

## SUBCHAPTER 4

### PINE TREE DEVELOPMENT ZONES

#### §5250-H. Findings and declaration of necessity

**1. Legislative finding.** The Legislature finds that there is a need to encourage development in economically distressed areas of the State in order to:

- A. Provide new employment opportunities; [PL 2003, c. 688, Pt. D, §2 (NEW).]
- B. Improve existing employment opportunities; [PL 2003, c. 688, Pt. D, §2 (NEW).]
- C. Improve and broaden the tax base; and [PL 2003, c. 688, Pt. D, §2 (NEW).]
- D. Improve the general economy of the State. [PL 2003, c. 688, Pt. D, §2 (NEW).]

[PL 2003, c. 688, Pt. D, §2 (NEW).]

**2. Authorization.** For the reasons set out in subsection 1, a unit of local government, or 2 or more cooperating units of local government, may develop a program for improving a district within its collective boundaries:

- A. To provide impetus for targeted business development; [PL 2003, c. 688, Pt. D, §2 (NEW).]
- B. To increase employment; and [PL 2003, c. 688, Pt. D, §2 (NEW).]
- C. To provide the facilities outlined in the development program adopted by the participating units of local government. [PL 2003, c. 688, Pt. D, §2 (NEW).]

[PL 2003, c. 688, Pt. D, §2 (NEW).]

**3. Declaration of public purpose.** The Legislature declares that the actions required to assist the implementation of these development programs are a public purpose and that the execution and financing of these programs are a public purpose.

[PL 2003, c. 688, Pt. D, §2 (NEW).]

#### SECTION HISTORY

PL 2003, c. 688, §D2 (NEW).

#### §5250-I. Definitions

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 2003, c. 688, Pt. D, §2 (NEW).]

**1. Affiliated business.** "Affiliated business" means a member of a group of 2 or more businesses in which more than 50% of the voting stock of each member corporation or more than 50% of the ownership interest in a business other than a corporation is directly or indirectly owned by a common owner or owners, either corporate or noncorporate, or by one or more of the member businesses.

[PL 2003, c. 688, Pt. D, §2 (NEW).]

**2. Applicant.**

[PL 2009, c. 461, §2 (RP).]

**3. Average employment during base period.** "Average employment during the base period" for a business means the total number of employees of that business as of each March 31st, June 30th, September 30th and December 31st of the base period, divided by 12.

[PL 2005, c. 351, §1 (AMD).]

**4. Base level of employment.** "Base level of employment" means the greater of either the total employment in the State of a business as of March 31st, June 30th, September 30th and December 31st

of the calendar year immediately preceding the year of the business's application to become a certified Pine Tree Development Zone business divided by 4 or its average employment during the base period. Pursuant to section 5250-J, subsection 4-A, "base level of employment" may be adjusted to mean 25% of the average number of employees of that business over the 3 months immediately preceding the catastrophic occurrence.

Pursuant to section 5250-J, subsection 4-C, "base level of employment" must be adjusted for a qualified business that has more than one location in the State and creates 250 or more jobs at one of these locations, so that the base level of employment is calculated from the location of the significant employment expansion of 250 jobs or more on the basis of that specific location.

[PL 2009, c. 461, §3 (AMD).]

**5. Base period.** "Base period" means the 3 calendar years prior to the year in which a business applies to be certified as a qualified Pine Tree Development Zone business.

[PL 2005, c. 351, §1 (AMD).]

**5-A. Catastrophic occurrence.** "Catastrophic occurrence" means accidental fire, flood, hurricane, windstorm, earthquake or other similar event.

[PL 2009, c. 21, §2 (NEW).]

**5-B. Call center.** "Call center" means a business enterprise that employs 50 or more full-time employees for the purpose of customer service.

[PL 2015, c. 368, §1 (NEW).]

**6. Commissioner.** "Commissioner" means the Commissioner of Economic and Community Development.

[PL 2003, c. 688, Pt. D, §2 (NEW).]

**7. Department.** "Department" means the Department of Economic and Community Development.

[PL 2003, c. 688, Pt. D, §2 (NEW).]

**7-A. Experiential tourism.** "Experiential tourism" means tourism that allows individuals to be active participants in outdoor recreational activities including but not limited to: hiking, camping, birding and other wildlife viewing, nature photography, visits to historical and cultural sites and museums, nature tourism, adventure tourism and ecotourism.

[PL 2007, c. 466, Pt. A, §52 (AMD).]

**8. Financial services.** "Financial services" means services provided by an insurance company subject to taxation under Title 36, chapter 357; a captive insurance company formed or licensed under Title 24-A, chapter 83; a financial institution subject to taxation under Title 36, chapter 819; or a mutual fund service provider.

[PL 2019, c. 401, Pt. C, §2 (AMD).]

**9. Labor market average weekly wage.** "Labor market average weekly wage" means the average weekly wage as published by the Department of Labor for the labor market or markets in which potential qualified Pine Tree Development Zone employees are located for the 12 most recently reported months preceding the date of application.

[PL 2009, c. 461, §4 (AMD).]

**10. Labor market unemployment rate.** "Labor market unemployment rate" means the average unemployment rate as published by the Department of Labor for the labor market or markets in which potential qualified Pine Tree Development Zone employees are located for the 12 most recently reported months preceding the date of application.

[PL 2009, c. 461, §5 (AMD).]

**11. Manufacturing.** "Manufacturing" means:

A. The production of tangible personal property intended to be sold or leased ultimately for final use or consumption; [PL 2009, c. 461, §6 (NEW).]

B. The production of tangible personal property pursuant to a contract with the Federal Government or any agency thereof; or [PL 2009, c. 461, §6 (NEW).]

C. To make, process, convert or transform raw materials, components or parts into finished goods or products for final use or consumption to meet customer expectations or specifications. [PL 2009, c. 461, §6 (NEW).]

[PL 2009, c. 461, §6 (RPR).]

**11-A. Military redevelopment zone.** "Military redevelopment zone" means a specified area within a municipality that is contained within a labor market that includes a military facility that sustained a loss of 400 or more employed workers, if the loss was caused by a federal military facility closure or downsizing, during the 5-year period immediately preceding the time of application for designation as a military redevelopment zone, or is projected to sustain a loss of 400 or more employed workers during the 5-year period immediately following the time of application, and has been designated by the commissioner as a military redevelopment zone under section 5250-J, subsection 3-A.

[PL 2009, c. 461, §7 (AMD).]

**11-B. Mutual fund service provider.** "Mutual fund service provider" means a taxpayer, as defined in Title 36, section 111, subsection 7, subject to tax under Title 36, Part 8 other than a financial institution as defined in Title 36, section 5206-D, subsection 8, that derives more than 50% of its gross income from the direct or indirect provision of management, distribution or administration services to or on behalf of a regulated investment company or from trustees, sponsors and participants of employee benefit plans that have accounts in a regulated investment company.

[PL 2019, c. 401, Pt. C, §3 (NEW).]

**12. Person.**

[PL 2007, c. 627, §1 (RP).]

**13. Pine Tree Development Zone.** "Pine Tree Development Zone" or "zone" means a specified area within the boundaries of the State that has been designated by the commissioner as a Pine Tree Development Zone in accordance with section 5250-J, subsection 3-A or 3-B.

[PL 2009, c. 461, §8 (AMD).]

**14. Pine Tree Development Zone benefits.** "Pine Tree Development Zone benefits" means:

A. The exclusion from the limitations established under section 5223, subsection 3 of tax increment financing districts included within a Pine Tree Development Zone; [PL 2003, c. 688, Pt. D, §2 (NEW).]

B. Expanded employment tax increment financing benefits under Title 36, chapter 917; [PL 2003, c. 688, Pt. D, §2 (NEW).]

C. The sales tax exemption under Title 36, section 1760, subsection 87 and the sales tax reimbursement under Title 36, section 2016; [PL 2005, c. 351, §2 (AMD).]

D. The Pine Tree Development Zone tax credits provided by Title 36, sections 2529 and 5219-W; [PL 2005, c. 351, §2 (AMD).]

E. Discounted rates approved by the Public Utilities Commission, if applicable, and offered by transmission and distribution utilities as authorized under Title 35-A, section 3210-E, subsection 1; and [PL 2009, c. 627, §3 (AMD).]

F. Line extensions and conservation programs approved or authorized under Title 35-A, section 3210-E. [PL 2009, c. 627, §4 (AMD).]

[PL 2009, c. 627, §§3, 4 (AMD).]

**15. Production.**

[PL 2007, c. 627, §2 (RP).]

**16. Qualified business activity.** "Qualified business activity" means a business activity that is conducted within a Pine Tree Development Zone and is directly related to financial services, manufacturing or a targeted technology business for which the business receives a letter of certification from the commissioner pursuant to section 5250-O.

[PL 2017, c. 440, §1 (AMD).]

**17. Qualified Pine Tree Development Zone business.** "Qualified Pine Tree Development Zone business" or "qualified business" means any for-profit business in this State engaged in or that will engage in financial services, manufacturing or a targeted technology business that has added or will add at least one qualified Pine Tree Development Zone employee above its base level of employment in this State and that meets the following criteria:

A. It demonstrates that the establishment or expansion of operations within the Pine Tree Development Zone would not occur within the State absent the availability of the Pine Tree Development Zone benefits and provides, at a minimum, a signed and notarized statement to this effect. The department shall determine whether the business has met the requirements of this paragraph; and [PL 2017, c. 440, §2 (AMD).]

B. It has received a letter of certification as a qualified business pursuant to section 5250-O. [PL 2017, c. 440, §2 (AMD).]  
[PL 2017, c. 440, §2 (AMD).]

**18. Qualified Pine Tree Development Zone employees.** Except for employees in call centers in Aroostook and Washington counties, "qualified Pine Tree Development Zone employees" means new, full-time employees hired in this State by a qualified Pine Tree Development Zone business for work directly in one or more qualified business activities for whom a retirement program subject to the Employee Retirement Income Security Act of 1974, 29 United States Code, Sections 101 to 1461, as amended, and group health insurance are provided and whose income derived from employment within the Pine Tree Development Zone, calculated on a calendar year basis, is greater than the most recent annual per capita personal income in the county in which the qualified employee is employed. "Qualified Pine Tree Development Zone employees" does not include employees shifted to a qualified business activity from a nonqualified activity of the qualified Pine Tree Development Zone business or an affiliated business. The commissioner shall determine whether a shifting of employees has occurred.

For employees in call centers in Aroostook and Washington counties, "qualified Pine Tree Development Zone employees" means new, full-time employees hired in this State by a qualified Pine Tree Development Zone business for work directly in one or more qualified business activities for whom a retirement program subject to the Employee Retirement Income Security Act of 1974, 29 United States Code, Sections 101 to 1461, as amended, and group health insurance are provided and whose income derived from employment within the Pine Tree Development Zone, calculated on a weekly basis, is greater than the average weekly wage for the most recent available calendar year as derived from the quarterly census of employment and wages and provided annually by the Department of Labor. The calculation of the average weekly wage must include data from the counties of Androscoggin, Aroostook, Franklin, Hancock, Kennebec, Knox, Lincoln, Oxford, Penobscot, Piscataquis, Sagadahoc, Somerset, Waldo and Washington. Notwithstanding this subsection, with respect to employees in call centers in Aroostook and Washington counties, in a county in which the average annual unemployment rate at the time of certification for the most recent calendar year is greater than the state average for the same year, the wage threshold is 90% of the average weekly wage as derived from the quarterly census of employment and wages. Notwithstanding this subsection, with respect to a call center in Aroostook or Washington county and upon approval of the commissioner, a qualified business located in a county in which the average annual unemployment rate at the time of

certification for the most recent calendar year is greater than the state average for that same year qualifies for a phase-in of salary threshold requirements. A qualified business under this provision must meet 70% of the average weekly wage as derived from the quarterly census of employment and wages in the first year of certification, 80% of the average weekly wage as derived from the quarterly census of employment and wages in the 2nd year of certification and 90% of the average weekly wage as derived from the quarterly census of employment and wages in all following years of certification. Failure to meet any of these requirements results in automatic revocation of certification. "Qualified Pine Tree Development Zone employees" does not include employees shifted to a qualified business activity from a nonqualified activity of the qualified Pine Tree Development Zone business or an affiliated business. The commissioner shall determine whether a shifting of employees has occurred. [PL 2015, c. 368, §2 (AMD).]

**18-A. Quarterly census of employment and wages.** "Quarterly census of employment and wages" means the comprehensive tabulation of employment and wage information for workers produced by the quarterly census of employment and wages program, a cooperative program involving the federal Department of Labor, Bureau of Labor Statistics and the state employment security agencies. [PL 2015, c. 368, §3 (NEW).]

**19. State average weekly wage.** "State average weekly wage" means the average weekly wage as published by the Department of Labor for the State as a whole for the 12 most recently reported months preceding the date of application. [PL 2009, c. 461, §9 (AMD).]

**20. State unemployment rate.** "State unemployment rate" means the average unemployment rate published by the Department of Labor for the State as a whole for the 12 most recently reported months preceding the date of application. [PL 2009, c. 461, §10 (AMD).]

**21. Targeted technology business.** "Targeted technology business" means a business primarily involved in a targeted technology as defined in Title 5, section 15301. [PL 2003, c. 688, Pt. D, §2 (NEW).]

**21-A. Tier 1 location.** "Tier 1 location" means a location designated by the department to be eligible for Pine Tree Development Zone benefits for a period of 10 years. [PL 2009, c. 461, §11 (NEW).]

**21-B. Tier 2 location.** "Tier 2 location" means a location designated by the department to be eligible for Pine Tree Development Zone benefits for a period of 5 years. After the 5 years, all Pine Tree Development Zone benefits expire, except for the expanded employment tax increment financing benefits under Title 36, chapter 917, which must be recalculated at that time to reflect the standard rates under that chapter. [PL 2009, c. 461, §12 (NEW).]

**22. Unit of local government.** "Unit of local government" means a municipality, county, plantation, unorganized territory or Indian tribe. [PL 2003, c. 688, Pt. D, §2 (NEW).]

**23. Working waterfront.** "Working waterfront" means a parcel of land abutting water subject to tidal influence or land located in the intertidal zone that is used primarily or predominantly to provide access to or support the conduct of commercial fishing and marine activities. For purposes of this subsection, "parcel" includes an entire unit of real estate notwithstanding the fact that it is divided by a road, way, railroad or pipeline. [PL 2009, c. 21, §3 (NEW).]

**24. Working waterfront industry.** "Working waterfront industry" means an industry primarily involved in supporting commercial fishing, marine and boat building activities.

[PL 2009, c. 21, §4 (NEW).]

## SECTION HISTORY

PL 2003, c. 688, §D2 (NEW). PL 2005, c. 351, §§1-4 (AMD). PL 2005, c. 351, §26 (AFF). PL 2005, c. 637, §1 (AMD). PL 2005, c. 650, §1 (AMD). PL 2007, c. 466, Pt. A, §52 (AMD). PL 2007, c. 627, §§1, 2 (AMD). PL 2009, c. 21, §§1-4 (AMD). PL 2009, c. 461, §§2-12 (AMD). PL 2009, c. 627, §§2-4 (AMD). PL 2015, c. 368, §§1-3 (AMD). PL 2017, c. 440, §§1, 2 (AMD). PL 2019, c. 401, Pt. C, §§2, 3 (AMD).

### §5250-J. Pine Tree Development Zones

#### 1. Creation.

[PL 2009, c. 461, §13 (RP).]

**2. Requirements for designation.** The commissioner shall adopt rules establishing the minimum requirements for the designation of Pine Tree Development Zones pursuant to subsections 3-A and 3-B.

[PL 2009, c. 461, §14 (AMD).]

#### 2-A. Application for designation as military redevelopment zone.

[PL 2009, c. 461, §15 (RP).]

**3. Limitations.** The designation of Pine Tree Development Zones is subject to the following limitations:

A. [PL 2009, c. 461, §16 (RP).]

B. [PL 2009, c. 461, §16 (RP).]

C. Pine Tree Development Zone benefits may not be used to encourage or facilitate the transfer of existing positions or property of a qualified business or affiliated businesses to a qualified business activity from a nonqualified activity elsewhere in the State; [PL 2005, c. 351, §5 (AMD); PL 2005, c. 351, §26 (AFF).]

D. Pine Tree Development Zone benefits may not be provided based upon any property, employees or positions transferred by the business or affiliated businesses to a qualified business activity from a nonqualified activity; and [PL 2009, c. 461, §16 (AMD).]

E. [PL 2005, c. 351, §5 (RP); PL 2005, c. 351, §26 (AFF).]

F. One or more qualified Pine Tree Development Zone business activities must be a permissible activity in the Pine Tree Development Zone. [PL 2009, c. 461, §16 (AMD).]

G. [PL 2009, c. 461, §16 (RP).]

H. [PL 2009, c. 461, §16 (RP).]

[PL 2009, c. 461, §16 (AMD).]

**3-A. Pine Tree Development Zone classification; tier 1 locations.** Beginning January 1, 2009, the department shall classify the following on an annual basis as tier 1 locations:

A. From January 1, 2009 to December 31, 2009, all units of local government; [PL 2009, c. 652, Pt. D, §1 (AMD); PL 2009, c. 652, Pt. D, §2 (AFF).]

B. Beginning January 1, 2010, a unit of local government that is contained in a county other than Cumberland County or York County, as well as a unit of local government that is contained in Cumberland County or York County with a municipal unemployment rate that is 15% higher than its labor market unemployment rate, based upon data published by the Department of Labor from the last completed calendar year; [PL 2009, c. 652, Pt. D, §1 (AMD); PL 2009, c. 652, Pt. D, §2 (AFF).]

C. A unit of local government that has been designated by the department as a participating municipality in the Pine Tree Development Zone program as of December 31, 2008; [PL 2009, c. 652, Pt. D, §1 (NEW); PL 2009, c. 652, Pt. D, §2 (AFF).]

D. Property within a military redevelopment zone as long as the property is classified by the department no later than December 31, 2018; [PL 2015, c. 336, §1 (AMD).]

E. Washington County, the Downeast region and the City of Sanford, including 3 pilot projects to be established by the commissioner:

(1) A pilot project for the property of the former Cutler naval computer and telecommunications station and a pilot project for the City of Sanford, which may be excluded from the qualified business definitions established under section 5250-I, subsections 16 and 17 if a for-profit business is engaged in, or will engage in, tourism development including recreational tourism, experiential tourism, hotel development and theme park resort facility development; and

(2) A pilot project that allows seasonal employees in seasonal industries based on natural resources to be considered qualified Pine Tree Development Zone employees for the purposes of section 5250-I, subsection 18; and [PL 2015, c. 336, §1 (AMD).]

F. Beginning January 1, 2016, the Town of Berwick in York County. [PL 2015, c. 336, §2 (NEW).]

[PL 2015, c. 336, §§1, 2 (AMD).]

**3-B. Pine Tree Development Zone classification; tier 2 locations.** Beginning January 1, 2010, the department shall classify the following units of local government on an annual basis as tier 2 locations:

A. All units of local government contained in Cumberland County or York County that are not classified as tier 1 locations pursuant to subsection 3-A. [PL 2009, c. 461, §18 (NEW).]

[PL 2009, c. 461, §18 (NEW).]

#### **4. Application.**

[PL 2009, c. 461, §19 (RP).]

**4-A. Catastrophic occurrence; benefits.** A qualified Pine Tree Development Zone business whose primary purpose is to support the State's working waterfront industry may apply for an adjustment of the base level of employment as described in this section, if it meets the following criteria:

A. It is located on a working waterfront in a Pine Tree Development Zone; [PL 2009, c. 21, §5 (NEW).]

B. It has sustained at least a 5% loss of employed workers due to a catastrophic occurrence; and [PL 2009, c. 21, §5 (NEW).]

C. It has appropriate infrastructure and zoning or other land use regulations in place. [PL 2009, c. 21, §5 (NEW).]

For the purposes of this section and calculation of Pine Tree Development Zone benefits in section 5250-I, subsection 14, the base level of employment may be adjusted to mean 25% of the average number of employees of that business over the 3 months immediately preceding the catastrophic occurrence. A qualified business must apply for an adjustment of the base level of employment within 16 months of the catastrophic occurrence. Applications pursuant to this subsection must be received by August 1, 2011.

[PL 2009, c. 21, §5 (NEW).]

#### **4-B. Pine Tree Development Zone Reserve Fund established.**

[PL 2011, c. 655, Pt. L, §2 (RP).]

**4-C. Significant employment expansion; Pine Tree Development Zone benefits.** A qualified Pine Tree Development Zone business that expands its employment at one of its locations in the State may apply for an adjustment of the base level of employment if it:

- A. Has more than one location in the State; [PL 2009, c. 461, §21 (NEW).]
- B. Creates 250 or more jobs at one location; [PL 2009, c. 461, §21 (NEW).]
- C. Maintains its total employment in the State above 50% of its growth at the location of the employment expansion; and [PL 2009, c. 461, §21 (NEW).]
- D. Has appropriate infrastructure and zoning or other land use regulations in place. [PL 2009, c. 461, §21 (NEW).]

For purposes of this section and calculation of Pine Tree Development Zone benefits in section 5250-I, subsection 14, the base level of employment must be calculated from the location where the business produces significant employment expansion of 250 jobs or more. The department shall determine on an annual basis if the business has produced significant employment expansion. If the department determines that the business does not meet the requirements of this section and its total employment in the State falls below 50% of its growth at this location of expansion, the business may not receive the adjustment pursuant to this section and the department shall calculate the base level of employment pursuant to section 5250-I, subsection 4.

[PL 2009, c. 461, §21 (NEW).]

**5. Termination.** A qualified Pine Tree Development Zone business located in a tier 1 location may not be certified under this subchapter after December 31, 2021, and a qualified Pine Tree Development Zone business located in a tier 2 location may not be certified under this subchapter after December 31, 2013. All Pine Tree Development Zone benefits provided under this subchapter are terminated on December 31, 2031.

[PL 2017, c. 440, §3 (AMD).]

#### SECTION HISTORY

PL 2003, c. 688, §D2 (NEW). PL 2005, c. 351, §5 (AMD). PL 2005, c. 351, §26 (AFF). PL 2005, c. 451, §1 (AMD). PL 2005, c. 637, §2 (AMD). PL 2005, c. 650, §§2-6 (AMD). PL 2005, c. 669, §1 (AMD). PL 2007, c. 466, Pt. A, §53 (AMD). PL 2009, c. 21, §5 (AMD). PL 2009, c. 461, §§13-22 (AMD). PL 2009, c. 652, Pt. D, §1 (AMD). PL 2009, c. 652, Pt. D, §2 (AFF). PL 2011, c. 655, Pt. L, §2 (AMD). PL 2015, c. 336, §§1, 2 (AMD). PL 2017, c. 440, §3 (AMD).

#### §5250-K. Procedure

**(REPEALED)**

#### SECTION HISTORY

PL 2003, c. 688, §D2 (NEW). PL 2005, c. 351, §6 (AMD). PL 2005, c. 351, §26 (AFF). PL 2009, c. 461, §23 (RP).

#### §5250-L. Selection criteria

**(REPEALED)**

#### SECTION HISTORY

PL 2003, c. 688, §D2 (NEW). PL 2009, c. 461, §24 (RP).

#### §5250-M. Program administration; rules

The commissioner shall administer this subchapter. The commissioner shall adopt rules pursuant to the Maine Administrative Procedure Act for implementation of Pine Tree Development Zones, including, but not limited to, rules for determining and certifying eligibility, selecting zones for designation and evaluating on a periodic basis the progress and success of each zone in achieving its



goals. Rules adopted under this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. [PL 2003, c. 688, Pt. D, §2 (NEW).]

#### SECTION HISTORY

PL 2003, c. 688, §D2 (NEW).

#### **§5250-N. Unorganized territory**

For the purposes of this subchapter, a county may act as a municipality for the unorganized territory within the county and may designate development districts within the unorganized territory. When a county acts under this section, the county commissioners act as the municipality and as the municipal legislative body, the State Tax Assessor acts as the municipal assessor and the unorganized territory education and services fund receives the funds designated for the municipal general fund. [PL 2003, c. 688, Pt. D, §2 (NEW).]

#### SECTION HISTORY

PL 2003, c. 688, §D2 (NEW).

#### **§5250-O. Certification of qualified business**

A business may apply to the commissioner for certification as a qualified Pine Tree Development Zone business. Upon review and determination by the commissioner that a business is a qualified Pine Tree Development Zone business, the commissioner shall issue a letter of certification to the business that includes a description of the qualified business activity for which the letter is being issued. Prior to issuing a letter of certification, the commissioner must find that the business activity will not result in a substantial detriment to existing businesses in the State. In order to make this determination, the commissioner shall consider those factors the commissioner determines necessary to measure and evaluate the effect of the proposed business activity on existing businesses, including whether any adverse economic effect of the proposed business activity on existing businesses is outweighed by the contribution to the economic well-being of the State. The commissioner shall provide a copy of the letter of certification to the State Tax Assessor. [PL 2019, c. 343, Pt. III, §8 (AMD).]

The commissioner shall issue a certificate of qualification to a qualified Pine Tree Development Zone business after the commissioner has verified that the business has added at least one qualified Pine Tree Development Zone employee above its base level of employment. This verification may be obtained in such manner as the commissioner may prescribe. The commissioner shall provide a copy of the certificate of qualification to the State Tax Assessor. [PL 2017, c. 440, §4 (NEW).]

#### SECTION HISTORY

PL 2003, c. 688, §D2 (NEW). PL 2007, c. 263, §1 (AMD). PL 2017, c. 440, §4 (AMD). PL 2019, c. 343, Pt. III, §8 (AMD).

#### **§5250-P. Annual reporting; evaluation**

**1. Annual reports.** A qualified Pine Tree Development Zone business, the State Tax Assessor and the commissioner each shall report annually in accordance with this subsection.

A. On or before April 15th annually, beginning in 2019, a qualified Pine Tree Development Zone business shall file a report with the commissioner for the immediately preceding calendar year, referred to in this subsection as "the report year," that contains the following information with such additional information and on forms as the commissioner may require:

- (1) The total number of Maine employees and total salary and wages for those employees for the report year;
- (2) The total number of qualified Pine Tree Development Zone employees and total salary and wages for those employees for the report year;

- (3) The number of qualified Pine Tree Development Zone employees hired within the report year;
- (4) The amount of investments made during the report year at the qualified Pine Tree Development Zone business location or directly related to the qualified business activity; and
- (5) In aggregate, the estimated or total value of Pine Tree Development Zone benefits received or claimed in the report year. [PL 2017, c. 440, §5 (NEW).]

B. On or before October 1st annually, beginning in 2019, the State Tax Assessor shall report to the commissioner and to the joint standing committees of the Legislature having jurisdiction over taxation and economic development matters the aggregate revenue loss to the State for the most recently completed state fiscal year resulting from Pine Tree Development Zone benefits under section 5250-I, subsection 14, paragraphs B, C and D. [PL 2017, c. 440, §5 (NEW).]

C. On or before June 1st annually, beginning in 2019, the commissioner shall report to the joint standing committees of the Legislature having jurisdiction over taxation and economic development matters information on qualified Pine Tree Development Zone businesses, including, but not limited to:

- (1) The names of qualified Pine Tree Development Zone businesses for the report year;
- (2) The estimated or total aggregate amount of Pine Tree Development Zone benefits received by qualified Pine Tree Development Zone businesses in the report year; and
- (3) Aggregate information for each of the most recent 3 report years on:
  - (a) Employment levels for all Maine employees and for qualified Pine Tree Development Zone employees and associated salary and wages for both groups of employees;
  - (b) Average annual salary and wages and access to health insurance and retirement benefits for all Maine employees and for qualified Pine Tree Development Zone employees; and
  - (c) Amount of investment associated with the qualified Pine Tree Development Zone business locations or directly related to the qualified business activities. [PL 2017, c. 440, §5 (NEW).]

[PL 2017, c. 440, §5 (NEW).]

**2. Evaluation; specific public policy objective; performance measures.** The Pine Tree Development Zone program established by this subchapter is subject to ongoing legislative review in accordance with Title 3, chapter 37. In developing evaluation parameters to perform the review, the Office of Program Evaluation and Government Accountability, the Legislature's government oversight committee and the joint standing committee of the Legislature having jurisdiction over taxation matters shall consider:

A. That the specific public policy objective of the Pine Tree Development Zone program established by this subchapter is to create and retain quality jobs in this State by reducing the tax burden experienced by businesses and thereby making this State's business tax burden more comparable to other states, encouraging location and expansion of businesses in this State and improving the competitiveness of this State's businesses; and [PL 2017, c. 440, §5 (NEW).]

B. Performance measures, including:

- (1) Change in employment levels of qualified Pine Tree Development Zone employees;
- (2) Amount of investment directly related to a qualified business activity;
- (3) Comparison of business tax burden in this State to other states;
- (4) Comparison of other cost burdens in this State to other states;

- (5) Comparison of the amount of public incentives received from the Pine Tree Development Zone program to the amount of public incentives received from other incentive programs in the State;
- (6) Measures of industry competitiveness for businesses receiving Pine Tree Development Zone benefits;
- (7) Measures of fiscal impact and overall economic impact to the State; and
- (8) Other measures as may be relevant to the evaluation of program outcomes. [PL 2017, c. 440, §5 (NEW).]

The Office of Program Evaluation and Government Accountability shall provide a report of its evaluation of the Pine Tree Development Zone program established by this subchapter in accordance with Title 3, section 999 and shall also provide this report to the joint standing committee of the Legislature having jurisdiction over economic development matters, which may report out a bill to the Legislature in response to the report's recommendations.

[PL 2019, c. 305, §1 (AMD).]

#### SECTION HISTORY

PL 2003, c. 688, §D2 (NEW). PL 2017, c. 440, §5 (RPR). PL 2019, c. 305, §1 (AMD).

### SUBCHAPTER 5

#### PINE TREE RECREATION ZONE

##### §5250-Q. Pine Tree Recreation Zone

**1. Definitions.** As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.

A. "Qualified project" means a business project that meets the criteria set forth in subsection 4 conducted by a qualified industry. [PL 2005, c. 555, §1 (NEW); PL 2005, c. 555, §3 (AFF).]

B. "Qualified industry" means a for-profit corporation, limited liability company, partnership, registered limited liability partnership, sole proprietorship, business trust or any other entity, inside or outside the State, that is engaged in or will engage in a qualified project. [PL 2005, c. 555, §1 (NEW); PL 2005, c. 555, §3 (AFF).]

[PL 2005, c. 555, §1 (NEW); PL 2005, c. 555, §3 (AFF).]

**2. Establishment.** The Pine Tree Recreation Zone is established to expand recreational opportunities and encourage tourism and economic development in areas adjacent to and located within the State's natural resources in the central and northern regions of the State.

[PL 2005, c. 555, §1 (NEW); PL 2005, c. 555, §3 (AFF).]

**3. Designation of zone.** The Pine Tree Recreation Zone is that area of the State that is north and east of the Androscoggin River.

[PL 2005, c. 555, §1 (NEW); PL 2005, c. 555, §3 (AFF).]

**4. Project eligibility.** A business project is eligible to qualify for Pine Tree Recreation Zone benefits if the project:

A. Is located within the Pine Tree Recreation Zone and is in a labor market area with a population density of less than 30 people per square mile according to the last Federal Decennial Census; and [PL 2005, c. 555, §1 (NEW); PL 2005, c. 555, §3 (AFF).]

B. Derives at least 50% of its business from sustainable recreational or agricultural tourism activities that involve the use of available natural resources and provides at least one of the following services:

- (1) Accommodations;
- (2) Guiding or instructional services; and
- (3) The sale or rental of equipment for use in canoeing, kayaking, hunting, fishing, sailing, whitewater rafting, hiking, wildlife photography, snowmobiling, dog sledding, snowshoeing, downhill or cross-country skiing, camping activities or other similar nature-based tourism activities. [PL 2005, c. 555, §1 (NEW); PL 2005, c. 555, §3 (AFF).]

[PL 2005, c. 555, §1 (NEW); PL 2005, c. 555, §3 (AFF).]

**5. Administration; rules.** The Commissioner of Economic and Community Development shall administer this subchapter and shall adopt rules for the implementation of this subchapter. Rules adopted under this subsection are major substantive rules as defined in Title 5, chapter 375, subchapter 2-A. The commissioner is authorized to adopt rules setting forth the process by which qualified projects may apply for funding from grants and loans, including loans administered by the Finance Authority of Maine through its economic recovery loan program.

[PL 2005, c. 555, §1 (NEW); PL 2005, c. 555, §3 (AFF).]

#### SECTION HISTORY

PL 2005, c. 555, §1 (NEW). PL 2005, c. 555, §3 (AFF).

### SUBCHAPTER 6

#### PINE TREE DEVELOPMENT ZONE EXCEPTIONS

##### §5250-R. Definitions

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 2007, c. 240, Pt. QQQQ, §1 (NEW).]

**1. Commissioner.** "Commissioner" means the Commissioner of Economic and Community Development.

[PL 2007, c. 240, Pt. QQQQ, §1 (NEW).]

**2. Department.** "Department" means the Department of Economic and Community Development.

[PL 2007, c. 240, Pt. QQQQ, §1 (NEW).]

**3. Manufacturing.** "Manufacturing" has the same meaning as in section 5250-I, subsection 11.

[PL 2007, c. 240, Pt. QQQQ, §1 (NEW).]

**4. Pine Tree Development Zone.** "Pine Tree Development Zone" has the same meaning as in section 5250-I, subsection 13.

[PL 2007, c. 240, Pt. QQQQ, §1 (NEW).]

**5. Pine Tree Development Zone benefits.** "Pine Tree Development Zone benefits" has the same meaning as in section 5250-I, subsection 14.

[PL 2007, c. 240, Pt. QQQQ, §1 (NEW).]

#### SECTION HISTORY

PL 2007, c. 240, Pt. QQQQ, §1 (NEW).

##### §5250-S. Exceptions for manufacturing businesses

**1. Expansion by manufacturing business.** The commissioner may certify a business that does not otherwise qualify as a qualified Pine Tree Development Zone business pursuant to section 5250-I, subsection 17 or that does not locate in a Pine Tree Development Zone as qualified to receive Pine Tree Development Zone benefits if the business:

A. Is a for-profit business that has been engaged in the business of manufacturing in the State for at least 3 years; [PL 2007, c. 240, Pt. QQQQ, §1 (NEW).]

B. Makes a written commitment to expand its business at one of its current locations in the State by adding at the location of expansion a minimum of 4 net new, full-time employees for whom a retirement program subject to the federal Employee Retirement Income Security Act of 1974, 29 United States Code, Sections 1001 to 1461, as amended, and group health coverage are provided and whose income derived from employment at the business's location of expansion, calculated on a calendar-year basis, is greater than the most recent annual per capita personal income in the county in which the employee is employed; and [PL 2007, c. 468, §1 (AMD).]

C. Makes a written commitment to invest a minimum of \$225,000 in its expansion at one of its current locations. [PL 2007, c. 468, §2 (AMD).]

[PL 2007, c. 468, §§1, 2 (AMD).]

**2. Application for tax benefits.** A manufacturing business may apply to the commissioner for certification to receive Pine Tree Development Zone benefits pursuant to subsection 1. An application must include, but is not limited to, a detailed narrative description of the manufacturing business's plans for expansion and goals for achieving the requirements listed under subsection 1 and a description of resources to be committed at the location of expansion, including a related timeline for achieving these goals. Upon review and determination by the commissioner that the business satisfies the criteria under subsection 1, the commissioner shall issue a certificate to the manufacturing business for qualification for Pine Tree Development Zone benefits. [PL 2007, c. 240, Pt. QQQQ, §1 (NEW).]

**3. Sunset.** Applications for Pine Tree Development Zone benefits under this subchapter must be received by the commissioner by December 1, 2009. [PL 2007, c. 240, Pt. QQQQ, §1 (NEW).]

#### SECTION HISTORY

PL 2007, c. 240, Pt. QQQQ, §1 (NEW). PL 2007, c. 468, §§1, 2 (AMD).

#### §5250-T. Rules

The department shall adopt rules to implement this subchapter. Rules adopted pursuant to this section are routine technical rules as defined by Title 5, chapter 375, subchapter 2-A. [PL 2007, c. 240, Pt. QQQQ, §1 (NEW).]

#### SECTION HISTORY

PL 2007, c. 240, Pt. QQQQ, §1 (NEW).

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