

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 Help Facilitate New Career Opportunities and Attract Major Private Investment**

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

**Sec. 1. 10 MRSA §963-A, sub-§10, ¶T**, as amended by PL 2013, c. 378, §2, is further amended to read:

T. An Efficiency Maine project; and

**Sec. 2. 10 MRSA §963-A, sub-§10, ¶U**, as enacted by PL 2013, c. 378, §3, is further amended to read:

U. Any offshore wind energy development as defined in Title 35-A, section 102, subsection 10-A or project to manufacture components for an offshore wind energy development; and

**Sec. 3. 10 MRSA §963-A, sub-§10, ¶V** is enacted to read:

V. A transformational business expansion project.

**Sec. 4. 10 MRSA §963-A, sub-§49-K** is enacted to read:

**49-K. Transformational business expansion project.** "Transformational business expansion project" means, when done by a qualified applicant certified pursuant to Title 30-A, section 5250-J, subsection 4-D, the construction, development, rehabilitation, expansion, modernization or acquisition of any building, structure, system, machinery, equipment or facility in a military redevelopment zone, as defined in Title 30-A, section 5250-I, subsection 11-A, that has a projected cost of \$25,000,000 or more and the operation of which is projected to result in a net gain of at least 500 job opportunities. "Transformational business expansion project" does not include an electric rate stabilization project or a project primarily involved in the provision of housing or retail sales to consumers.

**Sec. 5. 10 MRSA §1043, sub-§2, ¶J**, as amended by PL 2003, c. 506, §2, is further amended to read:

J. In the case of major business expansion projects and transformational business expansion projects, the applicant is creditworthy and there is a strong likelihood that the revenue obligation securities will be repaid through the revenues of the project and any other sources of revenues and collateral pledged to the repayment of those securities. In order to make this determination, the authority shall consider such factors as it considers necessary to measure and evaluate the sufficiency of the pledged revenues to repay the obligations, including:

- (1) Whether individuals or entities obligated to repay the obligations have demonstrated sufficient revenues from the project or from other sources to repay the obligations, and a strong probability that those revenues will continue to be available for the term of the revenue obligation securities;
- (2) Whether the applicant demonstrates a strong probability that the project will continue to operate and provide the public benefits projected to be created for the term of the revenue obligation securities;
- (3) Whether the applicant demonstrates that the benefits projected to be created by the project are enhanced through the use of financing assistance from the authority;
- (4) Whether the applicant's creditworthiness is demonstrated by such factors as historical financial performance, management ability, its plan for marketing its product or service and its ability to access conventional financing;
- (5) Whether the applicant meets or exceeds industry average financial performance ratios commonly accepted in determining creditworthiness in that industry;
- (6) Whether the applicant demonstrates that the need for authority assistance is due to the reduced cost and increased flexibility of the financing for the project that result from authority assistance and not from an inability to obtain necessary financing without the capital reserve fund security provided by the authority; and
- (7) Whether collateral securing the repayment obligation is reasonably sufficient under the circumstances.

Financing assistance for any one major business expansion project may not exceed \$25,000,000 in loan amount. For any one transformational business expansion project, the financing assistance amount is up to \$400,000,000 in loan amount. The authority may establish, pursuant to rules adopted in accordance with Title 5, chapter 375, subchapter 2, application procedures, approval criteria and reasonable fees for major business expansion projects and transformational business expansion projects;

**Sec. 6. 10 MRSA §1053, sub-§6**, as amended by PL 2011, c. 586, §5, is further amended to read:

**6. Securities outstanding.** The principal amount of revenue obligation securities the authority may have outstanding at any one time, to which subsection 5 is stated to apply in the trust agreement or other document, may not exceed an aggregate principal amount equal to ~~\$912,000,000~~\$1,412,000,000 as follows:

A. The sum of \$180,000,000 consisting of not more than \$150,000,000 for loans and up to \$30,000,000 for use of bond proceeds to fund capital reserve funds for revenue obligation securities issued pursuant to this subchapter relating to loans for electric rate stabilization projects or loans for energy distribution system projects;

B. The sum of ~~\$120,000,000~~\$620,000,000 consisting of not more than \$100,000,000 for loans and up to \$20,000,000 for use of bond proceeds to fund capital reserve funds for revenue obligation securities issued pursuant to this subchapter relating to loans for major business expansion projects and not more than \$400,000,000 for loans and up to \$100,000,000 for use of bond proceeds to fund capital reserve funds for revenue obligation securities issued pursuant to this subchapter relating to loans for transformational business expansion projects;

C. The sum of \$57,000,000 consisting of not more than \$45,000,000 for loans and up to \$12,000,000 for use of bond proceeds to fund capital reserve funds for revenue obligation securities issued pursuant to this subchapter relating to workers' compensation residual market mechanism projects;

D. The sum of \$150,000,000 less the aggregate outstanding balance of mortgage loans secured by capital reserve funds pursuant to section 1032 for all other revenue obligation securities issued pursuant to this subchapter;

E. The sum of \$120,000,000 consisting of not more than \$100,000,000 for loans and up to \$20,000,000 for use of bond proceeds to fund capital reserve funds for revenue obligation securities issued pursuant to this subchapter relating to loans for paper industry job retention projects;

F. The sum of \$100,000,000 consisting of not more than \$85,000,000 for loans and up to \$15,000,000 for use of bond proceeds to fund capital reserve funds for revenue obligation securities issued pursuant to this subchapter relating to loans for transmission facilities projects as defined in section 963-A, subsection 49-H; and

G. The sum of \$35,000,000 consisting of not more than \$30,000,000 for the purposes stated in section 1020-A, subsection 1, paragraphs A and C and up to \$5,000,000 for use of bond proceeds to fund capital reserve funds for revenue obligation securities issued pursuant to section 1020-A, subsection 1, paragraph A.

The amount of revenue obligation securities issued to refund securities previously issued may not be taken into account in determining the principal amount of securities outstanding, as long as proceeds of the refunding securities are applied as promptly as possible to the refunding of the previously issued securities. In computing the total amount of revenue obligation securities of the authority that may at any time be outstanding for any purpose, the amounts of the outstanding revenue obligation securities that have been issued as capital appreciation bonds or as similar instruments are valued as of any date of calculation at their then current accreted value rather than their face value.

**Sec. 7. 26 MRSA §2031, sub-§5, ¶¶G and H**, as enacted by PL 1995, c. 665, Pt. DD, §5 and affected by §12, are amended to read:

G. Employer willingness to hire new labor force entrants, economically disadvantaged individuals, persons with disabilities or dislocated workers; ~~or~~

H. Employer willingness to provide a registered apprenticeship for current employees or new hires; ~~;~~  
or

**Sec. 8. 26 MRSA §2031, sub-§5, ¶I** is enacted to read:

I. Certification as a qualified applicant for a transformational business expansion project pursuant to Title 30-A, section 5250-J, subsection 4-D.

**Sec. 9. 26 MRSA §2031, sub-§8**, as amended by PL 2009, c. 213, Pt. JJJ, §1, is further amended to read:

**8. Eligibility for funding.** Applicants eligible to receive funding from the program include, but are not limited to, employers, applicants certified pursuant to Title 30-A, section 5250-J, subsection 4-D, regional and local economic development agencies or partnerships, community-based organizations, job training service providers, registered apprenticeship service providers, local adult education providers and postsecondary education institutions.

An applicant that is not a business shall demonstrate, in partnership with a business or a consortium of businesses, the ability to link training services with actual job creation, expansion, upgrade or retention. Training provided under this section is considered approved training under the unemployment insurance laws and the laws regarding dislocated workers administered by the Department of Labor.

Training funds authorized under this section must be paid to the employer on a reimbursement basis.

Notwithstanding any provision of law to the contrary, a qualified applicant for a transformational business expansion project certified pursuant to Title 30-A, section 5250-J, subsection 4-D is eligible for funds available under the Competitive Skills Scholarship Program established pursuant to section 2033.

**Sec. 10. 26 MRSA c. 43** is enacted to read:

## **CHAPTER 43**

### **RIGHT TO REFRAIN FROM JOINING A UNION IN TRANSFORMATIONAL BUSINESS EXPANSION PROJECT**

#### **§ 3501. Definitions**

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

**1. Employer.** "Employer" means the owner of a transformational business expansion project certified pursuant to Title 30-A, section 5250-J, subsection 4-D.

**2. Labor organization.** "Labor organization" means an organization, agency or employee representation committee or union that exists for the purpose, in whole or in part, of negotiating or bargaining with employers on behalf of employees concerning wages, rates of pay, hours of work, other conditions of employment or other forms of compensation.

### **§ 3502. Right to refrain**

Notwithstanding any law to the contrary, a person may not be required, as a condition of employment or continuation of employment in a transformational business expansion project, to:

- 1. Member.** Become or remain a member of a labor organization;
- 2. Dues.** Pay any dues, fees, assessments or other similar charges, however denominated, of any kind or amount to a labor organization; or
- 3. Payment to 3rd party.** Pay to a charity or other 3rd party, in lieu of payments specified in subsection 2, any amount equivalent to or a pro rata portion of dues, fees, assessments or other charges required of members of a labor organization.

### **§ 3503. Agreements in violation**

An agreement, understanding or practice, written or oral, implied or expressed, between a labor organization and an employer that violates a provision of this chapter is unlawful and without any legal effect.

### **§ 3504. Penalty**

A person who violates any provision of this chapter commits a Class D crime.

### **§ 3505. Injunctive relief**

A person injured as a result of another person's violation or threatened violation of the provisions of this chapter is entitled to injunctive relief against the person violating or threatening to violate this chapter.

### **§ 3506. Damages**

A person injured as a result of a violation or threatened violation of the provisions of this chapter may recover all damages, including court costs and reasonable attorney's fees, resulting from the violation or threatened violation. A recovery of damages under this section is independent of and in addition to the penalty provided in section 3504.

### **§ 3507. Duty to investigate and enforce**

The Attorney General shall investigate complaints of a violation or threatened violation of this chapter and shall prosecute any person violating any of its provisions. The Attorney General shall use all means in the command of the Attorney General to ensure effective enforcement of this chapter.

### **§ 3508. Jurisdiction**

The Superior Court has jurisdiction to hear and decide prosecutions of all offenses under this chapter.

## **§ 3509. Exceptions**

This chapter does not apply to the following:

**1. Federal Railway Labor Act.** Employers and employees covered by the federal Railway Labor Act;

**2. Federal employers and employees.** Federal employers and employees;

**3. Federal enclaves.** Employers and employees on federal enclaves;

**4. Federal preemption or conflict.** Areas of federal law with which this chapter is in conflict or that preempt this chapter; or

**5. Existing contract.** An employment contract entered into before the effective date of this chapter during the term of that contract; however, this chapter applies to a contract entered into, renewed or extended on or after the effective date of this chapter.

**Sec. 11. 30-A MRSA §5250-J, sub-§4-D** is enacted to read:

**4-D. Qualified transformational business expansion project.** A business certified under this subsection as a qualified transformational business expansion project qualifies for the incentives provided by this subsection.

**A.** As used in this subsection, unless the context otherwise indicates, the following terms have the following meanings.

(1) "Certified applicant" means a qualified applicant that has received a certificate of approval for a transformational business expansion project pursuant to this subsection.

(2) "Employment" means, for each calendar year, the amount determined by adding the total number of qualified employees of a certified applicant on each of 6 consecutive measurement days of that calendar year as chosen by the certified applicant and then dividing that sum by 6.

(3) "Full-time employee" means a person who works at least 36 hours per week.

(4) "Incentives" means:

(a) The income tax credit for investment in a qualified transformational business expansion project pursuant to Title 36, section 5219-NN;

(b) The reimbursement of sales tax pursuant to Title 36, section 2021;

(c) Reimbursement of Maine income tax withholding pursuant to Title 36, section 6754, subsection 1, paragraph E;

(d) Long-term, credit-enhanced financing pursuant to Title 10, chapter 110, subchapter 3;

(e) Workforce development training and recruitment assistance pursuant to the Governor's Jobs Initiative Program established pursuant to Title 26, chapter 25, subchapter 4; and

(f) Energy cost reimbursement pursuant to Title 35-A, section 10124.

(5) "Qualified applicant" means an applicant for benefits available under this subsection for a transformational business expansion project that satisfies the following criteria:

(a) The applicant owns or operates or proposes to construct a business facility within this State; and

(b) The applicant proposes to make a qualified investment and demonstrates that the investment would not occur within the State absent the availability of the incentives offered to the transformational business expansion project.

(6) "Qualified employee" means an individual:

(a) Who is employed at a military redevelopment zone as a full-time employee of a qualified transformational business expansion project and is employed as a direct result of the project, excluding an employee or position shifted by the employer to the project location from another location in the State;

(b) Whose income from employment under division (a) is taxable under Title 36, chapter 803;

(c) For whom a retirement program is provided subject to the federal Employee Retirement Income Security Act of 1974, 29 United States Code, Sections 101 to 1461, as amended;

(d) For whom health insurance is available; and

(e) Whose income calculated on a calendar year basis is greater than the most recent per capita annual income in the State as determined by the United States Department of Commerce.

(7) "Qualified investment" means expenditures incurred by a qualified transformational business expansion project on or after October 1, 2015. "Qualified investment" does not include investments in an electric rate stabilization project, as defined in Title 10, section 963-A, subsection 7-A, or in a project primarily involved in the provision of housing or retail sales to consumers.

(8) "Qualified transformational business expansion project" means a business that is a qualified Pine Tree Development Zone business and that proposes to make a qualified investment of at least \$25,000,000 in, and add at least 500 qualified employees at, a military redevelopment zone within 10 years from the date of certification under paragraph B. The business must demonstrate that the qualified investment would not occur absent the availability of the incentives made available under this subsection. For purposes of this subsection, employees added or that will be added for certification as a qualified Pine Tree Development Zone business must be added with respect to the project for which the business is certified as a qualified transformational business expansion project under this subsection.

B. This paragraph governs the procedures for application for and approval and revocation of certification as a qualified transformational business expansion project.

(1) In addition to an application for certification as a qualified Pine Tree Development Zone business under section 5250-O, a business must submit an application to the commissioner to receive incentives under this subsection. The application must contain information, in a form prescribed by the commissioner, demonstrating that the business meets the requirements for a qualified transformational business expansion project.

(2) The commissioner, within 7 days of receipt of the application under subsection 1 for certification as a qualified applicant, shall review the information contained in the application and issue a written determination as to whether the applicant is a qualified transformational business expansion project eligible to apply for incentives to the Governor, the President of the Senate and the Speaker of the House of Representatives. No later than 2 days following notice of that determination, if the commissioner determines that the applicant is a qualified transformational business expansion project, the commissioner shall issue a certificate of approval to the applicant. If the commissioner determines that the applicant is not a qualified transformational business expansion project, the commissioner shall issue a denial of the application.

(3) The commissioner shall revoke a certificate issued under this subsection:

(a) If the qualified transformational business expansion project does not invest at least \$10,000,000 and hire at least 250 qualified employees within 5 years of the date of the certificate issued under this subsection; or

(b) If the qualified transformational business expansion project does not invest at least \$25,000,000 and hire at least 500 qualified employees within 10 years of the date of the certificate issued under this subsection.

A qualified transformational business expansion project whose certificate issued under this subsection has been revoked may not apply or qualify for incentives for a period of 10 years after the date of revocation of the certificate.

C. The commissioner and the Commissioner of Labor shall work with other agencies across State Government involved in employment or skills training to identify and marshal the necessary financial resources to assist a certified applicant who makes a qualified investment in recruiting and training qualified employees.

D. On or before March 1st of each year a certified applicant, on forms prescribed by the commissioner, shall file a report with the commissioner and the State Tax Assessor for the immediately preceding calendar year, referred to in this paragraph as "the report year," that contains the following information:

(1) The number of qualified employees of the qualified transformational business expansion project for the calendar year immediately preceding the report year; and

(2) The incremental level of qualified investments made for the calendar year immediately preceding the report year.

The commissioner shall audit the report filed under this paragraph to ensure continued eligibility for the incentives provided under this subsection.

E. The commissioner shall report to the joint standing committee of the Legislature having jurisdiction over taxation matters and the joint standing committee of the Legislature having jurisdiction over labor, commerce, research and economic development matters aggregate annual data on employment levels and qualified investment amounts of qualified transformational business expansion projects under this subsection. The report must be made by March 15th of the first regular session of each Legislature beginning with the 128th Legislature.

F. A qualified transformational business expansion project, when awarding contracts, purchasing supplies or subcontracting work related to a qualified investment, shall give preference, to the greatest extent possible, to Maine resident individuals, companies and bidders as long as the supplies, products and bids meet the standards required by the qualified transformational business expansion project for best value, including, without limitation, quality and delivery, and are competitively priced. The qualified transformational business expansion project, in conjunction with the department, shall sponsor regional seminars for Maine businesses on conducting business with the qualified transformational business expansion project.

**Sec. 12. 35-A MRSA §10124** is enacted to read:

**§ 10124. Reimbursement for transformational business expansion projects**

**1. Reimbursement allowed.** Notwithstanding any provision of this chapter to the contrary, a qualified applicant for a transformational business expansion project that is certified pursuant to Title 30-A, section 5250-J, subsection 4-D that incurs electric supply rates that are provided by a transmission and distribution utility that exceed the national average industrial rate, as published by the United States Energy Information Administration for the prior calendar year, is eligible for an annual reimbursement of those excess costs for up to 5 years following certification of the transformational business expansion project.

**2. Administration.** The commission shall establish routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A to ensure accurate reporting by a qualified applicant for a transformational business expansion project eligible under subsection 1 and shall accurately assess and verify the annual electric rates experienced by the transformational business expansion project. The commission shall calculate and the trust shall disburse to that qualified applicant the appropriate annual reimbursement from the funding provided to the commission under section 10109, subsection 4, paragraph A.

**Sec. 13. 36 MRSA §2021** is enacted to read:

**§ 2021. Reimbursement of certain taxes related to qualified transformational business expansion projects**

**1. Definitions.** As used in this section, unless the context otherwise indicates, "qualified investment" and "qualified transformational business expansion project" have the same meanings as in Title 30-A, section 5250-J, subsection 4-D, paragraph A.

**2. Reimbursement allowed.** A reimbursement is allowed as provided in this section for a tax paid pursuant to this Part with respect to the sale or use of tangible personal property that is physically incorporated in and becomes a permanent part of real property that is owned by or sold to a qualified transformational business expansion project.

**3. Claim for reimbursement.** Claims under this section for reimbursement of taxes are controlled by this subsection.

A. A claim for reimbursement under this section must be filed by a contractor or subcontractor of a qualified transformational business expansion project with the assessor within 3 years from the date on which the tangible personal property was incorporated into real property. The reimbursement claim must be submitted on a form prescribed by the assessor and must be accompanied by a statement from a qualified transformational business expansion project certifying, under penalties of perjury, that the personal property with respect to which the tax was paid by the claimant has been placed in use directly and primarily in real property directly related to the project for which the qualified transformational business expansion project is certified. All records pertaining to that certification and to the transactions in question must be retained for at least 6 years by the contractor or subcontractor, by the qualified transformational business expansion project and by the person, if any, that sold the real property in question. The reimbursement claim must be accompanied by such additional information as the assessor may require. If a sales or use tax is included in the contractor's or subcontractor's contract price, the contractor or subcontractor shall file, at the request of the qualified transformational business expansion project, a claim for reimbursement in accordance with this section and pay the reimbursement to the qualified transformational business expansion project.

B. If, by agreement between the contractor or subcontractor and the qualified transformational business expansion project, the contractor or subcontractor assigns its right to claim and receive reimbursement, the qualified transformational business expansion project must file a claim for reimbursement in accordance with this subsection. A reimbursement may not be issued to the qualified transformational business expansion project under this paragraph unless the contractor or subcontractor has previously submitted to the bureau a certificate, signed by the contractor or subcontractor, releasing the contractor's or subcontractor's claim to the reimbursement. The certificate must be in a format prescribed by the assessor.

**4. Limitations.** Limitations on reimbursements made pursuant to this section are as set out in this subsection.

A. Reimbursements made by the assessor pursuant to this section are limited to taxes paid in connection with sales of tangible personal property that occur within a 20-year period beginning on the date the qualified transformational business expansion project is certified under Title 30-A, section 5250-J, subsection 4-D.

B. Reimbursement pursuant to this section of taxes paid in connection with the sale of tangible personal property subsequently incorporated into real property may not be made when those real property improvements:

(1) Are owned by more than one person prior to their acquisition by the qualified transformational business expansion project whose certification accompanies the reimbursement claim pursuant to subsection 3; or

(2) Have been used for a business purpose by a person other than the qualified transformational business expansion project whose certification accompanies the reimbursement claim pursuant to subsection 3.

**5. Audit.** The assessor has the authority to audit any claim filed under this section. If the assessor determines that the amount of the claimed reimbursement is incorrect, the assessor shall redetermine the claim and notify the claimant in writing of the redetermination. If the claimant has received reimbursement of an amount that the assessor concludes should not have been reimbursed, the assessor may issue an assessment for that amount within 3 years from the date the reimbursement claim was filed or paid, whichever is later, or at any time if a fraudulent reimbursement claim was filed. The claimant may seek reconsideration, pursuant to section 151, of the redetermination or assessment.

**6. Payment of claims.** The assessor shall determine the benefit for each claimant under this section. The assessor shall pay those amounts to each qualified transformational business expansion project qualifying for the benefit under this section within 30 days after receipt of a properly completed claim. Interest is not allowed on any payment made to a claimant pursuant to this section.

**Sec. 14. 36 MRSA §5219-NN** is enacted to read:

**§ 5219-NN. Credit for qualified transformational business expansion project**

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

A. "Payroll" means the total amount paid in this State during the tax period by the taxpayer for compensation, including wages, pretax employee contributions made to a benefit package and employer contributions made to an employee benefit package.

B. "Property" means the average value of the taxpayer's real and tangible personal property that is owned or rented and used during the tax period. Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at 8 times the annual rental rate paid by the taxpayer.

C. "Qualified transformational business expansion project" means a business certified under Title 30-A, section 5250-J, subsection 4-D.

**2. Credit allowed.** Notwithstanding any other provision of law, a taxpayer that is a qualified transformational business expansion project is allowed a credit in the amount of:

A. One hundred percent of the tax that would otherwise be due under this Part for each of the first 10 tax years beginning with the tax year in which the taxpayer is certified pursuant to Title 30-A, section 5250-J, subsection 4-D; and

B. Fifty percent of the tax that would otherwise be due under this Part for each of the 10 tax years following the time period in paragraph A.

**3. Apportioned credit in certain circumstances.** In the case of a qualified transformational business expansion project that engages in both qualified and nonqualified transformational business expansion project activities in this State, the credit provided for in this section is limited to that portion that is attributable to the qualified transformational business expansion project

activity. The limitation is calculated by an apportionment. The apportionment is determined by a fraction, the numerator of which is the property value plus the payroll for the taxable year attributed to the qualified transformational business expansion project activity of the business and the denominator of which is the statewide property value plus payroll for the taxable year of the qualified transformational business expansion project.

If the qualified transformational business expansion project is a taxable corporation that has affiliated groups, as defined in section 5102, subsection 1-B, engaged in a unitary business, as defined in section 5102, subsection 10-A, the property and payroll values in the State of the unitary affiliated groups must be included in the apportionment fraction. The resulting fraction must be multiplied by the total tax liability otherwise due under this Part of the qualified transformational business expansion project and those affiliated groups.

If the apportionment provisions of this subsection do not fairly reflect the amount of the credit associated with the taxpayer's qualified transformational business expansion project activity, the taxpayer may petition for, or the State Tax Assessor may require, in respect to all or any part of the taxpayer's business activity, the employment of another reasonable method to effectuate an equitable apportionment of the credit associated with the taxpayer's qualified transformational business expansion project activity.

**4. Members of pass-through entities.** A member of a pass-through entity that is a qualified transformational business expansion project is allowed a credit under this section based on the tax due under this Part related to items of income, gain, deduction, loss or other items required to be reported by the pass-through entity to the member. For purposes of this subsection, "pass-through entity" means a corporation that for the applicable tax year is treated as an S corporation under the Code and a partnership, trust, limited liability company or similar entity that for the applicable tax year is not taxed as a C corporation for federal tax purposes; "member" means an individual or other owner of a pass-through entity.

**5. Limitation.** The credit provided by this section may not be claimed for tax years beginning on or after January 1, 2035.

**Sec. 15. 36 MRSA §6754, sub-§1, ¶E** is enacted to read:

E. For a qualified transformational business expansion project certified under Title 30-A, section 5250-J, subsection 4-D, the reimbursement is equal to 80% of the Maine income tax withheld from each qualified employee during each of the first 10 calendar years for which reimbursement is requested, beginning with the calendar year during which the business is certified as a qualified transformational business expansion project under Title 30-A, section 5250-J, subsection 4-D. For each of the 11th to 20th years for which reimbursement is requested, the qualified transformational business expansion project is eligible for a reimbursement equal to 50% of the Maine income tax withheld from each qualified employee. Reimbursement may not be paid pursuant to this paragraph for calendar years beginning after December 31, 2034. As used in this paragraph, "qualified employee" has the same meaning as in Title 30-A, section 5250-J, subsection 4-D, paragraph A, subparagraph (5).

## SUMMARY

The purpose of this bill is to improve Maine's overall competitiveness and ability to attract major private investment to the State by creating a mechanism for competing for major business expansion and creation projects, referred to as transformational business expansion projects, which are the construction, development, rehabilitation, expansion, modernization or acquisition of any building, structure, system, machinery, equipment or facility in a military redevelopment zone that has a projected cost of \$25,000,000 or more and the operation of which is projected to result in a net gain of at least 500 job opportunities. An applicant who is certified by the Commissioner of Economic and Community Development as a transformational business expansion project is eligible for the following incentives and benefits:

1. A 20-year corporate income tax credit that includes a 100% credit for the first 10 years that the project is in operation and a 50% credit for the next 10 years that the project is in operation;
2. A sales tax exemption and reimbursement for expenditures made for the project for up to 20 years;
3. An annual reimbursement for up to 5 years from the Efficiency Maine Trust for electric rates that exceed the national average industrial rate as determined by the United States Energy Information Administration and certified by the Public Utilities Commission;
4. Employment tax increment financing benefits for qualified investments. The reimbursement is equal to 80% of Maine income tax withheld each year for which reimbursement is requested and attributed to qualified employees for a period of no more than 10 years. For years of operation beginning after the 10th year until the 20th year, the certified applicant is eligible for a reimbursement of 50% of Maine income tax withheld each year for which reimbursement is requested. This benefit expires after December 31, 2034;
5. Access to a pool of up to \$400,000,000 in loans and up to \$100,000,000 in bond funding for transformational business expansion projects to provide long-term, credit-enhanced financing at taxable bond rates. Financing assistance for a single project may not exceed \$400,000,000;
6. Access to workforce development assistance, training and recruitment by the Commissioner of Economic and Community Development and the Commissioner of Labor, who are required to work with agencies across State Government involved in employment or skill training to identify and marshal financial resources to help a transformational business expansion project recruit and train workers; and
7. Access to the benefits available under the Governor's Jobs Initiative Program, including access to funds from the Competitive Skills Scholarship Program.

Additionally, this bill prohibits requiring a person, as a condition of employment or continuation of employment at a transformational business expansion project, to join a labor organization or pay any labor organization dues or fees and establishes, in a manner similar to laws governing the shipbuilding facility credit, a preference for Maine workers, companies and bidders as part of the contractual inducement for the qualified applicant to make a qualified investment and for the State to provide the incentives.