine Expansion Fund to assist in the location or expansion of businesses in Maine under the Maine Revised Statutes, Title 5, section 13109-A.

GENERAL FUND	2007-08	2008-09
All Other	\$0	\$500,000
	<hr/>	<hr/>
GENERAL FUND TOTAL	\$0	\$500,000

Sec. 10. Appropriations and allocations. The following appropriations and allocations are made.

COMMUNITY COLLEGE SYSTEM, BOARD OF TRUSTEES OF THE MAINE

Community College System - Maine Quality Centers 0804

Initiative: Provides additional ongoing funds for specialized education and training to meet the needs of new and expanding businesses in the State and to provide new employment and career advancement opportunities for Maine people.

GENERAL FUND	2007-08	2008-09
All Other	\$0	\$250,000
	<hr/>	
GENERAL FUND TOTAL	\$0	\$250,000

COMMUNITY COLLEGE SYSTEM, BOARD OF TRUSTEES OF THE MAINE DEPARTMENT TOTALS	2007-08	2008-09
GENERAL FUND	\$0	\$250,000
	<hr/>	
DEPARTMENT TOTAL - ALL FUNDS	\$0	\$250,000

LABOR, DEPARTMENT OF

Governor's Training Initiative Program 0842

Initiative: Provides additional ongoing funds to expand workforce training opportunities leading to high-quality jobs, increasing the competitiveness of Maine businesses.

GENERAL FUND	2007-08	2008-09
All Other	\$0	\$250,000
	<hr/>	
GENERAL FUND TOTAL	\$0	\$250,000

LABOR, DEPARTMENT OF DEPARTMENT TOTALS	2007-08	2008-09
GENERAL FUND	\$0	\$250,000
	<hr/>	
DEPARTMENT TOTAL - ALL FUNDS	\$0	\$250,000

SECTION TOTALS	2007-08	2008-09
-----------------------	----------------	----------------

GENERAL FUND	\$0	\$500,000
	<hr/>	<hr/>
SECTION TOTAL - ALL FUNDS	\$0	\$500,000

SUMMARY

This bill creates and provides funding for the Maine Expansion Fund, to be administered by the Department of Economic and Community Development, Office of Innovation. The fund consists of ongoing appropriations and will provide grants to municipalities, which must match the grants, to aid eligible businesses to locate or expand in the State.

The bill amends current law to enhance the development of green energy in Maine by transferring annually 20% of the money in the conservation program fund to the Renewable Resource Fund and annually 75% of that money to the Maine Technology Institute to support the development and commercialization of renewable energy resources.

The bill also requires the Department of Economic and Community Development, Office of Innovation and Office of Business Development to work with other entities to develop and implement a strategic action plan to align the State's business development support network with potential high-growth companies and to report to the Legislature on the progress of the plan by March 2, 2009.

The bill provides additional ongoing funds to the Maine Quality Centers in the Maine Community College System and to the Governor's Training Initiative Program in the Department of Labor.