

Good morning Sen. Rotundo, Rep. Sachs and Members of the Committee on Joint Standing Committee on Appropriations and Financial Affairs. My name is Linda Caprara. I am Vice President of Advocacy for the Maine State Chamber of Commerce and I am a resident of Winthrop. We are testifying in strong support of the provisions relating to the Pine Tree Development Zone Program in the biennial budget bill L.D. 258, that extend the program by 5 years and thank Governor Mills for this proposal.

The PTDZ program is one of Maine's primary economic development programs that has helped to grow Maine's economy and continues to do so. Since its enactment, the PTDZ program has made a significant contribution to the level of investment we have seen here in Maine. It has clearly met its intent to improve economic development in the state.

DECD reported as of in 2021:

- In 2021, over 141 businesses were certified in the PTDZ program,**
- these companies have a combined payroll well over \$283 million**
- Average wage of PTDZ employee was \$59,067**
- Total qualified investment from 2018-2020 is \$1,182,745,854 is associated with the PTDZ Program**

- If you take into account the multiplier effect, the benefits of this program in terms of jobs and investment are even more impressive.

We feel that the PTDZ program does in fact align nicely with the goals of Maine's Strategic Plan. Those goals are to grow the average wage by 10% to the benefit of all income levels; increase the value of what Maine sells per worker by 10% and attract 75,000 people to Maine's workforce from within and outside the state.

The Legislature has made some changes to the program over the past few years. Changes have included clarifying job creation as the main goal of the program, requiring that companies add at least one new job before qualifying for benefits. We feel that this was appropriate. In addition, a "but for" clause was added to provide some assurance that the program in fact does influence companies decision-making process when they decide to invest in a particular state or location. One could argue that it does or doesn't have anything to do with the investment but it *is* an additional step the business has to adhere to that helps to validate that argument.

Over the years, the Maine Legislature has clearly recognized the importance of the PTDZ program. Originally, the PTDZ program was directed at economically distressed areas of the state. But, in 2009, during the recession, the Legislature voted and the House in particular overwhelmingly voted 142-0 (9 absent) to make available the program to companies across the state. The program expires in December of 2023.

Many people believe that Maine has significant investment dollars and programs available to attract jobs and opportunities to Maine. In fact,

Maine has few incentives on the books to attract investment. Keeping Maine businesses competitive should be number one priority. We feel the PTDZ is one incentive that has worked and the state needs to ensure it's future on a going forward basis. We believe that the PTDZ program will ultimately help the state realize its goal of growing Maines economy. I would be happy to answer any questions.