ONE HUNDRED AND TWENTY-SIXTH LEGISLATURE
SECOND REGULAR SESSION
33rd Legislative Day
Tuesday, April 1, 2014

The House met according to adjournment and was called to order by the Speaker.

Prayer by Pastor David Lewis, Farmington Baptist Church.

National Anthem by Maranacook Community Middle School Chorus, Readfield.

Pledge of Allegiance.

Doctor of the day, Craig Curtis, M.D., Holden.

The Journal of yesterday was read and approved.

COMMUNICATIONS

The Following Communication: (H.C. 389)

STATE OF MAINE
ONE HUNDRED AND TWENTY-SIXTH LEGISLATURE
COMMITTEE ON STATE AND LOCAL GOVERNMENT

March 28, 2014
Honorable Justin L. Alfond
President of the Senate
Honorable Mark W. Eves
Speaker of the House
126th Legislature
State House
Augusta, Maine 04333
Dear President Alfond and Speaker Eves:
Pursuant to Title 3 Maine Revised Statutes, chapter 35, we are pleased to submit the findings of the Joint Standing Committee on State and Local Government from the review and evaluation of the Maine Governmental Facilities Authority under the State Government Evaluation Act. In its review, the Committee found that the Maine Governmental Facilities Authority is operating within its statutory authority.
Sincerely,
S/Senator Colleen M. Lachowicz
Senate Chair
S/Representative Anne P. Graham
House Chair

READ and with accompanying papers **ORDERED PLACED ON FILE**.

The Following Communication: (H.C. 390))

STATE OF MAINE
ONE HUNDRED AND TWENTY-SIXTH LEGISLATURE
COMMITTEE ON STATE AND LOCAL GOVERNMENT

March 28, 2014
Honorable Justin L. Alfond
President of the Senate
Honorable Mark W. Eves
Speaker of the House
126th Legislature
State House
Augusta, Maine 04333
Dear President Alfond and Speaker Eves:
Pursuant to Title 3 Maine Revised Statutes, chapter 35, we are pleased to submit the findings of the Joint Standing Committee on State and Local Government from the review and evaluation of the State Civil Service Appeals Board under the State Government Evaluation Act. In its review, the Committee found that the State Civil Service Appeals Board is operating within its statutory authority.
Sincerely,
S/Senator Colleen M. Lachowicz
Senate Chair
S/Representative Anne P. Graham
House Chair

READ and with accompanying papers **ORDERED PLACED ON FILE**.

The Following Communication: (H.C. 391)

STATE OF MAINE
ONE HUNDRED AND TWENTY-SIXTH LEGISLATURE
COMMITTEE ON STATE AND LOCAL GOVERNMENT

March 28, 2014
Honorable Justin L. Alfond
President of the Senate
Honorable Mark W. Eves
Speaker of the House
126th Legislature
State House
Augusta, Maine 04333
Dear President Alfond and Speaker Eves:
Pursuant to Title 3 Maine Revised Statutes, chapter 35, we are pleased to submit the findings of the Joint Standing Committee on State and Local Government from the review and evaluation of the State Claims Commission under the State Government Evaluation Act. In its review, the Committee found that the State Claims Commission is operating within its statutory authority.
Sincerely,
S/Senator Colleen M. Lachowicz
Senate Chair
S/Representative Anne P. Graham
House Chair

READ and with accompanying papers **ORDERED PLACED ON FILE**.

The Following Communication: (S.C. 861)

MAINE SENATE
126TH LEGISLATURE
OFFICE OF THE SECRETARY

March 31, 2014
Honorable Mark W. Eves
Speaker of the House
2 State House Station
Augusta, Maine 04333
Dear Speaker Eves:
In accordance with 3 M.R.S.A. §158 and Joint Rule 506 of the 126th Maine Legislature, please be advised that the Senate today confirmed the following nomination:
Upon the recommendation of the Committee on Judiciary, the nomination of Honorable John B. Beliveau, Sr. of Lewiston for appointment as an Active Retired District Court Judge.
Best Regards,
S/Darek M. Grant
Secretary of the Senate

READ and **ORDERED PLACED ON FILE**.

SPECIAL SENTIMENT CALENDAR

In accordance with House Rule 519 and Joint Rule 213, the following items:

Recognizing:

Roger Charest, of Auburn, who was named the 2013 Maine Youth of the Year at the state competition of the Boys and Girls Club of Maine. Roger has been a member of the Auburn/Lewiston Clubhouse since 4th grade and currently serves as President of the Keystone Club. We extend our congratulations to Roger on his receiving this honor and we send him our best wishes;

(HLS 806)

Presented by Representative NELSON of Falmouth.

Cosponsored by Senator CRAVEN of Androscoggin, Representative LAJOIE of Lewiston, Representative CAREY of Lewiston, Representative LIBBY of Lewiston, Representative ROTUNDO of Lewiston, Representative WERTS of Auburn, Representative BEAULIEU of Auburn, Representative BOLDUC of Auburn, Senator CLEVELAND of Androscoggin.

On **OBJECTION** of Representative NELSON of Falmouth, was **REMOVED** from the Special Sentiment Calendar.

READ.

The SPEAKER: The Chair recognizes the Representative from Falmouth, Representative Nelson.

Representative **NELSON**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. I am pleased to rise today to share with you some information about Roger Charest, the 2013 Maine Youth of the Year for the Boys and Girls Clubs of Maine. Before I talk about Roger, I want to tell you a bit about the Boys and Girls Clubs and the award. Sixty-seven years ago, in 1947, the Boys and Girls Clubs of America established the Youth of the Year program as its premier character and leadership initiative, recognizing outstanding contributions to a Club member's family, school, community, and Boys and Girls Club – as well as personal challenges and obstacles overcome. Several years ago, I sat on the selection committee to choose that year's Maine Youth of the Year. It was a very difficult task. Each nominee offered compelling stories of contributions made, obstacles overcome, personal challenges met, and the importance that the Boys and Girls Club had in their life.

Boys and Girls Clubs annually serve nearly 4 million young people. In Maine alone, 16 clubhouses serve approximately 15,000 young people each year, in summer and after school programs. They provide a safe, inclusive environment where young people can participate in sports, get assistance with their academic studies, build self-esteem, learn to treat others with respect, make good choices, and develop strong character. There are many young people who claim that the Boys and Girls Club "saved my life." In the Education Committee, we often speak about the fact that every child learns in his or her own individual way. We also talk about the challenges faced by so many young people who are financially insecure, have health or family issues which impact their daily lives, and look to their school or community organizations to provide support.

Becoming the Maine Boys and Girls Club Youth of the Year is indeed a great honor and a terrific achievement. Local clubs name a Local Youth of the Year. For the fourth year in a row, Roger was named the Auburn/Lewiston Clubhouse Local Youth of the Year, last year. He competed against six other outstanding local youth of the year candidates. Roger has been a member of the clubhouse, as you've heard, since the 4th grade. He served as President of the Keystone Club, and for 3 summers, he served as a Counselor in Training. Roger graduated from Edward Little High School last June and is currently a student at the University of Southern Maine, with scholarship support in part from both Boys and Girls Clubs of Southern Maine and Boys and Girls Clubs of America. We congratulate Roger on this well-deserved award, and wish him well in his college studies. Thank you, Mr. Speaker.

Subsequently, the Sentiment was **PASSED** and sent for concurrence.

Recognizing:

the Gorham Police Department on the occasion of the 50th anniversary of its being established as a full-time police department. At the annual town meeting on March 9, 1964, the citizens approved a measure appropriating money to support a police department with a full-time constable service. The first full-time police chief started on April 12, 1964, and within a year there were 2 full-time officers. Today the Gorham Police Department consists of 23 sworn officers and 2 civilian employees. In 2005, the department merged with the Cumberland County Regional Communication Center. We extend our congratulations to the Town of Gorham and the Gorham Police Department on this anniversary;

(HLS 817)

Presented by Representative McLEAN of Gorham.

Cosponsored by Senator BOYLE of Cumberland, Representative SANBORN of Gorham.

On **OBJECTION** of Representative McLEAN of Gorham, was **REMOVED** from the Special Sentiment Calendar.

READ.

On motion of the same Representative, **TABLED** pending **PASSAGE** and later today assigned.

Under suspension of the rules, members were allowed to remove their jackets.

The following item was taken up out of order by unanimous consent:

UNFINISHED BUSINESS

The following matter, in the consideration of which the House was engaged at the time of adjournment yesterday, had preference in the Orders of the Day and continued with such preference until disposed of as provided by House Rule 502.

HOUSE DIVIDED REPORT - Majority (8) **Ought to Pass as Amended by Committee Amendment "A" (H-749)** - Minority (5) **Ought Not to Pass** - Committee on **TAXATION** on Bill "An Act To Improve Maine's Tax Laws"

(H.P. 792) (L.D. 1120)

TABLED - March 27, 2014 (Till Later Today) by Representative LIBBY of Lewiston.

PENDING - Motion of same Representative to **ACCEPT** the Majority **OUGHT TO PASS AS AMENDED** Report.

The SPEAKER: The Chair recognizes the Representative from Bangor, Representative Goode.

Representative **GOODE**: Thank you, Mr. Speaker. Just to speak real briefly to this bill, Mr. Speaker, I put in LD 1120 last year knowing I was new to the Tax Committee. I am interested in finding out if there were issues that this body and the Tax Committee hadn't taken up in recent years. This bill has turned into a bill dealing with tax havens which has been a tax issue that's gotten more and more attention nationally the last few years. The issue, at hand, is one of fairness, and in learning more about tax policy and in learning more about property taxes that our constituents face and sales taxes that our constituents face, I try to keep an eye out for situations where there might be

larger and more powerful entities that can use tax laws to their advantage in a way that cause our constituents and people that we care about to face more of a burden. I believe that when huge multinational corporations hide their income in offshore tax havens it creates an uneven playing field. Small businesses in Maine that don't use these tricks are stuck at a competitive disadvantage. The bill before us uses Maine's current water's edge reporting requirement for tax havens. It's described as water's edge. It puts 38 known tax havens, such as the Cayman Islands or Bermuda or the Bahamas, into Maine's tax code, requiring multinational corporations that hide their money in those out-of-state offshore tax havens to report their corporate income tax the same way a Maine business would or a national business would that keeps money in other states.

I've inquired with lots of different folks in other states who have done bills like this. The Montana Revenue Director, Dan Bucks, has been helpful. His state continually updates their water's edge reporting requirements with new tax havens. They have since 2003. Oregon passed a bipartisan bill last year that this is modeled after. Multiple other states have different legislation that helps them recoup money from multinational corporations that they keep offshore. The Multistate Tax Commission, a clearinghouse for state tax policy, has a number of different models and lists around how to deal with offshore tax havens. When we got the fiscal note back on this bill, the fiscal note for the bill said that the state would gain $10 million in revenue each biennium, with each biennium $10 million in revenue. That's $10 million that could go to property taxes. It could go to revenue sharing. It could go to the Property Tax Fairness Credit. It could go towards helping small businesses in Maine. It could go toward Head Start. And it really just seemed not in balance, not smart and not fair that we would allow multinational corporations to hide their corporate income in a place like the Cayman Islands or in Bermuda, while we ask more and more of our struggling young parents, while we ask more and more of our small businesses at the same time.

Now, I inquired a little bit about what happened in Montana and Oregon when they've passed these type of bills. There's been no constitutional challenge in those states. Other states have had different types of ways to address offshoring of tax money and they haven't had those types of challenges. The states of Montana and Oregon have seen increased numbers in corporate tax filings similar to the fiscal note that was projected for our state. So they've seen real money come into their state based on their changes in tax policy. They've seen increased filings, not less filings. So there has been more money coming into these states from multinational corporations that are basically skirting tax laws. I think some other people might be interested in speaking on this, so I will try not to take up a lot of time. Just to kind of outline the situation at hand here, if you're thinking about who this is. I don't think that many of my constituents do this, many of the small businesses in my district do this. Well, you're right. No businesses that are small business mom-and-pop stores in Maine are doing this. That's why this bill is here. It's unfair that a small business in Maine, that a mom-and-pop store on a main street in our state could never even conceive of doing something like this. But I think there has been lots of national work and investigation around big corporate multinational businesses that are very smart with their finances. There are tech companies that are continuing to use this. So if somebody buys an Apple product in Bangor, there's a sales tax on that product. You pay your sales tax when you buy an Apple product. If Apple has corporate income in Nevada or Delaware, we treat that just like it's corporate income in Maine. We do not let corporations hide their money in Delaware, Nevada or any other low tax state, and I'm not sure why we would let a corporation like Apple hide their money in the Cayman Islands. We know that Apple executives, who were former Apple executives, have said that their company, in particular, does this, that they avoid paying taxes by hiding their money in offshore tax havens. We know that people buy Apple products in Maine and we currently have a formula in-state law that apportions corporate income tax for all other 50 states. It's called water's edge. That's how it works. We don't let them skirt their income tax by hiding money in other states in America, so I'm not sure why we couldn't use the same exact formula to avoid letting them pay their fair share of corporate income tax in Maine. I don't think it's just Apple and I don't think it's just a Maine problem. The former Treasury Department economist Martin A. Sullivan found that without complex tax avoidant strategies Apple would have paid $2.4 billion more in America in U.S. taxes, and that's from somebody at the Treasury Department. There are 17 Fortune 500 companies that disclose information on their 10-K forms filed with SEC and those forms strongly suggest that they have paid little to no tax on their offshore tax holdings. Another 20 corporations hold an estimated $720 billion in offshore tax income that are subsidiaries of those known tax corporations. These are not Maine companies. I think these are smart companies that have smart tax strategies, that are in all 50 states that are going to stay in Maine no matter what because there's a market here and they are in all 50 states. It just seems really unfair to me. So I hope that folks will support the pending motion, something that I've worked very hard on and feel very strongly about. Thank you.

The SPEAKER: The Chair recognizes the Representative from Bowdoinham, Representative Berry.

Representative **BERRY**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. The bill before us asks fundamental questions about our loyalties, our loyalties as citizens and the loyalties of corporate citizens as well, questions of patriotism for our country and for our state. It asks where our loyalties lie. Mr. Speaker…

The SPEAKER: Will the Representative defer? The Chair recognizes the Representative from Newport, Representative Fredette, and inquires as to why the Representatives rises.

Representative **FREDETTE**: Mr. Speaker, I don't believe that the speaker ought to be inquiring as to the motives of the parties. I think particularly referring to people's loyalties, I believe, is a little bit out of line.

On **POINT OF ORDER,** Representative FREDETTE of Newport asked the Chair if the remarks of Representative BERRY of Bowdoinham were germane to the pending question.

The SPEAKER : The Chair would remind those debating this bill and any bill in the future to keep their comments to the bill, to the motion before us, and refrain from questioning individuals' motives. The Representative may proceed.

The Chair reminded all members to stay as close as possible to the pending question and that it was inappropriate to question the motives of other members of the House.

Representative **BERRY**: Thank you, Mr. Speaker. I do appreciate the reminder and I want to emphasize that I am primarily focusing on the bill and certainly, not how anyone will vote here today, but it's an important point for all of us. The bill before us asks whether we prioritize our small businesses in Maine who pay taxes in full, whether we prioritize putting money in the pockets of middle class citizens at a time when citizens are struggling to heat their homes, to put food on the table, and, Mr. Speaker, at a time when too many corporations in the United States pay little or no income taxes. Tax evasion, whether it's legalized or illegal, is a real problem in Maine and in the country as a whole, and the bill before us does something about that. I

hope, Mr. Speaker, that we can pass this bill with an overwhelming vote on both sides of the aisle today. I ask for a roll call when the vote is taken.

The same Representative **REQUESTED** a roll call on the motion to **ACCEPT** the Majority **Ought to Pass as Amended** Report.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

Representative KNIGHT of Livermore Falls moved that the Bill and all accompanying papers be **INDEFINITELY POSTPONED**.

The SPEAKER: The Chair recognizes the Representative from Livermore Falls, Representative Knight.

Representative **KNIGHT**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I have been serving on the Tax Committee now for eight years, probably the longest tenure of anyone, in fact I know it's the longest tenure of anyone here in the building. I have a great amount of respect for my Tax Chair, Representative Goode, from Bangor. We've worked long and hard on many, many bills together. I think much has been accomplished. We've worked on issues of fairness and equity. This particular bill, in all due candor, is the worst piece of legislation I've seen in my eight years. I know it's well-meaning on the part of my Chair, but we've got many, many problems with this bill. I have not written a speech, by the way, so you're going to have to put up with me rambling a little bit. We've set up tax havens in our expertise here in the State of Maine, and we've blackballed, if you will, various nations around the world, countries that we have treaties with, federal treaties, but, we, here in Maine, think we're just a bit smarter than others, I guess, maybe we are, and that we're going to be able to conduct ourselves differently, even with United States Government treaties out there.

Let me just read to you the countries that we are no longer wanting to do business with, and I'm going to suggest some of them you might not have heard of. Andorra, Anguilla, Antigua and Barbuda, Aruba, the Bahamas, Bahrain, Barbados, Belize, Bermuda, the British Virgin Islands, the Cayman Islands, the Cook Islands, Cyprus, Dominica, Gibraltar, Grenada, Guernsey, Sark, Alderney, the Isle of Man, Jersey, Liberia, Liechtenstein, Luxembourg, Malta, the Marshall Islands, Mauritius – I'm probably not pronouncing these right – Monaco, Montserrat, Nauru, the Netherlands Antilles, Niue, Samoa, San Marino, the Seychelles over in the Indian Ocean, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, the Turks and Caicos Islands, the United States Virgin Islands, and Vanuatu. Now, I suggest to you that our good chairperson, I'm not sure where he came up with all these countries, but apparently, in his expertise, he believes that these particular countries should not be, if our corporations in this country are doing business or have affiliates in any of these countries that I just mentioned, that when they file their income tax return, they need to include, or we here in this country will include incomes earned in those nations, those states.

There are many, many attorneys sitting in this room, I know. We actually had a constitutional lawyer come before the Tax Committee to discuss this. This is certainly unconstitutional. Our government, the United States Government, has made treaties, Mr. Speaker, and here we, in Maine, have decided that we are going to go out on our own and ignore the treaties that our sovereign nation has made with other countries. It baffles my mind. I sort of liken it to being on the high dive platform and jumping off into deep waters that we really don't understand. In fact, I'm going to confess something. I don't understand a lot of this. For those who don't know me, and I don't intend to embarrass the schools I'm about to mention, but I've spent a fair amount of my career in business. I would like to suggest that I have a fair amount of business acumen. I have an undergraduate degree in economics from Colby College. I have a master's degree from the University of Southern Maine. I graduated from the School of Banking at Williams College. I've taken and completed coursework in certificate programs at the University of New Hampshire, The Wharton School of Finance in Philadelphia, and I taught for many years at the University of Maine in this area of economics and in this time I've taken a fair number of accounting courses, advanced accounting courses. Now, there may be people in this room that have had more background and understanding than I in accounting and I give you that. I would tell you that I don't understand some of this water-edge accounting and I would dare say there is no one on my Taxation Committee that does either. In fact, I would suggest there aren't more than a handful of people in the State of Maine that really truly understand the very erudite complex accounting mechanisms that need to be employed as we look at this matter of tax accounting. It's beyond my understanding and I readily confess that.

Where this bill initiated, and I know we aren't putting motives on it and I won't do that, I'll just suggest that I'm baffled by the origin or the genesis of this bill. I guess it's a feel-good bill. We all want equity. We all want everybody who should be paying taxes to pay their fair share, and we do tax all monies that are earned in the State of Maine. We tax them. I'm going to suggest when I conclude my remarks, which might be, frankly, quite a few minutes from now, that the majority party table my motion and that you caucus this bill, you bring in some experts to really discuss this because this is an embarrassment to our organization, I believe, to put this kind of a bill before us. I would recommend, just as a start, we go to our own expert in-house, Dr. Michael Allen. Now, we had the Maine Revenue Services folks before us in the Tax Committee. I also talked some offline and they say to me that this, in essence, is a nightmare. The Maine Revenue Services doesn't have the capacity or the resources to do this. So why are we doing this? I guess for maybe full employment. We can go out and try to find some sophisticated accountants to join Maine Revenue Services and although I told you a few minutes ago I'm not one of them, I might like to apply for the job to audit this problem because maybe in January, February, when we're experiencing very cold, wintery weather and we aren't collecting our monies from one of the Caribbean islands, I could go down and audit if the government down there would let me look at their books. I doubt they would. But maybe we could take a little time off and go down to the Caribbean and see if we can figure out what's going on down there with Maine tax people.

I handed out, you all should have and I know you don't because a lot of people don't have paper in front of them on the desk and, because of that, I'm going to have to read a couple of things, if you pardon me. We have received two references from two sovereign nations, one the country of Luxembourg and the ambassador of that country, in writing to us on this issue, says, "The fact that Luxembourg is included in such a list" – we're talking about the blacklist that we've created – "[is] an obvious lack of independent study and analysis; my country, which is a founding member of both [the] European Union and NATO, is engaged with the United States in a longstanding partnership in the economic and financial sectors …. The term 'tax haven' should be used to identify countries or territories that levy no or very low taxes on income, wealth, capital and profits. Luxembourg does not belong in that category, for it has a comprehensive and balanced tax system that imposes an overall

tax burden at comparable international levels." So who are we, the State of Maine, to suggest that Luxembourg belongs in a category called tax haven and we blacklist them? It just doesn't make a lot of sense to me. Their commitment to tax transparencies reflect at the highest levels of government and they point that out in their letter.

Now, my good friend from Bangor suggests that other states are doing this. Well, there are two states, Oregon and Montana. In the letter from Luxembourg, you'll note, and I read and quote, "The legislature of Montana has previously relied upon, and consistently misquoted, other bits of 'evidence' in its efforts to demonstrate that Luxembourg is properly characterized as a tax haven. While it would be pointless to cite and refute each allegation submitted by the State of Montana, which are generally not relying on concrete evidence, it is perhaps worthwhile to show one example of the unreliability of that list." They point out "The Montana Department of Revenue claims that a 2000 report from the Financial Stability Forum identifies Luxembourg as a tax haven. In fact, this source identifies [it] as a 'major financial center,' along with the United States, Germany, France, Canada and Japan. Notably, when the Embassy pointed out this error, the Montana Department of Revenue suggested that a country needed not even be a tax haven to come under its unitary reporting jurisdiction, and began to use the [words] 'financial center' and 'tax haven' interchangeably."

We've got problems. The Constitution ones stand out in my mind and I would recommend that when we have the caucus, which I hope you do, that you invite our own Attorney General into the conversation, Mr. Speaker. I think she would tell you that we are interfering in international tax laws that are well beyond our purview. As I say, I find it wee embarrassing. When I am pressed in the committee "Why are we doing this," the best I could get from the bill's sponsor was that he believes that Apple Computer might not be paying its fair share of taxes. I'll tell you, I'd give my eyeteeth, and I think everybody in this room would, if we could get Apple Computer to come and do more business in the State of Maine. This is antibusiness. This is going to discourage multinational companies from wanting to come to Maine. I admit, personally, I'm a Main Street guy, not a Wall Street guy, and I'm not a big fan of the multinationals, but they do provide good jobs, high paying jobs, and we need those kind of companies in the State of Maine. A bill like this is going to discourage that big time.

We also received a letter from Liechtenstein. They are very concerned and I invite you to read their report to us from their ambassador. I don't know. This, as I said, in my eight years, I'm not sure I've seen a worse bill and it's…

The SPEAKER: Will the Representative defer? The Chair recognizes the Representative from Friendship, Representative Evangelos.

Representative **EVANGELOS**: Point of Order, questioning motives several times. Come on, please.

On **POINT OF ORDER,** Representative EVANGELOS of Friendship objected to the comments of Representative KNIGHT of Livermore Falls because he was questioning the motives of other members of the House.

The SPEAKER: Again, the Chair would remind all folks to not disparage members' motives or intentions around why a bill came forward or the content of the bill.

The Chair reminded all members that it was inappropriate to question the motives of other members of the House.

The SPEAKER: The Chair recognizes the Representative from Livermore Falls, Representative Knight.

Representative **KNIGHT**: Thank you very much, Mr. Speaker. I apologize. I would not want to impugn anyone's integrity or suggest their motives are inappropriate. I think I said at the beginning I totally respect the bill's sponsor and I think it's very important that we address issues of tax evasion. This bill is not the answer and, with all due respect, we should kill it as quickly as possible. As I said, we've got a motion on the floor to indefinitely postpone and I would love to see somebody on that side of the aisle step up and table this for further discussion in a caucus, because it deserves much more scrutiny before we vote. I'm also aware and I need to say this because I've seen how the process works, a chairman of any committee, but I'm speaking to this bill, makes a motion, puts the bill before us and the leadership follows that and all the other committee chairs like to do likewise. I strongly encourage that we not do this this time, that we look at the merits of the bill before us and we do the right, prudent and, I think, smart thing and turn this bill back where it came from and end it. Thank you very much, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Bowdoinham, Representative Berry.

Representative **BERRY**: Thank you, Mr. Speaker. I apologize for rising a second time, but I do want to respond to the polite request from my friend from Livermore Falls regarding a caucus and just assure him that we have caucused the bill and had a chance to look it over. The bill before us will simply protect small businesses and residents from picking up the tab for multinational corporations that try to hide profits overseas. That's what the bill before us does and I think we need to expect the same of multinational corporations as we do of our own small businesses. Mr. Speaker, I request a roll call on the pending motion.

The same Representative **REQUESTED** a roll call on the motion to **INDEFINITELY POSTPONE** the Bill and all accompanying papers.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The SPEAKER: The Chair recognizes the Representative from Lewiston, Representative Libby.

Representative **LIBBY**: Thank you, Mr. Speaker. Good morning, Men and Women of the House. I'd like to suggest that you don't need a degree in economics from Colby College or a master's degree from the University of Southern Maine or a banking degree from Williams College to understand what this bill is about. This bill is not antibusiness, and there's nothing antibusiness about requiring companies to pay the amount of tax that they owe to the State of Maine and not a penny more. Seventeen Fortune 500 companies disclose information on the form 10-K, which is filed with the SEC, and strongly suggest they have paid little or no tax on their offshore holdings. Another 20 corporations hold an estimated $720 billion, that's three-quarters of $1 trillion, in unrepatriated offshore income that has subsidiaries in known tax haven corporations. These include companies like Amgen, Nike, General Electric, Proctor and Gamble, and Wal-Mart. Some have suggested that the federal government should try to fix this problem and I would suggest that the federal government cannot force states to close loopholes in their own tax codes and each state must make sure on its own that it collects the corporate income tax that it is due. My very good friend from Livermore Falls suggested that there are only two states that have gone down this road, and, in fact, there are many more. Massachusetts, Utah, West Virginia, California, Idaho, Montana, North Dakota, Alaska, Montana, and Oregon, in various ways, have attempted to address this issue. This is a very straightforward, practical approach and I would encourage you to follow my light. Thank you.

The SPEAKER: The Chair recognizes the Representative from Winterport, Representative Brooks.

Representative **BROOKS**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I never have been to Luxembourg, but I know where it is. It sits to the right of Belgium and just to the left of Germany, and I'll bet you that this is no secret that every single person in this room knows the name of its capital city. I'm going to let you figure that out. You see, I haven't got no college education and I ain't ever been to Williams College or any of them, and I wondered when I got put on Taxation whether I would ever fit. How could I ever do anything on Taxation? I'm a guy with a six-year background in Health and Human Services. But when I saw this bill come through, I shouldn't say "but," but when I saw this bill come through I kind of chuckled to myself, thinking, the State of Maine, how could this possibly help us? Offshore tax havens, the State of Maine? I mean the farthest I got in the State of Maine when I was a kid was Bradley. I lived in Bangor. So I didn't get very far. I even dated a girl from Bradley. She was the daughter of a dairy farmer. Oh, no, that's another story. When the facts started to come out and I realized that this really was hurting Deb's Variety in Winterport – those of you who have been there, you know that Deb don't like to be messed with and doesn't like to lose tax revenue or pay for anybody else's – then I realized we're talking at least $10 million. When some of the companies that do business in the State of Maine hide their assets – oops, did I say something wrong – hide their revenue in offshore tax havens that are costing people in Maine money, it's not a bad bill. I hope that you will follow my light and not Indefinitely Postpone this bill. It takes courage to take on some of the largest corporations in this country. If you don't believe me, look at Congress. But we're the Maine Legislature and we're here for one purpose, and once we get divided up into committees, including Taxation, I feel I'm here for one purpose and that's to do for my constituents.

This is not a bad bill. This is a good bill. Montana, Oregon, there were two challenges on the constitutionality and the high court said, "We don't see anything wrong with this." I say we do it. Again, we could be putting Maine on the map for a variety of reasons and I can tell you several. You've got to meet me outside the confines of this room. If my chair doesn't stop moving, I'm going to go crazy. There were several reasons why we aren't respected in this country. This should not be one of them. We should not tolerate this. Water's edge is an old way of calculating the taxes. Whatever they make in Maine, they ought to pay for. We've debated internet taxes, we've debated every form of taxes and, believe me, none of us on the committee, myself included, likes to tell the folks back home during an election year that we've just made a greater tax. But, boy, when we can find inappropriately kept moneys offshore and can increase our revenue, money that is being stolen. How many bills have we all put in that are going to die on the Appropriations Table? I can think of a few. Head Start, maybe, and a few others. Let's look at this the way we should be looking at this. Let's look at this as a boon for the State of Maine. Let's not be embarrassed by New York lawyers and great financial minds. Let's not be embarrassed by them. Let's go after it and let's find out if, in fact, Apple or any other international corporation that is doing this in the State of Maine and ask for a fair return. Do not, please, Indefinitely Postpone this bill. Let's give it a life and let's see what happens. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Bath, Representative DeChant.

Representative **DeCHANT**: Mr. Speaker, may I pose a question through the Chair?

The SPEAKER: The Representative may pose her question.

Representative **DeCHANT**: Do I understand correctly that Maine is in jeopardy of losing $10 million in taxes because large corporations are sheltering their profits in other countries that are listed on this, and then, furthermore, if somebody could help me understand how that's bad for business and good for Maine.

The SPEAKER: The Representative from Bath, Representative DeChant, has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Livermore Falls, Representative Knight.

Representative **KNIGHT**: Thank you, Mr. Speaker. I think the answer to that question is that's the speculation of an amount that some suggest is available out there. That's not a fact that anybody can rely on. If it were so, I would not be opposing this bill. I really think that's just pie in the sky that we're looking for. So I don't believe there is any such amount out there.

The SPEAKER: The Chair recognizes the Representative from Orono, Representative Tipping-Spitz.

Representative **TIPPING-SPITZ**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. This one seems like a no-brainer. Large companies are using tax code loopholes found by their armies of lawyers and accountants to prevent revenue from being reported here. At the same time, we, in this chamber, are scraping the bottom of every barrel we can find to try and get revenue to pay for important programs that we value. We're also seeing huge cuts to the programs that we value. It just makes sense that we should be doing everything in our power to make sure the revenue that should be on Maine books stays on Maine books. We've heard a lot of arguments against the bill that it's unconstitutional, even though we had several pieces of testimony in the committee, one from a University of Connecticut law professor that says there are two Supreme Court decisions that say this is legal. Other states are already doing it. When I asked one of the lawyers that came before our committee if the other states that have passed some of the legislation, if they've been challenged in court, he said no. One of the other things we've heard about this bill is that it's too complicated. Well, maybe I should just throw up my hands and say, you know what, this math is getting too hard. We should walk away, as has been suggested by some in committee and some on the floor today. Well, I think that would be breaking a promise that I made to my constituents and I think a lot of you made to your constituents. I think it's important to tackle the hard issues and I think this is one that we should sink our teeth into. The most frequent argument I hear about this bill though is that we would look unaccommodating to business and I flat out don't think that's true. The only people we look unaccommodating to are tax dodgers, people who are using legal means to not pay their taxes. So I think it's important that we get past this Indefinite Postponement, get to the matter, and pass this bill and try to put this into law. I think it's an important time for our state not to throw our hands up in the air, not to leave this for other people to decide, to actually take action on this. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Freedom, Representative Jones.

Representative **JONES**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. With all due respect, to my good colleague and dear friend from Livermore Falls, I'd like to speak against the pending motion and as many of us in this chamber have noted, I've kind of taken it upon myself to be an advocate of the working poor. The working poor have no such access to tax havens. In fact, every penny they spend is subject to the 5.5 percent sales tax. Every dollar they earn is subject to an income tax. There is a Medicare tax, the so-called FICA tax. When they purchase their homes, they have no access to tax incremented financing, so-called TIFs. So what happens is we've created, perhaps unintentionally, a tax structure that favors one

citizen over another. Mr. Speaker, Men and Women of the House, there's two ways to make money. One is you roll up your sleeves, you lace your boots up and you get in your pickup and you show up at the job site and you work. That's one way to make money. Mr. Speaker, the other way to make money is you let your money do the work for you. You invest in X, Y, Z, A, B, or C, such that, quite frankly, you don't come home all beat up from the job site. You come home and you log on and you check your investment portfolio or you review the books the accountant has prepared for your business. Men and Women of the House, given preferential treatment to multinational corporations, okay, doing business in this state that do not roll up their sleeves or lace up their boots in the morning is not appropriate, it's not fair and it's not decent, and I urge the Men and Women of the House to vote no on the pending motion. Thank you.

The SPEAKER: The Chair recognizes the Representative from Bangor, Representative Goode.

Representative **GOODE**: Thank you, Mr. Speaker. I'm listening very carefully to the debate and hope to answer many of the questions as they accumulate, but just to answer the question from the Representative from Bath, Representative DeChant, I've double-checked in Montana and Oregon after they enacted legislation such as this. Their corporate income tax has increased. Their filings have increased. In Montana, 6.9 percent, in Oregon, 3.1 percent, and in 2010, the last year where there is data available, Montana had an increase in revenue of $7.2 million. So Maine's fiscal note is $10 million. That's the Montana story and I hope that answers that question. Thank you.

The SPEAKER: The Chair recognizes the Representative from Lewiston, Representative Carey.

Representative **CAREY**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. I want to answer the Representative from Livermore Falls, Representative Knight's question about Luxembourg directly, and I'm going to speak entirely from the website of luxembourgforbusiness.lu. As you might guess, this is the marketing site for the Kingdom of Luxembourg as they market themselves to largely U.S. companies. So on this site, we have a series of sectors that they are marketing themselves to. Aerospace, familiar to many of those of us who watch the news in this country. That's a world leading sector by companies such as Boeing, an American company. High-Tech. One that's a little bit surprising to those of you who may not have surfed this site is Headquarters. One of their leading sectors is Headquarters. What does that mean? This is the Headquarters webpage: "An increasing number of the world's leading companies are settling in Luxembourg to extend their reach beyond their home borders and into international markets." Okay, companies such as Amazon.com and Apple iTunes, why headquarters in Luxembourg? Number one, "A [favorable] tax environment and business-friendly legal and regulatory framework to support comprehensive…exemption rules and an extensive network of double tax avoidance treaties." So if you go on to the publication on their website entitled "Conquer the World from Your Luxembourg Headquarters," you read, "During the last two decades, many" – and this is on page 6 of that document – "EU and non EU-based companies have set up corporate headquarters in Luxembourg. Financial holding functions and treasury centres are very popular as initial activities." It goes on to say, this is on page 12, "A Luxembourg Company can be used to optimise the management of a group of companies." They are doing exactly what we are letting them do. This country was built, in large part, on the freest and most efficient capital markets in the world. Soon, what is likely to be the highest IPO ever will be a Chinese company Alibaba and it will be on the New York Stock Exchange. We have a free society. We were the first to invest in a real 21st century infrastructure just after the Cold War and that led to the freedom and the prosperity that we have benefited from, most of us for our entire lives. That is not free. Those companies, those American companies, those Apple and Amazon and many, many others, we have benefited from and they have benefited from us. This is simply saying we are not going to let American companies who happen to be large enough to hire the tax accountants and lawyers to invest in Luxembourg headquarters to be treated any differently than those that we work in and that we may choose to own, run or start someday. It's a simple fairness. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Russell.

Representative **RUSSELL**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. We've heard this is a bad bill. If that were true, there would be no need to Indefinitely Postpone it. If it's a bad bill, we would just have a straight up and down vote and not be avoiding that vote through a parliamentary process vote. On the contrary, I would suggest that this is an inconvenient vote. It's inconvenient to vote against corporations that tend to fund elections. It's inconvenient to vote against the very people who make sure that we come before us here. It's very inconvenient leading into an election cycle where we are anticipating massive amounts of campaign finance contributions to be coming in from out of state. This would be a very, very inconvenient vote, but for the people of Maine, I think it's a very important vote. In my hometown, we have protests right now because we can't fund higher education. There are students and faculty members who have finally hit the breaking point and they are standing up protesting the cuts, and we have an administration who cannot provide resources, at this time, to fund one of the most important aspects of our economy and that would be higher education, and the cuts are not just going to be limited to USM. They are coming now from the University of Maine and every other campus. So when I hear not just the question about whether or not there is $10 million on the table when I can see the fiscal note, and for those who have not read it, let me enlighten you. So the fiscal year projections in 2015 and 2016 include savings to the General Fund in the amount of $4,722,199. There would be an appropriation of $265,301, but then there would be more revenue on top of the savings. General Fund Revenue, $4,987,500. Other Special Revenue, that's again the word "revenue," $262,500. That's about $10 million. That's $10 million that we could put toward higher education. That's $10 million that would allow us to make sure that we are not making faculty cuts in very important educational core curricula. Frankly, that's $10 million that's on the table in a very difficult budget year and I don't know of anyone right now who has any interest in leaving revenue on the table. But, like I said, voting against this would be a very, very inconvenient vote because I would assure you the people of Maine would probably be voting for someone else. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Newport, Representative Fredette.

Representative **FREDETTE**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I would suggest that Maine has a spending problem, not a revenue problem.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Moonen.

Representative **MOONEN**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. These large multinational companies are using offshore tax havens to avoid paying the taxes that they owe, and when that happens the rest of us have to pick up the tab and there's two ways we do that:

We pick up the tab by either making cuts or paying more taxes, and in last year's budget, it was both. That's unfortunate because if these companies had been paying the taxes that they owe, perhaps we could have had slightly less cuts last year, slightly fewer cuts, I guess I should say, and perhaps a slightly lower tax increase, and I think the entire State of Maine would have benefited by that. In addition, these loopholes put our small businesses at a disadvantage because they can't afford the armies of lawyers and accountants that these large multinational corporations can in order to take advantage of these loopholes. So, for me, this is very simple. I'm more interested in protecting our small businesses here in Maine. I'm more interested in a budget that has less cuts and, hopefully, less tax increases, and the way we accomplish that is by closing these loopholes so that these companies pay the taxes that they owe. Finally, I would just say when Oregon passed this bill, it was passed unanimously, every single Democrat, every single Republican voted for it, and the reason for that is very simple. This bill is about either standing with the people of Maine, showing them that they can be confident that everyone is paying the taxes that they owe rather than cheating the system, or this is about protecting big multinational corporations who aren't even from Maine who are cheating our tax system. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Scarborough, Representative Sirocki.

Representative **SIROCKI**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. We have a document that was delivered here by Representative Knight from Council of State Taxation and I just wanted to read a couple of sentences that have me a little concerned. It says here, "The branding of specific nations as 'tax havens' and thereby penalizing companies who merely do business there is bad tax policy. To the extent a taxpayer may be engaging in tax avoidance transactions, there are other more precise and equitable methods to address those circumstances than the blacklisting approach advocated by U.S. PIRG." PIRG stands for Public Interest Research Group. "Blacklisting of specific countries is overly broad because it may result in double taxation of legitimate business activities." In view of our struggling economic climate, I am concerned about incentivizing companies leaving the State of Maine. Thank you.

The SPEAKER: The Chair recognizes the Representative from Hallowell, Representative Treat.

Representative **TREAT**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. I stand to support this legislation and in opposition to the Indefinite Postponement motion, but I specifically stand because I wish to address the concerns just raised by the Representative from Scarborough, Representative Sirocki. As some of you may know, I currently co-chair the Maine Citizen Trade Policy Commission as well as serve as a cleared advisor to the administration on its trade policy. I think it's very important that we not be pushed around by claims that somehow international treaties supersede our state laws and policies, and I want to specifically read from one of the many letters that have been distributed to us by the Representative from Livermore Falls, Representative Knight, which in fact concedes that. It is the letter from, in fact, the Organization for International Investment and it specifically says, in the second paragraph, on the second page, states are not bound by U.S. tax treaties and protocols. Now, that doesn't stop them from wanting us to be bound. That isn't stopping them from going to the Trans-Pacific Partnership and trying to get us bound in those negotiations going on right now. That isn't stopping them from going to the entire European Union, which I believe includes Luxembourg, to try to make sure that we are bound by these kinds of laws. But, right now, we are not bound and I think that we need to independently exercise our state's sovereignty and do what's right for the people of Maine.

The SPEAKER: The Chair recognizes the Representative from Orono, Representative Tipping-Spitz.

Representative **TIPPING-SPITZ**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I apologize for rising a second time, but it was stated that we don't want to penalize companies that "do business" in these other countries, and I want to make sure that's not what we're talking about. One of the reports that we received in the committee was from one of the tax policy experts working in Montana, that passed this law, and they stated one of the reasons they were concerned about this issue is not because companies are doing business in these countries, it's because the amount. Similar numbers here are staggering. The Congressional Research Service calculates that profits of U.S. corporations reported in Bermuda were 645 percent of that nation's gross domestic product, and there's a couple of other countries that are along the same lines. I just want to make that clear. These are not companies doing business in these places. These are companies with maybe a headquarters there that are reporting more action there than the entire country is actually producing. That's what we're dealing with.

The SPEAKER: The Chair recognizes the Representative from Hancock, Representative Malaby.

Representative **MALABY**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I support the pending motion, but I am very pleased to see that some of the proponents of this bill recognize that businesses make decisions based on relative tax rates, and it sounds to me that some here have what can only be called tax envy. I recall some years ago reading *The Lexus and the Olive Tree* by noted author Thomas Friedman. In it, he had a chapter entitled "Buy Thailand, Hold France, Sell Italy" and the simple purpose of this chapter was to make one point, and that is that globalization is real and it is moving forward and you can't change that. I think it's important to note that of the 33 most industrialized countries, the one with the highest tax rate is the United States of America. Furthermore, you add our tax rate of 7.95 percent and you have by far double the average tax rate of most countries in this world. Indeed, all the Eastern Bloc countries are lowing tax rates. All of the European countries are lowering tax rates. Why is that and what does mean for me? It means that businesses are going to move their headquarters abroad and you can't blame them. I, personally, would rather see them move to Maine, but in order to do that we would have to lower our tax rates, and I thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Bangor, Representative Goode.

Representative **GOODE**: Thank you, Mr. Speaker. I won't take up too much more time. I did want to address a number of concerns that have been brought up and gone unaddressed. First off, I think there was some question as to where this came from, who came up with a list of countries, how did I come up with this bill, what's the origin of this. As a new member of the Taxation Committee, I tried to keep an eye out for issues that had been unaddressed recently. You know, I've tended to support bills that would fund the Circuit Breaker, increase the Earned Income Tax Credit. Those cost money so I was on the lookout for something that could pass the cost test, so to speak. You know, I've heard about these issues nationally with the Apple dilemma and some other state actions. You know, I had inquired over time about how the tax haven issue had not gotten a very

strong response, as to why we weren't doing anything, and then I tried to find some more research on how to develop a list and where a list would come from. And so this list, and I want to be very clear where this list came from, so I spoke with folks in Oregon and Montana. There has been some different reports and newspaper articles. I had heard of the Multistate Tax Commission which is an intergovernmental nonpartisan organization. It comes up with model policy for states. Maine is a member of the Multistate Tax Commission. Their first model law listed tax haven countries that are in this bill. They got pushback from the business community and then they accommodated some of them by changing the list of countries a little bit and now the same groups are criticizing the Multistate Tax Commission for having criteria that isn't specific enough. So that's my investigation with that realm. Definitions for tax havens in this bill are consistent with those created by nonpartisan entities like the National Bureau for Economic Research, the Organization for Economic Cooperation and Development, and the Internal Revenue Service. The Nonpartisan Government Accountability Office and the Congressional Research Service cite these countries as tax havens regularly in their research. The issues around the World Trade Organization and constitutionality were brought up by one lawyer who came to our committee one day. I will just be very clear that the Supreme Court has ruled twice on the constitutionality of international combined reporting: *Container Corporation v. California* in 1983 and *Barclays Bank v. California* in 1994. In both cases, they have ruled in favor of the constitutionality of this type of policy.

I also tried to touch base with some other lawyers that have worked on this issue. Our committee received a memo from Richard Pomp at the University of Connecticut Law School and I want to quote from Mr. Pomp's testimony that he submitted to us in writing. "In my opinion, there is no reason to believe that LD 1120, if enacted, would be unconstitutional or even significantly vulnerable to a constitutional challenge. The U.S. Supreme Court has upheld the application of worldwide combined reporting involving U.S. parent corporations in *Container Corporation v. California Franchise Tax Board* and again in *Colgate Corporation v. California Franchise Tax Board*." Further, on in his testimony, he addressed the issue of WTO. I think the Representative from Hallowell has helped us understand that better, but I quote from Mr. Pomp's testimony to our committee. "I am not an expert in WTO law. However, I know that in the entire history of the WTO and its predecessor General Agreement on Tariffs and Trade, there have been only a handful of formal challenges to state tax practices. None of them involve worldwide combined reporting. The mandatory inclusion of tax haven subsidiaries in waters-edge combined groups has been required under Alaska law for several decades and under Montana law since 2003." So I hope that clarifies those issues.

Regarding the cost of the bill and the implementation which I think was brought up briefly in the fiscal note, which again I will remind folks is $10 million, the fiscal note for the bill, Maine Revenue Services "will require a General Fund appropriation of $265,301 in fiscal year 2015-16 and $216,277 in fiscal year 2016-17." That's what they put in for that aspect. We've also worked this bill multiple times in committee. I've spent a lot of time soliciting feedback from folks who are interested in this and feel like interested parties, institutions that might be interested in this, know that we're working on it, know that it's something our committee has worked on. Lastly, I believe in fairness and I believe a multinational corporation that hides their income in offshore tax havens should play on the same playing field as Maine companies, that it's unfair for a multinational corporation to do that. I don't think that Maine's small businesses engage in any type of activity like this. I do believe that it happens on the part of large multinational corporations, and I believe that those are corporations that largely practice in all 50 states, that aren't going to leave here because of that. I think the evidence is bared out in other states that have done this that it doesn't have that kind of effect, so I'm excited to move on with the motion. Thank you, Mr. Speaker.

The SPEAKER: A roll call has been ordered. The pending question before the House is Indefinite Postponement of the Bill and all accompanying papers. All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 607

YEA - Ayotte, Beaulieu, Black, Campbell R, Chase, Clark, Cotta, Crafts, Cray, Crockett, Davis, Doak, Dunphy, Duprey, Espling, Fitzpatrick, Fredette, Gifford, Gillway, Guerin, Harvell, Jackson, Johnson P, Kaenrath, Keschl, Kinney, Knight, Libby A, Lockman, Long, MacDonald S, Maker, Malaby, Marean, McClellan, McElwee, Nadeau A, Newendyke, Nutting, Parry, Pease, Peavey Haskell, Pouliot, Reed, Sanderson, Sirocki, Timberlake, Turner, Tyler, Wallace, Weaver, Willette, Wilson, Winchenbach, Winsor, Wood.

NAY - Beaudoin, Beavers, Beck, Berry, Boland, Bolduc, Briggs, Brooks, Campbell J, Carey, Casavant, Cassidy, Chenette, Chipman, Cooper, Daughtry, DeChant, Devin, Dickerson, Dill, Dion, Dorney, Evangelos, Farnsworth, Fowle, Frey, Gattine, Gideon, Gilbert, Goode, Graham, Grant, Hamann, Harlow, Hayes, Herbig, Hickman, Hobbins, Hubbell, Jones, Jorgensen, Kent, Kornfield, Kruger, Kumiega, Lajoie, Libby N, Longstaff, Luchini, MacDonald W, Marks, Mason, Mastraccio, McCabe, McGowan, McLean, Monaghan-Derrig, Moonen, Moriarty, Morrison, Nadeau C, Nelson, Peoples, Peterson, Plante, Powers, Priest, Rankin, Rochelo, Rotundo, Russell, Sanborn, Saucier, Saxton, Schneck, Shaw, Short, Stanley, Stuckey, Theriault, Tipping-Spitz, Treat, Verow, Villa, Welsh, Werts, Mr. Speaker.

ABSENT - Bennett, Chapman, Johnson D, Kusiak, Noon, Pringle, Rykerson, Volk.

Yes, 56; No, 87; Absent, 8; Excused, 0.

56 having voted in the affirmative and 87 voted in the negative, with 8 being absent, and accordingly the motion to **INDEFINITELY POSTPONE** the Bill and all accompanying papers **FAILED**.

The SPEAKER: A roll call having been previously ordered, the pending question before the House is Acceptance of the Majority Ought to Pass as Amended Report. All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 608

YEA - Beaudoin, Beavers, Beck, Berry, Boland, Bolduc, Briggs, Brooks, Campbell J, Carey, Casavant, Cassidy, Chenette, Chipman, Cooper, Daughtry, DeChant, Devin, Dickerson, Dill, Dion, Dorney, Evangelos, Farnsworth, Fowle, Frey, Gattine, Gideon, Gilbert, Goode, Graham, Grant, Hamann, Harlow, Hayes, Herbig, Hickman, Hobbins, Hubbell, Jones, Jorgensen, Kent, Kornfield, Kruger, Kumiega, Lajoie, Libby N, Longstaff, Luchini, MacDonald W, Marks, Mason, Mastraccio, McCabe, McGowan, McLean, Monaghan-Derrig, Moonen, Moriarty, Morrison, Nelson, Peoples, Peterson, Plante, Powers, Priest, Rankin, Rochelo, Rotundo, Russell, Sanborn, Saucier, Saxton, Schneck, Shaw, Short, Stanley, Stuckey, Theriault, Tipping-Spitz, Treat, Verow, Villa, Welsh, Werts, Mr. Speaker.

NAY - Ayotte, Beaulieu, Black, Campbell R, Chase, Clark, Cotta, Crafts, Cray, Crockett, Davis, Doak, Dunphy, Duprey, Espling, Fitzpatrick, Fredette, Gifford, Gillway, Guerin, Harvell, Jackson, Johnson P, Kaenrath, Keschl, Kinney, Knight, Libby A, Lockman, Long, MacDonald S, Maker, Malaby, Marean,

McClellan, McElwee, Nadeau A, Nadeau C, Newendyke, Nutting, Parry, Pease, Peavey Haskell, Pouliot, Reed, Sanderson, Sirocki, Timberlake, Turner, Tyler, Volk, Wallace, Weaver, Willette, Wilson, Winchenbach, Winsor, Wood.

ABSENT - Bennett, Chapman, Johnson D, Kusiak, Noon, Pringle, Rykerson.

Yes, 86; No, 58; Absent, 7; Excused, 0.

86 having voted in the affirmative and 58 voted in the negative, with 7 being absent, and accordingly the Majority **Ought to Pass as Amended** Report was **ACCEPTED**.

The Bill was **READ ONCE**. **Committee Amendment "A" (H-749)** was **READ** by the Clerk and **ADOPTED**.

Under suspension of the rules the Bill was given its **SECOND READING WITHOUT REFERENCE** to the Committee on **Bills in the Second Reading**.

Under further suspension of the rules the Bill was **PASSED TO BE ENGROSSED as Amended by Committee Amendment "A" (H-749)** and sent for concurrence.

By unanimous consent, all matters having been acted upon were **ORDERED SENT FORTHWITH**.

REPORTS OF COMMITTEE
Divided Reports

Majority Report of the Committee on **INSURANCE AND FINANCIAL SERVICES** reporting **Ought to Pass as Amended by Committee Amendment "A" (H-771)** on Bill "An Act To Establish a Single-payor Health Care System To Be Effective in 2017"

(H.P. 962) (L.D. 1345)

Signed:
Senators:
GRATWICK of Penobscot
WOODBURY of Cumberland

Representatives:
TREAT of Hallowell
BEAUDOIN of Biddeford
BECK of Waterville
COOPER of Yarmouth
DOAK of Columbia Falls
MORRISON of South Portland
PRINGLE of Windham

Minority Report of the same Committee reporting **Ought Not to Pass** on same Bill.

Signed:
Senator:
WHITTEMORE of Somerset

Representatives:
FITZPATRICK of Houlton
McCLELLAN of Raymond
WALLACE of Dexter

READ.

Representative TREAT of Hallowell moved that the House **ACCEPT** the Majority **Ought to Pass as Amended** Report.

The SPEAKER: The Chair recognizes the Representative from Hallowell, Representative Treat.

Representative **TREAT**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. I just want to outline for you what the bill before us does. This is a 9-4, I would call, tripartisan report which includes Democrats, Republicans, and Independents. The bill has been modified pretty substantially from the original bill and I want to read the new title. If we accept this report, the title will be a "Resolve, To Study the Design and Implementation of Options for a Universal Health Care Plan in the State That Is in Compliance with the Federal Patient Protection and Affordable Care Act." It seeks to address the question, how do we get to a truly universal health care system that leaves no one behind and is affordable and puts prevention first? With our multiple attempts to expand our MaineCare program and the difficulties that we have seen over the many, many years in making sure that everyone in this state is covered, this is a bill that is very timely. It is particularly timely because the aforementioned Affordable Care Act specifically grants to states the opportunity after 2017 to take a look at how health care is provided and health insurance is provided in the state, and come up with an alternative plan, if we so desire, that would provide access to at least the same number of people and do so at the same cost.

LD 1345, as the committee majority has redrafted it, would essentially update a report from 2002 that was done by the consulting firm Mathematica, a very well respected independent firm. It would say that the firm looked to do at least three things – it is not a pre-adorned study at all – to look first to see whether the state could afford and it would make sense to do a single-payor centrally administered program of health insurance. Alternatively, it needs to look at whether the state should go forward with a centrally administered option that could be contracted out to a private entity or a public entity. And third, to look at whether it would make sense to have a public option but within a multi-payer system, similar to what we have here today, and any other plan that they might come up with as part of their review of the system here in the State of Maine. One of the things that we put into this legislation is that, in doing this study, the new consultant must come up with a proposal that is consistent with the $33 million SIM grant that the State of Maine has received through the Affordable Care Act looking at innovative ways to deliver health care and pay for those services. This is an excellent piece of legislation that puts us forward and, basically, provides us with the information we will need in the years ahead to figure out our path on health care and what's the best path for the State of Maine. I encourage your support of the Majority Report. Thank you.

Representative FREDETTE of Newport **REQUESTED** a roll call on the motion to **ACCEPT** the Majority **Ought to Pass as Amended** Report.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The SPEAKER: The Chair recognizes the Representative from Biddeford, Representative Beaudoin.

Representative **BEAUDOIN**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. I rise in strong support of the pending motion. For the last eight years, I have sponsored bills to bring a single-payor health care system to Maine. We came so close to succeeding several years ago when we passed a single-payor bill and Governor Baldacci signed it into law. But the bill was never funded and never put into action. So here we are, still waiting for the chance to cover all Maine people. We needed a single-payor system eight years ago and we still need one today. The idea that anyone should have to choose between buying food or heating their home and going to see a doctor is just plain wrong. Too many people remain uninsured and too many working people who are covered put too much of their income into health care. Health care is a right, period. And having access to health care should never mean going bankrupt

and it should never mean having the emergency room as the only option. If we really want to say that we value life in Maine, really value life in Maine, we must make this change as soon as possible. We have come too far as a country to let people slip through the cracks. Over the long term, automatically covering everyone is the only way to end our expensive emergency room culture and it's the best way to achieve the healthiest, strongest, smartest and most productive population that Maine has ever had. Thank you for listening. I hope you will vote to accept the Majority Report and move Maine closer to a single-payor system that provides real health care for all. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Brunswick, Representative Priest.

Representative **PRIEST**: Thank you, Mr. Speaker, to all Representatives. Germany, the Netherlands, Switzerland, France, Sweden, Norway, England, Canada, New Zealand and Australia, all of these countries have quality affordable universal health care. Even England, with its conservative government, has never moved to try to do away with its quality affordable universal health care system. As everyone knows I've been a very strong supporter in the number of Legislatures that I have served of single-payor, and I continue that support. However, I also recognize that the question of adopting a single-payor system will depend upon facts and this bill is a study. If a single-payor system is to be adopted in this state, it has to be affordable; it has to be sustainable; it has to save us money, not cost us more health care money. I am convinced that with a reasonable study this could be accomplished. This bill, with its three basic options to be studied, will give us the facts so a future Legislature can make the choice as to whether it wishes to go with a single-payor system or some other system. It's a step, it's a good step in the right direction and I urge you to support it. Thank you.

The SPEAKER: The Chair recognizes the Representative from Newfield, Representative Campbell.

Representative **CAMPBELL**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. It seems there is a lot of politicians in this country that don't believe that we all should have health care, when most of the politicians in this country all have health care paid for by the taxpayers, and they don't refuse to take it. But when it comes to the poor, the disabled, they don't think they should have health care because the taxpayers can't afford it. I know members in this chamber that depend on having health care. They depend on it. I spent 19 days in Maine Med when they checked and replaced my aortic valve in my heart. I can't comprehend what it would have been like when I was young and raising a family or at my age what I would have done if I didn't have health care. I came up here Saturday because they talked about bad weather and when I arrived, I realized I left all of my meds at home and I take them morning, noon, and night. I get 90-day supplies of these meds. They cost me $40. So, you know, it's just water off the duck's back, I guess. You expect that. But I had to go down to Rite Aid and had them contact the heart doctor over in Portland they called back and I got a 14-day supply which I had to pay for, $157. So that $40 that I'm so used to paying for 90-day supplies, I can't comprehend a person without health care or prescription health to have to pay for their own prescriptions when it was $157 for a two-week supply. So I ask my colleagues why they will take health care but they don't want to see other people have it, and their excuse is, well, the taxpayers can't afford it. Well, whether you're in Washington living the good life as a politician or up here in Maine, the people's Legislature, we all get health care and most of us grab it. You know, they talk about, well, we don't want socialized medicine. Well, when I was in the commercial printing business, I became very friendly with the vice president of a printing company in England who was the president of worldwide sales. He told me, he said, "You know, I get a kick out of you Americans." He said, "We have health care for all our people, but I don't get it because I choose to buy mine." So if they believe that you should have to pay for your insurance and buy it, then let's get a system that if you can't afford it, you get it, and if you want to buy it, buy it. So I ask, you know, we missed by three votes on health care for 60 or 70,000 people that's going to go without, and I get a kick out of the people that say, "Well, why should we pay for their insurance?" Then you get the same politicians that complain about people that aren't working. These 60 or 70,000 people are the working poor. They're all working every day, sometimes two jobs, and they're paying taxes and paying for these politicians' health care that they don't want to see them have it because they can't afford it. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from York, Representative McGowan.

Representative **McGOWAN**: Thank you, Mr. Speaker. Mr. Speaker, Women and Men of the House. We spend, and we have spent, many hours in my short service in this body debating tactics and strategies about health care. I invite you today, in considering this bill, to embrace a very simple vision that I believe could be bold and powerful for Maine, which is simply that every resident in Maine will have access to affordable quality health care. This is not about who should pay for it, it's not about how we accomplish it, but to embrace a vision that says every resident of Maine will have access to affordable quality health care as a right in our state, as a strength of our communities, as an economic advantage to a state that I believe has that kind of community base and caring principle. So I ask you to join me in supporting this bill out of a simple vision that every resident in Maine will have access to affordable quality health care. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Orrington, Representative Campbell.

Representative **CAMPBELL**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. I apologize for rising a second day and tell you about the past, but in 1993, I was a freshman here and I sat on the end of the horseshoe just in awe of the process. We had before us a Chair, Senator McCormick, and a member of Appropriations who had sponsored a bill, the McCormick-Rydell Bill. It was basically the same as the HillaryCare that we were hearing nationally and so we listened. We actually were so excited about it, we had our hearings across the state. I remember being in Bangor when the good Representative from Bangor, Sean Faircloth, stood at the Council Chambers and shook his fingers at us, and he said, "By July, we will have single-payor health." Oh, okay. And so we continued our hearings across the state, Portland, Presque Isle, and we had a House Chair, Ed Pineau, who was kind of thinking the way I was. See, sitting on the end of the horseshoe, I didn't know anything about health care. I'm a carpenter. Here, we, members of this committee, are going to decide what the future of health care is going to be like, interesting. So after we had come back to work session, I came in one day and said, "Ed, you know, it doesn't make any sense to me. We can't reform health care. We need to get all the stakeholders, all the stakeholders – the providers, the insurers, medical centers, consumers – everybody in one room. Let's lock the door and take the key away until they come up with doing something of their little piece to help us control the cost of health care." Ed says, "Yes, I'm thinking the same thing." So we presented it to the committee and we had a Senator from Caribou there, another freshman, Leo Kieffer, who

is in the insurance business. He says, "You know, I can't support that." I said, "Why is that Leo? Why can't you support that?" He said, "Well, I can't support it unless we charge them with defining the system but also charge them with telling us how we can pay for it." So that's how it went out. The next session I was on the committee. I was committee lead, at that point, I had migrated from the end of the horseshoe to the almost center, and we had our hearings and the results of the Health Care Reform Commission that we created. Harvey Picker from Camden was the Chair. I'm sure you've heard of the Picker X-Ray machine. So there was some pretty established health care people who were on this Commission, and this was the old state office building, the horseshoe was in a small room. It was overflowing into the halls. We finally listened to everybody and then Harvey gets up and he says, "You know, this was the best health care system we could identify and present to you." Okay. But he says, "You know, because we were charged with telling you how we can pay for it, I recommend you vote against it." So we talk about a study. That was the best we could do. A study really isn't going to do it. It's got to come from all the stakeholders and if we don't have that, even though we did it once before, if it doesn't satisfy us we need to do it again, the outcome probably will be the same. So that's my experience and I recommend you vote against this. Thank you.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Farnsworth.

Representative **FARNSWORTH**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I want to share a little story. This is one of those interesting bills that sort of overlaps with an interest that my committee has, certainly, around health care, what is really important, and I had an experience just last week that I think relates to this very much and I will try to be very quick in describing it. I went into a local store and was talking to one of the clerks and she began to talk about health care, the health insurance program, and she was sharing that she, indeed, had signed up. It was costing her $45 a month, so she was getting a subsidy. She was feeling very good about that. But, by the same token, she also said that it made it necessary for her to realign her whole budget in order to deal with that because, at $9.50 an hour, it really made it very difficult to afford that $45 a month. The second part of that, she also said, was when she looked at the plan there was still some significant deductibles so that if there were any kind of serious medical issues, it would probably put her in a serious red ink situation. My concern is that not only are we talking about people who are in this situation, but we're also talking about the many people who would have qualified for MaineCare expansion who need health care, who are currently falling through the cracks and who would be covered potentially by this kind of a system. All I can say is that when we begin to take a look at caring about our people, creating a true safetynet so that people are able to go about their daily lives not worrying about "How am I going to pay for this," that we will then have achieved an enormous breakthrough. I would hope that this study would begin to identify ways in which we can do that. Thank you very much.

The SPEAKER: The Chair recognizes the Representative from Farmington, Representative Harvell.

Representative **HARVELL**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. In listening to the good Representative from Brunswick, I thought maybe I was listening to Clement Attlee express fair shares in Britain circa about 1946. The reality is that health care in America progressed in a very different way than it did in Europe, and it did so for very different reasons. Many of those dynamics are still in place in this country. There was a time, in the not so distant past, when left and right on the political spectrum both believed that work was good for society. The difference was that the right felt the private sector was the best way to achieve employment, or full employment, and the left believed that government intervention, at times, was necessary. But no one on the left thought that work was not important. In fact, Hubert Humphrey had this put into U.S. law and made the statement that the best social program is a job. The reason this happened is because post-war America was at a place where one half of the world's GDP rested in the United States at the end of the Second World War. We were the only western nations whose industries had not been destroyed, and we were in a place of preeminence that is unheard of in U.S. history. Also, labor was at a premium and we had the Keynesian theory going of wage and price control. Well, when labor is at a premium and you have wage and price control, the only thing that businesses could do to attract labor was to supply them with benefits, and benefits they did. So, in the United States, work and health care intertwined in a way that they did not in Europe. By the way, I'm married to a Dutch wife and her father sells supplemental insurance in Holland because, even over there, they need more than the government gives them. But because those dynamics exist, they also existed at a time when our demographics were very different than they are today. We had what was considered historically a pyramidal to nature which was there were a lot of younger people upholding very few elderly. This pyramid around western civilization is beginning to invert and we will, as a state and a country, continue this discussion of health care because the demographics alone and the employment measures are beginning to implode what was held together.

Now, I'm going to surprise a few of you people here. I actually support single-payor health care, but it has to happen at the national level, and it's going to happen whether I like it or not. It's going to happen because we are going to have 20, 21, 25, 30 percent of our population which is going to be over 65. This is unheard of in human history. I don't know how we're going to survive it. No western country has yet put forth a formula on how they're going to do it. No one is going to tell me how in Greece when they have 100 grandparents for 42 grandkids that pyramid is going to work. But it's going to be a major challenge to this country and this state. But the idea that a state can pull this off, I find it delusional. I mean, I'm just going to suggest that if Maine offered free health care to all its citizens, I'm going to make an absurd suggestion that we might end up with a lot of sick people. But I'm just going to say that unlike the good Representative from Orrington, I was never a freshman that came down here that was in awe of anything because I looked in the mirror and I figured if everybody is somewhat as cynical as I am, we got problems. But I don't have a belief in human nature that believes we're all angels. Now, I believe like James Madison, which says if we were angels, we wouldn't need government. So if you try to pull this off as a state, you're going to be in big trouble. The reality is this is coming nationally because the demographics and the changes to the workforce that held this in place are going to change, and that is going to be a political struggle that takes place over the next quarter century because it also means there is going to be winners and losers in it. Those unions that fought so hard for those benefits, we know they're not going to want to give them up easy. And there is going to be, just a suggestion here, political parties are going to seize upon these to achieve and attain power. Now, I'm sure that's not going to happen. But I just don't think that a state can remotely pull this off.

The SPEAKER: The Chair recognizes the Representative from Sanford, Representative Boland.

Representative **BOLAND**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. As we often say, I didn't intend to rise on this, but it just so happens that Sunday, early evening, I was at a local doctor's house with him and his wife, and it ended up in quite a long conversation where he wanted to share his thoughts about the current system and the abuses that he sees within it by outfits that are trying to get very rich on people's illnesses. He talked about the good doctors and those that might want to just make money, really. But not even just doctors but other aspects of the system where a company may solicit information about people who are diabetic, contact them, ask them if they would like something for free and send them a ton of it that they don't need, they might have a little interest, and the bill for that goes back to all of us. We all pay for it. He talked about a test that was required, not here in Maine, a test that was required that was expensive and was required of people who worked in the medical system. It was expensive and he asked me, "Do you know how many people end up testing positively for this? One in 20,000. And how many actually have died for what they're testing for? One in 500,000." So my point is simply that there is a lot of expense currently in the system that we're all paying for, and he had one example after another that he was concerned about because he's concerned about taking care of real people with real needs in a reasonable way, and it seems, to me, that with a single-payor system we'd be in a better position to get a handle on these things and deliver the best services possible for those who most need it. Thank you.

The SPEAKER: The Chair recognizes the Representative from Brunswick, Representative Priest.

Representative **PRIEST**: Thank you, Mr. Speaker, to all Representatives. It's always a pleasure to hear the good Representative from Farmington talk about the history of the country. I would suggest that states are the laboratory of democracy. We had a study in 2002, the Mathematica study, which said, in fact, that it was possible for the State of Maine, in 2002, to finance and carry out a single-payor system. If you are going to have a national single-payor system, it is going to come because the states have shown that it's possible to run single-payor systems within the states. If you look north 500 miles, you'll find that that's exactly what happened in Canada. The Canadian government did not adopt a single-payor system all at once. The Province of Saskatchewan adopted a single-payor system. The doctors there went on strike and said they would not treat anyone until it was repealed, and the Premier said, fine, we will get other doctors to come and treat our people. In fact, they did. Saskatchewan established a single-payor system and it spread to other provinces, and, finally, it spread throughout the country. America is going to rely on its states. Maine is one of its states. Recall what Winston Churchill – his mother was American – said: "Americans will always do the right thing after they've tried everything else." This is a study. It's only a study. It does not implement a single-payor system because the study has got to show that Maine can operate a single-payor system. If a study shows that, then the Legislature has the facts to be able to adopt it. If the study says it cannot, then we'll move on to something else. But again, this is simply a study to bring facts to the Legislature and that's all it is. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Deer Isle, Representative Kumiega.

Representative **KUMIEGA**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. I want to thank the good Representative from Orrington for his history on this issue and for a carpenter's perspective. I'll offer another carpenter's perspective. I'm not an expert on health care, but I do know when I see competitors using a business practice that gives them better results for half the cost I want to take a look at it, and that's where we're at. Our competitors to the north and in Europe provide health care for their citizens for about half of what we do and they get better results, and I think we need to look at how they do that and what changes we can make to improve what we're doing. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Freedom, Representative Jones.

Representative **JONES**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. With all due respect to those who oppose this current measure which would create a study group, I would argue, and I'll say this point blank, what we are doing, men and women, is not working. It is not working. It is not cost effective. It is not working. The infant mortality in the first year of life in the United States is the highest of developed countries, being ranked 42nd in the world by the World Health Organization. Let me get this straight, right. Of all children born, in their first year of life, the United States is 42nd in infant mortality in the world. It's so much higher than Japan's and the Scandinavian countries that each year 16,000 babies die in the United States that would not die if they were born in these other developed countries. Our life expectancy, Mr. Speaker, is ranked below 40th by all organizations that do rankings, and it is not improving as fast as life expectancy in other developed countries. To put it in perspective, Men and Women of the House, babies in their first year of life born in America are not doing as well as those in the Netherlands, Sweden, Finland, France, Germany, Japan, England, and Canada.

Secondly, the United States health care system is incredibly expensive. On a per capita basis, health care in the U.S. is twice as expensive as health care in any other developed nation. Hospital, doctor and drug fees are much higher in the U.S. than in other developed nations, and I'll just give you a brief example, men and women, just to put this in perspective. Bypass surgery that costs $50,000 in the United States would cost less than $20,000 in the Netherlands, okay. A hip replacement in the United States, which would cost a little less than $35,000, would cost less than $13,000 in France. You know what, for those of us who have cholesterol issues or your Lipitor prescription, it might cost you $130 a year in the United States but it will only cost you $40 in the UK. Look, we don't have to discuss single-payor today, but I got to tell you, Men and Women of the House, it's worth exploring. What we are doing, Men and Women of the House, is not working. Why don't we sit down and actually study the issue regardless of the left side and the right side of the aisle? Why don't we come back with something that's going to improve health care outcomes for our citizens and actually explore the underlying cost? Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Brunswick, Representative Daughtry.

Representative **DAUGHTRY**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I rise in favor of the pending motion. The good Representative from Orrington brought up LD 1285, the McCormick-Rydell single-payor bill from 1993. I think it's a historical reminder that's important in this current debate. We've been having this conversation around health care reform and single-payor health care for a long time. In fact, it's a conversation I grew up with and it's part of the reason I ran for office. Charlene Rydell helped raise me. She was a second mom, and I watched her fight her entire life for real and meaningful health care reform. She passed away while I was in college of cancer, and on her deathbed, I promised that I would do everything I can to make sure that we have real health care reform in America, where no one has to live in fear of their health. Luckily, when I ran for office, I was able to follow the

good Representative from Brunswick, Charlie Priest's lead and cosponsor this bill, and we are continuing to fight for single-payor health care. In my district, this bill is a huge deal. It has overwhelming support. It returns the power to the consumer, to the folks who are in real need of affordable health care, and it's something we should move forward with. But this isn't a knee-jerk response. This is a study. This simply looks at how we can accomplish this here in Maine. I've heard a lot of conversations about how we need to do this at the national level. I agree, we do, but we need to take the lead here in Maine, as a state, and send a clear message to the federal government that this is something we believe in. As Maine goes, so goes the nation. So I urge you to follow my light today. I will be voting for Charlene Rydell, I will be voting with my proud Representative from Brunswick, Charlie Priest, and for all of my constituents in Brunswick.

The SPEAKER: The Chair recognizes the Representative from North Yarmouth, Representative Graham.

Representative **GRAHAM**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I grew up in Bangor. My dad was a surgeon for well over 40 years. He was paid often with quilts and crabmeat and, when we were lucky, lobster. Gone are those days. I remember the day he got a phone call from an insurance company asking why the woman from Aroostook County needed to stay for an extra day in the hospital after her surgical procedure. He said that was the only way she was going to get better, and he slammed the phone down and, subsequently, retired shortly after that to care for my ailing mom. All people, all people deserve health care. They deserve to live a life and not lose their livelihood because they got sick. I have to say that I've known the good Representative from Brunswick, Representative Priest, for a while, and he knows that I've never been supportive of single-payor until now. He knew that I really pushed back because I didn't think it was a good idea. My friends, this is asking for a study, and I ask you to just step back and be smart when we make decisions. We're studying this. We're looking at the options. It makes an enormous amount of sense. So don't be afraid of a study. Don't be afraid of being smart. Let's do this. I support this bill and please vote green on this.

The SPEAKER: The Chair recognizes the Representative from Farmington, Representative Harvell.

Representative **HARVELL**: Mr. Speaker, may I pose a question through the Chair?

The SPEAKER: The Representative may pose his question.

Representative **HARVELL**: With all of these single-payor health care systems around the world, is anyone aware that any nation achieves cost controls without rationing?

The SPEAKER: The Representative from Farmington, Representative Harvell, has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Hiram, Representative Rankin.

Representative **RANKIN**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I had absolutely no intention of speaking today, but I cannot sit here and think about what happens if we let this opportunity slip through our fingers. A little over a year ago, I think it was on December 14, right around there, I was feeling I thought fine, I didn't have too many cares in the world, and three days later I was in the hospital and I had a quadruple bypass. God was with me and so was my insurance. My bill could have amounted, I'm not exactly sure what it is, to approximately $100,000. God knows I didn't have that kind of money and I doubt that many of you here have either. Think about yourself, what's going to happen to you in three days? You don't know. What about your family, those you love, and your friends, and people you don't even know who just don't have the money for this kind of a disaster? And it is a disaster. So I am hoping from the bottom of my heart that you are going to think of the people in this state who are depending on you. They have no recourse, nowhere to turn. I had a big problem but I had not only my insurance but people who loved me and cared about me to take care of me. I think about that, folks. Let's put politics out of this for goodness sake and think about the humanity of it. I, myself, could not sleep today, I'll tell you, if I did not vote to help these people, and I certainly hope you will do the same thing. Thank you. Oh, by the way, not only myself but Representative Campbell and Lynne Hanley in the Speaker's office have also had this surgery and I don't think either one of those people were expecting it either. So it happens, folks, and I hope to God it doesn't happen to you.

The SPEAKER: The Chair recognizes the Representative from Yarmouth, Representative Cooper.

Representative **COOPER**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I'd like to respond to the question that was just posed earlier, whether or not there is an example of any single-payor system in other countries that have achieved cost savings without rationing. First of all, one of the biggest drivers of cost in our system is the multitude of insurance companies, each seeking a profit, each with its different criteria, each with its enormous cadre of administrators trying to cut costs and cut benefits because that's the nature of their business. Their business is to make money. So by having a single-payor, such as Medicare, we achieve an administrative cost of something in the range of about 2 percent of the total cost. Private insurance, on the other hand, under the existing law, and as duplicated in the Affordable Care Act because that's all that could get through Congress, rises to about 20 percent. So, right then, you would see an enormous savings of cost if you reduced the number of payers of benefits. It streamlines things. It eliminates duplication. It eliminates different rules which drive providers' doctors and nurses crazy with all the forms that they have to fill out. Finally, I would say, as for rationing, if you don't think we have rationing right now you're living in a dream world. Right now, people are dying, people are being denied surgeries, they are being denied treatments because they do not have insurance. If that isn't rationing, I don't know what is. Thank you.

The SPEAKER: A roll call has been ordered. The pending question before the House is Acceptance of the Majority Ought to Pass as Amended Report. All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 609

YEA - Beaudoin, Beavers, Beck, Berry, Boland, Bolduc, Briggs, Brooks, Campbell J, Carey, Casavant, Cassidy, Chenette, Chipman, Cooper, Cotta, Daughtry, DeChant, Devin, Dickerson, Dill, Dion, Doak, Dorney, Evangelos, Farnsworth, Fowle, Frey, Gattine, Gideon, Gilbert, Goode, Graham, Grant, Hamann, Harlow, Hayes, Herbig, Hickman, Hobbins, Hubbell, Jones, Jorgensen, Kaenrath, Kent, Kornfield, Kruger, Kumiega, Lajoie, Libby N, Longstaff, Luchini, MacDonald W, Marks, Mason, Mastraccio, McCabe, McGowan, McLean, Monaghan-Derrig, Moonen, Moriarty, Morrison, Nadeau C, Nelson, Peoples, Peterson, Plante, Powers, Priest, Rankin, Rochelo, Rotundo, Russell, Sanborn, Saucier, Saxton, Schneck, Shaw, Short, Stanley, Stuckey, Theriault, Tipping-Spitz, Treat, Verow, Villa, Welsh, Werts, Winchenbach, Mr. Speaker.

NAY - Ayotte, Beaulieu, Black, Campbell R, Chase, Clark, Crafts, Cray, Crockett, Davis, Dunphy, Duprey, Espling, Fitzpatrick, Fredette, Gifford, Gillway, Guerin, Harvell, Jackson, Keschl, Kinney, Knight, Libby A, Lockman, Long, MacDonald S, Maker, Malaby, Marean, McClellan, McElwee, Nadeau A,

Newendyke, Nutting, Parry, Pease, Peavey Haskell, Pouliot, Reed, Sanderson, Sirocki, Timberlake, Turner, Tyler, Volk, Wallace, Weaver, Willette, Wilson, Winsor, Wood.

ABSENT - Bennett, Chapman, Johnson D, Johnson P, Kusiak, Noon, Pringle, Rykerson.

Yes, 91; No, 52; Absent, 8; Excused, 0.

91 having voted in the affirmative and 52 voted in the negative, with 8 being absent, and accordingly the Majority **Ought to Pass as Amended** Report was **ACCEPTED**.

The Bill was **READ ONCE**. **Committee Amendment "A" (H-771)** was **READ** by the Clerk and **ADOPTED**.

Under suspension of the rules the Bill was given its **SECOND READING WITHOUT REFERENCE** to the Committee on **Bills in the Second Reading**.

Under further suspension of the rules the Bill was **PASSED TO BE ENGROSSED as Amended by Committee Amendment "A" (H-771)** and sent for concurrence.

Seven Members of the Committee on **ENERGY, UTILITIES AND TECHNOLOGY** report in Report "A" **Ought to Pass as Amended by Committee Amendment "A" (H-772)** on Bill "An Act To Ensure That Large Public Utility Reorganizations Advance the Economic Development and Information Access Goals of the State"

(H.P. 1263) (L.D. 1761)

Signed:

Senators:

CLEVELAND of Androscoggin
JACKSON of Aroostook

Representatives:

HOBBINS of Saco
GIDEON of Freeport
RUSSELL of Portland
RYKERSON of Kittery
TIPPING-SPITZ of Orono

Five Members of the same Committee report in Report "B" **Ought Not to Pass** on same Bill.

Signed:

Senator:

YOUNGBLOOD of Penobscot

Representatives:

DUNPHY of Embden
HARVELL of Farmington
LIBBY of Waterboro
NEWENDYKE of Litchfield

One Member of the same Committee reports in Report "C" **Ought to Pass as Amended by Committee Amendment "B" (H-773)** on same Bill.

Signed:

Representative:

BEAVERS of South Berwick

READ.

Representative HOBBINS of Saco moved that the House **ACCEPT** Report "A" **Ought to Pass as Amended**.

Representative FREDETTE of Newport **REQUESTED** a roll call on the motion to **ACCEPT** Report "A" **Ought to Pass as Amended**.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The SPEAKER: A roll call has been ordered. The pending question before the House is Acceptance of Report "A" Ought to Pass as Amended. All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 610

YEA - Beaudoin, Beck, Berry, Bolduc, Briggs, Brooks, Campbell J, Carey, Casavant, Cassidy, Chenette, Chipman, Cooper, Daughtry, DeChant, Devin, Dickerson, Dill, Dion, Dorney, Evangelos, Farnsworth, Fowle, Frey, Gattine, Gideon, Gilbert, Goode, Graham, Grant, Hamann, Herbig, Hickman, Hobbins, Hubbell, Jones, Jorgensen, Kaenrath, Kent, Kornfield, Kruger, Kumiega, Lajoie, Libby N, Longstaff, Luchini, MacDonald W, Marks, Mason, Mastraccio, McCabe, McGowan, McLean, Monaghan-Derrig, Moonen, Morrison, Nadeau C, Nelson, Peoples, Peterson, Plante, Powers, Priest, Rankin, Rochelo, Rotundo, Russell, Sanborn, Saucier, Saxton, Schneck, Shaw, Stanley, Stuckey, Theriault, Tipping-Spitz, Treat, Verow, Villa, Welsh, Werts, Mr. Speaker.

NAY - Ayotte, Beaulieu, Beavers, Black, Boland, Campbell R, Chase, Clark, Cotta, Crafts, Cray, Crockett, Davis, Doak, Dunphy, Duprey, Espling, Fitzpatrick, Fredette, Gifford, Gillway, Guerin, Harlow, Harvell, Hayes, Jackson, Johnson P, Keschl, Kinney, Knight, Libby A, Lockman, Long, MacDonald S, Maker, Malaby, Marean, McClellan, McElwee, Nadeau A, Newendyke, Nutting, Parry, Pease, Peavey Haskell, Pouliot, Reed, Sanderson, Short, Sirocki, Timberlake, Turner, Tyler, Volk, Wallace, Weaver, Willette, Winchenbach, Winsor, Wood.

ABSENT - Bennett, Chapman, Johnson D, Kusiak, Moriarty, Noon, Pringle, Rykerson, Wilson.

Yes, 82; No, 60; Absent, 9; Excused, 0.

82 having voted in the affirmative and 60 voted in the negative, with 9 being absent, and accordingly Report "A " **Ought to Pass as Amended** was **ACCEPTED**.

The Bill was **READ ONCE**. **Committee Amendment "A" (H-772)** was **READ** by the Clerk and **ADOPTED**.

Under suspension of the rules the Bill was given its **SECOND READING WITHOUT REFERENCE** to the Committee on **Bills in the Second Reading**.

Under further suspension of the rules the Bill was **PASSED TO BE ENGROSSED as Amended by Committee Amendment "A" (H-772)** and sent for concurrence.

ENACTORS

Emergency Measure

An Act To Provide for a Quorum at the Public Utilities Commission

(H.P. 1191) (L.D. 1619)
(S. "A" S-461 to C. "A" H-645)

Reported by the Committee on **Engrossed Bills** as truly and strictly engrossed. This being an emergency measure, a two-thirds vote of all the members elected to the House being necessary, a total was taken. 134 voted in favor of the same and 0 against, and accordingly the Bill was **PASSED TO BE ENACTED**, signed by the Speaker and sent to the Senate.

Resolves

Resolve, To Require New Contracts for MaineCare Nonemergency Transportation

(S.P. 658) (L.D. 1663)
(H. "A" H-754 to C. "A" S-441)

Resolve, To Improve Degree and Career Attainment for Former Foster Children

(H.P. 1206) (L.D. 1683)
(C. "A" H-753)

Reported by the Committee on **Engrossed Bills** as truly and strictly engrossed, **FINALLY PASSED**, signed by the Speaker and sent to the Senate.

An Act Regarding the Issuance of a Permit To Carry a Concealed Handgun

(H.P. 183) (L.D. 222)
(H. "A" H-739 to C. "A" H-730)

Was reported by the Committee on **Engrossed Bills** as truly and strictly engrossed.

On motion of Representative FREDETTE of Newport, was **SET ASIDE**.

The same Representative **REQUESTED** a roll call on **PASSAGE TO BE ENACTED**.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The SPEAKER: A roll call has been ordered. The pending question before the House is Passage to be Enacted. All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 611

YEA - Beaudoin, Beavers, Beck, Berry, Boland, Bolduc, Briggs, Casavant, Cassidy, Chenette, Chipman, Cooper, Daughtry, DeChant, Devin, Dickerson, Dion, Dorney, Evangelos, Farnsworth, Fowle, Frey, Gattine, Gideon, Gilbert, Goode, Graham, Grant, Hamann, Harlow, Hayes, Herbig, Hubbell, Jones, Jorgensen, Kaenrath, Kent, Kornfield, Kruger, Kumiega, Lajoie, Libby N, Longstaff, Luchini, MacDonald W, Marks, Mason, Mastraccio, McCabe, McGowan, McLean, Monaghan-Derrig, Moonen, Moriarty, Morrison, Nadeau C, Nelson, Pease, Peterson, Plante, Powers, Priest, Rankin, Rochelo, Rotundo, Russell, Sanborn, Saucier, Saxton, Schneck, Shaw, Short, Stuckey, Theriault, Tipping-Spitz, Treat, Tyler, Verow, Villa, Welsh, Werts, Mr. Speaker.

NAY - Ayotte, Beaulieu, Black, Brooks, Campbell J, Campbell R, Chase, Clark, Cotta, Crafts, Cray, Crockett, Davis, Dill, Doak, Dunphy, Duprey, Espling, Fitzpatrick, Fredette, Gifford, Gillway, Guerin, Harvell, Hickman, Jackson, Johnson P, Keschl, Kinney, Knight, Libby A, Lockman, Long, MacDonald S, Maker, Malaby, Marean, McClellan, McElwee, Nadeau A, Newendyke, Nutting, Parry, Peavey Haskell, Peoples, Pouliot, Reed, Sanderson, Sirocki, Stanley, Timberlake, Turner, Volk, Wallace, Weaver, Willette, Winchenbach, Winsor, Wood.

ABSENT - Bennett, Carey, Chapman, Hobbins, Johnson D, Kusiak, Noon, Pringle, Rykerson, Wilson.

Yes, 82; No, 59; Absent, 10; Excused, 0.

82 having voted in the affirmative and 59 voted in the negative, with 10 being absent, and accordingly the Bill was **PASSED TO BE ENACTED**, signed by the Speaker and sent to the Senate.

The following items were taken up out of order by unanimous consent:

UNFINISHED BUSINESS

The following matters, in the consideration of which the House was engaged at the time of adjournment yesterday, had preference in the Orders of the Day and continued with such preference until disposed of as provided by House Rule 502.

Bill "An Act Regarding Bad Faith Assertions of Patent Infringement"

(S.P. 654) (L.D. 1660)

- In Senate, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-442)**.

TABLED - March 26, 2014 (Till Later Today) by Representative PRIEST of Brunswick.

PENDING - Motion of same Representative to **RECONSIDER PASSAGE TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "B" (S-443)** in **NON-CONCURRENCE**.

Subsequently, with unanimous consent of the House, Representative PRIEST of Brunswick **WITHDREW** his motion to **RECONSIDER** whereby the Bill was **PASSED TO BE ENGROSSED as Amended by Committee Amendment "B" (S-443)** in **NON-CONCURRENCE**.

Subsequently, sent for concurrence.

Resolve, To Create the Task Force To End Student Hunger in Maine (EMERGENCY)

(S.P. 729) (L.D. 1819)
(C. "A" S-454)

TABLED - March 31, 2014 (Till Later Today) by Representative BERRY of Bowdoinham.

PENDING - **FINAL PASSAGE**.

Representative FREDETTE of Newport **REQUESTED** a roll call on **FINAL PASSAGE**.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The SPEAKER: A roll call has been ordered. The pending question before the House is Final Passage. All those in favor will vote yes, those opposed will vote no.

This being an emergency measure, a two-thirds vote of all the members elected to the House being necessary, a total was taken.

ROLL CALL NO. 612

YEA - Beaudoin, Beaulieu, Beavers, Beck, Berry, Black, Boland, Bolduc, Briggs, Brooks, Campbell J, Campbell R, Casavant, Cassidy, Chenette, Chipman, Clark, Cooper, Cotta, Crockett, Daughtry, DeChant, Devin, Dickerson, Dill, Dion, Doak, Dorney, Dunphy, Duprey, Evangelos, Farnsworth, Fowle, Fredette, Frey, Gattine, Gideon, Gilbert, Gillway, Goode, Graham, Grant, Hamann, Harlow, Hayes, Herbig, Hickman, Hobbins, Hubbell, Jackson, Johnson P, Jones, Kaenrath, Kent, Kinney, Knight, Kornfield, Kruger, Kumiega, Lajoie, Libby N, Longstaff, Luchini, MacDonald S, MacDonald W, Maker, Malaby, Marean, Marks, Mason, Mastraccio, McCabe, McClellan, McElwee, McGowan, McLean, Monaghan-Derrig, Moonen, Moriarty, Morrison, Nadeau A, Nadeau C, Nelson, Peoples, Peterson, Plante, Pouliot, Powers, Priest, Rankin, Rochelo, Rotundo, Russell, Sanborn, Saucier, Saxton, Schneck, Shaw, Short, Stanley, Stuckey, Theriault, Tipping-Spitz, Treat, Turner, Tyler, Verow, Villa, Volk, Weaver, Welsh, Werts, Willette, Winchenbach, Winsor, Mr. Speaker.

NAY - Ayotte, Chase, Crafts, Cray, Davis, Espling, Fitzpatrick, Gifford, Guerin, Harvell, Keschl, Libby A, Lockman, Long, Newendyke, Nutting, Parry, Pease, Peavey Haskell, Reed, Sanderson, Sirocki, Timberlake, Wallace, Wood.

ABSENT - Bennett, Carey, Chapman, Johnson D, Jorgensen, Kusiak, Noon, Pringle, Rykerson, Wilson.

Yes, 116; No, 25; Absent, 10; Excused, 0.

116 having voted in the affirmative and 25 voted in the negative, with 10 being absent, and accordingly the Resolve was **FINALLY PASSED**, signed by the Speaker and sent to the Senate.

Pursuant to his authority under House Rule 201.1(I), the Chair made the following change to a Committee of the 126th Maine Legislature:

The appointment of Representative JOHNSON of Eddington to the Joint Standing Committee on **VETERANS AND LEGAL AFFAIRS** was rescinded.

Representative TURNER of Burlington was reappointed to the Joint Standing Committee on **VETERANS AND LEGAL AFFAIRS**, replacing Representative JOHNSON of Eddington.

CONSENT CALENDAR
First Day

In accordance with House Rule 519, the following items appeared on the Consent Calendar for the First Day:

(S.P. 662) (L.D. 1667) Bill "An Act To Amend Certain Provisions of Inland Fisheries and Wildlife Laws" Committee on **INLAND FISHERIES AND WILDLIFE** reporting **Ought to Pass as Amended by Committee Amendment "A" (S-474)**

(S.P. 685) (L.D. 1724) Bill "An Act To Conform Licensing Requirements for Real Estate Appraisers with Federal Law" Committee on **LABOR, COMMERCE, RESEARCH AND ECONOMIC DEVELOPMENT** reporting **Ought to Pass as Amended by Committee Amendment "A" (S-476)**

(S.P. 735) (L.D. 1832) Bill "An Act To Increase Employment Opportunities for Veterans" Committee on **LABOR, COMMERCE, RESEARCH AND ECONOMIC DEVELOPMENT** reporting **Ought to Pass as Amended by Committee Amendment "A" (S-477)**

Under suspension of the rules, Second Day Consent Calendar notification was given.

There being no objection, the Senate Papers were **PASSED TO BE ENGROSSED as Amended** in concurrence.

The SPEAKER: The Chair recognizes the Representative from York, Representative McGowan, who wishes to address the House on the record.

Representative **McGOWAN**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. In reference to Roll Call No. 595, on LD 1194, had I been present I would have voted yea. In reference to Roll Call No. 596, on LD 1594, had I been present I would have voted yea. In reference to Roll Call No. 597, on LD 1458, had I been present I would have voted yea. In reference to Roll Call No. 598, on LD 616, had I been present I would have voted yea. In reference to Roll Call No. 599, on LD 1786, had I been present I would have voted yea. In reference to Roll Call No. 600, on LD 1786, had I been present I would have voted nay. In reference to Roll Call No. 601, on LD 1603, had I been present I would have voted nay. In reference to Roll Call No. 602, on LD 1772, had I been present I would have voted yea. In reference to Roll Call No. 603, on LD 1754, had I been present I would have voted yea. In reference to Roll Call No. 604, on LD 1747, had I been present I would have voted yea. In reference to Roll Call No. 605, on LD 1794, had I been present I would have voted yea. In reference to Roll Call No. 606, on LD 1808, had I been present I would have voted nay. Thank you, Mr. Speaker.

By unanimous consent, all matters having been acted upon were **ORDERED SENT FORTHWITH**.

On motion of Representative BEAUDOIN of Biddeford, the House adjourned at 12:08 p.m., until 9:00 a.m., Wednesday, April 2, 2014.