



# 128th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2017

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Legislative Document

No. 1573

S.P. 551

In Senate, May 4, 2017

**An Act To Encourage Development in the Logging Industry by  
Requiring State and Local Government Agencies To Give  
Preference to Lumber and Solid Wood Products Harvested in the  
State**

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Reference to the Committee on State and Local Government suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Secretary of the Senate

Presented by Senator JACKSON of Aroostook.  
Cosponsored by Representative MARTIN of Eagle Lake and  
Senator: SAVIELLO of Franklin, Representative: HERBIG of Belfast.

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

2 **Sec. 1. 5 MRSA c. 153, sub-c. 3** is enacted to read:

3 **SUBCHAPTER 3**

4 **MAINE TIMBER**

5 **§1777. Legislative findings**

6 **1. Findings.** The Legislature finds and declares that:

7 A. The forested lands in Maine provide the source of raw materials for the timber  
8 products industry and jobs for persons who are employed in that industry;

9 B. Forested lands in Maine are an essential economic resource in rural communities  
10 across the State, and the economic pressures faced by the timber industry have  
11 resulted in financial losses to the Maine timber products industry;

12 C. The State has a legitimate interest in stating a preference that funds associated  
13 with its purchase of timber and its subsidization of timber harvesting and hauling be  
14 recycled through the local state economy; and

15 D. When price, quality and fitness are equal and when the marketplace provides  
16 timber that meets the State's needs for its own consumption, it is appropriate for the  
17 State to support the economic vitality of the Maine timber products industry by  
18 purchasing Maine timber.

19 **§1778. Definitions**

20 As used in this subchapter, unless the context otherwise indicates, the following  
21 terms have the following meanings.

22 **1. In-state contractor.** "In-state contractor" means an individual residing in this  
23 State or a business based in this State. "In-state contractor" includes:

24 A. If an individual, an individual who has a physical address in this State at which  
25 the individual has established residency and has filed a Maine tax return for at least  
26 the 2 years immediately prior to bidding on a state contract; or

27 B. If a business, a business that has a physical address in this State at which it  
28 conducts business, including interviewing applicants for employment by the business  
29 and hiring and employing staff, and:

30 (1) Has filed a Maine tax return or paid Maine employment taxes for at least the  
31 2 years immediately prior to bidding on a state contract; or

32 (2) If the business does not meet the requirements of subparagraph (1), an  
33 officer, if the business is a corporation, a partner in the business or the sole  
34 proprietor must meet the requirements of paragraph A.

1           **2. Solid wood product.** "Solid wood product" does not include paper, paper  
2 products or other types of secondary manufactured goods. "Solid wood product" includes  
3 wood chips, sawdust, bark, brush and other wood waste.

4           **3. State agency.** "State agency" means any unit of State Government or local  
5 government, including any state board or commission, including the Legislature, the  
6 Judicial Department, the University of Maine System, the Maine Community College  
7 System and the Maine Maritime Academy.

8           **4. Subsidy.** "Subsidy" means a benefit given to an individual, a business or a group  
9 of individuals or businesses for the purpose of promoting economic or social policy.  
10 "Subsidy" includes, but is not limited to, the elimination, reduction or deferral of a tax,  
11 the transfer of funds and the provision of aid or support.

12           **§1779. Preference for timber harvested in the State**

13           **1. Acquisition by state agency.** Notwithstanding any other provision of law to the  
14 contrary, and to the extent consistent with federal law, a state agency that contracts for or  
15 acquires lumber or other solid wood products shall give preference to lumber and solid  
16 wood products that are harvested in the State by an in-state contractor, as long as the  
17 price, fitness and quality of the lumber or solid wood products are equal to that of lumber  
18 and solid wood products harvested outside the State.

19           **2. State subsidies; penalty; enforcement.** Notwithstanding any other provision of  
20 law to the contrary, and to the extent consistent with federal law, if the State provides a  
21 subsidy to a person who purchases lumber or other solid wood products, the person shall  
22 give preference to lumber and solid wood products that are harvested in the State by an  
23 in-state contractor, as long as the price, fitness and quality of the lumber or solid wood  
24 products are equal to that of lumber and solid wood products harvested outside the State.  
25 The Superior Court, upon an action brought by the Attorney General, may assess against  
26 a person who violates this subsection a penalty of \$250 for each violation. Each load of  
27 lumber or solid wood products delivered pursuant to a purchase made in violation of this  
28 subsection constitutes a separate violation.

29           **3. Exceptions.** A state agency may apply to the Department of Administrative and  
30 Financial Services for a waiver of the requirements of subsection 1 in any case or  
31 category of cases in which the executive head of the state agency finds that the  
32 application of the requirements of subsection 1 would be inconsistent with the public  
33 interest.

34           **4. International trade obligations.** This section must be applied in a manner  
35 consistent with the State's obligations under any applicable international agreements  
36 pertaining to government procurement.

37           **§1780. Rules**

38           The Department of Administrative and Financial Services shall adopt routine  
39 technical rules as described in chapter 375, subchapter 2-A to implement this subchapter.

1 **SUMMARY**

2 This bill requires that a state agency that contracts for or acquires lumber or other  
3 solid wood products give preference to lumber and solid wood products that are harvested  
4 in the State by in-state contractors, as long as the price, fitness and quality of the lumber  
5 or solid wood products are equal to that of lumber and solid wood products harvested  
6 outside the State. Under the bill, "state agency" includes departments and agencies of  
7 state, county and municipal government.

8 The bill also requires that if the State provides a subsidy to a person who purchases  
9 lumber or other solid wood products, the person must give preference to lumber and solid  
10 wood products harvested in the State by in-state contractors, as long as the price, fitness  
11 and quality of the lumber or solid wood products are equal to that of lumber and solid  
12 wood products harvested outside the State.