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Public Law
123rd Legislature
First Regular Session

Chapter 434
S.P. 411 - L.D. 1163

**An Act To Implement the Recommendations of
the Office of Program Evaluation and Government
Accountability Regarding Economic Development in Maine**

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

Sec. 1. 5 MRSA §13056-A is enacted to read:

§ 13056-A. Comprehensive evaluation of state investments in economic development

By November 1, 2007, the commissioner shall develop and submit to the Governor and the Legislature a plan for the comprehensive evaluation of state investments in economic development. Beginning February 1, 2009, the commissioner shall submit an annual comprehensive evaluation of state investments in economic development, not to include programs evaluated pursuant to section 13107 or those independent evaluations required by federal programs, to the Governor and the Legislature. The evaluation must:

1. Outcome measures. Establish and report on outcome measures considered appropriate by public and private practitioners inside and outside of this State in the field of economic development;

2. Independent reviewers. Use independent reviewers to assess the effect of economic development activities on the competitiveness of industry sectors in this State; and

3. Recommendations. Include recommendations to the Legislature on existing and proposed state-supported economic development programs and activities to affect economic development in this State.

Sec. 2. 5 MRSA §13056-B is enacted to read:

§ 13056-B. Reporting requirements of recipients of economic development funding

To assist the department in preparing the comprehensive economic development evaluation pursuant to section 13056-A, a recipient of state economic development funding, including general obligation bond proceeds for economic development, shall, in addition to any other reporting requirements required by law, collect, maintain and provide data as requested by the department.

Sec. 3. 5 MRSA §13056-C is enacted to read:

§ 13056-C. Maine Economic Development Evaluation Fund

1. Fund established. The Maine Economic Development Evaluation Fund, referred to in this section as "the fund," is established as a nonlapsing Other Special Revenue Funds account administered by the department for the purposes of funding the comprehensive economic development evaluation required pursuant to section 13056-A.

2. Fund sources. The fund receives money deposited by the Treasurer of State pursuant to this section and any other gift, grant or other source of revenue deposited for funding the comprehensive economic development evaluation required pursuant to section 13056-A.

3. Payments to fund. Notwithstanding section 1585 or any other provision of law, the department shall assess agencies or private entities that receive General Fund appropriations or general obligation bonds for economic development an amount for contribution to the fund that is not to exceed 0.08% of General Fund appropriations received by or general obligation bonds issued to an agency or entity for economic development efforts. Private entities that receive funds from general obligation bonds for economic development efforts shall pay to the Treasurer of State in the fiscal year in which the general obligation bond was issued an assessment amount determined by the department that is not to exceed 0.08% of the proceeds from the bond issue in any fiscal year, which payment must be made from available resources other than bond proceeds. Only those programs that receive \$250,000 or more in economic development appropriations in any fiscal year or those entities that receive funds from a general obligation bond issue of \$250,000 or more for economic development efforts in any fiscal year, as identified and certified by the department and the Office of Fiscal and Program Review, may be assessed pursuant to this subsection. The department shall provide to each agency or private entity an annual budget for the fund and a detailed account of each institution's required assessment. Total payments made pursuant to this section may not exceed \$150,000 in any fiscal year.

Sec. 4. 5 MRSA §13070-O, sub-§1, ¶F, as enacted by PL 1999, c. 768, §5, is amended to read:

F. Provide incentives for a business to meet objectives of the program and, when incentives are provided in anticipation of contractual performance, penalties for a business that does not meet the objectives of the program; and

Sec. 5. 5 MRSA §13070-O, sub-§1, ¶G, as enacted by PL 1999, c. 768, §5, is amended to read:

G. Provide a cost analysis of the program based on at least a 10-year period.;

Sec. 6. 5 MRSA §13070-O, sub-§1, ¶H is enacted to read:

H. Have a clearly defined public purpose;

Sec. 7. 5 MRSA §13070-O, sub-§1, ¶I is enacted to read:

I. In addition to standard data, report performance data specific to its goals and objectives annually to the entity that is assigned to coordinate the State's portfolio of economic development programs; and

Sec. 8. 5 MRSA §13070-O, sub-§1, ¶J is enacted to read:

J. Require that a business that receives benefits under the program have a business statement that includes the requirements of section 13070-J, subsection 2.

Sec. 9. Economic development incentives; statutory duties of Department of Economic and Community Development. By November 1, 2007, the Department of Economic and Community Development shall develop a proposal to amend the statutory definition of "economic development incentive" to provide a comprehensive guide for determining the criteria by which economic development incentives can be evaluated and incorporate the new definition into the statutory roles and responsibilities of the department. The department also shall submit a proposal to define the phrase "all economic assistance programs" in the Maine Revised Statutes, Title 5, section 13070-J, subsection 3, paragraph B. The Joint Standing Committee on Business, Research and Economic Development is authorized to submit legislation regarding the roles and responsibilities of the department to the Second Regular Session of the 123rd Legislature.

Sec. 10. Proposals for expanding the role of Department of Economic and Community Development. Beginning in October 2007, the Joint Standing Committee on Business, Research and Economic Development shall request proposals from the Maine Development Foundation and other nongovernmental entities that could potentially fulfill the role of the State's economic development portfolio coordinator and compare these proposals with any similar proposals submitted by the Department of Economic and Community Development. The joint standing committee is authorized to submit legislation on the creation of a state economic development portfolio coordinator to the Second Regular Session of the 123rd Legislature.

Sec. 11. Performance measures; incentives. By November 1, 2007, the Joint Standing Committee on Business, Research and Economic Development shall consider statutory changes that will increase business compliance, through meaningful incentives and penalties, with the current reporting requirements for beneficiaries of state economic development incentives, as set out in the Maine Revised Statutes, Title 5, section 13070-J, subsection 3. The joint standing committee shall also consider the establishment of a new legislative process for review of all proposed legislation that involves economic development programs that would provide the joint standing committee and the department with a clearly defined review process for these proposals. The joint standing committee is authorized to submit legislation related to the subject matter of this section to the Second Regular Session of the 123rd Legislature. The committee shall perform these duties within authorized interim committee meetings.

Sec. 12. Portfolio of existing state economic development programs. The Commissioner of Economic and Community Development shall work with the Maine Development Foundation to prepare a portfolio of all existing economic development activities that fit within the State's criteria for economic development. For each program included, the portfolio must include the statutory authority for the activity or program, the public purpose as described in statute, the governing agency, the annual General Fund appropriations, the total budget, all intended recipients, a summary of program activities and any existing program evaluation. The commissioner shall submit the portfolio of economic development programs to the Joint Standing Committee on Business, Research and Economic Development by December 15, 2007.

Sec. 13. Appropriations and allocations. The following appropriations and allocations are made.

DEVELOPMENT FOUNDATION, MAINE

Development Foundation 0198

Initiative: Provides one-time funds in fiscal year 2007-08 for the Maine Development Foundation to prepare maps as part of developing a portfolio of all existing economic development activities that fit within the State's criteria for economic development.

GENERAL FUND	2007-08	2008-09
All Other	\$20,000	\$0
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GENERAL FUND TOTAL	\$20,000	\$0
DEVELOPMENT FOUNDATION, MAINE DEPARTMENT TOTALS	2007-08	2008-09
GENERAL FUND	\$20,000	\$0
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DEPARTMENT TOTAL - ALL FUNDS	\$20,000	\$0

ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF

Maine Economic Development Evaluation Fund N030

Initiative: Allocates funds for a comprehensive economic development evaluation.

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
All Other	\$150,000	\$150,000
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OTHER SPECIAL REVENUE FUNDS TOTAL	\$150,000	\$150,000
ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF DEPARTMENT TOTALS	2007-08	2008-09
OTHER SPECIAL REVENUE FUNDS	\$150,000	\$150,000
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DEPARTMENT TOTAL - ALL FUNDS	\$150,000	\$150,000
SECTION TOTALS	2007-08	2008-09
GENERAL FUND	\$20,000	\$0
OTHER SPECIAL REVENUE FUNDS	\$150,000	\$150,000

SECTION TOTAL - ALL FUNDS

\$170,000

\$150,000

Effective September 20, 2007