



127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 934

S.P. 325

In Senate, March 17, 2015

An Act To Create Transparency in Maine's Economic Development Spending

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script, reading 'Heather J.R. Priest'.

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator DILL of Penobscot.
Cosponsored by Representative STANLEY of Medway and
Senators: ALFOND of Cumberland, HASKELL of Cumberland, LIBBY of Androscoggin,
SAVIELLO of Franklin, Representatives: BLACK of Wilton, MARTIN of Eagle Lake.

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

2 **Sec. 1. 36 MRSA §191, sub-§2, ¶¶XX and YY**, as enacted by PL 2013, c. 331,
3 Pt. B, §5, are amended to read:

4 XX. The disclosure of information by the assessor to the board, except that such
5 disclosure is limited to information that is pertinent to an appeal or other action or
6 proceeding before the board; ~~and~~

7 YY. The inspection and disclosure of information by the board to the extent
8 necessary to conduct appeals procedures pursuant to this Title and issue a decision on
9 an appeal to the parties. The board may make available to the public redacted
10 decisions that do not disclose the identity of a taxpayer or any information made
11 confidential by state or federal statute; and

12 **Sec. 2. 36 MRSA §191, sub-§2, ¶ZZ** is enacted to read:

13 ZZ. For tax years beginning on or after January 1, 2015, the disclosure of
14 information regarding beneficiaries of economic development tax expenditures under
15 section 199-E.

16 **Sec. 3. 36 MRSA §199-E** is enacted to read:

17 **§199-E. Economic development incentive transparency**

18 **1. Economic development spending.** By September 1st annually, the Department
19 of Economic and Community Development shall provide to the Office of Tax Policy
20 within the bureau a report identifying the amounts of state spending under the jurisdiction
21 of the Department of Economic and Community Development in the previous calendar
22 year. The report must identify amounts spent by each program under the jurisdiction of
23 the department, the value of funds or services provided to each business under each
24 program and the administrative costs of each program. Amounts provided to businesses
25 receiving less than \$5,000 during the fiscal year may be reported in the aggregate, and the
26 report must specify the number of businesses included in the aggregate.

27 **2. Economic development tax expenditures.** By September 1st annually, the
28 bureau shall identify the actual revenue loss during the previous fiscal year for each
29 economic development tax expenditure and each business receiving \$5,000 or more from
30 economic development tax expenditures during the fiscal year. Amounts received by
31 businesses receiving less than \$5,000 during the fiscal year may be identified in the
32 aggregate, and the report must specify the number of businesses included in the
33 aggregate.

34 For the purposes of this section, "economic development tax expenditure" means a tax
35 expenditure with a major purpose of providing an incentive for economic or job growth in
36 the State. The assessor shall adopt rules identifying the specific provisions of law that
37 meet the definition of "economic development tax expenditure." Rules adopted under
38 this subsection are major substantive rules as defined in Title 5, chapter 375, subchapter
39 2-A.

1 **3. Report.** The Office of Tax Policy within the bureau shall submit a report to the
2 Legislature by November 1st annually. The report must contain the information identified
3 under subsections 1 and 2. The office shall at the same time post the information on the
4 office's publicly accessible website in the form of a spreadsheet that may be downloaded
5 by members of the public.

6

SUMMARY

7 This bill requires the disclosure of the names of businesses benefiting from economic
8 development spending and tax expenditures in excess of \$5,000 annually. The
9 Department of Economic and Community Development is required to submit information
10 regarding reportable economic development spending to the Department of
11 Administrative and Financial Services, Bureau of Revenue Services, Office of Tax Policy
12 annually. The Bureau of Revenue Services is required to identify businesses receiving
13 \$5,000 or more annually from economic development tax expenditures. The Office of
14 Tax Policy is required to submit a report annually to the Legislature regarding economic
15 development spending and tax expenditures and make the information available on its
16 publicly accessible website.