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Good morning Sen. Curry, Rep. Roberts and Members of the Committee on Innovation, Development, Economic Advancement and Business. My name is Linda Caprara. I represent the Maine State Chamber of Commerce and I am a resident of Winthrop. We are testifying in strong support of L.D. 730, "An Act to Protect Economic Competitiveness in Maine by Extending the End Date for Pine Tree Development Zone Benefits." We would to thank Sen. Daughtry for sponsoring this important bill.

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 2019:

- 180 businesses were currently enrolled in the PTDZ program,
- these companies have over 7,000 employees that were PTDZ eligible, with a combined well over \$380 million in payroll
- Average wage of PTDZ employee was \$52,555
- over \$500 million in qualified investment is associated with the PTDZ Program

Because the PTDZ Program encourages investment, we feel that the PTDZ program does in fact align nicely with the goals of Maine's Strategic Plan. This was noted in OPEGA's most recent interim report on the program. 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. Legislators clearly wanted PTDZ available for use in their districts. In 2018, the Legislature voted to extend the program until December of 2021.

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. This will be crucial over the next few years, given the economic crisis the COVID-19 Pandemic has brought to our economy. I would be happy to answer any questions.