



STATE OF MAINE  
DEPARTMENT OF ECONOMIC  
AND COMMUNITY DEVELOPMENT



PAUL R. LEPAGE  
GOVERNOR

GEORGE C. GERVAIS  
COMMISSIONER

**126<sup>th</sup> MAINE LEGISLATURE**  
**THE JOINT STANDING COMMITTEE ON LABOR, COMMERCE, RESEARCH AND ECONOMIC**  
**DEVELOPMENT**

**DOUG RAY**  
**LEGISLATIVE LIAISON, MAINE DEPARTMENT OF ECONOMIC**  
**AND COMMUNITY DEVELOPMENT**

**MARCH 18, 2013**

**Re: LD 656: Resolve, Requiring the Department of Economic and Community Development To Develop Incentives for Industries in the State To Increase Employment of Maine Residents**

Senator Patrick, Representative Herbig, distinguished members of the Joint Standing Committee on Labor, Commerce, Research and Economic Development; I am Doug Ray, Legislative Liaison for the Maine Department of Economic and Community Development. On behalf of DECD and the Administration I am here to express testimony neither for nor against LD 656.

DECD shares Rep. Beavers' desire to do all we can to help create an even better environment for our businesses to prosper so that they can grow and create more opportunities for Mainers to secure quality, high paying jobs. The fundamental mission of our Department is to make Maine competitive for investment and the private sector.

Of the 390 or so businesses participating in the Pine Tree Development Zone Program a vast majority, more than 300 are manufacturers, that's roughly 80%. These businesses have pledged almost a billion dollars in investment and anticipated payroll of nearly \$850 million and 74 hundred jobs.

DECD is working with the Government Oversight Committee to develop a process to evaluate the effectiveness of **all** economic development incentives across state government, not just the programs managed by DECD. This is what was recommended in the 2006 OPEGA report but never accomplished.



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We recognize the need to take an in-depth look at the inventory of economic development incentives the State of Maine already has in place; to measure the true effectiveness of these initiatives and overall return on investment. We need to develop that process so that we can assess what programs are working and which ones are not. That will give us a baseline for weighing the potential impact of proposed new incentives compared to those that are already in existence.

It makes sense to take stock of what we already have in place, evaluate the effectiveness of these programs before we start proposing new incentives. Perhaps the need for new incentives will result from this work. At that point a bill like this would make much greater sense.

Thank you for your time and consider of this legislation.