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**An Act To Encourage Development in the Logging Industry by
Requiring State and Local Government Agencies To Give Preference
to Lumber and Solid Wood Products Harvested in the State**

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

Sec. 1. 5 MRSA c. 153, sub-c. 3 is enacted to read:

SUBCHAPTER 3

MAINE TIMBER

§ 1777. Legislative findings

1. Findings. The Legislature finds and declares that:

A. The forested lands in Maine provide the source of raw materials for the timber products industry and jobs for persons who are employed in that industry;

B. Forested lands in Maine are an essential economic resource in rural communities across the State, and the economic pressures faced by the timber industry have resulted in financial losses to the Maine timber products industry;

C. The State has a legitimate interest in stating a preference that funds associated with its purchase of timber and its subsidization of timber harvesting and hauling be recycled through the local state economy; and

D. When price, quality and fitness are equal and when the marketplace provides timber that meets the State's needs for its own consumption, it is appropriate for the State to support the economic vitality of the Maine timber products industry by purchasing Maine timber.

§ 1778. Definitions

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

1. In-state contractor. "In-state contractor" means an individual residing in this State or a business based in this State. "In-state contractor" includes:

A. If an individual, an individual who has a physical address in this State at which the individual has established residency and has filed a Maine tax return for at least the 2 years immediately prior to bidding on a state contract; or

B. If a business, a business that has a physical address in this State at which it conducts business, including interviewing applicants for employment by the business and hiring and employing staff, and:

(1) Has filed a Maine tax return or paid Maine employment taxes for at least the 2 years immediately prior to bidding on a state contract; or

(2) If the business does not meet the requirements of subparagraph (1), an officer, if the business is a corporation, a partner in the business or the sole proprietor must meet the requirements of paragraph A.

2. Solid wood product. "Solid wood product" does not include paper, paper products or other types of secondary manufactured goods. "Solid wood product" includes wood chips, sawdust, bark, brush and other wood waste.

3. State agency. "State agency" means any unit of State Government or local government, including any state board or commission, including the Legislature, the Judicial Department, the University of Maine System, the Maine Community College System and the Maine Maritime Academy.

4. Subsidy. "Subsidy" means a benefit given to an individual, a business or a group of individuals or businesses for the purpose of promoting economic or social policy. "Subsidy" includes, but is not limited to, the elimination, reduction or deferral of a tax, the transfer of funds and the provision of aid or support.

§ 1779. Preference for timber harvested in the State

1. Acquisition by state agency. Notwithstanding any other provision of law to the contrary, and to the extent consistent with federal law, a state agency that contracts for or acquires lumber or other solid wood products shall give preference to lumber and solid wood products that are harvested in the State by an in-state contractor, as long as the price, fitness and quality of the lumber or solid wood products are equal to that of lumber and solid wood products harvested outside the State.

2. State subsidies; penalty; enforcement. Notwithstanding any other provision of law to the contrary, and to the extent consistent with federal law, if the State provides a subsidy to a person who purchases lumber or other solid wood products, the person shall give preference to lumber and solid wood products that are harvested in the State by an in-state contractor, as long as the price, fitness and quality of the lumber or solid wood products are equal to that of lumber and solid wood products harvested outside the State. The Superior Court, upon an action brought by the Attorney General, may assess against a person who violates this subsection a penalty of \$250 for each violation. Each load of lumber or solid wood products delivered pursuant to a purchase made in violation of this subsection constitutes a separate violation.

3. Exceptions. A state agency may apply to the Department of Administrative and Financial Services for a waiver of the requirements of subsection 1 in any case or category of cases in which the executive head of the state agency finds that the application of the requirements of subsection 1 would be inconsistent with the public interest.

4. International trade obligations. This section must be applied in a manner consistent with the State's obligations under any applicable international agreements pertaining to government procurement.

§ 1780. Rules

The Department of Administrative and Financial Services shall adopt routine technical rules as described in chapter 375, subchapter 2-A to implement this subchapter.

SUMMARY

This bill requires that a state agency that contracts for or acquires lumber or other solid wood products give preference to lumber and solid wood products that are harvested in the State by in-state contractors, as long as the price, fitness and quality of the lumber or solid wood products are equal to that of lumber and solid wood products harvested outside the State. Under the bill, "state agency" includes departments and agencies of state, county and municipal government.

The bill also requires that if the State provides a subsidy to a person who purchases lumber or other solid wood products, the person must give preference to lumber and solid wood products harvested in the State by in-state contractors, as long as the price, fitness and quality of the lumber or solid wood products are equal to that of lumber and solid wood products harvested outside the State.