

OFFICE OF FISCAL AND PROGRAM REVIEW

Date: April 1, 2013
To: Members, Joint Standing Committee on Taxation
From: Elizabeth Cooper, Legislative Analyst
Re: Final Amendment Review – LD 278

An amendment and fiscal note for LD 278 are attached for your review.

LD 278, "An Act To Provide Greater Access to Capital for Certain Businesses Through Advance Payment of Employment Tax Increment Financing Benefits"

The Committee voted on March 8, 2013, with unanimous report of OTPA.

- The amendment replaces the bill and allows the assignment of claims under the BETR program and ETIF program to the Finance Authority of Maine as collateral for loans.
- The fiscal note indicates a minor cost increase to the General Fund and that additional administrative costs for FAME and Maine Revenue Services can be absorbed within existing resources.

Please let me know if you have any questions or concerns about this amendment.

Date: (Filing No. S-)

TAXATION

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE
SENATE
126TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT " " to S.P. 111, L.D. 278, Bill, "An Act To Provide Greater Access to Capital for Certain Businesses Through Advance Payment of Employment Tax Increment Financing Benefits"

Amend the bill by striking out the title and substituting the following:

'An Act To Provide Greater Access to Capital for Certain Businesses through Assignment of Benefits under the Business Equipment Tax Reimbursement Program and the Maine Employment Tax Increment Financing Program'

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. 36 MRSA §191, sub-§2, ¶AA, as amended by PL 2003, c. 668, §9 and affected by §12, is further amended to read:

AA. The disclosure by employees of the bureau to designated representatives of the Finance Authority of Maine necessary for the administration of section 6656, subsection 3 and section 6758, subsection 4 and of information required to ensure that recipients of certain benefits under Title 20-A, chapter 417-E are eligible to receive such benefits;

Sec. 2. 36 MRSA §6656, sub-§3 is enacted to read:

3. Assignment of reimbursement payments. A claimant may assign its right to payments under this chapter to secure a loan from the Finance Authority of Maine, and such an assignment, notwithstanding any contrary provision of law, ~~is~~ a legally valid assignment binding upon the claimant and its successors in interest. Upon notice of such an assignment given to the assessor by the Finance Authority of Maine and written confirmation of such an assignment signed by the claimant, the assessor shall pay to the Finance Authority of Maine any payments due to the claimant pursuant to this chapter and assigned to the Finance Authority of Maine until the Finance Authority of Maine notifies the assessor that the assignment has been released.

Sec. 3. 36 MRSA §6758, sub-§4 is enacted to read:

COMMITTEE AMENDMENT

1 **4. Assignment of payments.** A qualified business may assign its right to payments
2 under this chapter to secure a loan from the Finance Authority of Maine, and such an
3 assignment, notwithstanding any contrary provision of law, is a legally valid assignment
4 binding upon the qualified business and its successors in interest. Upon notice of such an
5 assignment given to the assessor by the Finance Authority of Maine and written
6 confirmation of such an assignment signed by the qualified business, the assessor shall
7 pay to the Finance Authority of Maine any payments due to the qualified business
8 pursuant to this chapter and assigned to the Finance Authority of Maine until the Finance
9 Authority of Maine notifies the assessor that the assignment has been released.'

10 **SUMMARY**

11 This amendment allows the assignment of certain claims for payment under the
12 Business Equipment Tax Reimbursement program and Employment Tax Increment
13 Financing Program to the Finance Authority of Maine in order to secure loans from the
14 Finance Authority of Maine. It also permits the State Tax Assessor to make payments
15 directly to the Finance Authority of Maine in such circumstances and to disclose
16 otherwise protected taxpayer information to the Finance Authority of Maine necessary for
17 the administration of the assignment and payment of the claims.

18 **FISCAL NOTE REQUIRED**

19 **(See attached)**



126th MAINE LEGISLATURE

LD 278

LR 491(02)

**An Act To Provide Greater Access to Capital for Certain Businesses Through Advance Payment of
Employment Tax Increment Financing Benefits**

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - General Fund

Minor cost increase - Other Funds

Fiscal Detail and Notes

Additional costs to the Finance Authority of Maine and Maine Revenue Services to implement the requirements of this legislation can be absorbed within existing budgeted resources.