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REP. CHUCK KRUGER, HOUSE CHAIR

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SEN. DAVID C. BURNS
SEN. PAUL T. DAVIS, SR.
SEN. BILL DIAMOND
SEN. STAN GERZOFSKY
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REP. RICHARD H. CAMPBELL
REP. ROBERT S. DUCHESNE
REP. ANNE-MARIE MASTRACCIO
REP. DEBORAH J. SANDERSON

**MAINE STATE LEGISLATURE
GOVERNMENT OVERSIGHT COMMITTEE**

MEETING SUMMARY

August 18, 2016

Accepted September 15, 2016

CALL TO ORDER

The Chair, Senator Katz, called the Government Oversight Committee to order at 9:32 a.m. in the Cross Office Building.

ATTENDANCE

Senators:	Sen. Katz, Sen. Johnson, Sen. Burns, Sen. Diamond and Sen. Gerzofsky Absent: Sen. Davis
Representatives:	Rep. Kruger, Rep. Campbell, Rep. Duchesne, Rep. Mastraccio and Rep. Sanderson Absent: Rep. McClellan
Legislative Officers and Staff:	Beth Ashcroft, Director of OPEGA Jennifer Henderson, Senior Analyst, OPEGA Etta Connors, Adm. Secretary, OPEGA
Agency Officers and Staff Providing Information to the Committee:	Timothy Schneider, Public Advocate Kiera Finucane, Consumer Advisor, Office of Public Advocate
Others Providing Information To the Committee	Ryan Neale, Program Director, Maine Development Foundation

INTRODUCTION OF GOVERNMENT OVERSIGHT COMMITTEE MEMBERS

The members of the Government Oversight Committee introduced themselves for the benefit of the listening audience.

SUMMARY OF THE JULY 21, 2016 GOC MEETING

The Meeting Summary of July 21, 2016 was accepted as written.

Chair Katz asked if there was objection to taking items out of order. Hearing none he moved to **Unfinished Business, Report Backs and Follow-up on Prior OPEGA Reports, Public Utilities Commission.**

UNFINISHED BUSINESS

• Report Backs and Follow-up on Prior OPEGA Reports

- Public Utilities Commission

› Current status of the position the Office of Public Advocate created to assist consumers

Chair Katz reminded everyone that OPEGA's past review of the PUC focused on public access issues with respect to the PUC. As a result of that review the Committee and the Legislature recommended the Office of the Public Advocate (OPA) adopt a Consumer Advisor position to assist pro se litigants and interested parties to navigate through the PUC's complicated process when participating in a case. Though the legislation was vetoed, OPA created the position anyway. The Chair recognized Mr. Schneider and Ms. Finucane to the meeting.

Mr. Schneider and Ms. Finucane summarized their letter describing the current status of the Consumer Advisor Position the Legislature created in OPA and Options for participation in a case at the PUC. (The two documents are attached to the Meeting Summary.)

Mr. Schneider noted that OPA saw that there was value to the Consumer Advisor position and they were able to create that position within existing funds because of staff transitions. He said that legislation creating the position in statute, like all the other OPA positions, was vetoed but the Governor issued a financial order creating the position so the Office was able to hire the Advisor position in October 2014.

The GOC's questions and comments included:

Chair Kruger asked how many active cases, on average, are in front of the PUC that OPA was involved with, noting he was aware that OPA was also helping people with cases that have not come before the PUC yet.

Mr. Schneider said in an average year OPA participates in about 75 to 80 cases and the average PUC case lasts about one to two years. At any given time, they are involved with 40 to 50 cases and are monitoring between 10 and 20 cases at the Federal Regulatory Commission. OPA keeps track of what is going on in New England regarding the average Maine consumer's electric rate. Mr. Schneider said during the 127th Legislature OPA testified on about ninety bills.

Rep. Campbell asked how frequently did a legislator have a good idea and the legislation becomes a good utility or energy bill.

Mr. Schneider said one of the challenges in bringing utility-related legislation is that it is not an area that most legislators have experience in and because utility laws are unfamiliar the mechanism chosen is often not the right one.

Rep. Campbell said it appears there is a lot of push back by the utilities and he asked how much influence they had on the legislation proposed, legislation that may be working in other states but it does not happen here because of the dynamic tensions in the Committee.

Mr. Schneider said the vast majority of bills that come before the Energy, Utilities and Technology (EUT) Committee do not make it out of Committee, although he would not subscribe that just to that Committee. He noted that of the ninety bills OPA testified on they probably testified in support of the legislation in less than 20 bills.

Rep. Campbell said everyone says electricity cost in Maine is exorbitant compared to the rest of the nation and if nothing gets into or out of the Committee, even though they are good ideas, how do you get to lower energy costs?

Mr. Schneider said in general the bills that come before the EUT Committee would result in increasing energy costs not reducing them. As a practical matter, he said most of the time people want to use rate payer funds to do something that the system is not currently doing and very little of what the Committee looks at would lower electricity costs. He said it is OPA's job to try to make electricity rates low and stable, but said many issues cannot be achieved at the State level and requires working in collaboration with other New England States at the regional or federal level. He did note that there are a lot of forces that are pushing to make electricity rates higher so for all the folks who say electricity rates should be lower, there are a lot of people with their hand out trying to make electricity rates higher for one reason or another.

Sen. Burns thinks the work OPA is doing is extremely important to the public. He asked if OPA was able to work with legislators who want to bring a bill forward.

Mr. Schneider said OPA works with legislators on their bills all the time and prefers to look at a bill before it gets to the Committee because often times they can spot the issues and focus the conversation at the Committee.

Sen. Burns thought that was information that would be very helpful for new legislators. Rep. Campbell agreed.

Mr. Schneider said OPA aims for a resolution for all the calls they receive and follows through to make sure customers get a satisfactory response. He thinks the feedback they receive from consumers reflects their efforts.

Ms. Finucane gave the example of a call received recently where the person had no broadband internet service on their road and was told by Time Warner Cable that it would cost \$3,000 to run the lines up the 600 foot driveway. Ms. Finucane reached out to Time Warner and was told Time Warner talked with their engineers and they could do the work and the fee would be waived. She said it was a nice resolution.

Sen. Johnson said he has had the help of OPA in explaining to a group of consumers about power, liability, how to participate in a meeting with the utilities and making sure that everyone knew what the process available to them was, what their rights were and what OPA's role is. He said it was very effective and he wanted to commend OPA for that.

Chair Katz referred to OPA assisting people in the litigation process and asked how many times that has happened, how often do they get calls and how many cases require OPA's participation.

Ms. Finucane believed they have helped someone at the Commission in ten specific cases. She said there have been a number of other processes where they have helped dozens of people figure out how to participate in the processes, but she has not had to accompany them to a hearing. She said there have been ten cases where she had to attend hearings and case conferences to help people understand what the process is and when the right time is to ask their questions.

Sen. Diamond said he has an active group in one of his communities concerned about the meters and asked if they, as a group, should contact OPA or has the issue been resolved.

Mr. Schneider said OPA is always happy to talk with people so if they want to call, or go in, one of the attorneys can answer their questions directly. He said regarding opting out of Smart Meters, the Commission made a decision two years ago and the Law Court recently upheld that decision. So as a legal matter before the Commission, he believes that is done, although depending on their specific issue that might be an opportunity to raise a separate issue.

Sen. Diamond noted that it could be changed through legislation. Mr. Schneider said that was correct and that the PUC is not bound by its own decision, they could change their mind themselves.

Mr. Schneider said, as someone who is relatively new to State government, it was great to see this process work. A problem was identified and solutions were implemented to have it work. He said OPA is more effective with the addition of Ms. Finucane and they are providing something that consumers needed and the GOC had identified as a need. He said if legislators have a constituent who has utility concerns please refer them to OPA. When he became the Public Advocate, he said no one knew there was a public advocate so hopes everyone continued to spread the word.

Sen. Burns noted that the rural areas in Maine have difficulty with broadband service and it is hard to explain to consumers why they do not have internet services in so many places. He asked if that was an appropriate subject to bring to OPA.

Mr. Schneider said as a result of the ConnectME Authority's most recent strategic planning, OPA now receives all those calls. They track and report those calls so have a good picture of where consumers are having problems with internet service. He said rural area service was one of the biggest priorities for him personally and OPA generally is trying to solve this problem, particularly since they have seen a steady trend to deregulation of telephone service. He said OPA would be happy to talk with Senator Burns about OPA's collaboration with a lot of other people to try to make that better.

Director Ashcroft said she appreciated the Public Advocate and OPA's willingness to take on the solution that the GOC/OPEGA came up with and what a good job OPA did in implementing the recommendation.

The Committee thanked Mr. Schneider and Ms. Finucane for the information they provided.

NEW BUSINESS

• Review and Consideration of Changes to Tax Expenditure Programs From the 127th Legislature

Director Ashcroft reminded the Committee that they went through the Tax Expenditure Programs last fall. Under the statute that was created setting up the Tax Expenditure Review process, there is a role for the GOC that has to be fulfilled by October 1st every year with regard to the current population of tax expenditures that might be reviewed and the schedule of reviews that are going to take place going forward, i.e. the six year schedule.

Director Ashcroft said she will need approval from the GOC before October 1st for the classification of the tax expenditure programs, as well as the schedule. She said some things occurred over the 127th Legislature that impacted what OPEGA initially had for a population of tax expenditures that were subject to review. She noted that OPEGA has woven those repealed programs, or newly enacted programs, into the current classification listing.

• GOC Consideration of OPEGA's Recommendations for Tax Expenditure Review Classification and Schedule as Required by 3 MRSA § 998-3

Director Ashcroft referred members to the 2017 Tax Expenditure Classification document that includes the GOC approved version of the Classification scheme from last year and the changes highlighted in yellow come from legislation that passed in the 127th Legislature. (A copy of the Tax Expenditure Classifications and 2017 Review Schedule are attached to the Meeting Summary.)

Director Ashcroft said what she was looking for from the GOC is ultimately agreement in how OPEGA has categorized any newly enacted programs that are on the list as to whether it needs a full evaluation, an expedited review or no review. Also whether the Committee agrees with the general purpose, or rationale, category that OPEGA put it in.

Director Ashcroft said she was also looking for agreement that the repealed programs should be taken off OPEGA's population list and the schedule if they were something that had been scheduled for a full or expedited review.

The Director noted that the GOC will also be looking at the schedule they approved last year with the changes noted in it and she is looking for their agreement that the programs that were enacted that deserve full evaluation should be added to the schedule in the years where programs with a similar purpose are scheduled to be reviewed. She talked specifically about what is on the schedule for the 2017 year to make sure the Committee is still comfortable with the category of programs that were originally scheduled for review in that year.

Director Ashcroft said statutes require the GOC to do the two above things in consultation with the Taxation Committee. She thought today they could talk about it, she would then reach out to the Taxation Committee to see if they have any areas where they have concerns, or something different they might suggest. She noted that the Taxation Committee will be meeting on August 30th and, although she has not reached out to get on their schedule yet, she thinks that would be a good opportunity for her to review this with the Taxation Committee in order to get immediate feedback so by the GOC's September meeting they will be in a position to approve both before October 1st.

The GOC agreed to remove the Expenditure Programs identified as having been repealed by the 127th Legislature. The GOC agreed with the rationale and review category OPEGA recommended for the newly enacted expenditures.

Ms. Henderson referred to Sen. Johnson's question regarding the ID numbering on page 1 noting that 2 was missing. She believes it was the Job and Investment Tax Credit which initially had been on the schedule for full evaluation this year, but was repealed before OPEGA got started on the 2016 evaluations and scratched from the schedule before going through the most recent exercise.

Director Ashcroft referred to the 2017 Review Schedule for Tax Expenditures and said overall, in terms of workload for OPEGA, what occurred in the 127th Legislature was to repeal three programs that had been slated for full evaluation and to enact four that the GOC/OPEGA have now categorized as full evaluations. The Legislature also enacted one that is scheduled for expedited review and because OPEGA supports the Taxation Committee with that effort OPEGA will be doing some work on that.

The Director noted that there were other bills passed in the 127th Legislature that affected some of the programs, but at this time she did not see anything that would cause them to recommend changing the classifications or rationale categories.

Director Ashcroft talked about the changes on the 2017 Review Schedule that are in red. She said the ones OPEGA is interested in having the GOC look at again are those reviews scheduled for 2017. The GOC had previously voted to add the Maine Capital Investment Credit to the 2017 list. Already on the list were BETE and BETR. The High-technology Investment Tax Credit has been repealed so that will be removed. The Research Expense Tax Credit and New Machinery for Experimental Research are also full reviews scheduled for 2017.

Rep. Mastraccio asked if, given the relatively lower revenue losses estimates, could expedited reviews be done on the Research Expense Tax Credit and New Machinery for Experimental Research Programs instead of full evaluations.

Director Ashcroft said the threshold that had been set originally for no review was \$50,000. She said she is probably going to be at a point where she questions whether that is an appropriate threshold given the workload that OPEGA sees building. She said those tax expenditures are also incentives so to some degree, even though they have a low fiscal impact, OPEGA might be looking at, why aren't we seeing more activity. Not all of them might make sense to get rid of because of the lower fiscal impact. Director Ashcroft noted that both of those Programs are in the research investment area which has been a priority for the State over the years.

Director Ashcroft said OPEGA is hopeful that they will deliver on everything promised on all of the 2016 reviews, but she will soon have to take stock of that and determine whether they can answer all of the objectives on all three with the two resources, plus the Director's time.

Sen. Johnson referred to the BETE Program and the fact that the information resides with the municipalities and that it is the municipalities that are getting a partial reimbursement. He asked if there was detailed information coming up to the State level as to what companies were qualifying and for what reasons.

Director Ashcroft could not recall what level of detailed information comes to the State, but she knows that it is not a listing of the individual property that each business is submitting to the municipality to get exemption for. She cannot remember if it is by company in total, but thinks it might just be total for the municipality.

Rep. Mastraccio said these are programs that take quite a while to get information on and for OPEGA to work that information through imagine how difficult it is for legislators trying to decide what they will do with these programs without any information except for the most rudimentary. She said for prioritizing purposes, if OPEGA could get through the programs with the biggest fiscal impact, the ones they tend to wrestle with, she would be happy. Rep. Mastraccio thought they would know more once OPEGA gets through the three programs they are currently working on now.

Director Ashcroft said they could leave all the programs on the schedule for 2017. The next step before OPEGA gets into those reviews is to put together the Evaluation Parameters for the Committee to approve and once OPEGA has the opportunity to do the research that would have to be done to put that information together they may have a better sense of whether it would be worth trying to move forward with Research Expense Tax Credit, for example, and New Machinery, or whether you could see a reason to put those off for another year. Director Ashcroft said that would give the opportunity to get a better sense of whether they are a complex program or not. She said she thought she would be back to the Committee before the end of the year about whether OPEGA has the effort properly resourced, especially if the Legislature is going to enact new programs every year. The workload is only going to grow and the GOC may want to lengthen the six year schedule.

Director Ashcroft said the GOC may need to consider if they are primarily interested in those tax expenditures that are intended to be incentives, and we let go of trying to review all of the expedited reviews. Even though OPEGA is not doing an evaluation on the expedited reviews, it does take some amount of effort to prepare the information for the Taxation Committee. Director Ashcroft said the Taxation Committee is doing its first process with that information this Interim and maybe once they are done with it this year, the GOC will have a chance to see whether that seems like a valuable process, or whether they could keep completing that process without OPEGA's involvement. She said that is another idea for shifting the resources more towards full evaluations.

• **Proposal on Waiver From the Statutory Reporting Date for the Tax Expenditures Evaluation**

Director Ashcroft said as discussed at a previous meeting, OPEGA noted that the statutory deadline for submitting tax expenditure reports by December 31st was going to result in not having a GOC every other year to present the reports to. She said under OPEGA's statute reports do not become public until they are presented

in a public meeting to the GOC. Director Ashcroft said that causes a problem and even if it didn't, given the nature of what is going to be discussed in the reports, she would not be in favor of putting out a written report into the public domain without having an opportunity to present it to the Committee and provide context, etc.

Director Ashcroft summarized OPEGA's Proposal on Waiving/Revising Statutory Deadlines for Submission of Reports from Full Evaluations of Tax Expenditures and GOC Annual Approval of Full Evaluation Parameters. (A copy is attached to the Meeting Summary.)

Motion: That the Government Oversight Committee agrees and approves OPEGA's Proposal on Waiving/Revising Statutory Deadlines for Submission of Reports from Full Evaluations of Tax Expenditures and GOC Annual Approval of Full Evaluation Parameters. (Motion by Rep. Campbell, second by Chair Kruger, passed unanimous vote 10-0.)

Director Ashcroft noted that OPEGA would propose making those kinds of statutory deadline changes permanently going forward so that they are not in the same situation every couple of years. She thought there were also other changes to statute OPEGA will be asking the GOC to consider putting forward before the end of the year as they identify things over the course of the reviews.

UNFINISHED BUSINESS con't

• Review Status of Open Recommendations From OPEGA's 2006 Report on Economic Development Programs in Maine

- MEGC/MDF's ideas regarding statutory changes and information received from NCSL regarding what other states are doing regarding economic development programs.

Director Ashcroft reminded the Committee they were working toward legislation that the GOC would introduce to the next Legislature with the purpose being to improve the effectiveness and efficiency of evaluations of economic development programs currently being conducted by DECD. She said as part of that, the GOC has talked about what the objectives for the review should be, the timing, how often, where is the money coming from, etc. The Committee has legislation that is in the works with regard to some of those things. She said the GOC talked about the objectives of what an evaluation should include, and the need for some foundation like a State economic strategy, or plan, against which to be evaluating the programs. The Director noted that has been a recommendation from DECD's evaluator in the last two rounds of evaluations they have done.

Director Ashcroft said at the last GOC meeting there had been discussions with the Maine Development Foundation (MDF) and the Maine Economic Growth Council (MEGC) which appears to be the statutorily assigned organization responsible for developing such a plan for the State. MDF/MEGC expressed their willingness to take on that task. Currently the GOC is engaged in discussions of what would that look like, whether there are any other additional changes to statute with regard to MEGC's responsibilities or authorities that might need to be made, what additional resources might be needed and are there other statutory things that need to be done.

Director Ashcroft noted that the GOC asked her to do some research with NCSL regarding what other states might have in their statutes, or what they might have for their economic development plans. She referred to the summary of Examples of Other States with Statutory Requirements for an Economic Development Strategy or Plan she had prepared. (A copy is attached to the Meeting Summary.)

Director Ashcroft said MDF and MEGC have also started thinking about what additional resources would be needed and if they saw any statutory changes that would be needed to make this happen more efficiently. She noted that Mr. Neale was at the meeting and might want to speak to that.

Mr. Neale said MDF has taken a preliminary look at the task and gave Director Ashcroft a few rough estimates about the cost for the work of creating an economic development plan. He said they would want to look at what models other States have to give them an idea of what the Committee has in mind and what could be most helpful. He said that would really help flush out the timeframe and the funding levels that would be involved.

Chair Katz thinks the GOC will be discussing the economic development plan in great detail at their September meeting.

Rep. Mastraccio said you would want to look at the states that were being the most successful in economic development and then correlate that with their plan and what they are doing. She said even though something cost a little bit more money for the State to do, she would want to know that putting a little money up front produces a better product. Rep. Mastraccio thinks Iowa is one of the States that has always stood out to her in terms of how they do economic development. She wanted to make sure that if Maine is going to do this, it is done right.

Mr. Neale agreed and noted that at the last GOC meeting they had a conversation about what MEGC was originally funded at and how that funding has declined over the years and at this point MEGC is operating on a shoestring to produce the Measures of Growth report that they do. He said doing it in a way that would be meaningful and helpful for the Legislature and the State would require significantly more resources and more time. Mr. Neale said in reviewing other states, you should pick out a few models of states who are doing economic development well, have a clear plan, and take a look at the steps they took to get to that plan, who was involved, the process, the stakeholders who were involved in bringing that plan together and how their actual activities matchup to the plan on the table.

Director Ashcroft said she sent NCSL some questions along those lines. She was looking for which States are the forerunners in this area. She has not received a response yet, but will follow-up and share the information with MDF.

Director Ashcroft thought it would be helpful for people to go through the information provided and highlight anything in the other states' statute that they think is a good idea. She noted there are a few of the states that have a requirement about this needing to be submitted to the Governor and the Legislature within certain timeframes and she thought that got to some of the accountability pieces about how to keep it in front of people. It was her intent to go through that and line out things to bring to the Committee's attention, but if the members get a chance to do that as well, or have already done it and get their information to her, she will get that woven into the discussion as well.

Mr. Neale said MEGC's statute is already quite broad so they are falling short on the specificity. They may not need to do exactly what North Carolina did, but thinks in conversation they welcome the opportunity to refine it more. He said at the last meeting there was discussion about a process to report back to the GOC and other committees in the Legislature on the process of developing the plan, the plan itself and then whatever communication MDF can have with the Legislature on a regular basis.

Chair Katz asked if the information Director Ashcroft had provided was the universe of States that have economic development plans or a sample. The Director did not know the answer to that question. The NCSL representative said she would send some examples and the ones Director Ashcroft listed in her Summary were the States that looked like they had something that might be of interest, but it is probably not the whole population.

Chair Katz thought it would be helpful to know how many states do or do not have plans.

Director Ashcroft and Mr. Neale both thought other states may be like Maine in that they have a law to development an economic development plan, but it may not be done, useful or meaningful.

The Committee thanked Mr. Neale for attending the meeting and the information he provided.

- Continued Consideration of Desired Objectives for Statutorily-Required Evaluation of Economic Development Programs (including Research and Development)

Director Ashcroft reminded the Committee that at their last meeting they discussed how many of the objectives they were thinking about for reviews of the economic development programs split the types of objectives that would be more relevant to individual program reviews, like those being done for tax expenditures, versus a more macro level review of the portfolio programs and how the portfolio as a whole is moving them towards a strategy or not. She had asked members of the Committee to begin thinking about the individual program reviews and what they might envision for who would do those, how they would get done, whether it would make sense to try to put them on a schedule like the tax expenditure programs. She said there has been some discussion about whether OPEGA is the best organization to do those so at some point the Committee may want to more fully discuss that. She noted in some of the statutes from other states the responsibility for evaluating falls to the organization who is developing the strategy and plan, and they are required to have established performance measurements as part of the plan. It did not say whether that responsibility to conduct evaluations included the evaluation of individual programs or not. Director Ashcroft said another idea is to use whatever independent evaluator DECD contracts with to do the evaluations and require that a schedule of individual program reviews also get done in addition to the macro level review. The objectives for each of those different types of reviews would need to be defined. Director Ashcroft said she is working toward getting the Committee's ideas about where they want to go so she can weave those into draft legislation for the GOC to review. Also to see what other challenges will need to be discussed along the way.

Rep. Mastraccio asked how much DECD has been weighing in on this subject. Considering it is a pretty big part of the Committee's agenda, she was curious if they have been reaching out or participating.

Director Ashcroft said she has been reaching out to DECD at junctures where there can be a meaningful discussion about how DECD would be impacted by what the GOC is considering. She said the last time she met with them was when she gave the GOC the draft legislation. Since then the GOC has been talking about different ideas for review objectives. Generally DECD was in agreement, when it was talked about before, with the need to add some specificity to the objectives that were desired for an evaluation. Director Ashcroft thinks DECD is on board with that concept. She had previously discussed with DECD the idea of the individual program review which they tried to weave in to their latest rounds of evaluations, but it still is not at the level of what we talked about wanting. She did not think DECD was opposed to the idea of doing individual program reviews, it would be more about how would we accomplish that and how much money would be needed. Director Ashcroft said it is not clear though on DECD's thoughts on whether the different types of evaluations should be split out with OPEGA doing the individual program reviews.

Chair Katz thought the GOC could invite DECD to the next meeting to specifically talk about that. He said if they were going to be evaluating tax expenditures, as well as direct grants, or other money being spent on economic development goals, he did not know why they would not be evaluating those exactly the same way and why you wouldn't use the same evaluator so there would be consistency. He thought OPEGA was the place to be doing that work, particularly because of its nonpartisan nature. He said Administrations continue to change and a change of emphasis with each Administration can color, from a political perspective, how those issues are viewed. There is a need to have a completely objective nonpartisan group like OPEGA do those. He did not think the GOC has had a lot of feedback from DECD on that subject and maybe the Committee could ask them to come to a meeting to discuss.

Sen. Johnson agreed and also saw OPEGA's access to confidential information being valuable in that process as well.

Director Ashcroft asked if it would be helpful to the members of the Committee for her to line out what it might look like for OPEGA in terms of workload and resources if they took the additional reviews on. If

DECD cannot be at the meeting in person to discuss that then she would at least get together with them, or get some feedback, on what their thinking is with regard to splitting this out. She said DECD has been doing a more macro level evaluation that could still continue and this would be a missing piece that has not been getting done in terms of OPEGA's reviews. She asked if she understood correctly that the GOC was talking about OPEGA doing the more individual program reviews, as opposed to the macro level evaluations.

Chair Katz said there was information in the macro report that would not necessarily have to be duplicated if OPEGA were doing it, so when the Director came back with the information on cost this would be one of the questions the GOC can ask DECD. The Director can try to figure out how much money would be saved in DECD that would be able to be spent here. Director Ashcroft said the October GOC meeting might be the better date to receive and discuss that information.

Chair Katz asked if the Director could encourage the Department to be at a meeting because he is sure their answers will lead to further questions.

Director Ashcroft will send a request to the Governor from the Committee requesting that a representative from DECD attend a GOC meeting.

- **Report Backs and Follow-up on Prior OPEGA Reports**

- **Child Development Services**

- › **Responses from Education and Cultural Affairs and Appropriations and Financial Affairs Committee regarding CDS's Annual Report**

Director Ashcroft reminded members that Cindy Brown, Director, CDS was at the last meeting to give an update on CDS and that Director Ashcroft was going to follow-up on the legislative side to see if CDS' Annual Report had been of value. She said she did receive input from the OFPR Analysts that are supporting the AFA and Education and Cultural Affairs Committees, as well as one Chair from each of those Committees. Director Ashcroft said they have been getting the Reports, the Committees themselves have not been using them in any particular way in the Committee setting primarily because there have not been the same issues, questions and budgetary concerns coming up around CDS that there were in the past. Should those issues raise themselves again, having this Report in the format it currently is in would be very helpful. She said aside from that, there are individual Committee members that have interest in the topic that do go through the Report and they generally feel it is helpful to have it available for the Legislature and the public.

Director Ashcroft said there was an observation that CDS is not currently able to report on some of the things that are required by statute and she did not know to what degree that might be solved by the new computer system described at the last meeting by Ms. Brown.

Director Ashcroft thought the Annual Report should run another cycle with the new system and then to reconsider again whether there is any need or opportunity to slim CDS's Report down to ease any administrative burden, although Ms. Brown indicated it might now be significantly easier to put the data needed together.

Sen. Diamond wanted to make sure that CDS did not go away and that there was some kind of process where CDS is brought back before the GOC and there is some discussion as it goes forward. Director Ashcroft said she will make sure it is put on a future agenda for discussion.

REPORT FROM DIRECTOR

• Status of Current Projects in Progress

Director Ashcroft said OPEGA is working on drafting the **NNEPRA** Information Brief which will be presented at the September 15th GOC meeting. **Child Care Licensing** and **State Lottery** are in fieldwork and OPEGA is hoping to have **State Lottery** done for this Committee.

Sen. Gerzofsky asked if the NNEPRA report was going to be a report or the report. Director Ashcroft said it would be a report and the Committee agreed that after having heard the NNEPRA Information Brief and what was in it, they would then have a discussion about whether there was enough information already there to answer questions or whether they wanted OPEGA to proceed further.

Director Ashcroft said the Information Brief OPEGA was going to give the GOC would include what they have learned to date and their observations about challenges, risks, things that ought to be getting thought about. She said that may be sufficient to address what the GOC had for interest and concerns and it is a report the Committee can take action on if they want to. She said it may be the only report if the Committee decides that is the case and, if not, they would be talking about what particular areas they have continued interest in that they want OPEGA to look at further. OPEGA would then continue any work the GOC assigns and put out a final report when that work was done.

NEXT GOC MEETING DATE

The next GOC meeting is scheduled for September 15, 2016 at 9:30 a.m.

ADJOURN

Chair Kruger adjourned the Government Oversight Committee meeting at 11:30 a.m. on the motion of Rep. Campbell, second by Sen. Diamond, unanimous.



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Paul R. LePage
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Timothy R. Schneider
PUBLIC ADVOCATE

August 18, 2016

Senator Katz, Representative Kruger, and Members of the Government Oversight Committee,

This letter describes the current status of the Consumer Advisor position the Legislature created in our Office, based on recommendations developed by OPEGA in their 2013 report on the PUC. As described in greater detail below, we believe creation of this position has directly addressed many of the concerns described in that Report, and has proven beneficial to Maine utility customers.

I. Current Status of the Consumer Advisor Position

- OPA offered to establish position within existing funds in FY 2014-15.
- Governor vetoed bill creating position in second session of the 126th Legislature, but issued financial order to create position.
- Hired Kiera Finucane to fill position in October 2014 after highly competitive application process.
- Bill creating position in statute was also vetoed during first session of the 127th Legislature, but position was included in 2016-17 Biennial Budget.
- OPA will include position in next biennial budget request.

II. Role of the Consumer Advisor

The job description of the Consumer Advisor includes three primary tasks:

- 1) Assist utility ratepayers in participating in proceedings of the Maine Public Utilities Commission;
- 2) Respond to and track consumer complaints and inquiries regarding utility services; and
- 3) Develop and disseminate consumer educational materials concerning utility matters affecting the public interest.

1. Assisting Ratepayers Participating at the Commission

The OPEGA Report described the role of this new position as follows:

The PUC and OPA . . . should consider assigning a staff person(s), or perhaps creating a position, in either the PUC or OPA that is not subject to ex parte communication rules to assist and advise members of the public in navigating the adjudicatory process and various procedures at the PUC. The function of this position would not be to represent or advocate, rather to assist by providing as much guidance as allowable under statute and rules. For example, this consumer-oriented function could actively assist consumers who are involved in cases as parties/intervenors or commenters by explaining how the process works, what rules and laws participants are required to comply with, how to submit evidence, how to communicate effectively with the Commission, and what types of information are helpful or have been effective with the Commission. The person might also be responsible for developing simple brief written materials to educate and provide guidance in these areas and others, such as navigating the Ten-Person complaint process.

We have used this outline as the template for this aspect of the Consumer Advisor's role. In the past year and a half, we have:

- Directly assisted ten active litigants before the Maine PUC, primarily in preparing ten-person complaints and participating in water utility rate cases.
- Developed and distributed written materials describing how to participate before the PUC and how to use the PUC's online filing system to hundreds of others.
- Created templates for common filings, such as interventions, ten-person complaints, and petitions for review of rate filings.
- We are currently finalizing an online guide that will describe the Commission's adjudicatory process in lay terms.

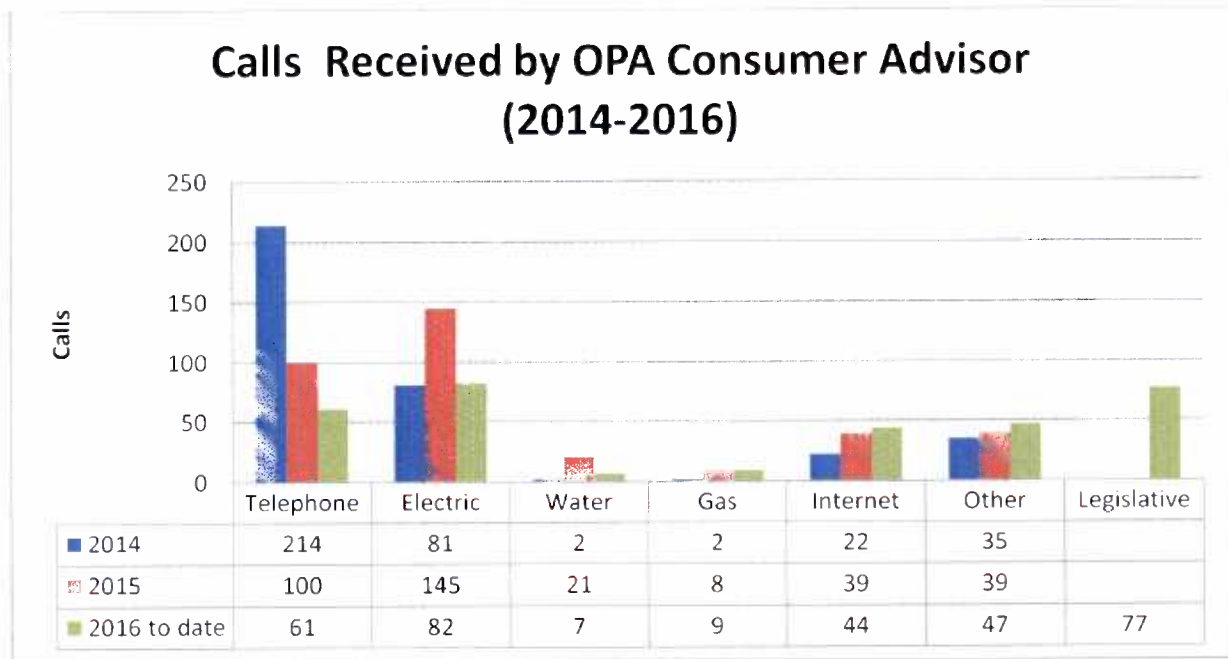
2. Responding to and Tracking Consumer Complaints

The OPEGA Report recommended that:

PUC should establish a structured process and procedure for identifying and addressing common concerns or emerging issues that are within the PUC's jurisdiction, particularly those that fall outside of the CAD's area of responsibility. . . . to enable the agency to systematically identify emerging issues and common concerns. . . . This position could:

- *respond to complaints and concerns outside the CAD's purview;*
- *identify themes based on consumer concerns and raise those issues within PUC; and*
- *follow up with consumers when PUC had decided to act on their complaints.*

Like the first task, prior to the creation of this position some of this work was done by attorneys in the Office of the Public Advocate (in addition to the CAD). As expected, this task consumes most of the Consumer Advisor's time. The chart below summarizes the past three years' work based on our detailed call log.



3. Develop and Disseminate Consumer Information

Consolidating consumer calls in a single position has allowed the OPA to focus and refine our consumer education materials. Over the past two years, the Consumer Advisor has created online tools to assist consumers in shopping for electricity, and improve our Ratewatcher Telecom guide, which helps customers make informed decisions in buying telephone and broadband services. Most recently, the Consumer Advisor has played a central role in helping customers to understand the impact of legislation partially deregulating basic telephone service.

We look forward to answering any further questions you may have.

Respectfully submitted,

Timothy R. Schneider
Public Advocate

Kiera Finucane
Consumer Advisor

Options for participation in a case at the PUC

If you are interested in participating in a case at the Public Utilities Commission, you have several options regarding your involvement. This explanation is intended to help you decide your level of participation. For additional information on completing each option, please visit our website and review the “Litigant Help” tab. Those options are detailed below. Also, you are always welcome to call the Office of the Public Advocate at 624-3687 to discuss these options in greater detail.

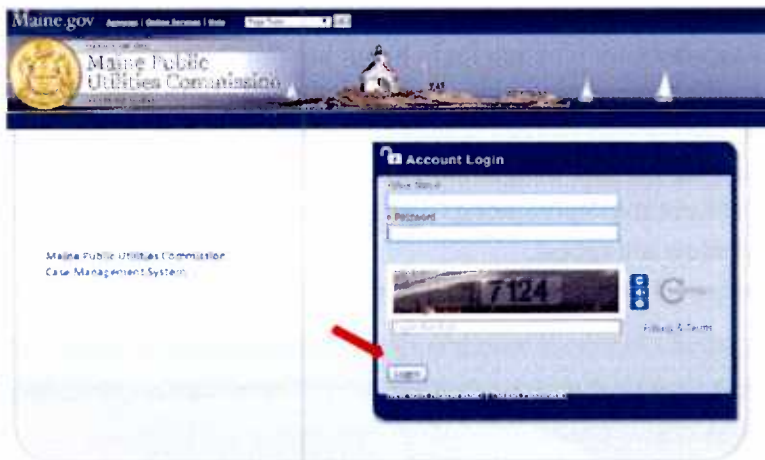
- 1) **Filing a public comment** – Public comment is welcome in any case taking place at the Commission. Written comments are included in the case file and considered by the Hearing Examiners and Commissioners prior to issuing their ruling in a case. However, facts included in these comments cannot be included in the ruling as they are not provided as sworn testimony. You can submit your public comment to the Commission online using the Commission’s Case Management System (CMS), which can be found at the Commission’s website: <http://www.maine.gov/mpuc/online/index.shtml>. In order to submit your comment, you will need to know the docket number of the case before the Commission.
- 2) **Speaking at a public witness hearing** – In a small number of cases, the Commission will hold a public witness hearing in order to allow customers of a utility the opportunity to comment on the case. If such a hearing is scheduled, you may hear about it from the utility. Also, a notice of the hearing is required to be published in a state-wide newspaper seven days prior to the event. At the hearing, individuals have the choice to provide testimony under oath or not. However, statements made that are not under oath will not become as evidence in the record, and therefore cannot be considered in the final ruling. The Hearing Examiner will administer an oath to those wishing to have their statements admitted as evidence in the case and considered by the Commission in its final case ruling.
- 3) **Joining the case notification list** – If a case is of interest and you would like to be informed about developments in the case as it progresses, you can join the case notification list (which is part of the CMS system). This system sends an email alert each time a new document is added to the case file. This includes all orders made by the Commission staff, data-request questions asked by case participants, written transcripts of case conferences, and more. Joining the case-notification list will enable you to follow the case as it progresses. However, because joining the notification list is not the same as becoming an official participant (i.e., a “party”) in the case, you will not be able to appeal a decision made by the Commission..
- 4) **Becoming an active party** – This level of participation is the most active and the most beneficial to someone who has a significant interest in the outcome of a case. To be an official participant (i.e., a “party”) in the case, you will need to file a petition to intervene at the Commission, using the docket number of the case. Once you are admitted as a “party” to the case, you will receive an email notifying you of any new materials that are added to the case file. Active parties can submit data requests to the other parties in the case and can ask questions at hearings or technical conferences as well. As an active party, you can also submit testimony and evidence in the case. Being a party in the case will also enable you to ask the Commission to reconsider its decision, or to file an appeal with the Law Court.

How to create an account on CMS

- 1) Go to the Public Utilities Commission's Content Management Site:
<https://mpuc-cms.maine.gov/CQM.Public.WebUI/ExternalHome.aspx>
- 2) Click the link to sign in to the system:



- 3) Below the Login button, there is a New User Registration link. Click on that to begin your registration.



- 4) A new window will open and ask you to fill out a user profile. All fields with a * are required.

* User ID:
 * Password:
 * First Name:
 Middle Name:
 * Last Name:
 Suffix:

Your Company/Organization:
 Mailing Address:
 Mailing Address Line 2:
 City:
 State:
 Zip Code:
 Phone:
 Fax:
 * Email:

In order to make filings on behalf of any company or organization, you must add the company or organization to the box below by clicking on "Add" and selecting the company(ies) or organization(s) you represent from the pop-up list.

Representing Company/Organization:

Please read the following items carefully. By clicking on the I Agree box below, you attest that you have read and will comply with all of these items.

I agree that the combination of the user login name and the password will serve as my signature for purposes of filings with the Maine Public Utilities Commission. I further agree to protect the security of my password and to immediately notify the Clerk of the Commission's Office as soon as I learn that my password may have been compromised. I agree that service by other entities and by the Commission may be given to me by my fields means.

I Agree

- The User ID will be used each time you log in to the system.
- The password must be 8 characters long. It also must include one uppercase letter, one lowercase letter, one number and one special symbol (e.g. *, #, !, @, \$, %)
- Please fill out the Your Company/Organization field with the word: Self
- You also need to fill out the Representing Company/Organization field. Click the Add link and a new window will appear.
- In the Utility/Company Name field, type N/A and hit the search button.

Search Company - Google Chrome

Search Criteria

Utility/Industry Type	Select	Utility/Industry Subtype	Select
Utility/Company Name	<input type="text"/>	Utility/Company Code	<input type="text"/>

- You should now see the following option appear. Check the box next to Company Name and hit Select again.

Company/Organization

Company Name	Company Code	Utility/Industry Type	Utility/Industry Subtype
<input type="checkbox"/> N/A			

- g. The window allowing you add a company affiliation should now close and return you to the profile creation page. Read the items in the window and check the box indicating that you agree with the items described above.



- h. Directly below the I Agree box, you will see an image with a few randomly generated numbers or letters in it. Retype those characters in the Type the Text box and hit submit.
- 5) Before your registration is completed, you will receive an email from CQMAdministrator@maine.gov with the subject line: User Registration Confirmation. The email will contain a web link that you need to click on to complete the registration process. If you don't see the email appear shortly, please check your junk mail or spam folders for the message.
- 6) After clicking on that link, you will receive a second email from CQMAdministrator@maine.gov with the subject line: Registration Notification. Please keep this message. It will contain your User ID and password as well as the web address for the Maine Public Utilities Commission's Case Management System.

You are now registered with CMS! Congratulations!

If you have any questions or problems when creating your account in the CMS, please contact the Office of the Public Advocate at (207) 624-3687 or the Public Utilities Commission (207) 287-3831 for further assistance.

2017 Tax Expenditure Classifications Re: Review Category

Review Categories: A = Full Evaluation by OPEGA, B = Expedited Review by Taxation Committee, C = No Review

ID #	Rationale	Review Category	Tax Type	Expenditure Type	Expenditure Program Name	Brief Description	FY15 Revenue Loss (estimate)*	Statutory Cite: Title 36
REPEALED by 127th Legislature								
1	Business Incentive	A	Income	Credit	High-Technology Investment Tax Credit	Tax credit for costs of eligible equipment used in certain high technology activities, including the design and production of computer software and equipment, and the provision of Internet and telecommunications services, with limitations. Five year carry forward.	\$1,000,000	5219-M
3	Business Incentive	A	Income	Credit	New Markets Capital Investment Credit	Tax credits of up to 39% of a project's total cost for qualified equity investments in low-income community businesses made via a community development entity, with limitations.	\$5,600,000	5219-HH
4	Business Incentive	A	Sales & Use Income	Credit, Exemption, Reimbursement	Pine Tree Development Zones -Income Tax Credit, Sales Tax Exemption (Electricity & Tangible Personal Property), and Sales & Use Tax Reimbursement (Certain Tangible Personal Property)	Reimbursement of sales & use taxes on certain tangible personal property; exemption from sales taxes on tangible personal property and electricity; and credits for qualified businesses that expand or begin operations in the State (100% of Maine income tax liability is waived for the first 5 years, and 50% for years 6 to 10). Ends in 2028/2029.	E	§2016 §1760.87 §5219-W
5	Business Incentive	A	Income	Credit	Research Expense Tax Credit	Tax credit for qualified research expenses associated with certain technological and experimental research, with limitations. 15 year carry forward.	\$850,000	5219-K
6	Business Incentive	A	Income	Credit	Seed Capital Investment Tax Credit	Tax credit of up to 50% for capital investment in eligible businesses (including manufacturing, value-added natural resource enterprises, export businesses, advanced technology, and visual media production), with limitations.	\$1,653,000	5216-B
7	Business Incentive	A	Income	Credit	Tax Benefits for Media Production Companies	Tax credit (5% of nonwage production expenses, if >\$75,000) and reimbursement (12% of production wages) for certified productions of visual media production companies.	B	5219-Y, 6902
8	Business Incentive	A	Income	Credit	Credit for Rehabilitation of Historic Properties	Income tax credit for expenditures in rehabilitation of certified historic properties, with limitations. Fiscal impact is expected to increase \$1.4 million in FY17 and perhaps more in future years as a result of recently enacted legislation. Tied to federal credit.	\$7,900,000	5219-BB
9	Business Incentive	A	Income	Reimbursement	Employment Tax Increment Financing	Reimbursement to certain businesses of income tax attributed to qualified employees (those receiving a designated level of wages, health and retirement benefits), subject to limitations including unemployment rates in the area; ends in 2028.	\$10,599,000 (includes JTIF)	Chapter 917
10	Business Incentive	B	Income	Reimbursement	Job Increment Financing Fund - Brunswick Naval Air Station	Reimbursement to SMCC and MRRA of income tax attributed to qualified employees (those receiving a designated level of wages, health and retirement benefits) at businesses in the Brunswick Naval Air Station Area.	Included in ETIF total	5 MRSA §13083 S-1 (not in Title 36)
11	Business Incentive	A	Property	Reimbursement	Reimbursement For Business Equipment Tax Exemption to Municipalities (BETE)	Reimbursement to municipalities of revenue losses, with limitations, due to the property tax exemption for qualified business equipment.	\$27,103,362	Chapter 105, subc. 4-C
12	Business Incentive	A	Property	Reimbursement	Reimbursement for Taxes Paid on Certain Business Property (BETR)	Reimbursement of property tax paid on qualified business property, with limitations. FY15 tax loss shows a decrease from prior years resulting from recently enacted legislation.	\$31,080,000	Chapter 915

*FY15 Revenue Loss Estimate Coded: A=\$0-49,000; B=\$50,000-149,000; C=\$250,000-999,000; D=\$1,000,000-2,999,999; E=\$3,000,000-5,999,999; F=\$6,000,000 or more.

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13	Business Incentive	A	Sales & Use	Exemption	New Machinery for Experimental Research	Tax exemption on sales of machinery and equipment for certain research and development activities, and for biotechnology research.	B	1760.32
REPEALED by 127th Legislature for tax years beginning January 1, 2016								
14	Business Incentive	C	Income	Credit	Biofuel Commercial Production and Commercial Use	Tax credit on income derived from biofuel production; equal to 5 cents per gallon of biofuel.	A	5219-X
15	Business Incentive	C	Income	Credit	Super Credit for Substantially Increased Research & Development	Additional tax credit for taxpayers qualifying for the Research Expense Tax Credit (#6) with expenses beyond what is covered under that credit, with certain limitations. Beginning in tax year 2014, except for carry forward amounts this is no longer an active tax credit. Allowable carry forward period is 10 years.	\$2,055,800	5219-L
16	Business Incentive	C	Income	Credit	Maine Fishery Infrastructure Investment Tax Credit	Tax credit for up to 50% of investment in eligible fishery infrastructure projects to benefit the public; requires tax credit certificate from the Department of Inland Fisheries and Wildlife. Per IF&W, credit has not yet been used.	\$135,000	5216-D
17	Business Incentive	C	Income	Credit	Shipbuilding Facility Credit	Tax credit against withholding taxes for owners of shipbuilding facilities with at least 6,500 employees, who invest at least \$200,000,000 related to construction, improvement, modernization or expansion of a 10 acre facility, with limitations.	\$2,968,750	Chapter 919
18	Business Incentive	C	Income	Deduction	Deduction for Contributions to Capital Construction Funds	Deduction for contributions to a capital construction fund for maintenance or replacement of fishing vessels.	A	5122.2.I
ENACTED by 127th Legislature								
NEW	Non-Business Incentive	C	Income	Credit	Credit for Disability Income Protection Plans in the Workplace	Tax credit to employers for employees enrolled in disability income protection plans on or after January 1, 2017.	\$0 in FY17 (\$28,420 in FY18)	5219-NN (Conflict)
19	Non-Business Incentive	A	Income	Credit	Credit for Educational Opportunity	Tax credit for certain educational loan payments made by participants in the Job Creation Through Educational Opportunity Program and their employers; participants must be residents who remain in Maine after obtaining a degree here.	\$5,210,000	5217-D
20	Non-Business Incentive	A	Income	Credit	Credit for Wellness Programs	Tax credit to employers with 20 or fewer employees for expenditures on wellness programs up to \$2,000.	\$318,000	5219-FF
21	Non-Business Incentive	A	Income	Credit	Earned Income Credit	Tax credit equal to 4% of the federal earned income tax credit (EITC) received that year; EITC is a credit for individuals who have earned income under a certain limit.	\$937,000	5219-S
REPEALED by 127th Legislature								
22	Non-Business Incentive	A	Income	Deduction	Deduction For Contributions To IRC 529 Qualified Tuition Plans	Deduction for contributions to qualified tuition programs under Section 529 of the Internal Revenue Code (529 plans) up to \$250 per beneficiary, with income limitations.	\$257,000	5122.2.Y

*FY15 Revenue Loss Estimate Coded: A=\$0-49,000; B=\$50,000-149,000; C=\$250,000-999,000; D=\$1,000,000-2,999,999; E=\$3,000,000-5,999,999; F=\$6,000,000 or more.

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23	Non-Business Incentive	A	Income	Deduction	Deduction for Interest and Dividends on Maine State and Local Securities - Individual Income Tax	Individual income tax deduction for interest or dividends on securities issued by the State and its political subdivisions.	\$120,000	5122.2.N
24	Non-Business Incentive	A	Income	Deduction	Deduction for Interest and Dividends on U.S., Maine State and Local Securities	Corporate income tax deduction for interest or dividends on securities issued by the State and its political subdivisions.	\$320,000	5200-A.2.A, 5200-A.2.K
REPEALED by 127th Legislature								
25	Non-Business Incentive	A	Income	Deduction	Deduction for Premiums Paid for Long-Term Health Care Insurance	Deduction for premiums spent for qualified long-term care insurance contracts.	\$2,001,000	5122.2.L, 5122.2.T
REPEALED by 127th Legislature for tax years beginning January 1, 2016								
26	Non-Business Incentive	C	Income	Credit	Credit for Contributions to Family Development Account Reserve Funds	Tax credit for eligible individuals who contribute to family development accounts, with limitations; these are savings accounts for education, job training, home expenses and other basic necessities.	A	5216-C
27	Non-Business Incentive	C	Income	Credit	Dental Care Access Credit	Tax credit (not to exceed \$12,000 or \$15,000) for a limited number of licensed dentists (five or six) per year who agree to practice in underserved areas of the State for at least 5 years and are certified eligible by the State's Oral Health Program; credit ends in 2020, with certification ending in 2015.	\$162,000	5219-DD
28	Non-Business Incentive	C	Income	Credit	Innovation Finance Credit	Refundable tax credit available to the Maine Public Employees Retirement System for capital losses sustained in the Innovation Finance Program administered by the Finance Authority of Maine, which encourages investment in venture capital funds for innovative Maine businesses. Ends in 2029. Per FAME, this has never been utilized.	up to \$4,000,000	5219-EE
29	Non-Business Incentive	C	Income	Deduction	Deduction for Affordable Housing	Deduction for income resulting from sale of certified multifamily affordable housing properties. Per MaineHousing, this has been used only three times since its enactment.	D	5122.2.Z
REPEALED by 127th Legislature for tax years beginning January 1, 2016								
30	Non-Business Incentive	C	Income	Credit	Credit for Dependent Health Benefits Paid	Tax credit for employers with <5 employees for a portion of dependent health benefits paid for low-income employees under a health benefit plan, with limitations.	A	5219-O
REPEALED by 127th Legislature for tax years beginning January 1, 2016								
31	Non-Business Incentive	C	Income	Credit	Credit for Employer-Assisted Day Care	Tax credit to employers for a portion of their costs to provide day care services to employees.	A	5217
REPEALED by 127th Legislature for tax years beginning January 1, 2016								
32	Non-Business Incentive	C	Income	Credit	Credit for Employer-Provided Long-Term Care Benefits	Tax credit to employers for a portion of their costs to provide long-term care insurance to employees.	A	5217-C
REPEALED by 127th Legislature for tax years beginning January 1, 2016								
33	Non-Business Incentive	C	Income	Credit	Forest Management Planning Income Credits	Tax credit for the cost of developing a forest management and harvest plan for forest land over 10 acres every 10 years; maximum of \$200.	\$70,000	5219-C

*FY15 Revenue Loss Estimate Coded: A=\$0-49,000; B=\$50,000-149,000; C=\$250,000-999,000; D=\$1,000,000-2,999,999; E=\$3,000,000-5,999,999; F=\$6,000,000 or more.

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34	Non-Business Incentive	C	Income	Credit	Quality Child Care Investment Credit	Tax credit for individual or corporate investment in providing quality child care services, with limitations.	A	5219-Q
35	Non-Business Incentive	C	Income	Credit	Primary Care Access Credit	Tax credit for outstanding student loans available to a limited number of primary care medical professionals who agree to practice in underserved areas of the state for at least 5 years, with limitations.	\$22,230	5219-KK
36	Non-Business Incentive	C	Income	Deduction	Deduction for Dentists with Military Pensions	Deduction for military pension benefits received by licensed dentists who work at least 20 hours per week and accept MaineCare patients.	A	5122.2.BB
ENACTED by 127th Legislature								
NEW	Tax Relief	A	Income	Credit	Credit for Modifications to Make Homes Accessible	Tax credit to individuals for a portion of the cost incurred in modifying a home to make it accessible for a person with a disability or physical hardship. Effective for tax years beginning on or after January 1, 2017.	\$0 in FY17 (\$73,500 in FY18)	5219-NN (Conflict)
ENACTED by 127th Legislature								
NEW	Tax Relief	A	Income	Credit	Sales Tax Fairness Credit	Tax credit to provide sales tax relief to low and middle income families.	\$31,849,020 in FY17	5213-A & 5403.5
ENACTED by 127th Legislature								
NEW	Tax Relief	A	Income	Credit	Adult Dependent Care Credit	Tax credit to individuals for a portion of adult dependent care expenses paid including expenses for adult day care, hospice services or respite care.	\$142,500 in FY17	5218-A
37	Tax Relief	A	Income	Credit	Income Tax Credit for Child Care Expense	Tax credit for child and dependent care expenses in the amount of 25% of the federal tax credit; the credit doubles for expenses incurred for quality child care services. Maximum of \$500.	\$3,972,000	5218
38	Tax Relief	A	Income	Deduction	Deduction for Pension Income & IRA Distributions	Deduction for pension benefits received under employee retirement plans and taxable distributions from individual retirement accounts, up to \$10,000.	\$30,300,000	5122.2.M
39	Tax Relief	A	Income	Deduction	Deduction for Social Security Benefits Taxable at Federal Level	Deduction for social security benefits and railroad retirement benefits.	\$57,500,650	5122.2.C
40	Tax Relief	A	Property	Credit	Property Tax Fairness Credit	Property tax credit for Maine residents based on a formula, not to exceed \$600 for those under 65 years of age, or \$900 for those over 65, with income limitations.	\$34,505,000	5219-KK
41	Tax Relief	A	Sales & Use	Exemption	Railroad Track Materials	Tax exemption on sales of railroad track materials for installation on railroad lines within the State.	\$361,000	1760.52
42	Tax Relief	A	Sales & Use	Refund	Refund of Sales Tax on Purchases of Parts and Supplies for Windjammers	Refund of sales tax paid on purchases of parts and supplies for use for operation, repair or maintenance of a windjammer providing commercial cruises.	\$79,800	2020
43	Tax Relief	A	Service Provider	Exemption	Basic Cable & Satellite Television Service	Tax exemption on the sale of the minimum service that can be purchased from a cable or satellite television supplier.	\$4,455,500	2551.2
44	Tax Relief	A	Service Provider	Exemption	Certain Telecommunications Services	Tax exemption on sales of interstate and international telecommunications services.	\$10,678,000	2557.33, 2557.34

*FY15 Revenue Loss Estimate Coded: A=\$0-49,000; B=\$50,000-149,000; C=\$250,000-999,000; D=\$1,000,000-2,999,999; E=\$3,000,000-5,999,999; F=\$6,000,000 or more.

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REPEALED by 127th Legislature for tax years beginning January 1, 2016								
45	Tax Relief	C	Income	Credit	Retirement and Disability Credit	Partial tax credit (20%) of the allowable federal tax credit for those retired on disability or 65 and older with income below \$17,500 (single) or \$25,000 (married).	\$5,000	5219-A
46	Tax Relief	C	Income	Deduction	Deduction for Holocaust Victim Settlement Payments	Deduction for settlement payments received by Holocaust victims.	A	5122.2.O
ENACTED by 127th Legislature								
NEW	Charitable	C	Sales & Use and Service Provider	Exemption	Certain Veterans' Support Organizations	Sales tax and service provider tax exemption to incorporated nonprofit organizations providing direct supportive services to veterans with service-related post-traumatic stress disorder or traumatic brain injury.	\$15,000 - \$17,000 in FY17	1760.98 & 2557.37
ENACTED by 127th Legislature								
NEW	Charitable	C	Sales & Use and Service Provider	Exemption	Nonprofit Library Collaboratives	Sales tax and service provider tax exemption for nonprofit collaboratives of academic, public, school and special libraries.	\$0 in FY17	1760.99 & 2557.38
47	Charitable	B	Sales & Use	Exemption	Construction Contracts with Exempt Organizations	Tax exemption on sales of tangible personal property to contractors for incorporation in real property for sale to any sales tax exempt organization or government agency.	D	1760.61
48	Charitable	B	Service Provider	Exemption	Construction contracts with Exempt Organizations	Tax exemption on sales of fabrication services to contractors for incorporation in real property for sale to any sales tax exempt organization or government agency.	C	2557.31
49	Charitable	B	Sales & Use	Exemption	Sales of Certain Qualified Snowmobile Trail Grooming Equipment	Tax exemption on sales of snowmobile trail grooming equipment to incorporated snowmobile clubs.	\$81,236	1760.90
50	Charitable	B	Other	Exemption	State and Local Government Exemption from the Gasoline Tax	Gasoline Tax exemption for sales to the State or any political subdivision of the State. (Highway Fund)	\$1,957,126	2903.4.C
51	Charitable	B	Other	Exemption	State & Local Government Exemption from the Special Fuel Tax	Special Fuel Tax exemption for sales to the State or any political subdivision of the State. (Highway Fund)	\$2,316,821	3204-A.3
52	Charitable	B	Sales & Use	Exemption	Meals for Residents of Certain Nonprofit Congregate Housing Facilities	Tax exemption on sales of meals to residents of nonprofit church-affiliated congregate housing facilities for the lower-income elderly.	B	1760.6.D
53	Charitable	B	Sales & Use	Exemption	Certain Sales by an Auxiliary Organization of the American Legion	Tax exemption on sales of meals and related items and services by a nonprofit auxiliary organization of the American Legion in connection with a fundraising event, under specified conditions.	B	1760.85
54	Charitable	B	Sales & Use	Exemption	Sales to the State & Political Subdivisions	Tax exemption on sales to the State or federal government or to any political subdivision, agency, or instrumentality of them.	\$171,745,988	1760.2
55	Charitable	B	Sales & Use	Exemption	Meals Served by Public or Private Schools	Tax exemption on sales of meals served by schools and school organizations to students and teachers.	\$11,331,579	1760.6.A
56	Charitable	B	Sales & Use	Exemption	Providing Meals for the Elderly	Tax exemption on sales of meals to nonprofit area agencies on aging to provide meals to the elderly.	\$328,063	1760.6.C
57	Charitable	B	Sales & Use	Exemption	Meals Served by Youth Camps Licensed by DHHS	Tax exemption on sales of meals served by state-licensed youth camps.	C	1760.6.F

*FY15 Revenue Loss Estimate Coded: A=\$0-49,000; B=\$50,000-149,000; C=\$250,000-999,000; D=\$1,000,000-2,999,999; E=\$3,000,000-5,999,999; F=\$6,000,000 or more.

2017 Tax Expenditure Classifications Re: Review Category

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58	Charitable	B	Sales & Use	Exemption	Meals Served by a Retirement Facility to its Residents	Tax exemption on sales of meals served by a retirement facility to its residents under specified conditions.	\$570,950	1760.6.G
59	Charitable	B	Sales & Use	Exemption	Sales to Hospitals, Research Centers, Churches and Schools	Tax exemption on sales to schools, churches, hospitals, certain nonprofit health and human service organizations, certain research organizations, and educational television and radio stations.	F	1760.16
60	Charitable	B	Sales & Use	Exemption	Sales to Certain Nonprofit Residential Child Caring Institutions	Tax exemption on sales to State-licensed private nonprofit residential child caring institutions.	B	1760.18-A
61	Charitable	B	Sales & Use	Exemption	Rental of Living Quarters at Schools	Tax exemption on rental charges for living quarters required for attendance at a school.	E	1760.19
62	Charitable	B	Sales & Use	Exemption	Sales to Ambulance Services & Fire Departments	Tax exemption on sales to nonprofit fire departments, ambulance services, and air ambulance services.	C	1760.26
63	Charitable	B	Sales & Use	Exemption	Sales to Comm. Mental Health, Substance Abuse & Mental Retardation Facilities	Tax exemption on sales to community mental health, adult developmental services and substance abuse services facilities.	B	1760.28
64	Charitable	B	Sales & Use	Exemption	Sales to Historical Societies & Museums	Tax exemption on sales to certain nonprofit memorial foundations, historical societies, and museums.	B	1760.42
65	Charitable	B	Sales & Use	Exemption	Sales to Day Care Centers & Nursery Schools	Tax exemption on sales to licensed nonprofit nursery schools and day care centers.	B	1760.43
66	Charitable	B	Sales & Use	Exemption	Sales to Emergency Shelters & Feeding Organizations	Tax exemption on sales to nonprofit organizations providing free temporary emergency shelter or food to underprivileged individuals.	B	1760.47-A
67	Charitable	B	Sales & Use	Exemption	Sales to Comm. Action Agencies; Child Abuse Councils; Child Advocacy Orgs.	Sales to nonprofit child abuse and neglect prevention councils, certain child advocacy organizations and community action agencies.	C	1760.49
68	Charitable	B	Sales & Use	Exemption	Sales to any Nonprofit Free Libraries	Tax exemption on sales to nonprofit government-funded free public lending libraries, and sales by the library or a nonprofit established to support the library.	B	1760.50
69	Charitable	B	Sales & Use	Exemption	Sales to Nonprofit Youth Athletic & Scouting Organizations	Tax exemption on sales to nonprofit youth organizations whose primary purpose is to provide athletic instruction, and nonprofit scouting organizations.	C	1760.56
70	Charitable	B	Sales & Use	Exemption	Sales by Schools & School-Sponsored Organizations	Tax exemption on sales by schools and school organizations, provided that sales benefit the school, organization, or a charitable purpose.	C	1760.64
71	Charitable	B	Sales & Use	Exemption	Sales to Nonprofit Home Construction Organizations	Tax exemption on sales to nonprofit organizations that construct low-cost housing for low-income people.	B	1760.67
72	Charitable	B	Sales & Use	Exemption	Sales to Nonprofit Housing Development Organizations	Tax exemption on sales to nonprofit organizations whose primary purpose is developing housing for low-income people.	B	1760.72
73	Charitable	B	Sales & Use	Exemption	Returned Merchandise Donated to Charity	Tax exemption on donations of returned merchandise by a retailer to a charitable organization exempt from federal income tax under 501(c)(3).	B	1863
74	Charitable	B	Sales & Use	Exemption	Merchandise Donated from a Retailer's Inventory to Exempt Organizations	Tax exemption on donations of merchandise from inventory by a retailer to an organization exempt from Maine sales tax.	B	1864

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75	Charitable	B	Sales & Use	Exemption	Free Publications	Tax exemption on sales of publications purchased for distribution free of charge and sales of printed materials for inclusion in such publications.	\$1,797,609	1760(14-A)
76	Charitable	B	Service Provider	Exemption	Sales to the State & Political Subdivisions	Tax exemption on sales to the State or federal government or to any political subdivision, agency, or instrumentality of them.	D	2557.2
77	Charitable	B	Service Provider	Exemption	Sales to Hospitals, Research Centers, Churches and Schools	Tax exemption on sales to schools, churches, hospitals, certain incorporated nonprofit health and human service organizations, certain research organizations, and educational television and radio stations.	C	2557.3
78	Charitable	B	Service Provider	Exemption	Sales to Comm. Action Agencies; Child Abuse Councils; Child Advocacy Orgs.	Tax exemption on sales to nonprofit child abuse and neglect prevention councils, certain child advocacy organizations and community action agencies.	B	2557.13
79	Charitable	B	Service Provider	Exemption	Sales to Nonprofit Youth & Scouting Organizations	Tax exemption on sales to nonprofit youth organizations whose primary purpose is to provide athletic instruction, and nonprofit scouting organizations.	B	2557.18
80	Charitable	C	Sales & Use	Exemption	Automobiles Used in Driver Education Programs	Tax exemption on automobile sales to automobile dealers to equip and provide them to schools for driver education programs.	A	1760.21
81	Charitable	C	Sales & Use	Exemption	Automobiles Sold to Certain Disabled Veterans	Tax exemption on sales of automobiles to certain amputee and blind veterans.	A	1760.22
82	Charitable	C	Sales & Use	Exemption	Goods & Services for Seeing Eye Dogs	Tax exemption on sales of tangible personal property and taxable services for the care and maintenance of seeing eye dogs to aid any blind person.	A	1760.35
83	Charitable	C	Sales & Use	Exemption	Sales to Regional Planning Agencies	Tax exemption on sales to regional planning commissions and councils of government.	A	1760.37
84	Charitable	C	Sales & Use	Exemption	Sales to Church Affiliated Residential Homes	Tax exemption on sales to church affiliated nonprofit organizations operating a residential home for adults under charter by the Legislature.	A	1760.44
85	Charitable	C	Sales & Use	Exemption	Sales to Organ. that Provide Residential Facilities for Med. Patients	Tax exemption on sales to nonprofit organizations providing temporary residential accommodations to medical patients and their families.	A	1760.46
86	Charitable	C	Sales & Use	Exemption	Sales to Veterans' Memorial Cemetery Associations	Tax exemption on sales to nonprofit Veterans' Memorial Cemetery Associations.	A	1760.51
87	Charitable	C	Sales & Use	Exemption	Sales to Nonprofit Rescue Operations	Tax exemption on sales to nonprofit volunteer search and rescue organizations.	A	1760.53
88	Charitable	C	Sales & Use	Exemption	Sales to Hospice Organizations	Tax exemption on sales to nonprofit hospice organizations.	A	1760.55
89	Charitable	C	Sales & Use	Exemption	Self-Help Literature on Alcoholism	Tax exemption on sales of self-help literature on alcoholism to alcoholics anonymous groups.	A	1760.57
90	Charitable	C	Sales & Use	Exemption	Portable Classrooms	Tax exemption on sales of tangible personal property to become part of a portable classroom for lease to a school.	A	1760.58
91	Charitable	C	Sales & Use	Exemption	Sales to Certain Nonprofit Educational Orgs.	Tax exemption on sales to State-funded nonprofit educational organizations providing decision making programs about drugs, alcohol and relationships at residential youth camps.	A	1760.59

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92	Charitable	C	Sales & Use	Exemption	Sales to Nonprofit Animal Shelters	Tax exemption on sales to nonprofit animal shelters of tangible personal property used in the operation and maintenance of the shelter and animal care.	A	1760.60
93	Charitable	C	Sales & Use	Exemption	Sales to Certain Charitable Suppliers of Medical Equipment	Tax exemption on sales to nonprofit charitable organizations that lend medical supplies and equipment free of charge.	A	1760.62
94	Charitable	C	Sales & Use	Exemption	Sales to Orgs that Fulfill the Wishes of Children with Life-Threatening Diseases	Tax exemption on sales to nonprofit organizations whose sole purpose is to fulfill the wishes of children with life-threatening diseases.	A	1760.63
95	Charitable	C	Sales & Use	Exemption	Sales to Monasteries and Convents	Tax exemption on sales of tangible personal property to nonprofit monasteries and convents for use in their operation and maintenance.	A	1760.65
96	Charitable	C	Sales & Use	Exemption	Sales to Providers of Certain Support Systems for Single-Parent Families	Tax exemption on sales to nonprofit organizations providing support systems for single-parent families.	A	1760.66
97	Charitable	C	Sales & Use	Exemption	Sales to Orgs that Create & Maintain a Registry of Vietnam Veterans	Tax exemption on sales to nonprofit organizations whose sole purpose is to maintain a registry of Vietnam veterans.	A	1760.69
98	Charitable	C	Sales & Use	Exemption	Sales to Orgs that Provide Certain Services for Hearing-Impaired Persons	Tax exemption on sales to nonprofit organizations whose primary purpose is to promote understanding of hearing impairment and assist hearing-impaired persons.	A	1760.70
99	Charitable	C	Sales & Use	Exemption	Sales to Eye Banks	Tax exemption on sales to nonprofit organizations whose primary purpose is to medically evaluate and distribute eyes for transplantation, research, and education.	A	1760.77
100	Charitable	C	Sales & Use	Exemption	Adaptive Equipment for Handicapped Vehicles	Tax exemption on sales of adaptive equipment used to make a motor vehicle operable or accessible by a person with a disability.	\$59,337	1760(95)
101	Charitable	C	Service Provider	Exemption	Sales to Certain Nonprofit Residential Child Care Institutions	Tax exemption on sales to State-licensed private nonprofit residential child caring institutions.	A	2557.4
102	Charitable	C	Service Provider	Exemption	Sales to Ambulance Services & Fire Departments	Tax exemption on sales to nonprofit fire departments, ambulance services and air ambulance services.	A	2557.5
103	Charitable	C	Service Provider	Exemption	Sales to Comm. Mental Health, Substance Abuse & Mental Retardation Facilities	Tax exemption on sales to community mental health, adult developmental services and substance abuse services facilities.	A	2557.6
104	Charitable	C	Service Provider	Exemption	Sales to Regional Planning Agencies	Tax exemption on sales to Regional Planning Commissions and Councils of Government.	A	2557.7
105	Charitable	C	Service Provider	Exemption	Sales to Historical Societies & Museums	Tax exemption on sales to certain nonprofit memorial foundations, historical societies, and museums.	A	2557.8
106	Charitable	C	Service Provider	Exemption	Sales to Day Care Centers & Nursery Schools	Tax exemption on sales to licensed nonprofit nursery schools and day care centers.	A	2557.9
107	Charitable	C	Service Provider	Exemption	Sales to Church Affiliated Residential Homes	Tax exemption on sales to church affiliated nonprofit organizations operating a residential home for adults under charter by the Legislature.	A	2557.10
108	Charitable	C	Service Provider	Exemption	Sales to Organ. that Provide Residential Facilities for Med. Patients	Tax exemption on sales to nonprofit organizations providing temporary residential accommodations to medical patients and their families.	A	2557.11

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109	Charitable	C	Service Provider	Exemption	Sales to Emergency Shelters & Feeding Organizations	Tax exemption on sales to nonprofit organizations that provide free temporary emergency shelter or food.	A	2557.12
110	Charitable	C	Service Provider	Exemption	Sales to any Nonprofit Free Libraries	Tax exemption on sales to nonprofit government-funded free public lending libraries, and sales by the library or a nonprofit established to support the library.	A	2557.14
111	Charitable	C	Service Provider	Exemption	Sales to Veterans Memorial Cemetery Associations	Tax exemption on sales to nonprofit Veterans' Memorial Cemetery Associations.	A	2557.15
112	Charitable	C	Service Provider	Exemption	Sales to Nonprofit Rescue Operations	Tax exemption on sales to nonprofit volunteer search and rescue organizations.	A	2557.16
113	Charitable	C	Service Provider	Exemption	Sales to Hospice Organizations	Tax exemption on sales to nonprofit hospice organizations.	A	2557.17
114	Charitable	C	Service Provider	Exemption	Sales to Certain Incorporated Nonprofit Educational Orgs.	Tax exemption on sales to State-funded nonprofit educational organizations providing decision making programs about drugs, alcohol and relationships at residential youth camps.	A	2557.19
115	Charitable	C	Service Provider	Exemption	Sales to Certain Charitable Suppliers of Medical Equipment	Tax exemption on sales to nonprofit charitable organizations that lend medical supplies and equipment free of charge.	A	2557.20
116	Charitable	C	Service Provider	Exemption	Sales to Orgs that Fulfill the Wishes of Children with Life-Threatening Diseases	Tax exemption on sales to nonprofit organizations whose sole purpose is to fulfill the wishes of children with life-threatening diseases.	A	2557.21
117	Charitable	C	Service Provider	Exemption	Sales to Providers of Certain Support Systems for Single-Parent Families	Tax exemption on sales to nonprofit organizations providing support systems for single-parent families.	A	2557.22
118	Charitable	C	Service Provider	Exemption	Sales to Nonprofit Home Construction Organizations	Tax exemption on sales to nonprofit organizations that construct low-cost housing for low-income people.	A	2557.23
119	Charitable	C	Service Provider	Exemption	Sales to Orgs that Create & Maintain a Registry of Vietnam Veterans	Tax exemption on sales to nonprofit organizations whose sole purpose is to maintain a registry of Vietnam veterans.	A	2557.24
120	Charitable	C	Service Provider	Exemption	Sales to Orgs that Provide Certain Services for Hearing-Impaired Persons	Tax exemption on sales to nonprofit organizations whose primary purpose is to promote understanding of hearing impairment and assist hearing-impaired persons.	A	2557.25
121	Charitable	C	Service Provider	Exemption	Sales to Nonprofit Housing Development Organizations	Tax exemption on sales to nonprofit organizations whose primary purpose is developing housing for low-income people.	A	2557.27
122	Charitable	C	Service Provider	Exemption	Sales to Eye Banks	Tax exemption on sales to nonprofit organizations whose primary purpose is to medically evaluate and distribute eyes for transplantation, research, and education.	A	2557.28
ENACTED on an ongoing, rather than annually authorized basis, by 127th Legislature								
NEW	Conformity with IRC	A	Income	Credit	Maine Capital Investment Credit	Tax credit for depreciable property placed in service in Maine.	\$11,584,000 in FY17	5219-GG, 5219-JJ, 5219-MM & 5219-NN (Conflict)
123	Conformity with IRC	B	Income	Deduction	Itemized Deductions	Maine generally conforms to itemized deductions allowed by the U.S. Internal Revenue Code with some exceptions.	\$140,094,000	5125

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124	Conformity with IRC	B	Income	Deduction	Sum of All Other Conformity Provisions	Maine generally conforms to exclusions and deduction provisions in the U.S. Internal Revenue Code used to calculate federal adjusted gross income.	\$804 million - \$905 million	Various
125	Tax Fairness	B	Income	Credit	Credit for Income Tax Paid to Other Jurisdiction	Tax credit for residents of income tax paid to another state or jurisdiction, with limitations.	\$48,480,000	5217-A
126	Tax Fairness	B	Income	Deduction	Deduction for Active Duty Military Pay Earned Outside of Maine	Deduction for military pay earned for service performed outside the State.	\$1,972,000	5122.2.LL
127	Tax Fairness	B	Income	Deduction	Deduction for Dividends Received from Nonunitary Affiliates	Deduction for 50% of dividend income received by a business from an affiliated corporation that is not part of the taxpayer's unitary (i.e. central/integrated) business.	\$10,200,000	5200-A.2.G
128	Tax Fairness	B	Other	Exemption	Exemptions of the Real Estate Transfer Tax	Real estate tax exemption for certain types of deeds, including deeds to property transferred to or by governmental entities, and certain transfers of property. (General Fund, H.O.M.E. Fund, Housing and Economic Recovery Fund)	C	4641-C
129	Tax Fairness	B	Other	Refund	Refund of the Gasoline Tax for Off-Highway Use and for Certain Bus Companies	Gasoline Tax refund (except one cent per gallon) for taxes paid on gasoline used in certain off-highway vehicles or in buses primarily offering tax-exempt fares. This gasoline is additionally subjected to Use Tax. (Highway Fund)	\$960,000	2908, 2909
130	Tax Fairness	B	Other	Refund	Refund of the Special Fuel Tax for Off-Highway Use and for Certain Bus Companies	Special Fuel Tax refund (except one cent per gallon) for taxes paid on gasoline used in certain off-highway vehicles or in buses primarily offering tax-exempt fares. This gasoline is additionally subjected to Use Tax. (Highway Fund)	\$4,500,000	3215, 3218
131	Tax Fairness	B	Sales & Use	Exemption	Certain Returnable Containers	Tax exemption on sales of returnable containers when sold with contents at retail, or when resold for refilling.	\$1,365,839	1760.12
132	Tax Fairness	B	Sales & Use	Exemption	Packaging Materials	Tax exemption on sales of packaging materials to businesses engaged in packaging, transporting, shipping, or servicing tangible property.	\$10,773,000	1760.12-A
133	Tax Fairness	B	Sales & Use	Exemption	Certain Loaner Vehicles	Tax exemption on use of a loaner vehicle provided by a new vehicle dealer to a service customer pursuant to warranty.	\$241,956	1760.21-A
134	Tax Fairness	B	Sales & Use	Exemption	Mobile & Modular Homes	Tax exemption on sales of used manufactured housing and sales of new manufactured housing excluding the cost of materials, up to 50% of the sale price.	\$18,271,911	1760.40
135	Tax Fairness	B	Sales & Use	Exemption	Certain Property Purchased Out of State	Tax exemption on sales of certain property purchased and used out of state, including automobiles, snowmobiles, ATVs, aircraft, and property brought into the state for use in a declared state disaster or emergency, subject to certain restrictions.	D	1760.45
136	Tax Fairness	B	Sales & Use	Exemption	Meals & Lodging Provided to Employees	Tax exemption on meals or lodging provided to employees at the place of employment when credited toward the wages of the employees.	\$147,250	1760.75
137	Tax Fairness	B	Sales & Use	Exemption	Trade-In Credits	Tax exemption on trade-in value for property including motor vehicles, watercraft, aircraft, trailers, truck campers, and other equipment, when traded toward the sale price of a similar item.	\$26,739,298	1765

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138	Tax Fairness	B	Sales & Use	Exemption	Motor Vehicle Fuel	Tax exemption on sales of motor fuels on which motor fuel taxes have been paid.	\$125,160,584	1760.8.A
139	Tax Fairness	C	Income	Credit	Credit for Income Tax Paid to Other State by an Estate or Trust	Tax credit for residents of income tax paid on an estate or trust to another state or jurisdiction.	A	5165
140	Tax Fairness	C	Income	Credit	Credit to Beneficiary for Accumulation Distribution	Tax credit to a beneficiary of a trust for tax already paid by the trust on the income (when distributed from the trust to the beneficiary).	A	5214-A
141	Tax Fairness	C	Other	Refund	Refund of Excise Tax on Fuel Used in Piston Aircraft	Gasoline Tax refund (except four cents per gallon) for gasoline used in propelling piston engine aircraft. (State Transit, Aviation and Rail Fund)	\$23,996	2910
142	Tax Fairness	C	Sales & Use	Exemption	Sales to State-Chartered Credit Unions	Tax exemption on sales to State-chartered credit unions.	A	1760.71
143	Tax Fairness	C	Sales & Use	Exemption	Electricity Used for Net Billing	Tax exemption on sale or delivery of electricity to net energy billing customers for which no money is paid.	A	1760.80
144	Tax Fairness	C	Sales & Use	Exemption	Certain Vehicle Rentals	Tax exemption on rental of an automobile for less than one year when rental is to a service customer pursuant to a warranty and the rental fee is paid by the vehicle dealer or warrantor.	A	1760.92
145	Tax Fairness	C	Service Provider	Exemption	Sales to State-Chartered Credit Unions	Tax exemption on sales to State-chartered credit unions.	A	2557.26
146	Necessity of Life	B	Sales & Use	Exemption	Grocery Staples	Tax exemption on sales of grocery staples, which are defined as food products ordinarily consumed for human nourishment.	\$83,410,000	1760.3
147	Necessity of Life	B	Sales & Use	Exemption	Prescription Drugs	Tax exemption on sales of prescription medicines for humans, excluding marijuana.	\$16,919,500	1760.5
148	Necessity of Life	B	Sales & Use	Exemption	Prosthetic Devices	Tax exemption on sales of devices to correct or alleviate physical incapacity for a particular individual, including prosthetic aids, hearing aids, eyeglasses, crutches and wheelchairs.	\$5,244,000	1760.5-A
149	Necessity of Life	B	Sales & Use	Exemption	Meals Served to Patients in Hospitals & Nursing Homes	Tax exemption on sales of meals to patients of state-licensed hospitals, nursing homes, and certain care facilities.	\$4,522,000	1760.6.B
150	Necessity of Life	B	Sales & Use	Exemption	Fuels for Cooking & Heating Homes	Tax exemption on sales of coal, oil, wood and other fuels, except gas and electricity, used for cooking and heating in residential buildings.	\$37,135,500	1760.9
151	Necessity of Life	B	Sales & Use	Exemption	Certain Residential Electricity	Tax exemption on sale and delivery of: A. the first 750 kWh of residential electricity per month; B. off-peak residential electricity used for heating via electric thermal storage.	\$26,125,000	1760.9-B
152	Necessity of Life	B	Sales & Use	Exemption	Gas Used for Cooking & Heating in Residences	Tax exemption on sales of gas for use in cooking and heating in residential buildings other than hotels.	\$4,740,500	1760.9-C
153	Necessity of Life	B	Sales & Use	Exemption	Rental Charges for Living Quarters in Nursing Homes and Hospitals	Tax exemption on rental charges for living or sleeping quarters in state-licensed nursing homes and hospitals.	C	1760.18
154	Necessity of Life	B	Sales & Use	Exemption	Rental Charges on Continuous Residence for More Than 28 Days	Tax exemption on rental charges for residence for 28 days or more at a hotel, rooming house, or tourist or trailer camp under certain circumstances.	\$20,957,000	1760.20
155	Necessity of Life	B	Sales & Use	Exemption	Funeral Services	Tax exemption on sales of funeral services.	\$3,885,500	1760.24

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156	Necessity of Life	B	Sales & Use	Exemption	Diabetic Supplies	Tax exemption on sales of equipment and supplies used in diabetes diagnosis or treatment.	\$1,045,363	1760.33
157	Necessity of Life	B	Sales & Use	Exemption	Water Used in Private Residences	Tax exemption on sales of water used in residential buildings, other than hotels.	\$8,331,500	1760.39
158	Necessity of Life	B	Sales & Use	Exemption	Positive Airway Pressure Equipment & Sales	Tax exemption on sale or lease of positive airway pressure equipment and supplies for personal use.	\$279,319	1760.94
159	Interstate or Foreign Commerce	B	Other	Exemption	Gasoline Exported from the State	Gasoline Tax exemption for sales wholly for export from the State. (Highway Fund)	\$73,330,523	2903.4.A
160	Interstate or Foreign Commerce	B	Other	Exemption	Special Fuel Exported from the State	Special Fuel Tax exemption for sales of distillates and low energy fuel to be exported from the State by a licensed supplier. (Highway Fund)	\$17,991,845	3204-A.5
161	Interstate or Foreign Commerce	B	Other	Exemption	Excise Tax Exemption on Jet or Turbo Jet Fuel - International Flights	Gasoline Tax exemption for gasoline used to propel jet engine aircraft on international flights. (State Transit, Aviation and Rail Fund)	\$364,971	2903.4.D
162	Interstate or Foreign Commerce	B	Sales & Use	Exemption	Ships' Stores	Tax exemption on sales of supplies and bunkering oil to ships engaged in interstate or foreign commerce.	C	1760.4
163	Interstate or Foreign Commerce	B	Sales & Use	Exemption	Certain Jet Fuel	Tax exemption on sales of fuel to propel jet engine aircraft.	\$3,207,848	1760.8.B
164	Interstate or Foreign Commerce	B	Sales & Use	Exemption	Certain Vehicles Purchased or Leased by Nonresidents	Tax exemption on sale or lease of motor vehicles, semitrailers, aircraft, and camper trailers to nonresidents, if the vehicle is intended to be removed from the State immediately.	C	1760.23-C
165	Interstate or Foreign Commerce	B	Sales & Use	Exemption	Certain Vehicles Purchased or Leased by Qualifying Resident Businesses	Tax exemption on sale or lease of certain motor vehicles to a business if the vehicle is intended to be removed from the State immediately and for use exclusively in out of state business.	\$897,251	1760.23-D
166	Interstate or Foreign Commerce	B	Sales & Use	Exemption	Watercraft Purchased by Nonresidents	Tax exemption on sales to or use by a nonresident of watercraft or materials used in watercraft, subject to certain restrictions.	C	1760.25
167	Interstate or Foreign Commerce	B	Sales & Use	Exemption	Property Used in Interstate Commerce	Tax exemption on sales of a vehicle, railroad car, aircraft or watercraft used in interstate or foreign commerce, subject to certain restrictions.	D	1760.41
168	Interstate or Foreign Commerce	B	Sales & Use	Exemption	Sales of Property Delivered Outside this State	Tax exemption on sales of tangible personal property delivered outside the State for use outside the State.	F	1760.82
169	Interstate or Foreign Commerce	B	Sales & Use	Exemption	Sales of Certain Printed Materials	Tax exemption on sales of printed advertising or promotional materials transported outside the State for use outside the State.	C	1760.83
170	Interstate or Foreign Commerce	B	Sales & Use	Exemption	Sales of Certain Aircraft	Tax exemption on sales or leases of aircraft that weight over 6,000 pounds, are propelled by turbine engine, or are in use by certain Federal Aviation Administration (FAA) classified operators.	\$904,177	1760.88
171	Interstate or Foreign Commerce	B	Sales & Use	Exemption	Sale, Use or Lease of Aircraft and Sales of Repair and Replacement Parts	Tax exemption on sales, use or leases of aircraft and sales of aircraft repair and replacement parts from July 1, 2011 to June 30, 2021.	\$617,942	1760.88-A

*FY15 Revenue Loss Estimate Coded: A=\$0-49,000; B=\$50,000-149,000; C=\$250,000-999,000; D=\$1,000,000-2,999,999; E=\$3,000,000-5,999,999; F=\$6,000,000 or more.

2017 Tax Expenditure Classifications Re: Review Category

Review Categories: A = Full Evaluation by OPEGA, B = Expedited Review by Taxation Committee, C = No Review

ID #	Rationale	Review Category	Tax Type	Expenditure Type	Expenditure Program Name	Brief Description	FY15 Revenue Loss (estimate)*	Statutory Cite: Title 36
172	Interstate or Foreign Commerce	C	Sales & Use	Exemption	Certain Aircraft Parts	Tax exemption on sale or use of aircraft parts used by a commercial airline under Federal Aviation Administration (FAA) regulations.	A	1760.76
173	Interstate or Foreign Commerce	C	Sales & Use	Refund	Refund of Sales Tax on Goods Removed from the State	Refund of sales tax paid on business purchases of supplies and equipment withdrawn from inventory for use at a location in another taxing jurisdiction.	A	2012
ENACTED by 127th Legislature								
NEW	Inputs to Tangible Products	B	Sales & Use	Exemption	Fuel Used in Certain Agricultural Production	Sales tax exemption available to some agricultural employers exempting 95% of fuel purchased for use at large, year-round greenhouse facilities. Effective beginning 1/1/2016 and repealed effective 12/31/2019.	\$242,250 in FY17	1760.9-H
174	Inputs to Tangible Products	B	Sales & Use	Exemption	Products Used in Agricultural and Aquacultural Production & Bait	Tax exemption on sales of products used in aquaculture production and bait, commercial agriculture production, and animal agriculture.	\$2,926,000	1760.7-A, 1760.7-B, 1760.7-C
175	Inputs to Tangible Products	B	Sales & Use	Exemption	Fuel and Electricity Used in Manufacturing	Tax exemption on sales of fuel and electricity (95% of value) purchased for use at a manufacturing facility.	\$25,699,424	1760.9-D
176	Inputs to Tangible Products	B	Sales & Use	Exemption	Machinery & Equipment	Tax exemption on sales of machinery and equipment used in production of tangible personal property for consumption, or in generation of radio and television broadcast signals.	\$22,778,910	1760.31
177	Inputs to Tangible Products	B	Sales & Use	Exemption	Seedlings for Commercial Forestry Use	Tax exemption on sales of tree seedlings used in commercial forestry.	B	1760.73
178	Inputs to Tangible Products	B	Sales & Use	Exemption	Property Used in Manufacturing Production	Tax exemption on sales of tangible personal property that is used in the manufacturing production of tangible personal property for later sale or lease.	\$103,770,590	1760.74
179	Inputs to Tangible Products	B	Sales & Use	Exemption	Certain Sales of Electrical Energy	Tax exemption on sale or use of electrical energy, or water stored for generating electricity, to or by a wholly owned subsidiary by or to its parent corporation.	C	1760.91
180	Inputs to Tangible Products	B	Sales & Use	Refund	Refund of Sales Tax on Certain Depreciable Machinery and Equipment	Refund of sales tax paid on electricity or depreciable machinery and equipment purchased for use in commercial agricultural or aquaculture production, fishing, or wood harvesting, or purchases of fuel for use in a commercial fishing vessel.	\$2,849,532	2013
181	Inputs to Tangible Products	C	Sales & Use	Exemption	Fuel Oil for Burning Blueberry Land	Tax exemption on sales of fuel used to burn blueberry fields.	A	1760.9-A
182	Inputs to Tangible Products	C	Sales & Use	Exemption	Fuel Oil or Coal which becomes an Ingredient or Component Part	Tax exemption on sales of fuel oil or coal which becomes an ingredient or component part of tangible personal property for later sale.	A	1760.9-G
183	Inputs to Tangible Products	C	Sales & Use	Exemption	Sales of Certain Farm Animal Bedding & Hay	Tax exemption on sales of organic bedding materials for farm animals and hay.	A	1760.78
184	Specific Policy Goal/Mandate	A	Other	Exemption	Partial Cigarette Stamp Tax Exemption for Licensed Distributors	Allows licensed cigarette distributors to purchase cigarette stamps with a face value of \$2 at a discount of 1.15%. (General Fund)	\$1,422,163	4366-A.2

*FY15 Revenue Loss Estimate Coded: A=\$0-49,000; B=\$50,000-149,000; C=\$250,000-999,000; D=\$1,000,000-2,999,999; E=\$3,000,000-5,999,999; F=\$6,000,000 or more.

2017 Tax Expenditure Classifications Re: Review Category

Review Categories: A = Full Evaluation by OPEGA, B = Expedited Review by Taxation Committee, C = No Review

ID #	Rationale	Review Category	Tax Type	Expenditure Type	Expenditure Program Name	Brief Description	FY15 Revenue Loss (estimate)*	Statutory Cite: Title 36
185	Specific Policy Goal/Mandate	A	Sales & Use	Exemption	Air & Water Pollution Control Facilities	Tax exemption on sales of certified air and water pollution control facilities and parts or accessories, construction materials, and chemicals or supplies of these facilities.	C or D	1760.29, 1760.30
Moved to review category B by vote of GOC in 2016								
10	Specific Policy Goal/Mandate	B	Income	Reimbursement	Job Increment Financing Fund - Brunswick Naval Air Station	Reimbursement to SMCC and MRRA of income tax attributed to qualified employees (those receiving a designated level of wages, health and retirement benefits) at businesses in the Brunswick Naval Air Station Area.	\$106,045	5 MRSA §13083 S-1 (not in Title 36)
Not included on prior classification and review schedule								
NEW	Specific Policy Goal/Mandate	B	Income	Reimbursement	Job Increment Financing Fund - Loring	Reimbursement to Loring Development Authority of income tax attributed to qualified employees (those receiving a designated level of wages, health and retirement benefits) at businesses in the former Loring Air Force Base area.	\$615,840	5 MRSA Ch.383 Art. 1-C
186	Specific Policy Goal/Mandate	C	Sales & Use	Exemption	Animal Waste Storage Facility	Tax exemption on sales of materials used in construction, repair or maintenance of an animal waste storage facility, under specified conditions.	A	1760.81
187	Specific Policy Goal/Mandate	C	Sales & Use	Exemption	Sales to Centers for Innovation	Tax exemption on sales to centers for innovation, established by State law, which represent specific industry sectors with significant potential for growth and development.	A	1760.84
188	Specific Policy Goal/Mandate	C	Sales & Use	Exemption	Plastic Bags Sold to Redemption Centers	Tax exemption on sales to a local redemption center of plastic bags used to sort, store or transport returnable beverage containers.	\$29,813	1760.93
189	Specific Policy Goal/Mandate	C	Sales & Use	Refund	Fish Passage Facilities	Refund of sales or use tax paid on materials used in construction of fish passage facilities in dams, under specified conditions.	A	2014
190	Specific Policy Goal/Mandate	C	Service Provider	Exemption	Sales to Centers for Innovation	Tax exemption on sales to centers for innovation, established by State law, which represent specific industry sectors with significant potential for growth and development.	A	2557.29
191	Non-Taxable Services	B	Sales & Use	Exemption	Non-Taxable Services	Services, other than specifically defined "Taxable Services," are not subject to Sales and Use Tax.	\$1.3 billion	1752.11, 1752.17-B
192	Non-Taxable Services	B	Sales & Use	Exemption	Repair, Maintenance and Other Labor Service Fees	Tax exemption on price of labor or services used in installing, applying or repairing property, if separately charged or stated.	\$45,657,000	1752.14.B(4)
ENACTED by 127th Legislature for tax years beginning January 1, 2016								
NEW	Administrative Burden	C	Sales & Use	Exemption	Exemption for Single-use Carry-out Bag	Sales tax exemption on the amount charged for a paper or plastic single-use carry-out bag.	\$33,915 in FY17	1752.14.B(14)
193	Administrative Burden	A	Sales & Use	Exemption	Sales Through Coin Operated Vending Machines	Tax exemption on sales of certain products through vending machines by retailers who make the majority of their sales via vending machines.	\$442,955	1760.34
194	Administrative Burden	C	Sales & Use	Exemption	Certain Meals Served by Colleges to Employees of the College	Tax exemption on sales of meals served by a college to its employees if purchased with college-issued debit cards.	A	1760.6.E

*FY15 Revenue Loss Estimate Coded: A=\$0-49,000; B=\$50,000-149,000; C=\$250,000-999,000; D=\$1,000,000-2,999,999; E=\$3,000,000-5,999,999; F=\$6,000,000 or more.

2017 Tax Expenditure Classifications Re: Review Category

Review Categories: A = Full Evaluation by OPEGA, B = Expedited Review by Taxation Committee, C = No Review

ID #	Rationale	Review Category	Tax Type	Expenditure Type	Expenditure Program Name	Brief Description	FY15 Revenue Loss (estimate)*	Statutory Cite: Title 36
195	Administrative Burden	C	Sales & Use	Exemption	Casual Sales	Tax exemption on any casual sale, defined as an isolated transaction in which tangible personal property or a taxable service is sold other than in the ordinary course of repeated transactions by the person making the sale; e.g. at a yard sale.	D	1752.11.B(1)
196	Administrative Burden	C	Sales & Use	Exemption	Sales by Executors	Tax exemption on sales by a personal representative in the settlement of an estate.	A	1752.11.B(2)

Sources: FY15 Revenue Loss (estimates): Maine Revenue Services 2014-2015 Red Book and Office of Fiscal & Program Review (OFPR) "Tax and Fee Changes Affecting State and Local Tax Burden, 126th Legislature," 1st Regular

*FY15 Revenue Loss Estimate Coded: A=\$0-49,000; B=\$50,000-149,000; C=\$250,000-999,000; D=\$1,000,000-2,999,999; E=\$3,000,000-5,999,999; F=\$6,000,000 or more.

2017 Review Schedule for Tax Expenditures

ID #	Review Category	Expenditure Program Name	Rationale	2016	2017	2018	2019	2020	2021	FY15 Revenue Loss (estimate)*	Red Text = changes
3	Full	New Markets Capital Investment Credit	Business Incentive - Financial Investment	X						\$5,600,000	
4	Full	Pine Tree Development Zones -Income Tax Credit, Sales Tax Exemption (Electricity & Tangible Personal Property), and Sales & Use Tax Reimbursement (Certain Tangible Personal Property)	Business Incentive - Job Creation	X						\$3,000,000 - \$5,999,999	
9	Full	Employment Tax Increment Financing	Business Incentive - Job Creation	X						\$10,599,000 (includes JTIF)	
146	Expedited	Grocery Staples	Necessity of Life	X						\$83,410,000	
147	Expedited	Prescription Drugs	Necessity of Life	X						\$16,919,500	
148	Expedited	Prosthetic Devices	Necessity of Life	X						\$5,244,000	
149	Expedited	Meals Served to Patients in Hospitals & Nursing Homes	Necessity of Life	X						\$4,522,000	
150	Expedited	Fuels for Cooking & Heating Homes	Necessity of Life	X						\$37,135,500	
151	Expedited	Certain Residential Electricity	Necessity of Life	X						\$26,125,000	
152	Expedited	Gas Used for Cooking & Heating in Residences	Necessity of Life	X						\$4,740,500	
153	Expedited	Rental Charges for Living Quarters in Nursing Homes and Hospitals	Necessity of Life	X						\$250,000	
154	Expedited	Rental Charges on Continuous Residence More Than 28 Days	Necessity of Life	X						\$20,957,000	
155	Expedited	Funeral Services	Necessity of Life	X						\$3,885,500	
156	Expedited	Diabetic Supplies	Necessity of Life	X						\$1,045,363	
157	Expedited	Water Used in Private Residences	Necessity of Life	X						\$8,331,500	
158	Expedited	Positive Airway Pressure Equipment & Sales	Necessity of Life	X						\$279,319	
NEW	Full	Maine Capital Investment Credit	Conformity with IRC		X					\$11,584,000	Voted in after a new request 5/19/16
11	Full	Reimbursement For Business Equipment Tax Exemption to Municipalities (BETE)	Business Incentive - Equip Investment		X					\$27,103,362	
12	Full	Reimbursement for Taxes Paid on Certain Business Property (BETR)	Business Incentive - Equip Investment		X					\$31,080,000	
1	Full	High-Technology Investment Tax Credit	Business Incentive - Research Investment		X					\$1,000,000	Repealed by 127th
5	Full	Research Expense Tax Credit	Business Incentive - Research Investment		X					\$850,000	
13	Full	New Machinery for Experimental Research	Business Incentive - Research Investment		X					\$50,000 - \$149,000	
125	Expedited	Credit for Income Tax Paid to Other Jurisdiction	Tax Fairness		X					\$48,480,000	
126	Expedited	Deduction for Active Duty Military Pay Earned Outside Maine	Tax Fairness		X					\$1,972,000	
127	Expedited	Deduction for Dividends Received from Nonunitary Affiliates	Tax Fairness		X					\$10,200,000	
128	Expedited	Exemptions of the Real Estate Transfer Tax	Tax Fairness		X					\$250,000 - \$999,000	
129	Expedited	Refund of the Gasoline Tax for Off-Highway Use and for Certain Bus Companies	Tax Fairness		X					\$960,000	
130	Expedited	Refund of the Special Fuel Tax for Off-Highway Use and for Certain Bus Companies	Tax Fairness		X					\$4,500,000	
131	Expedited	Certain Returnable Containers	Tax Fairness		X					\$1,365,839	
132	Expedited	Packaging Materials	Tax Fairness		X					\$10,773,000	
133	Expedited	Certain Loaner Vehicles	Tax Fairness		X					\$241,956	
134	Expedited	Mobile & Modular Homes	Tax Fairness		X					\$18,271,911	
135	Expedited	Certain Property Purchased Out of State	Tax Fairness		X					\$1,000,000 - \$2,999,999	
136	Expedited	Meals & Lodging Provided to Employees	Tax Fairness		X					\$147,250	
137	Expedited	Trade-In Credits	Tax Fairness		X					\$26,739,298	
138	Expedited	Motor Vehicle Fuel	Tax Fairness		X					\$125,160,584	
6	Full	Seed Capital Investment Tax Credit	Business Incentive - Financial Investment			X				\$1,653,000	
7	Full	Tax Benefits for Media Production Companies	Business Incentive - Targeted Industry			X				\$50,000 - \$149,000	
8	Full	Credit for Rehabilitation of Historic Properties	Business Incentive - Targeted Industry			X				\$7,900,000	
10	Expedited	Job Increment Financing Fund - Brunswick Naval Air Station	Specific Policy Goal/Mandate			X				\$106,045	Moved to expedited review by GOC vote

2017 Review Schedule for Tax Expenditures

ID #	Review Category	Expenditure Program Name	Rationale	2016	2017	2018	2019	2020	2021	FY15 Revenue Loss (estimate)*	Red Text = changes
NEW	Expedited	Job Increment Financing Fund - Loring	Specific Policy Goal/Mandate			X				\$615,840	Included on schedule for 1st time
58	Expedited	Meals Served by a Retirement Facility to its Residents	Charitable - Elderly			X				\$570,950	
50	Expedited	State and Local Government Exemption from the Gasoline Tax	Charitable - Government			X				\$1,957,126	
51	Expedited	State & Local Government Exemption from the Special Fuel Tax	Charitable - Government			X				\$2,316,821	
54	Expedited	Sales to the State & Political Subdivisions	Charitable - Government			X				\$171,745,988	
76	Expedited	Sales to the State & Political Subdivisions	Charitable - Government			X				\$1,000,000 - \$2,999,999	
47	Expedited	Construction Contracts with Exempt Organizations	Charitable - Other			X				\$1,000,000 - \$2,999,999	
48	Expedited	Construction Contracts with Exempt Organizations	Charitable - Other			X				\$250,000 - \$999,000	
74	Expedited	Merchandise Donated from a Retailer's Inventory to Exempt Organizations	Charitable - Other			X				\$50,000 - \$149,000	
52	Expedited	Meals for Residents of Certain Nonprofit Congregate Housing Facilities	Charitable - Elderly			X				\$50,000 - \$149,000	
56	Expedited	Providing Meals for the Elderly	Charitable - Elderly			X				\$328,063	
73	Expedited	Returned Merchandise Donated to Charity	Charitable - Other			X				\$50,000 - \$149,000	
49	Expedited	Sales of Certain Qualified Snowmobile Trail Grooming Equipment	Charitable - Other			X				\$81,236	
75	Expedited	Free Publications	Charitable - Other			X				\$1,797,609	
53	Expedited	Certain Sales by an Auxiliary Organization of American Legion	Charitable - Veterans			X				\$50,000 - \$149,000	
41	Full	Railroad Track Materials	Business Incentive - Targeted Industry				X			\$361,000	
42	Full	Refund of Sales Tax on Purchases of Parts and Supplies for Windjammers	Business Incentive - Targeted Industry				X			\$79,800	
184	Full	Partial Cigarette Stamp Tax Exemption for Licensed Distributors	Specific Policy Goal/Mandate				X			\$1,422,163	
185	Full	Air & Water Pollution Control Facilities	Specific Policy Goal/Mandate				X			\$250,000 - \$2,999,999	
193	Full	Sales Through Coin Operated Vending Machines	Administrative Burden				X			\$442,955	
55	Expedited	Meals Served by Public or Private Schools	Charitable - Education				X			\$11,331,579	
61	Expedited	Rental of Living Quarters at Schools	Charitable - Education				X			\$3,000,000 - \$5,999,999	
70	Expedited	Sales by Schools & School-Sponsored Organizations	Charitable - Education				X			\$250,000 - \$999,000	
59	Expedited	Sales to Hospitals, Research Centers, Churches and Schools	Charitable - Other				X			\$6,000,000 or more	
77	Expedited	Sales to Hospitals, Research Centers, Churches and Schools	Charitable - Other				X			\$250,000 - \$999,000	
63	Expedited	Sales to Comm. Mental Health, Substance Abuse & Mental Retardation Facilities	Charitable - Health & Safety				X			\$50,000 - \$149,000	
64	Expedited	Sales to Historical Societies & Museums	Charitable - Education				X			\$50,000 - \$149,000	
65	Expedited	Sales to Day Care Centers & Nursery Schools	Charitable - Education				X			\$50,000 - \$149,000	
68	Expedited	Sales to any Nonprofit Free Libraries	Charitable - Education				X			\$50,000 - \$149,000	
62	Expedited	Sales to Ambulance Services & Fire Departments	Charitable - Health & Safety				X			\$250,000 - \$999,000	
66	Expedited	Sales to Emergency Shelters & Feeding Organizations	Charitable - Health & Safety				X			\$50,000 - \$149,000	
71	Expedited	Sales to Nonprofit Home Construction Organizations	Charitable - Low Income				X			\$50,000 - \$149,000	
72	Expedited	Sales to Nonprofit Housing Development Organizations	Charitable - Low Income				X			\$50,000 - \$149,000	

2017 Review Schedule for Tax Expenditures

ID #	Review Category	Expenditure Program Name	Rationale	2016	2017	2018	2019	2020	2021	FY15 Revenue Loss (estimate)*	Red Text = changes
60	Expedited	Sales to Certain Nonprofit Residential Child Caring Institutions	Charitable - Youth				X			\$50,000 - \$149,000	
67	Expedited	Sales to Comm. Action Agencies; Child Abuse Councils; Child Advocacy Orgs.	Charitable - Youth				X			\$250,000 - \$999,000	
69	Expedited	Sales to Nonprofit Youth Athletic & Scouting Organizations	Charitable - Youth				X			\$250,000 - \$999,000	
78	Expedited	Sales to Comm. Action Agencies; Child Abuse Councils; Child Advocacy Orgs.	Charitable - Youth				X			\$50,000 - \$149,000	
79	Expedited	Sales to Nonprofit Youth & Scouting Organizations	Charitable - Youth				X			\$50,000 - \$149,000	
57	Expedited	Meals Served by Youth Camps Licensed by DHHS	Charitable - Youth				X			\$250,000 - \$999,000	
19	Full	Credit for Educational Opportunity	Non-business Incentive - Education					X		\$5,210,000	
22	Full	Deduction For Contributions To IRC 529 Qualified Tuition Plans	Non-business Incentive - Education					X		\$257,000	Repealed by 127th
23	Full	Deduction for Interest and Dividends on Maine State and Local Securities - Individual Income Tax	Non-business Incentive - Financial Investment					X		\$120,000	
24	Full	Deduction for Interest and Dividends on U.S., Maine State and Local Securities - Corporate Income Tax	Non-business Incentive - Financial Investment					X		\$320,000	
20	Full	Credit for Wellness Programs	Non-business Incentive - Health & Safety					X		\$318,000	
25	Full	Deduction for Premiums Paid for Long-Term Health Care Insurance	Non-business Incentive - Health & Safety					X		\$2,001,000	Repealed by 127th
159	Expedited	Gasoline Exported from the State	Interstate or Foreign Commerce					X		\$73,330,523	
160	Expedited	Special Fuel Exported from the State	Interstate or Foreign Commerce					X		\$17,991,845	
161	Expedited	Excise Tax Exemption on Jet or Turbo Jet Fuel - International Flights	Interstate or Foreign Commerce					X		\$364,971	
162	Expedited	Ships' Stores	Interstate or Foreign Commerce					X		\$250,000 - \$999,000	
163	Expedited	Certain Jet Fuel	Interstate or Foreign Commerce					X		\$3,207,848	
164	Expedited	Certain Vehicles Purchased or Leased by Nonresidents	Interstate or Foreign Commerce					X		\$250,000 - \$999,000	
165	Expedited	Certain Vehicles Purchased or Leased by Qualifying Resident Businesses	Interstate or Foreign Commerce					X		\$897,251	
166	Expedited	Watercraft Purchased by Nonresidents	Interstate or Foreign Commerce					X		\$250,000 - \$999,000	
167	Expedited	Property Used in Interstate Commerce	Interstate or Foreign Commerce					X		\$1,000,000 - \$2,999,999	
168	Expedited	Sales of Property Delivered Outside this State	Interstate or Foreign Commerce					X		\$6,000,000 or more	
169	Expedited	Sales of Certain Printed Materials	Interstate or Foreign Commerce					X		\$250,000 - \$999,000	
170	Expedited	Sales of Certain Aircraft	Interstate or Foreign Commerce					X		\$904,177	
171	Expedited	Sale, Use or Lease of Aircraft and Sales of Repair and Replacement Parts	Interstate or Foreign Commerce					X		\$617,942	
NEW	Full	Credit for Modifications to Make Homes Accessible	Tax Relief - Individuals					X		\$0 in FY17 (\$73,500 in FY18)	Enacted by 127th
NEW	Full	Sales Tax Fairness Credit	Tax Relief - Individuals					X		\$31,849,020 in FY17	Enacted by 127th
NEW	Full	Adult Dependent Care Credit	Tax Relief - Individuals					X		\$142,500 in FY17	Enacted by 127th
21	Full	Earned Income Credit [#]	Tax Relief - Individuals					X		\$937,000	
37	Full	Income Tax Credit for Child and Dependent Care Expense	Tax Relief - Individuals					X		\$3,972,000	
38	Full	Deduction for Pension Income & IRA Distributions	Tax Relief - Individuals					X		\$30,300,000	
39	Full	Deduction for Social Security Benefits Taxable at Federal Level	Tax Relief - Individuals					X		\$57,500,650	

2017 Review Schedule for Tax Expenditures

ID #	Review Category	Expenditure Program Name	Rationale	2016	2017	2018	2019	2020	2021	FY15 Revenue Loss (estimate)*	Red Text = changes
40	Full	Property Tax Fairness Credit	Tax Relief - Individuals						X	\$34,505,000	
43	Full	Basic Cable & Satellite Television Service	Tax Relief - Individual or Targeted Industry						X	\$4,455,500	
44	Full	Certain Telecommunications Services	Tax Relief - Individual or Targeted Industry						X	\$10,678,000	
123	Expedited	Itemized Deductions	Conformity with IRC						X	\$140,094,000	
124	Expedited	Sum of All Other Conformity Provisions	Conformity with IRC						X	\$804,000,000 - \$905,000,000	
NEW	Expedited	Fuel Used in Certain Agricultural Production	Inputs to Tangible Products						X	\$242,250 in FY17	Enacted by 127th
174	Expedited	Products Used in Agricultural and Aquacultural Production & Bait	Inputs to Tangible Products						X	\$2,926,000	
175	Expedited	Fuel and Electricity Used in Manufacturing	Inputs to Tangible Products						X	\$25,699,424	
176	Expedited	Machinery & Equipment	Inputs to Tangible Products						X	\$22,778,910	
177	Expedited	Seedlings for Commercial Forestry Use	Inputs to Tangible Products						X	\$50,000 - \$149,000	
178	Expedited	Property Used in Manufacturing Production	Inputs to Tangible Products						X	\$103,770,590	
179	Expedited	Certain Sales of Electrical Energy	Inputs to Tangible Products						X	\$250,000 - \$999,000	
180	Expedited	Refund of Sales Tax on Certain Depreciable Machinery and Equipment	Inputs to Tangible Products						X	\$2,849,532	
191	Expedited	Non-Taxable Services	Non-Taxable Services						X	\$1,300,000,000	
192	Expedited	Repair, Maintenance and Other Labor Service Fees	Non-Taxable Services						X	\$45,657,000	

**OPEGA Proposal on Waiving/Revising Statutory Deadlines for
Submission of Reports from Full Evaluations of Tax Expenditures and
GOC Annual Approval of Full Evaluation Parameters**

Proposed Waivers from Current Statute for 2016 and 2017 Full Evaluations

Submission of Final Reports on 2016 Full Evaluations

Current Statutory Deadline for Submission to GOC (§999.2) – by December 31, 2016

Proposed New Deadline for Submission to GOC – by February 28, 2017

GOC Approval of Evaluation Parameters for 2017 Full Evaluations

Current Statutory Deadline (§999.1) – by January 31, 2017

Proposed New Deadline – by March 31, 2017

Proposed Revisions to Statute for Deadlines on Future Full Evaluations

§999. FULL EVALUATION OF TAX EXPENDITURES

1. Evaluation process. Beginning January 1, 2016, the office shall evaluate each tax expenditure identified under section 998, subsection 1, paragraph A in accordance with the schedule established in section 998, subsection 2.

A. By ~~January 31st~~ **March 31st** of each year, the committee, after consideration of recommendations from the office, shall approve the following for each tax expenditure subject to full evaluation review in that year:

- (1) The purposes, intent or goals of the tax expenditure, as informed by original legislative intent as well as subsequent legislative and policy developments and changes in the state economy and fiscal condition;
- (2) The intended beneficiaries of the tax expenditure;
- (3) The evaluation objectives, which may include an assessment of:
 - (a) The fiscal impact of the tax expenditure, including past and estimated future impacts;
 - (b) The extent to which the design of the tax expenditure is effective in accomplishing the tax expenditure's purposes, intent or goals and consistent with best practices;
 - (c) The extent to which the tax expenditure is achieving its purposes, intent or goals, taking into consideration the economic context, market conditions and indirect benefits;
 - (d) The extent to which those actually benefiting from the tax expenditure are the intended beneficiaries;

(e) The extent to which it is likely that the desired behavior might have occurred without the tax expenditure, taking into consideration similar tax expenditures offered by other states;

(f) The extent to which the State's administration of the tax expenditure, including enforcement efforts, is efficient and effective;

(g) The extent to which there are other state or federal tax expenditures, direct expenditures or other programs that have similar purposes, intent or goals as the tax expenditure, and the extent to which such similar initiatives are coordinated, complementary or duplicative;

(h) The extent to which the tax expenditure is a cost-effective use of resources compared to other options for using the same resources or addressing the same purposes, intent or goals; and

(i) Any opportunities to improve the effectiveness of the tax expenditure in meeting its purposes, intent or goals; and

(4) The performance measures appropriate for analyzing the evaluation objectives. Performance measures must be clear and relevant to the specific tax expenditure and the approved evaluation objectives.

B. Before final approval pursuant to paragraph A, the committee shall seek and consider input from the policy committee and stakeholders and may seek input from experts.

2. Action by office; report. By ~~December 31st~~ **February 28th** of each year, ~~beginning in 2016,~~ the office shall complete the tax expenditure evaluations pursuant to subsection 1 scheduled for ~~that~~ **the prior** year and submit a report on the results to the committee and the policy committee. The office shall seek stakeholder input as part of the report. For each tax expenditure evaluated, the report must include conclusions regarding the extent to which the tax expenditure is meeting its purposes, intent or goals and may include recommendations for continuation or repeal of the tax expenditure or modification of the tax expenditure to improve its performance.

Government Oversight Committee

**Examples of Other States with Statutory Requirements for an Economic Development Strategy or Plan
(From research provided by the National Council of State Legislatures
and OPEGA review of identified state statutes)**

State	Responsible Organization	Relevant Language from State Statute (excerpted by OPEGA)
States with Organizations Other than Executive Branch Agencies Responsible for Strategy/Plan Development		
Arizona	Board of Directors of the Arizona Commerce Authority	<p>B. The board of directors, on behalf of the authority, shall:</p> <ol style="list-style-type: none"> 1. Develop comprehensive long-range strategic economic plans for this state and submit the plans to the governor. 2. Annually update a strategic economic plan for submission to the governor. <p>http://www.azleg.gov/FormatDocument.asp?inDoc=/ars/41/01504.htm&Title=41&DocType=ARS</p>
Indiana	Indiana Economic Development Corporation	<p>IC 5-28-6-1 Duties of the corporation</p> <p>Sec. 1. The corporation shall do the following:</p> <ol style="list-style-type: none"> (1) Create and regularly update a strategic economic development plan that includes the following: <ol style="list-style-type: none"> (A) Identification of specific economic regions within Indiana and methods by which the corporation will implement more regional collaboration between the corporation and the various local economic development organizations within these regions. (B) Methods by which the corporation will implement more collaboration between the corporation and the various state economic development organizations within the states contiguous to Indiana. (2) Establish strategic benchmarks and performance measures. (3) Monitor and report on Indiana's economic performance. (4) Market Indiana to businesses worldwide. (5) Assist Indiana businesses that want to grow. (6) Solicit funding from the private sector for selected initiatives. (7) Provide for the orderly economic development and growth of Indiana. (8) Establish and coordinate the operation of programs commonly available to all citizens of Indiana to implement a strategic plan for the state's economic development and enhance the general welfare. (9) Evaluate and analyze the state's economy to determine the direction of future public and private actions, and report and make recommendations to the general assembly in an electronic format under IC 5-14-6 with respect to the state's economy. The report prepared under this subdivision must include recommendations for strategies and plans for collaboration by the corporation with: <ol style="list-style-type: none"> (A) local economic development organizations within geographic regions in Indiana; and (B) the various state economic development organizations within the states contiguous to Indiana. (10) Conduct a statewide study to determine specific economic sectors that should be emphasized by the state and by local economic development organizations within geographic regions in Indiana. (11) Report in an electronic format under IC 5-14-6 the results of the study conducted under subdivision (10) to the interim study committee on commerce and economic development established by IC 2-5-1.3-4. <p>https://iga.in.gov/legislative/laws/2015/ic/titles/005/articles/028/</p>

Iowa	Iowa Economic Development Authority	<p>15.105</p> <p>8.a. The members of the authority shall develop a strategic plan for economic development in the state.</p> <p>8.b.(1) The strategic plan shall identify the authority's goals for the next calendar year and shall include a set of metrics that will be used to gauge and assess the extent to which the authority achieves those goals. Such metrics shall include, but are not limited to:</p> <ul style="list-style-type: none"> (a) The number of net new jobs created in the state. (b) The average wage and benefit levels for such jobs. (c) The impact to average household income for Iowa families as a result of the jobs created. (d) Such other information as the <i>authority</i> or the director deems relevant. <p>(2) The strategic plan shall be submitted to the general assembly and the governor's office on or before January 31 of each year.</p> <p>https://www.legis.iowa.gov/publications/search/document?fq=id:716805&pdid=713522&q=Economic%20Development%20Authority%20-%2015.105#15.105</p>
Mississippi	Mississippi University Research Center Bureau for Comprehensive Long Range Economic Development Planning, with assistance from Special Task Force for Economic Development Planning	<p>57-63-1. Short title. This chapter may be cited as the "Statewide Economic Development and Planning Act of 1987."</p> <p>57-63-3. Legislative findings and declarations. (3) There is hereby established within the University Research Center a Bureau for Comprehensive Long Range Economic Development Planning. The bureau shall be responsible for preparing and maintaining with appropriate annual updates a long range plan for the economic development of the state. The plan shall be sufficiently broad in scope so as to address all state, national and international economic, finance and demographic, natural resource and infrastructure factors relating to the overall status and economic development of the state.</p> <p>57-63-9. Status reports from Bureau of Economic Development Planning. In an effort to facilitate continuing and future legislative support for long range economic development planning, the Bureau for Economic Development Planning shall present status reports on its work, as it relates to the purpose and requirements of this chapter, to the Joint Legislative Budget Committee, thereby having an opportunity to interact with legislative leaders and maintain and foster communication and cooperation between all parties. The Director of the Joint Legislative Budget Committee shall coordinate the scheduling of said reports and may specify selected topics for presentation to the Joint Legislative Budget Committee. Such reports shall begin with the month of July 1987; and there shall be a minimum of three (3) reports to the committee in each fiscal year. The Director of the Joint Legislative Budget Committee may require such reports to be made orally and/or in writing to regular meetings of the Joint Legislative Budget Committee.</p> <p>57-63-11. Special task force for economic development planning created; composition; appointment of members; organization. (1) The Special Task Force for Economic Development Planning, to consist of not more than twenty-three (23) members, is hereby created. The task force shall be composed of: <i>Additional detail in full statute.</i> (2) It is the intent of the Legislature that the task force will be organized, selected and constituted in such a way that it represents the most talented individuals that could possibly be assembled to address the economic development concerns and issues of this state. Task Force members shall be appointed by July 1, 1987, and the Task Force shall have its organizational meeting no later than August 1, 1987. The Governor shall designate from the task force membership a task force chairman. Terms of service of task force members shall coincide with the remaining term of the Governor who makes the appointment.</p> <p>57-63-17. Mission and role of task force; budget. (1) The mission and role of the special task force shall be to function as an independent research and analytical group charged with assisting the University Research Center in setting measurable, achievable and significant state economic development goals. The task force shall</p>

		<p>make recommendations regarding such goals and present findings and detailed recommendations which will enable the state to achieve the stated goals. Recommendations of the task force shall be specific to the extent that actions needed are explicitly set out and supported with in-depth analyses as to the contributions such actions would have on the total development of the state. All such recommendations shall be accompanied by specific recommendations with respect to allocation of resources, including any additional funding necessary to fund all economic development activities.</p> <p>(2) The task force may adopt a budget for its operations and, subject to approval of such budget by the University Research Center, the center may contract with the task force to defray expenses of the task force.</p> <p>57-63-19. State economic development action plan (SDAP); preparation. With research and recommendations prepared by the task force, the Bureau of Comprehensive Long Range Economic Development Planning of the University Research Center shall prepare a long range state economic development action plan which shall consist of six (6) parts as provided in Section 57-63-21 through 57-63-31 and which shall be revised and updated annually by the bureau. <i>(Additional detail in full statute on what should be included in each of the six parts.)</i></p> <p>57-63-33. Annual revisions of SDAP; presentation to legislature. The University Research Center shall present the annual revisions of the plan to the Joint Legislative Budget Committee prior to the annual budget hearings and discuss with the joint committee Parts III, IV and V. The presentation shall review the established goals and report and assess progress for the current reporting period of achieving official goals and make recommendations for any program changes that might be needed. Additional reports shall be made to the Joint Legislative Budget Committee as requested and as required by Section 57-63-9. Copies of the plan shall also be presented to the Department of Economic Development, the planning and development districts, and other appropriate agencies and organizations.</p> <p>http://www.mississippi.edu/urc/downloads/ms_code_57_63_1.pdf</p>
States with Executive Branch Agencies Responsible for Strategy/Plan Development but Involvement of Other Organization(s) Required		
Massachusetts	Secretary of Housing and Economic Development, assisted by Economic Development Planning Council	<p>(l) During the first year of each new gubernatorial administration, the governor shall convene an economic development planning council consisting of no fewer than 12 members: <i>Additional details on membership are in the full statute.</i> Members of the council shall serve for a term of 1 year or until an economic development policy has been approved by the governor under this section.</p> <p>The secretary of housing and economic development, with the assistance of economic development planning council appointed under this section, shall develop and implement a written comprehensive economic development policy for the commonwealth and a strategic plan for implementing the policy. The policy shall set long term goals and measurable benchmarks which are not limited to a particular gubernatorial administration and shall give consideration to any impacts the plan may have on businesses employing 10 or fewer people. The strategic plan shall include any major economic development initiatives and programs of the secretariat and any agencies subject to this section. In developing the policy, the council shall review the published economic development policy and plan in effect at the commencement of the governor's term of office and may hold public hearings throughout the commonwealth.</p> <p>Once the policy and plan have been adopted by the secretary and the council, the council shall submit the policy and plan to the clerks of the senate and house of representatives and the joint committee on economic development and emerging technologies. The committee shall conduct a public hearing on the policy and plan prior to final approval by the governor. The approved policy and plan shall be published in writing and on the official website of the commonwealth not later than December 31 of that year.</p>

		<p>The economic development planning council shall organize a yearly economic development summit. The summit shall be a forum for discussion of the following:-- (i) major economic development initiatives of the administration; (ii) updates from regional workforce development councils; and (iii) any industry-specific policy concerns or initiatives.</p> <p>https://malegislature.gov/Laws/GeneralLaws/PartI/TitleII/Chapter6a/Section16g</p>
Florida	Florida Department of Economic Opportunity – Division of Strategic Business Development	<p>The Division of Strategic Business Development shall:</p> <p>3. Develop measurement protocols for the state incentive programs and for the contracted entities which will be used to determine their performance and competitive value to the state. Performance measures, benchmarks, and sanctions must be developed in consultation with the legislative appropriations committees and the appropriate substantive committees, and are subject to the review and approval process provided in s. <u>216.177</u>. The approved performance measures, standards, and sanctions shall be included and made a part of the strategic plan for contracts entered into for delivery of programs authorized by this section.</p> <p>4. Develop a 5-year statewide strategic plan. The strategic plan must include, but need not be limited to:</p> <ol style="list-style-type: none"> a. Strategies for the promotion of business formation, expansion, recruitment, and retention through aggressive marketing, international development, and export assistance, which lead to more and better jobs and higher wages for all geographic regions, disadvantaged communities, and populations of the state, including rural areas, minority businesses, and urban core areas. b. The development of realistic policies and programs to further the economic diversity of the state, its regions, and their associated industrial clusters. c. Specific provisions for the stimulation of economic development and job creation in rural areas and midsize cities and counties of the state, including strategies for rural marketing and the development of infrastructure in rural areas. d. Provisions for the promotion of the successful long-term economic development of the state with increased emphasis in market research and information. e. Plans for the generation of foreign investment in the state which create jobs paying above-average wages and which result in reverse investment in the state, including programs that establish viable overseas markets, assist in meeting the financing requirements of export-ready firms, broaden opportunities for international joint venture relationships, use the resources of academic and other institutions, coordinate trade assistance and facilitation services, and facilitate availability of and access to education and training programs that assure requisite skills and competencies necessary to compete successfully in the global marketplace. f. The identification of business sectors that are of current or future importance to the state's economy and to the state's global business image, and development of specific strategies to promote the development of such sectors. g. Strategies for talent development necessary in the state to encourage economic development growth, taking into account factors such as the state's talent supply chain, education and training opportunities, and available workforce. <p>5. Update the strategic plan every 5 years.</p> <p>6. Involve Enterprise Florida, Inc.; CareerSource Florida, Inc.; local governments; the general public; local and regional economic development organizations; other local, state, and federal economic, international, and workforce development entities; the business community; and educational institutions to assist with the strategic plan.</p> <p>http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0000-0099/0020/Sections/0020.60.html</p>

Nevada	Governor's Office of Economic Development, assisted by the Board of Economic Development and an Advisory Council on Economic Development	<p>NRS 231.053 After considering any pertinent advice and recommendations of the Board, the Executive Director:</p> <p>2. Shall develop and may periodically revise a State Plan for Economic Development, which:</p> <p>(a) Must include a statement of:</p> <ol style="list-style-type: none"> (1) New industries which have the potential to be developed in this State; (2) The strengths and weaknesses of this State for business incubation; (3) The competitive advantages and weaknesses of this State; (4) The manner in which this State can leverage its competitive advantages and address its competitive weaknesses; (5) A strategy to encourage the creation and expansion of businesses in this State and the relocation of businesses to this State; and (6) Potential partners for the implementation of the strategy, including, without limitation, the Federal Government, local governments, local and regional organizations for economic development, chambers of commerce, and private businesses, investors and nonprofit entities <p>http://www.leg.state.nv.us/NRS/NRS-231.html#NRS231Sec053</p>
States with Executive Branch Agencies Responsible for Strategy/Plan Development and No Other Organizations Required to be Involved		
Idaho	Department of Commerce	<p>67-4703. POWERS AND DUTIES. The department shall also have the following duties when it deals with promoting economic development and tourism within the state:</p> <p>(1) Survey and investigate the social, economic and physical resources of the state, including land, water, minerals, facilities for power, transportation, communications, recreation, health, education and other resources and facilities; endeavor to aid the legislature and the citizens of the state of Idaho in formulating a program for the development and utilization of these resources and facilities, and for balancing our agricultural, timber and mining economy with industrial capacity. It shall cooperate with local and regional agencies within the state. It shall cooperate with like agencies of other states, with agencies maintained by private persons or corporations, and with agencies established or employed by the United States to promote the development of the country and the welfare of its people.</p> <p>(11) Prepare a comprehensive economic development strategy.</p> <p>https://legislature.idaho.gov/idstat/Title67/T67CH47SECT67-4703.htm</p>
Illinois	Department of Commerce and Economic Opportunity	<p>Sec. 605-300. Economic and business development plans; Illinois Business Development Council.</p> <p>(a) Economic development plans. The Department shall develop a strategic economic development plan for the State by July 1, 2014. By no later than July 1, 2015, and by July 1 annually thereafter, the Department shall make modifications to the plan as modifications are warranted by changes in economic conditions or by other factors, including changes in policy. In addition to the annual modification, the plan shall be reviewed and redeveloped in full every 5 years. In the development of the annual economic development plan, the Department shall consult with representatives of the private sector, other State agencies, academic institutions, local economic development organizations, local governments, and not-for-profit organizations. The annual economic development plan shall set specific, measurable, attainable, relevant, and time-sensitive goals and shall include a focus on areas of high unemployment or poverty.</p> <p>The term "economic development" shall be construed broadly by the Department and may include, but is not limited to, job creation, job retention, tax base enhancements, development of human capital, workforce productivity, critical infrastructure, regional competitiveness, social inclusion, standard of living, environmental sustainability, energy independence, quality of life, the effective use of financial incentives, the utilization of public private partnerships where appropriate, and other metrics determined by the Department.</p> <p>The plan shall be based on relevant economic data, focus on economic development as prescribed by this Section, and emphasize strategies to retain and create jobs.</p> <p>The plan shall identify and develop specific strategies for utilizing the assets of regions within</p>

		<p>the State defined as counties and municipalities or other political subdivisions in close geographical proximity that share common economic traits such as commuting zones, labor market areas, or other economically integrated characteristics.</p> <p>If the plan includes strategies that have a fiscal impact on the Department or any other agency, the plan shall include a detailed description of the estimated fiscal impact of such strategies.</p> <p>Prior to publishing the plan in its final form, the Department shall allow for a reasonable time for public input.</p> <p>The Department shall transmit copies of the economic development plan to the Governor and the General Assembly no later than July 1, 2014, and by July 1 annually thereafter. The plan and its corresponding modifications shall be published and made available to the public in both paper and electronic media, on the Department's website, and by any other method that the Department deems appropriate.</p> <p>The Department shall annually submit legislation to implement the strategic economic development plan or modifications to the strategic economic development plan to the Governor, the President and Minority Leader of the Senate, and the Speaker and the Minority Leader of the House of Representatives. The legislation shall be in the form of one or more substantive bills drafted by the Legislative Reference Bureau.</p> <p>http://www.ilga.gov/legislation/ilcs/ilcs4.asp?DocName=002006050HArt.+605&ActID=247&ChapterID=5&SeqStart=100000&SeqEnd=-1</p>
North Carolina	Department of Commerce	<p>§ 143B-434.01. Comprehensive Strategic Economic Development Plan.</p> <p>(b) Plan. - The Secretary shall review and update the existing Plan on or before April 1 of each year. The Plan shall cover a period of four years and each annual update shall extend the time frame by one year so that a four-year plan is always in effect. The Secretary shall provide copies of the Plan and each annual update to the Governor and the Joint Legislative Commission on Governmental Operations. The Plan shall encompass all of the components set out in this section.</p> <p>(c) Purpose. - The purpose of this section is to require the Secretary to apply strategic planning principles to its economic development efforts. This requirement is expected to result in: <i>Additional details are in the statute</i></p> <p>(d) (1) Public and Private Input. - At each stage as it develops and updates the Plan, the Secretary shall solicit input from all parties involved in economic development in North Carolina, including: <i>Additional details are in the statute</i></p> <p>(2) The Secretary shall also hold hearings in each of the Regions to solicit public input on economic development before the initial Plan is completed. The purposes of the public hearings are to: <i>Additional details are in the statute</i></p> <p>(f) Environmental Scan. - The first step in developing the Plan shall be to develop an environmental scan based on the input from economic development parties and the public and on information about the economic environment in North Carolina. To prepare the scan, the Secretary shall gather the information required in this subsection and ensure that the information is updated periodically. The updated information may be provided in whatever format and through whatever means is most efficient. The information required to prepare the scan includes all of the following: <i>Additional details are in the statute</i></p> <p>(g) Vision and Mission Statements. - The Secretary shall develop a vision statement for economic development that would describe the preferred future for North Carolina and what North Carolina would be like if all economic development efforts were successful. The Secretary shall then develop a mission statement that outlines the basic purpose of each of North Carolina's economic development programs. Because special purpose nonprofit organizations are uniquely situated to conduct the entrepreneurial and high-risk activity of investing in and supporting new business creation in the State, they should be assigned a dominant role in this key component of economic development activity.</p> <p>(h) Goals and Objectives. - The Secretary, using data from the public input and the environmental scan, shall formulate a list of goals and objectives. Goals shall be long-range, four years or more, and shall address both needs of economically distressed Regions and counties as well as opportunities for Regions and counties not distressed. The goals shall be</p>

developed with realism but should also be selected so as to encourage every Region and county within the State to develop to its maximum potential. Objectives shall be one year or less in scope and shall, if achieved, lead to the realization of the goals formulated by the Secretary as provided in this section.

Both goals and objectives should be stated largely in economic terms, that is, they should be related to specific population, employment, demographic targets, or economic sector targets. Both efficiency and equity considerations are to be addressed and balanced with special emphasis placed on the needs of disadvantaged or economically distressed populations and communities. The goals and objectives should not state how the economic targets are to be reached, but rather what the economic conditions will be if they are obtained. So that the progress of North Carolina's economic development efforts can be monitored, the Secretary shall set objectives for each goal that allow measurement of progress toward the goal. Objectives should be quantifiable and time-specific in order to serve as performance indicators.

(i) Formulation of Economic Development Strategy. - The Plan shall have as its action component a strategy set forth in a blueprint for directing resources of time and dollars toward the satisfaction of the goals and objectives stated in subsection (h) of this section. As a practical consequence of the economic environment, a focus on the competitiveness of indigenous industries and entrepreneurial development is required. The Plan shall include a strategy for the coordination of initiatives and activities for workforce preparedness, funded by federal or State sources, including, but not limited to, vocational education, applied technology education, remedial education, and job training, and the achievement of the economic development goals of the Plan. A balance of opportunity between rural and urban regions and between majority and minority populations should be an overriding consideration. Equity of opportunity for counties and communities across the State will involve the explicit consideration of local fiscal capacity and the fiscal ability to support development activities.

The concept of differentiation should be employed. The Plan should recognize the various strengths and weaknesses of the State and its component regions, subregions, and, in some cases, individual counties. The concept of market segmentation should be employed. Different Regions and subregions of the State should be promoted to different markets.

(j) Implementation Plan. - Based upon all of the foregoing steps, the Secretary shall establish an implementation plan assigning to the appropriate parties specific responsibilities for meeting measurable objectives. The implementation plan shall contain all necessary elements so that it may be used as a means to monitor performance, guide appropriations, and evaluate the outcomes of the parties involved in economic development in the State.

(k) Annual Evaluation. - The Secretary shall annually evaluate the State's economic performance based upon the statistics listed in this subsection and upon the Secretary's stated goals and objectives in its Plan. The statistics upon which the evaluation is made should be available to policymakers. The information may be provided in whatever format and through whatever means is most efficient.

- (1) The net job change (expansions minus contractions) by the various economic sectors of the county, Region, and State.
- (2) Realized capital investment in plants and equipment by new and expanding industry in each county, Region, and State.
- (3) Manufacturing changes by county, Region, and State that affect the value of firms, total payrolls, average wages, value of shipments, contributions to gross State product, and value added.
- (4) The net change in the number of firms by county, Region, and State with statistics on the dynamics of change: relocations in versus relocations out; births versus deaths; and expansions versus contractions.
- (5) A measure of the status and performance of all sectors of the county, Region, and State economy including, but not limited to, manufacturing, agriculture, trade, finance, communications, transportation, utilities, services, and travel and tourism.
- (6) An assessment of the relative status and performance of rural business development as opposed to that in urban areas.

		<p>(7) An analysis of the status of minority-owned businesses throughout the State.</p> <p>(8) An assessment of the development capability of the various Regions of the State in terms of their environmental, fiscal, and administrative capacity. Those areas that are handicapped by barriers to development should be highlighted.</p> <p>(l) Accountability. - The Secretary shall make all data, plans, and reports available to the General Assembly, the Joint Legislative Commission on Governmental Operations, the Joint Legislative Economic Development and Global Engagement Oversight Committee, the Senate Appropriations Committee on Natural and Economic Resources, and the House of Representatives Appropriations Subcommittee on Natural and Economic Resources at appropriate times and upon request. The Secretary shall prepare and make available on an annual basis public reports on each of the major sections of the Plan and the Annual Report indicating the degree of success in attaining each development objective.</p> <p>http://www.nclg.net/gascripts/statutes/statutelookup.pl?statute=143B-434.01</p>
Okla-homa	Department of Commerce	<p>74-5003.7.</p> <p>A. The Oklahoma Department of Commerce shall prepare, with the cooperation of the Oklahoma business community, agricultural community, financial community, universities, labor and the state executive and legislative branches, a five-year economic development plan and annual updates for the State of Oklahoma. The recurring five-year economic development plan and annual updates shall be subject to the approval of Oklahoma Futures.</p> <p>1. The purpose of the plan shall be to identify significant economic, social, and demographic trends which may have both short-term and long-term impacts on the state and local economy and to present strategies and recommendations that the state and local political subdivisions might adopt to improve or stabilize the economy.</p> <p>2. The goals of the plan shall include the development of a diversified state economy, increasing employment, the maximum use of federal, state and local funds to achieve the goals or recommendations included in the plan, the maximum investment of capital in the economy of the state, and the improvement of the quality of life in the state.</p> <p>3. The plan wherever possible shall make recommendations to encourage intergovernmental cooperation and public and private cooperation.</p> <p>4. Copies of the plan and the annual updates shall be submitted to the Oklahoma Advisory Committee on Intergovernmental Relations, the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate and the chairmen of the standing committees on economic development of the Senate and of the House of Representatives in the annual report of Oklahoma Futures.</p> <p>5. The Department shall develop and manage a complete economic information system which will support the five-year planning process, and which will make available complete and timely information on the state economy. The economic information system shall be operated by public or private Oklahoma universities or an Oklahoma enterprise capable of providing such services in a cost-effective manner.</p> <p>http://oklegal.onenet.net/oklegal-cgi/get_statute?99/Title.74/74-5003.7.html</p>

**Examples of Economic Development Strategies and Plans
(From research provided by the National Council of State Legislatures)**

Connecticut - http://www.ct.gov/ecd/lib/ecd/connecticut_esp-final.pdf - Comprehensive strategic plan established in 2007 and updated every 5 years.

Kentucky - <http://kwib.ky.gov/stateplan2012/AttachmentC.pdf> - The strategic economic development plan for the Commonwealth of Kentucky, Kentucky's Unbridled Future, was developed with the involvement of nearly 2,200 participants during a six-month process. Kentucky's Unbridled Future is meant to provide direction to the Kentucky Cabinet for Economic Development and its partners over the next five years in guiding the state's economic development efforts. Boyette Strategic Advisors conducted the following four-step process in development of Kentucky's Unbridled Future: Competitive Assessment, Strategic Business/Industry Assessment, Strategic Recommendations, Project Roll-out and Delivery. The plan includes both the identification of 10 strategic business/industry sectors for Kentucky to focus its economic development efforts over the next five years, as well as six priorities with actionable strategies related to each. Many of the targets and priorities identified are based on extensive research as well as input received from stakeholders across the Commonwealth. BSA gives special thanks to the Kentucky Cabinet for Economic Development (KCED), the Kentucky Economic Development Partnership Board, and the many stakeholders who participated in the development of this plan, Kentucky's Unbridled Future. (Note: law requires updates to the economic development plan every two years- however latest plan is 2012?)

Louisiana - The offices of the Department of Economic Development is responsible for developing an annual business plan. Latest 5-year plan.
http://www.opportunitylouisiana.com/assets/LED/docs/Incentives/Performance_Reporting/LED%20Strategic%20Plan%202015-2019.pdf

Nevada - http://www.diversifynevada.com/uploads/studies/2012_NVGOED_StatePlan_Full.pdf

North Carolina -
http://www.nccommerce.com/Portals/0/BoardsAndCommissions/EDB/StratPlan/2009_EDB_Strategic_Plan.pdf