



127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 1364

S.P. 497

In Senate, April 23, 2015

An Act To Expand Opportunities for Economic Development in Maine

Submitted by the Department of Economic and Community Development pursuant to Joint Rule 204.

Reference to the Committee on Labor, Commerce, Research and Economic Development 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 CUSHING of Penobscot.
Cosponsored by Representative LOCKMAN of Amherst and
Senators: EDGECOMB of Aroostook, VOLK of Cumberland, WHITTEMORE of Somerset,
Representatives: MAKER of Calais, MARTIN of Eagle Lake, SAUCIER of Presque Isle.

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

2 **Sec. 1. 30-A MRSA §5250-I, sub-§18**, as amended by PL 2005, c. 351, §4 and
3 affected by §26, is further amended to read:

4 **18. Qualified Pine Tree Development Zone employees.** "Qualified Pine Tree
5 Development Zone employees" means new, full-time employees hired in this State by a
6 qualified Pine Tree Development Zone business for work directly in one or more
7 qualified business activities for whom a retirement program subject to the Employee
8 Retirement Income Security Act of 1974, 29 United States Code, Sections 101 to 1461, as
9 amended, ~~and group health insurance are~~ is provided and whose income derived from
10 employment within the Pine Tree Development Zone, calculated on a calendar year basis,
11 is greater than the ~~most recent annual per capita personal income in the county in which~~
12 ~~the qualified employee is employed~~ average weekly wage for the most recent available
13 calendar year as derived from the Quarterly Census of Employment and Wages and
14 provided annually by the Department of Labor. The calculation of the average weekly
15 wage must include data from the counties of Androscoggin, Aroostook, Franklin,
16 Hancock, Kennebec, Knox, Lincoln, Oxford, Penobscot, Piscataquis, Sagadahoc,
17 Somerset, Waldo and Washington. In a county where the average annual unemployment
18 rate at the time of certification for the most recent calendar year is greater than the state
19 average for that same year, the wage threshold is 90% of the average weekly wage as
20 derived from the Quarterly Census of Employment and Wages. "Qualified Pine Tree
21 Development Zone employees" does not include employees shifted to a qualified
22 business activity from a nonqualified activity of the qualified Pine Tree Development
23 Zone business or an affiliated business. The commissioner shall determine whether a
24 shifting of employees has occurred.

25 **Sec. 2. 30-A MRSA §5250-I, sub-§18-A** is enacted to read:

26 **18-A. Quarterly Census of Employment and Wages.** "Quarterly Census of
27 Employment and Wages" means the comprehensive tabulation of employment and wage
28 information for workers produced by the Quarterly Census of Employment and Wages
29 program, a cooperative program involving the federal Department of Labor, Bureau of
30 Labor Statistics and the state employment security agencies.

31 **Sec. 3. 30-A MRSA §5250-I, sub-§23**, as enacted by PL 2009, c. 21, §3, is
32 repealed.

33 **Sec. 4. 30-A MRSA §5250-I, sub-§24**, as enacted by PL 2009, c. 21, §4, is
34 repealed.

35 **Sec. 5. 30-A MRSA §5250-J, sub-§4-A**, as enacted by PL 2009, c. 21, §5, is
36 amended to read:

37 **4-A. Catastrophic occurrence; benefits.** A qualified Pine Tree Development Zone
38 business ~~whose primary purpose is to support the State's working waterfront industry~~
39 may apply for an adjustment of the base level of employment or an extension of its

1 certification period by no more than 2 years, or both, as described in this section, if it
2 meets the following criteria:

- 3 ~~A. It is located on a working waterfront in a Pine Tree Development Zone;~~
4 B. It has sustained at least a 5% loss of employed workers due to a catastrophic
5 occurrence; and
6 C. It has appropriate infrastructure and zoning or other land use regulations in place.

7 For the purposes of this section and calculation of Pine Tree Development Zone benefits
8 in section 5250-I, subsection 14, the base level of employment may be adjusted to mean
9 25% of the average number of employees of that business over the 3 months immediately
10 preceding the catastrophic occurrence. A qualified business must apply for an adjustment
11 of the base level of employment or for an extension of certification in accordance with
12 this subsection within 16 24 months of the catastrophic occurrence. Applications pursuant
13 to this subsection must be received by August 1, 2011. To apply for an extension of
14 certification, the qualified business shall submit a written request for an extension to the
15 department, which may, after consultation with the Governor, grant the extension of
16 certification.

17 **Sec. 6. 36 MRSA §6753, sub-§12**, as amended by PL 2009, c. 434, §82, is
18 further amended to read:

19 **12. Qualified employee.** "Qualified employee" means a new, full-time employee
20 hired in this State by a qualified business, for whom a retirement program subject to the
21 Employee Retirement Income Security Act of 1974, 29 United States Code, Chapter 18
22 ~~and group health insurance are~~ is provided, and whose income derived from employment
23 with the applicant, calculated on a calendar year basis, is greater than the ~~most recent~~
24 ~~annual per capita personal income in the county in which the qualified employee is~~
25 ~~employed~~ average weekly wage for the most recent available calendar year as derived
26 from the Quarterly Census of Employment and Wages and provided annually by the
27 Department of Labor, as long as Maine income tax withholding attributed to the qualified
28 employee is subject to reimbursement to the qualified business under this chapter.
29 "Qualified employee" does not include an employee who is shifted to a qualified business
30 from an affiliated business. The commissioner shall determine whether a shifting of
31 employees has occurred. The calculation of the average weekly wage must include data
32 from the counties of Androscoggin, Aroostook, Franklin, Hancock, Kennebec, Knox,
33 Lincoln, Oxford, Penobscot, Piscataquis, Sagadahoc, Somerset, Waldo and Washington.
34 In a county where the average annual unemployment rate at the time of certification for
35 the most recent calendar year is greater than the state average for that same year, the
36 wage threshold is 90% of the average weekly wage as derived from the Quarterly Census
37 of Employment and Wages. "Quarterly Census of Employment and Wages" means the
38 comprehensive tabulation of employment and wage information for workers produced by
39 the Quarterly Census of Employment and Wages program, a cooperative program
40 involving the federal Department of Labor, Bureau of Labor Statistics and the state
41 employment security agencies.

1

SUMMARY

2 This bill makes the following changes to the laws governing Pine Tree Development
3 Zones.

4 1. Current law authorizes Pine Tree Development Zone businesses whose primary
5 purpose is to support the State's working waterfront to apply for adjustments based on a
6 catastrophic occurrence. This bill eliminates the restriction that the business be within the
7 working waterfront industry, and allows such affected businesses to apply for an
8 extension of their certification period of up to 2 years. This bill authorizes the
9 Department of Economic and Community Development, after consultation with the
10 Governor, to grant extensions of certification.

11 2. Current law defines a qualified Pine Tree Development Zone employee as an
12 employee for whom group health insurance is provided. This bill eliminates the
13 requirement that group health insurance be provided.

14 3. Current law defines a qualified Pine Tree Development Zone employee as one
15 whose income is greater than the most recent annual per capita personal income in the
16 county in which the qualified employee is employed. Under this bill, the income of a
17 qualified employee is greater than the average weekly wage for the most recent calendar
18 year as derived from the Quarterly Census of Employment and Wages. The calculation
19 of the average weekly wage must include data from the counties of Androscoggin,
20 Aroostook, Franklin, Hancock, Kennebec, Knox, Lincoln, Oxford, Penobscot,
21 Piscataquis, Sagadahoc, Somerset, Waldo and Washington.

22 4. It amends the laws governing employment tax increment financing reimbursement
23 to reflect the revised definition of "qualified employee" under the Pine Tree Development
24 Zone laws.