



Big Box Store Legislation

In 2007 Maine became the first state to pass a law restricting the construction of big box stores. Five other states have proposed legislation limiting big box stores, but the legislation has either been vetoed or died in committee. These states are California, Montana, New Jersey, Oregon, and Vermont.¹ This report focuses on the recently passed Maine law, examining how big box stores are identified and the requirements needed to obtain a building permit. It also discusses the proposed legislation of the other five states. The status of this legislation and requirements for building are summarized in Table 1 found at the end of the report.

Identification

Maine defines big box stores as stores of 75,000 square feet or more.² The other five states also proposed defining big box stores by square footage and the size ranged from 75,000 square feet to 130,000 square feet. Montana's bill classified big box stores as stores over 75,000 square feet and having gross annual revenue of \$2 billion or more.³ The New Jersey bill defined big box stores as stores of 130,000 square feet or more and stores with 10% of the merchandise as nontaxable items.⁴

Proposed big box stores in Maine must undergo an impact study conducted by an independent firm. Impact studies were also proposed by the five other states.

¹ Hudson, Kris. "US: States Target Big-Box Stores; Maine is First to Require That Wal-Mart, Rivals Undergo Impact Studies." CorpWatch. 29 June 2007. The Wall Street Journal. <<http://www.corpwatch.org/article.php?id=14546>>.

² Maine. State of Maine Legislature. Informed Growth Act.

<<http://janus.state.me.us/legis/LawMakerWeb/externalsiteframe.asp?ID=280024788&LD=1810&Type=1&SessionID=7>>.

³ McAlpin, D. Montana. State of Montana Legislature. House Bill No. 652.

<<http://data.opi.mt.gov/bills/2007/billhtml/HB0652.htm>>.

⁴ Stephen, Sweeney M. New Jersey. New Jersey Legislature. Senate, No. 2080.

<http://www.njleg.state.nj.us/2004/Bills/S2500/2080_11.htm>.

The following are guidelines that Maine uses and the other states proposed when conducting an impact study.

General Impact Study Guidelines

Cost

Maine

The applicant desiring permission to construct a big box store must pay \$40,000 for the impact study. The remaining funds not used for the study are returned to the applicant.⁵

Other States

California, Montana, New Jersey, Oregon, and Vermont also proposed that the applicant pay for the impact study.

Impact on Environment

Maine

Maine requires that the impact study examine the affect of the store in the following environmental areas:⁶

- Air quality
- Water quality of groundwater, wetlands, and surface water
- Quality of residential neighborhoods (noise, traffic)
- Scenic and natural beauty
- Recreational and historic sites
- Natural areas
- Plant and Wildlife

Other States

Of the other five states, Montana is the only one to recommend looking at environmental impacts.

Impact on Regional Governments

Maine

The impact study examines the affect of big box stores on local government services. This analysis focuses on:⁷

⁵ Maine. State of Maine Legislature. Informed Growth Act.

<<http://janus.state.me.us/legis/LawMakerWeb/externalsiteframe.asp?ID=280024788&LD=1810&Type=1&SessionID=7>>.

⁶ Ibid

⁷ Maine. State of Maine Legislature. Informed Growth Act.

<<http://janus.state.me.us/legis/LawMakerWeb/externalsiteframe.asp?ID=280024788&LD=1810&Type=1&SessionID=7>>.

- Public revenue generated from the big box store
- Public costs of the big box store

Other States

The five states also proposed analyzing the above, but also included:

- Impact on local and state land use plans; in particular how the construction will impact affordable housing, noise problems and safety risks⁸ (OR, NJ, CA)
- Change in local traffic levels and patterns⁹ (VT)
- An annual report on public subsidies received by big box store employees¹⁰ (MT)

Impact on Local Economy

Maine

The final consideration in the impact study concerns how a big box store will affect the local economy. In this area, Maine studies focus on the following:¹¹

- Impact on other retailers
- Supply/demand for retail space
- Economic vitality of downtowns
- Employment
 - Estimation of jobs created
- Wages and benefits
- Share of retail space
- Sales revenue retained in area

Other States

The five other states' bills also planned on examining the impact of stores on the local economy. They used the above criteria, but some also added:

- Employment
 - Net increase or decrease of employment in market¹² (CA, OR, NJ)

⁸ Prozanski. Oregon. Oregon Legislative Assembly. Senate Bill 542.
<<http://landru.leg.state.or.us/07reg/measures/sb0500.dir/sb0542.intro.html>>.

⁹ Vermont. General Assembly of the State of Vermont. Senate Bill No. 175.
<<http://www.leg.state.vt.us/docs/legdoc.cfm?URL=/docs/2006/bills/senate/S-175.htm>>.

¹⁰ McAlpin, D. Montana. State of Montana Legislature. House Bill No. 652.
<<http://data.opi.mt.gov/bills/2007/billhtml/HB0652.htm>>.

¹¹ Maine. State of Maine Legislature. Informed Growth Act.
<<http://janus.state.me.us/legis/LawMakerWeb/externalsiteframe.asp?ID=280024788&LD=1810&Type=1&SessionID=7>>.

¹² Prozanski. Oregon. Oregon Legislative Assembly. Senate Bill 542.
<<http://landru.leg.state.or.us/07reg/measures/sb0500.dir/sb0542.intro.html>>.

- Effect on wages and benefits of other retailers¹³ (CA, OR, NJ)
- Demand for employment in area¹⁴ (NJ)
- Potential and impact of long term vacancy¹⁵ (CA, OR)
- Average total distance traveled by customers¹⁶ (CA, OR)
- Disclosure of local purchasing: percentage of goods purchased from Montana corporations¹⁷ (MT)

Public Hearing and Permit Approval

Maine

After the impact study is completed, Maine requires a public hearing where residents can comment on the impact study and voice their sentiments about the proposed big box store. If no “undue adverse impact” is found, in any of the three categories, then the big box store is given a permit to build.¹⁸

Other States

All of the bills in the other states also required public hearings. In addition to a public hearing, Vermont’s bill proposed that the impact study be given to municipalities that are in the vicinity of the proposed big box store.¹⁹

¹³ Ibid

¹⁴ Stephen, Sweeney M. New Jersey. New Jersey Legislature. Senate, No. 2080.

<http://www.njleg.state.nj.us/2004/Bills/S2500/2080_I1.htm>.

¹⁵ Alarcon. California. The California State Assembly. Senate Bill No. 1523. <http://www.leginfo.ca.gov/pub/05-06/bill/sen/sb_1501-1550/sb_1523_bill_20060901_enrolled.html>.

¹⁶ Stephen, Sweeney M. New Jersey. New Jersey Legislature. Senate, No. 2080.

<http://www.njleg.state.nj.us/2004/Bills/S2500/2080_I1.htm>.

¹⁷ McAlpin, D. Montana. State of Montana Legislature. House Bill No. 652.

<<http://data.opi.mt.gov/bills/2007/billhtml/HB0652.htm>>.

²¹ Maine. State of Maine Legislature. Informed Growth Act.

<<http://janus.state.me.us/legis/LawMakerWeb/externalsiteframe.asp?ID=280024788&LD=1810&Type=1&SessionID=7>>.

¹⁹ Vermont. General Assembly of the State of Vermont. Senate Bill No. 175.

<<http://www.leg.state.vt.us/docs/legdoc.cfm?URL=/docs/2006/bills/senate/S-175.htm>>.

Table 1

State	Bill or Law	Minimum Size (Sq. Ft.)
Maine	Law ²⁰ (2007)	75,000
California	Bill (Vetoed in 2006) ²¹	100,000
Montana	Bill (Died in Committee 2007) ²²	75,000*
New Jersey	Bill (Died in Committee in 2004) ²³	130,000**
Oregon	Bill (Died in committee in 2006) ²⁴	100,000
Vermont	Bill (Died in Committee 2006) ²⁵	75,000

*Montana also requires that the store's gross revenue totals at least \$2 billion on an annual basis.

**New Jersey also requires that the store have more than 25,000 stock keeping units with more than 10% of them being nontaxable.

²⁰ Maine. State of Maine Legislature. Summary of LD 1810.

<<http://janus.state.me.us/legis/LawMakerWeb/summary.asp?ID=280024788>>.

²¹ Alarcon. California. The California State Assembly. Complete Bill History. <http://www.leginfo.ca.gov/pub/05-06/bill/sen/sb_1501-1550/sb_1523_bill_20061130_history.html>.

²² Montana. Montana Legislature. Detailed Bill Information.

<[http://laws.leg.mt.gov/pls/laws07/LAW0203W\\$BSRV.ActionQuery?P_BLTP_BILL_TYP_CD=HB&P_BILL_NO=652&P_BILL_LL_DFT_NO=&P_CHPT_NO=&Z_ACTION=Find&P_SBJ_DESCR=&P_SBJT_SBJ_CD=&P_LST_NM1=&P_ENTY_ID_SEQ=>](http://laws.leg.mt.gov/pls/laws07/LAW0203W$BSRV.ActionQuery?P_BLTP_BILL_TYP_CD=HB&P_BILL_NO=652&P_BILL_LL_DFT_NO=&P_CHPT_NO=&Z_ACTION=Find&P_SBJ_DESCR=&P_SBJT_SBJ_CD=&P_LST_NM1=&P_ENTY_ID_SEQ=>)>.

²³ New Jersey. New Jersey Legislature. <<http://www.njleg.state.nj.us/bills/BillView.asp>>.

²⁴ Oregon. Oregon Legislative Assembly. Senate Bill 542. <<http://www.leg.state.or.us/cgi-bin/searchMeas.pl>>.

²⁵ Vermont. General Assembly of the State of Vermont. Current Status of a Specific Bill or Resolution.

<<http://www.leg.state.vt.us/database/status/summary.cfm>>.

This report was prepared in September, 2007 by the Iowa Civic Analysis Network (I-CAN), a non-partisan public policy undergraduate research group at the University of Iowa. For additional research on this or other issues, please visit our website at <http://www.uiowa.edu/~ican> or contact us at studorg-i-can@uiowa.edu.