

# MAINE STATE LEGISLATURE

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# LEGISLATIVE RECORD

OF THE

*1st Special Session*

OF THE

*One Hundred and Sixth  
Legislature*

OF THE

STATE OF MAINE

**Volume II**

MARCH 7, 1974 TO MARCH 29, 1974

**Index**

**Legislative Ethics Committee Report**

Kennebec Journal  
Augusta, Maine

**HOUSE**

Monday, March 18, 1974

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

Prayer by Father Hubert Paquet and Father Gerald Doyon of Oakland.

The members stood at attention during the playing of the National Anthem by the Messalonskee High School Band.

The journal of the previous session was read and approved.

**Orders out of Order**

Mr. Tyndale of Kennebunkport presented the following Order and moved its passage:

ORDERED, that Anne and Leigh Burnham of Kennebunkport be appointed Honorary Pages for today.

The Order was received out of order by unanimous consent, read and passed.

Mr. Bustin of Augusta presented the following Order and moved its passage:

ORDERED, that Sheila and Bob Morrisette and Timothy Morin of Augusta be appointed Honorary Pages for today.

The Order was received out of order by unanimous consent, read and passed.

**Papers from the Senate  
Reports of Committees  
Ought to Pass in New Draft  
Tabled and Assigned**

Committee on Marine Resources on Bill "An Act Relating to Sale of Crawfish" (S. P. 845) (L. D. 2386) reporting "Ought to pass" in New Draft (S. P. 937) (L. D. 2575) under new title "An Act to Regulate Sale and Processing of Crawfish"

Came from the Senate with the Report read and accepted and the New Draft passed to be engrossed as amended by Senate Amendment "A" (S-400)

In the House, the Report was read and accepted in concurrence and the New Draft read once. Senate Amendment "A" (S-400) was read by the Clerk.

On motion of Mr. Greenlaw of Stonington, tabled pending the adoption of Senate Amendment "A" and tomorrow assigned.)

**Divided Report****Later Today Assigned**

Majority Report of the Committee on Health and Institutional Services on Bill "An Act to Amend Certain Provisions of the Laws Administered by the Department of Health and Welfare" (S. P. 883) (L. D. 2468) reporting that it be referred to the 107th Legislature.

Report was signed by the following members:

Messrs. HICHENS of York  
GREELEY of Waldo  
MINKOWSKY of Androscoggin  
— of the Senate.

Messrs. DYAR of Strong  
LEWIS of Bristol  
SOULAS of Bangor  
LaPOINTE of Portland  
SANTORO of Portland  
Mrs. MORIN of Old Orchard  
BERRY of Madison  
McCORMICK of Union

— of the House.

Minority Report of same Committee on same Bill reporting "Ought to pass" in New Draft (S. P. 939) (L. D. 2579) under same title.

Report was signed by the following member:

Mr. WHITZELL of Gardiner  
— of the House.

Came from the Senate with the Majority Report read and accepted.

In the House: Reports were read.

(On motion of Mr. Martin of Eagle Lake, tabled pending acceptance of either Report and later today assigned.)

**Messages and Documents**

The following Communication:

The Senate of Maine  
Augusta

March 15, 1974

Hon. E. Louise Lincoln  
Clerk of the House  
First Special Session  
106th Legislature  
Dear Madam Clerk:

The Senate voted to Adhere to its action whereby it accepted the Majority Ought Not to Pass report on Bill, "An Act to Provide a Maine Homestead Property Tax Exemption Law" (H. P. 1680) (L. D. 2073).

Respectfully,  
Signed:

HARRY N. STARBRANCH  
Secretary of the Senate

The Communication was read and  
ordered placed on file.

The following Communication:

STATE OF MAINE

One Hundred and Sixth Legislature  
Committee on Business Legislation

March 14, 1974

Honorable Richard D. Hewes

Speaker of the House

State House

Augusta, Maine 04330

Dear Speaker Hewes:

The Committee on Business  
Legislation is pleased to report that it  
has completed all business placed before  
it by the 106th Special Session of the  
Maine Legislature.

Total Bills received in Committee	21
Ought to Pass	4
Ought Not to Pass	2
Ought to Pass in New Draft	6
Divided Reports	4
Leave to Withdraw	1
Referred to the 107th Legislature	4

21

Sincerely,

Signed:

CLAUDE N. TRASK  
House Chairman

The Communication was read and  
ordered placed on file.

The following Communication:

STATE OF MAINE

One Hundred and Sixth Legislature  
Committee on Election Laws

March 14, 1974

The Honorable Richard Hewes

Speaker of the House

State House

Augusta, Maine 04330

Dear Speaker Hewes:

The Committee on Election Laws is  
pleased to report that it has completed  
all business placed before it by the 106th  
Special Session of the Maine  
Legislature.

Bills received in Committee	8
Ought to Pass in New Draft	2
Ought to Pass as Amended	1
Leave to Withdraw as Covered	
by Other Legislation	2

Divided Reports

3

Signed:

Respectfully submitted,

RODNEY E. ROSS, JR.

House Chairman

The Communication was read and  
ordered placed on file.

### House Reports of Committees Ought to Pass in New Draft New Draft Printed

Mr. Perkins from the Committee on  
Judiciary on Bill "An Act Relating to  
Consent to or Surrender and Release for  
Adoption" (H. P. 1939) (L. D. 2476)  
reporting "Ought to pass" in New Draft  
(H. P. 2051) (L. D. 2585)

Report was read and accepted, the  
New Draft read once and assigned for  
second reading tomorrow.

### Divided Report

Report "A" of Committee on Labor on  
Bill "An Act Providing for a Workmen's  
Compensation Insurance Fund" (H. P.  
1811) (L. D. 2292) reporting that it be  
referred to the 107th Legislature for  
study.

Report was signed by the following  
members:

Mr. HUBER of Knox

— of the Senate.

Messrs. GARSOE of Cumberland

BINETTE of Old Town

McNALLY of Ellsworth

FLYNN of South Portland

BROWN of Augusta

— of the House.

Report "B" of same Committee on  
same Bill reporting "Ought to pass" in  
New Draft (H. P. 2047) (L. D. 2580)  
under same title.

Report was signed by the following  
members:

Mr. KELLEY of Aroostook

— of the Senate.

Mrs. CHONKO of Topsham

Messrs. HOBBINS of Saco

McHENRY of Madawaska

ROLLINS of Dixfield

— of the House.

Report "C" of same Committee on  
same Bill reporting "Ought to pass" in  
New Draft (H. P. 2048) (L. D. 2581)  
under new title "An Act to Create a

Competitive State Workmen's Compensation Fund"

Report was signed by the following members:

Mr. TANOUS of Penobscot  
— of the Senate.  
Mr. FARLEY of Biddeford  
— of the House.

Reports were read.

The SPEAKER: The Chair recognizes the gentleman from Augusta, Mr. Brown.

Mr. BROWN: Mr. Speaker, I move the acceptance of Report A.

The SPEAKER: The gentleman from Augusta, Mr. Brown, moves the House accept Report A "Refer to 107th Legislature."

The Chair recognizes the gentleman from Dover-Foxcroft, Mr. Smith.

Mr. SMITH: Mr. Speaker, Ladies and Gentlemen of the House: This piece of legislation is a bill that I had in the regular session of the 106th. It was referred to study and is now back in the special session. I would like to have you take just a moment before I explain what this bill is and what I would like to do with it this morning, and just note that Report A bears five signatures; Report B bears five signatures; and Report C bears two signatures.

Report A calls for this bill to be referred to the 107th Legislature. Report B is an "ought to pass" report, as is Report C.

Workmen's compensation has become for many of our employers here in the State of Maine a very expensive item. The reason for that is that we have many many jobs here in the State of Maine that are of a very high risk nature. As a consequence, a lot of people get hurt. As a consequence, the cost to the employer of covering employees is very high, particularly in outdoor-types of work like lumbering, like many types of contracting. This bill creates a workmen's compensation state fund that will reduce significantly the cost of covering workers under workmen's compensation. At the same time, it will provide for the worker a much, much, much more dependable means of compensation once he is injured.

I am not going to stand here today to try to debate all of the issues in this bill

presently. What I would like to plead for today, and I may have to get up and say this again in different words, but what I would like to plead for here today is that you not accept Report A, which is simply going to prolong the problem for many of our state's employers. What I would like you to do is accept Report B and give me a chance to work out some sort of a compromise between Reports B and C, particularly, but also, perhaps, to involve some of the signers of Report A. To do this, we may have to send it down to the Senate, where I think the sentiment perhaps for Report C is stronger. But I would like today to start with Report B. Let me tell you what Report B does. It does not provide that Workmen's Compensation, is going to be provided by the State fund immediately. On the contrary, there are several built-in safeguards. First, before a State fund can start doing its work, it has to have a big bunch of money to cover initial accidents right off the bat. This bunch of money would be procured by a bond issue. Such a bond issue cannot be floated without the approval of the Executive Council as Report B is written. That is one check. The second check is that even after the bonds have been floated, even after they have received the approval of the Governor's Executive Council, they must, the Compensation Commission here, we are setting up with State funds, must also receive a favorable approval by the Commission of Manpower Affairs, the Insurance Superintendent, and the Industrial Accident Commission. What we are talking about, is a heck of a lot of work that has to go in to setting this thing up, to do a lot of background work on exactly how we do want to do it, and then finding the funds through bond issue to do it, and ultimately, receiving approval of these two groups. What I am saying is, we have got to start in this direction if we are going to do something about Workmen's Compensation. This is a slow, moderate, approach to doing that.

If I can get this thing a second reading and we can have a debate on the merits of the bill itself, I will explain to you why this is so very important.

Let me tell you one thing first, that in other states, where a state fund of this

sort exists, the cost of Workmen's Compensation has been reduced by as much as thirty per cent. I think we can do that here in the State of Maine or fairly close to it. If you are interested in this bill and you are curious about it and you want to know what it is going to mean for a lot of people here in the State of Maine, help me today, accept Report B, allow me to work out some compromises, and I will come back and explain, in depth, all the provisions of the bill to you. It is very important. A lot of people are going to benefit by it and I hope you will go along with Report B this morning.

The SPEAKER: The Chair recognizes the gentleman from Bridgewater, Mr. Finemore.

Mr. FINEMORE: Mr. Speaker, Ladies and Gentlemen of the House: Mr. Speaker, a correction if I misunderstood him, I understood him to say five for Report A and five for Report B, and two for Report "C." According to my figures Report A is six. I would like to ask the gentleman one question and only one. Has the gentleman from Dover-Foxcroft ever checked with New Brunswick to find the cost of a Workmen's Compensation of this sort?

The SPEAKER: The gentleman from Bridgewater, Mr. Finemore, poses a question through the Chair to the Gentleman from Dover-Foxcroft, and he may answer if he wishes. The Chair recognizes that gentleman.

Mr. SMITH: Mr. Speaker, Ladies and Gentlemen of the House: I would reply this way; that we have looked at all of the state funds in Canada and not the type of state fund that we are going to set up in this instance. This is based on experience within the United States. And, as I said before, I would like to take the opportunity to go into depth on all these issues. But, believe me, I think this is going to help a lot of people. You are talking about benefit levels, the type of delivery system, and both are distinct and different under this bill than under the scheme in New Brunswick.

The SPEAKER: The Chair recognizes the Gentleman from Dixfield, Mr. Rollins.

Mr. ROLLINS: Mr. Speaker, Ladies and Gentlemen of the House: As a signer

of Report B, I hope you will go along with the gentleman from Dover-Foxcroft this afternoon. I believe he has a very good bill here. He has worked very hard on it and I hope we will be able to keep it going until he can make some adjustments.

The SPEAKER: The Chair recognizes the gentleman from Saco, Mr. Hobbins.

Mr. HOBBINS: Mr. Speaker, Ladies and Gentlemen of the House: I urge you not to accept any motion to accept Report "A" until we can accept Report B. The simple facts are that exclusive State funds can and do provide insurance coverage at a lower cost to the employer. They can and do provide prompt payment to injured employees. They can and do provide the finest medical and hospital care. And they can and do provide expert safety services.

The second point I would like to make is that exclusive State funds develop an exceptional expertise in the Workmen's Compensation problems of particular jurisdictions and more accurately reflect the public policy of the State.

Another point I would like to raise this afternoon is that exclusive State funds are not a burden on the taxpayers, they are entirely self-supporting.

Finally, exclusive State funds are an asset to the economy of the State because all of their expenditures, whether they are claims payments, medical or hospital care, payrolls, materials, supplies or dividends are returned to and enhanced the State's economy gross.

For these reasons and for many more, Mr. Speaker and members of the House, I urge you not to accept Report A so we can accept Report "B", so this bill can have a thorough hearing before this body and before the Senate.

The SPEAKER: The Chair recognizes the gentleman from Ellsworth, Mr. McNally.

Mr. McNALLY: Mr. Speaker, Ladies and Gentlemen of the House: Since I was one of the ones to sign Report A, I am going to go on record as to why I did it.

In the first place, the last man we had on authority, couldn't guarantee there was any savings. Another thing is there is no bond that is going to be sold for this thing, until there is some seed money from somewhere. I discovered, after

eight years here, that most of this seed stuff has to come out of the taxpayers of the State.

I also list these bills under the heading of "fake". This is a fake bill. And I don't know as we should be considering a fake bill in this Special Session. I also have talked with the people who insure me in Workman's Compensation and they have assured me that if I cancel my Workmen's Compensation, which I have had with them since 1930, that someday if I regret having signed to go along with a Workman's Compensation Bill like this, and find it isn't working, then I am going to have a mighty hard time getting back in here.

The SPEAKER: The Chair recognizes the Gentleman from Cumberland, Mr. Garsoe.

Mr. GARSOE: Mr. Speaker, Ladies and Gentlemen of the House: As a signer of Report A, I do not wish to debate the bill with the distinguished gentleman from Dover-Foxcroft, because I think he has a fine idea here and I know his intensity springs from the enormous amount of work he has done on it.

I think that eventually that I am going to come around to supporting this concept. But, as I look at it, there are no reasons in my mind that would cause me to want this to come out at this point. And I can think of quite a few that do make me want to delay this until the 107th. I think we should look at this report in that respect. It is not comment on the merit or the lack of merit of the bill.

We have expenditures totaling fifteen to eighteen million dollars a year in this field of Workmen's Compensation. And this is a signal that this is going to be cut off. One of the imponderables is that I know, and I am not holding this against the bill, is the hazard that this places on people such as Mr. McNally and also the people who are now on compensation, perhaps for life, from an out-of-state company. We may find ourselves picking up the tab for situations such as this.

The study that Representative Smith has referred is supposed to have been made by this Committee. And perhaps if we had made this study, things would be sitting here differently today. But the study was not made by the Labor

Committee for reasons beyond my control. I feel that in the interests of proceeding in an orderly manner, that referring to the 107th will do no harm to anyone. And acting right now could possibly place us in a position that we can't see at this moment. I hope you will support the Report "A".

The SPEAKER: The Chair recognizes the gentleman from Old Town, Mr. Binnette.

Mr. BINNETTE: Mr. Speaker, Ladies and Gentlemen of the House: I also am a signer of Report A, and some of the reasons why I signed it in that manner, is the fact that in order to implement such a program, you have to have at least, ten million dollars to start with. And I think right now that the State is in enough business without taking that on upon themselves.

I will agree with the gentleman from Dover-Foxcroft that perhaps it would be cheaper for many of the policy holders to have this State operate it. By the same token, I think we are going to have to have an awful lot more employees for the State, not as a hamlet. And as far as the study is concerned, I will agree with my friend from Portland, Mr. Garsoe, that we were supposed to have done that study and all of a sudden it faded right out away from us and those who were assigned to that study were taken off it and therefore, they couldn't complete it. Where we had passed this out for a study in the last Regular Session, I still believe that it should continue in that direction.

The SPEAKER: The Chair recognizes the gentleman from Eagle Lake, Mr. Martin.

Mr. MARTIN: Mr. Speaker, Ladies and Gentlemen of the House: I would like to spend just a few minutes talking to you why we can't wait until the 107th Legislature.

This type of Legislation is something which we must do in order to help Maine people. At this point in time, I don't know whether B or C is the report that we ought to go, and I am not sure about the details about either one of those.

For just a moment I would like to talk to you about the problem that we face in Northern Maine. The gentleman from Bridgewater, Mr. Finemore, has been in the business, and I know he understands

it fully. Basically, this is a problem of a person who has a number of employees working in the woods, or, for that matter, working in potato houses, and is unable to get Workmen's Compensation; not because he can't get it but because he can't afford it. If you have employees in the woods, it is costing the employer somewhere between fifteen dollars and eighty cents per one hundred dollars a payroll to insure that man under Workmen's Compensation. That to me is disgraceful. Yet, we have the same people working for a major paper company, and because they have the large number of people working on their payroll and they have safety experts, etc. their work record may not be any better, but they're paying somewhere between five and eight dollars per one hundred dollars a payroll.

Some of the paper companies are self-insured in order to get around having to get involved with some of the insurance companies that charge those rates. I have relatives and I have friends, and I have people who are wood-cutters, and who work in the woods, and are employers, and fully aware of the problems that they face. And as a matter of fact, I even spent one summer cutting pulp and I can assure you that there was no coverage on me, because it couldn't be afforded.

It seems to me that the time is now and not the 107th or the 108th, for us to take action. We have a large number of Maine people in the rural areas that are not covered by Workmen's Compensation because of this reason. You place yourself in the hands of that small three or four pulp-cutter operation, and you have to pay sixty to seventy dollars a week on four hundred dollars worth of payroll. That is before you do anything about making a profit or trying to break even. That is the type of thing we face in Northern Maine.

I would ask you to vote against this motion because this would kill the bill for this session. And I would ask you to keep in mind that somehow we can do the job, even though we are going to be here for a short time. I would ask you to vote against this motion, and I would ask for a roll call.

The SPEAKER: The Chair recognizes

the gentleman from Bridgewater, Mr. Finemore.

Mr. FINEMORE: Mr. Speaker, Ladies and Gentlemen of the House: I didn't intend to give this, but as Mr. Martin has said, Workmen's Compensation forced me out of the cutting business. I am still in the woods business, my son is, I'm not, it forced me out of it just as the gentleman from Eagle Lake, Mr. Martin has stated.

Today you have 15.8. It might vary from day to day now, but I think it is 15.8 out of every dollar that you take out for Workmen's Compensation, plus five and eighty-five one hundredths per cent comes out for your unemployment, plus two to three and an eighth per cent comes out for your unemployment up to \$4200.00 on each man working for you, you are simply driving them out. As the gentleman from Eagle Lake, Mr. Martin, has said, so capably said, that these pulp companies get around this. A farmer can go out here, I'm not classifying him, I am glad he can do it, tickled to death he can do it, but his risk isn't as high as ours, he can go out here for \$125.00 or \$130.00 and buy initial premium. Ours is \$2500.00 initial premium.

Here in the 106th Legislature the gentleman from Hampden worked so hard to get a bill passed, whereby, you would have to drop from one man, if you have one man now, you have to pay Workmen's Compensation. It used to be the first three members were free, three or four members were free. But today it starts at one man. The only way you can work today in the woods is to have a father, a son, a cousin, an uncle, who will work as a group, and have their own insurance and sign a contract with you saying that they will pay all government expenses, including Workmen's Compensation. And that is the only way you can work them.

I haven't made too much study of this bill but since I started, I find that I am just like the gentleman from Eagle Lake, Mr. Martin, let's not put this over to the 107th, let's start it today, and give these people a little relief, because Workman's Compensation is driving them out of business.

I did mention to the gentleman from



Dover-Foxcroft to Canada. New Brunswick is going so high now that we had to pull out of there. They are much worse than we are. Of course, they are government protected over there. And if you have a death, especially, on the operation, someone is killed accidentally, why automatically your premium almost doubles. There has got to be something done and the sooner we do it the better. I hope you will vote this Report A out and insert Report B and give it its first and second reading so we can have a chance to find out about this.

The SPEAKER: The Chair recognizes the gentleman from Biddeford, Mr. Farley.

Mr. FARLEY: Mr. Speaker, Ladies and Gentlemen of the House: I would also urge that you vote against the motion on the Floor this morning and look at Report B and see if we can demand it at that time. It is a good bill and it is really needed.

The SPEAKER: The Chair recognizes the gentleman from Dover-Foxcroft, Mr. Smith.

Mr. SMITH: Mr. Speaker, Ladies and Gentlemen of the House: I just want to make one final point, maybe a couple of rebuttal points.

First of all, there has been some talk about seed money, particularly from the gentleman from Ellsworth, Mr. McNally. And the gentleman from Old Town, Mr. Binnette, said ten million dollars is going to be needed to start that. Well, that is just plain false. It is not going to take ten million dollars and certainly is not going to take any amount of money from the general fund, other than perhaps, a small loan, which will be paid back immediately.

I would like to point out to you if we ever do get this thing going down the road after all the checks and balances have been passed, then this State fund is going to start taking in around two million dollars a month. So there is going to be money to pay back this small loan. The important point right now is to realize that I am not saying that a State fund is going to start immediately. What I am saying is that no amount of study by part-time attention by a legislative staff is going to do the kind of work that we need to get done. What this will provide

for is simply that we bring a man on board who knows something about State funds. We know that the idea is good. We know that it works in other states. Get us set up, and in a couple of years, come back to the legislature and have it tell us exactly what we have to do to get it going. We know that we can reduce the cost of Workmen's Compensation. We know that there are hundreds of workers in the State of Maine, that are not covered by Workmen's Compensation. And we know a lot of them are getting hurt because of the outdoor nature and dangerous nature of the work here in the State of Maine. I think in the 20th Century that this is a reprehensible state of affairs. We ought to do more than simply refer to the next legislature.

We showed already that it was referred to a study committee and not a very good study was done. What Report B will do is get us an expert who can tell us just exactly what steps we need to take next. That is all it is going to do. Those checks and balances are in there, I think they are adequate.

And I would just like to sum up, finally, by saying that a lot of people throughout the State of Maine, have already contacted me, are in support of this thing. The Associated Industries of Maine are in support of it. The Labor Movement is in support of it. The paper companies, believe it or not, are in support of it. This is an important measure and I think we would be in derelict of our duties today, if we allow that this thing be put off for a few more months or a few more years and this problem continues to persist.

I hope you will give me just a few hours to work something out between Report B and Report C and get us going on the road that is going to solve the problem. I think it is a moderate move. I think it is a responsible move. And I think we ought to do it today.

The SPEAKER: The Chair recognizes the gentleman from Augusta, Mr. Brown.

Mr. BROWN: Mr. Speaker, Ladies and Gentlemen of the House: I don't know how you can get any closer to a unanimous committee report than we have on this bill here. I think that the

gentleman from Dover-Foxcroft has worked diligently and intensely and has done a great job.

The concern that I have when I was prepared to sign an "Ought to pass" report but I have not; not that there isn't a tremendous problem here because there is a tremendous problem. As the gentleman from Aroostook pointed out, something should be done, and we should do it relatively soon. I am concerned, however, if in taking care of this problem, we may disrupt all kinds of other industry in the State of Maine and an awful lot of small operators and contractors, as the gentleman from Ellsworth, put them out of business by taking care of these people. Therefore, I would like to spend a little more time to make sure that we know exactly where we are headed. Absolutely, we have to take care of these people, no question about it, one way or another. But in taking care of these people under this program, are we at the same time, disrupting everybody else in the State of Maine? Every other industry? I do not know the answer to this. But Mr. McNally, from Ellsworth, says he is one person who would be put out of business. This concerns me. If this is not right, then that is something else again. If we pass this and go ahead with Report B or Report C, then you are putting yourself in the position whereby you may knock out an awful lot of other people, and how many we do not know.

Mr. Smith of Dover-Foxcroft was granted permission to speak a third time.

Mr. SMITH: Mr. Speaker, Ladies and Gentlemen of the House: I would like to point out that insurance companies make a lot of money on Workmen's Compensation in this State. What they have, in essence done, is threaten Mr. McNally and said, if this thing goes, we're going to back off and we are not going to take your money, we don't like to make money from you. I do not believe that. I think if insurance companies leave the State of Maine, it is going to be with the greatest reluctance, because the Insurance Department figures indicate that they make millions of dollars each year. I think that is a frivolous kind of argument, myself. I

don't think they are just going to leave those millions behind.

What we are asking for here is a study of exactly the same kind of things that they are talking about. Get somebody on board here who can get us going in this direction and help us take care of these problems. I hope that this argument will not prevail, that the gentleman from Augusta, Mr. Brown, has presented yet. Just give me a few minutes.

The SPEAKER: The Chair recognizes the Gentleman from Lubec, Mr. Donaghy.

Mr. DONAGHY: Mr. Speaker, Ladies and Gentlemen of the House: I would ask the gentleman from Dover-Foxcroft, through the Chair; what happened to the study that was started? How many states do have such a problem? How will the risks be changed, and will it be spread to other employers, which comes back, I think, to what Mr. McNally has said? I am sure it would be very easy to prove how much the insurance companies make on the Workmen's Compensation. This is reported each year through our Insurance Department. And I think you would be very surprised to find out how little is made in the State of Maine on Workmen's Compensation. The rates are regulated by our Insurance Commissioner.

The SPEAKER: The Gentleman from Lubec poses a series of questions through the Chair to anyone who may answer if he or she wishes.

The SPEAKER: The Chair recognizes the gentleman from Brunswick, Mr. McTeague.

Mr. McTEAGUE: Mr. Speaker, Ladies and Gentlemen of the House: Mr. Donaghy, I am not from Dover-Foxcroft but I have had an opportunity to talk about this bill with the sponsor, the gentleman from Dover-Foxcroft, Mr. Smith.

I understand that there are at least a dozen states in the American Union that have this approach. Up until now it has been eighteen. Professor Larson's book, former Secretary of Health, Education and Welfare under President Eisenhower, down in our Law Library, gives a complete description of it. Professor Larson raises something else

about state funds as opposed to our private systems of insurance which exists now. Approximately, the rates are regulated but the acquisition costs are fantastic. Approximately fifty-five or sixty cents out of a dollar premium paid by an employer is returned to the employees in the form of benefits. Taxes, overhead, agents commissions, and other costs, consume approximately forty to forty-five cents out of a dollar. This is a terribly inefficient system. We do not get paid back much as a State for what we put into it.

On the other hand, the facts also show around the country, these approximately a dozen states of the United States, which have state funds; that roughly eighty-eight to ninety-two per cent of the premiums paid by the employers are returned to the employees in the form of benefits or paid in their behalf in the form of medical payments. What that says to me is that the overhead costs of operating on the plans suggested by the bill before us, is about ten per cent. Whereas, the overhead costs under the current system is roughly forty per cent. I think these figures can be corroborated by a review over the last four or five years of the reports of our Insurance Commission.

I guess I am not a very good mathematician but I sometimes think my nose is a better guide than my head on some of these sophisticated issues. By that, I mean this; employer interests in this State have a cost. They would like to deal with it more rationally and hope to reduce it. Employees of this State have an interest in quick payment of compensation.

At this time, I have a gentleman down the hall in my office, who has been out of work for over three weeks; hasn't been paid a nickel compensation. Talk to the people in your town and see how fast the people are getting paid under this private system, it is not very fast.

The gentleman from Cumberland, Mr. Garsoe, has estimated that we now pay in this State about fifteen or eighteen million dollars a year in Workmen's Compensation premiums. I had understood that it was closer to eighteen but I will accept the fifteen. I suggest to you, Ladies and Gentlemen, with the

coming changes under the Federal guidelines, we will have, in the very near future, in this State, a Workmen's Compensation premium of approaching \$50 million every year. If we administer the system rationally, as this bill proposes, our administrative costs will be held down to ten per cent. If we continue under the present system, under the system that benefits principally those who oppose this change, and I am not speaking about those industrial employers, but rather the insurance industry, that forty to 45 per cent overhead costs a year, on \$50 million, will be \$20 million in profit to this industry and in other unnecessary costs. The employees of Maine, the working people, cannot afford this and our employers cannot afford this. I hope, Mr. Speaker, the House will reject the pending motion so that we may go on to accept Report B and have a vehicle to work with.

The SPEAKER: The Chair recognizes the gentleman from Old Town, Mr. Binnette.

Mr. BINNETTE: Mr. Speaker, Ladies and Gentlemen of the House: I don't agree entirely with the concept which is coming from the lower left hand corner.

The thing that I would like to know, I am very sympathetic with the workman. I believe he should get all the protection that he is entitled to. And I hope that they can reduce the cost. But I have no idea of what it is going to cost to operate this operation. This is what I would like to know. I can't go on here and say it isn't going to cost us much, we are going to have it liquidated in a month. You have got to have some funds to begin with. And then, have we any assurance that our rates are going to be any lower? That is the problem that is facing me.

The SPEAKER: The Chair recognizes the gentleman from Standish, Mr. Simpson.

Mr. SIMPSON: Mr. Speaker, Ladies and Gentlemen of the House: I just heard the good gentleman from Brunswick say that I guess when it comes to many pieces of legislation that his nose is a better guide than his head. I think some of us might agree with that a good many times. In fact, I think I would be the first one that said too often maybe

this whole body, especially during this session, has done just that and has not really put some good thought into exactly what the legislation is before us.

You are talking about a concept here which I personally think is a good concept, if you want to talk about concepts. But when you suddenly take a concept and try to put it in the legislation, and then do it in a special session, and then stand up on the floor and say that this should have been studied in part of the Labor Committees study, but unfortunately the Labor Committee has not done the study, and I will agree with that statement, but I disagree with the statement if just because they did not do it that suddenly all of a sudden a few of us should put together some legislation and bring it in here and say it is great for us.

This bill puts the state in the insurance business; just exactly what it does. That takes it right out of the free enterprises system. And I don't know as I am convinced yet the State Government is able to run anything cheaper than free enterprise or ever will be able to run anything cheaper than free enterprise.

I think the concept of putting this in the 107th is still good. I don't believe anybody is going to go bankrupt in between time. I don't think there is going to be that great a number of people displaced any more than they are right at the present time. I think we ought to give this bill a real good study and give it some good consideration before we start to go the route that we are going here this morning. I would hope that you not let your nose be your guide but you let your head be your guide.

The SPEAKER: The Chair recognizes the gentleman from Lubec, Mr. Donaghy.

Mr. DONAGHY: Mr. Speaker and Members of the House: I kind of picked up my ears on that one about the nose being the guide because many of us have been accused of being in the insurance business. I wonder what business the gentleman from Dover-Foxcroft is in?

Although that we have been told that maybe 18 funds are in operation out of the 50 states I wonder how many are in states comparable to ours as far as hazardous work is concerned?

It would seem to me that what we are really seeing here is an effort, not to change the risk and improve the risk so that the rates do not have to be so high, but we are going to try to spread it out over other employers. There was no answer to that point.

The SPEAKER: The Chair recognizes the gentleman from Biddeford, Mr. Farley.

Mr. FARLEY: Mr. Speaker, Ladies and Gentlemen of the House: A lot has been mentioned today that this bill should have been studied. Well, I am not going to judge the merits of that statement.

We have something to work with now and its in the private sector of Workmen's Compensation, so we kind of know what it is all about or a good part of it anyway. So the argument of the study is not valid, really.

The statement of putting the State in the insurance business. Well, if we knock down the motion on the floor now I think we can prove that that is not correct either and we start debating report B and report C.

Mr. Smith of Dover-Foxcroft was granted permission to speak a fourth time.

Mr. SMITH: Mr. Speaker, Ladies and Gentlemen of the House: I just want to try to clear up a point again that I apparently have been unable to make clear enough.

This bill, if we accept Report B and even enact it the way it is, which I am not asking for, all I am asking for is a chance to talk with the other people about it, particularly down in the Senate. Even if we did do that, took that bill word for word, it is not going to put the State in the insurance business. Because there is a lot of checks and balances, a lot of obstacles built into this legislation that this commission that runs the state fund must first jump. It would take at least two or three years to do that.

What we are doing is saying that this is a problem that we need to face. This is a vehicle that we are using to face it. We are not saying that somebody is going to come back and tell us, well, the legislation is inadequate this way; or it is inadequate in this way. We need a little bonding language, we need this, we need that. All it does is give us the

opportunity, the most meager vehicle, to work in that direction to get at this problem. No amount of study is going to do us any good here because this bill isn't calling for an immediate take over, far from it. It is a long ways down the road yet.

I am convinced and a lot of other people are convinced even some people who I have talked to even in the insurance industry itself that are sympathetic to this. They said this is the road we ought to take, it is the most rational road; it is the surest road to getting a good result.

So I hope that you will fully understand that if we enact this bill just as it is written in Report B this still isn't going to kick anybody out of the State. It isn't going to take insurance away from anybody. There are not going to be any ill effects. What we are going to have is a constructive vehicle to begin to solve the problem; that is all, nothing more.

The SPEAKER: The Chair recognizes the gentleman from Westbrook, Mr. Deshaies.

Mr. DESHAIES: Mr. Speaker and Members of the House: I would like to pose a question to the gentleman from Dover-Foxcroft, Mr. Smith.

Perhaps I am missing something here, but I have listened to the testimony very carefully and I am not the least bit familiar with workmens compensation. But are we being asked to subsidize potato growers, the wood cutters their workmens compensation bill? What will this cost the other citizens of the State? Mr. Smith has said it will take in \$2 million. But are we assured of what it will pay out? How much will this cost us?

The SPEAKER: The gentleman from Westbrook, Mr. Deshaies, poses a question through the Chair to the gentleman from Dover-Foxcroft, Mr. Smith, who may answer if he wishes.

The Chair recognizes the gentleman from Dover-Foxcroft, Mr. Smith.

Mr. SMITH: Mr. Speaker and Members of the House: It is not going to cost, if you are talking about us, the general fund, kind of us; it is not going to cost us anything. This is going to work on the same principles of insurance as the private sector has. One thing is going to

be missing, basically; and that is the tremendous overhead costs that insurance companies have incurred. It is going to be about a 25 or 30 percent reduction, if the experience of other states and exactly the same type of fund is experienced here in the State of Maine. We can't find a reason why they shouldn't be. I think that we are going to be able to reduce these costs significantly.

I would like to go back to the gentleman from Lubec, Mr. Donaghy, for just a moment if I may. He has asked a question twice and each time I have gotten up I have forgotten to answer it. We are going to be experienced rated here as to the individual just like many of the insurance policies that you have now. The rates are going to be approved by the Commission. Your own experience, your attempts at safety, your experience at safety, the number of accidents; all of this is going to be cracked into the formula. So it is just exactly the same type of rating experience in terms of safety and cost and one thing and another as to the individual that we get under private insurance.

Now, again, the savings comes in because you are going to eliminate so much of that overhead. You have seen the figures, I have got the figures here, quoted from the Social Security Administration if anyone wants to see them.

The SPEAKER: The Chair recognizes the gentleman from Westbrook, Mr. Deshaies.

Mr. DESHAIES: Mr. Speaker, Ladies and Gentlemen of the House: I would like to pose another question to Mr. Smith if I may.

As I understand your remarks, the good risks will be paying the same rate as the bad risks? And the factory or the business with a good experience will be subsidizing the factory with the bad experience? You speak of rating; and this rating.

The SPEAKER: The gentleman from Westbrook, Mr. Deshaies, poses a question through the Chair to anyone who may answer if he or she wishes.

The Chair recognizes the gentleman from Brunswick, Mr. McTeague.

Mr. McTEAGUE: Mr. Speaker, Ladies and Gentlemen of the House: The system by which an individual employer's rates would be set would be subject to the approval of the Insurance Commissioner under the same statutory authority regarding the State fund as now exists regarding private companies. I would say the major fact is of going to an individuals rate would be the overall experience within the State, the experience within a particular industry and, within limits, such as now apply, experience rating of individual employers. Of course, when we get into the very small employers of four or five people, experience rating must be subject to a very considerable restraint or one employer with one death could be wiped out and have a \$10,000 a year premium.

But the entire system of setting the rates under the bill before us is the same. The person who does it, the superintendent of insurance, is the same. And the law which creates the framework for the rate setting and for approval of rates would be the same.

The basic cost difference is a very simple one. As the gentleman knows, there are two major factors that go into setting any insurance rate. Number one, pure premium, which is the cost of the claims, the cost of money paid out, if you will. Number two; the expense loading which is the cost of acquisitions, serving the business, profit, taxes, and so on. We would anticipate that the pure premium, that is the losses, would remain the same, operating under the same law regarding benefits and procedures. But we know, based on the experience of other states, over many years, by the way, 40 or 50 years. We are not talking about something that came down the pike yesterday. That the expense loading factor would diminish from in the neighborhood of 40 percent to in the neighborhood of 10 percent.

One example, I am not certain of the exact amount, but I think that in the case of at least the small and medium size employer, the acquisition costs probably now range 10 to 15 percent. I would be happy to be corrected with a more specific figure. Acquisition costs do not exist under a state fund because

workmen's compensation, based on a bill that has been through here this session, I believe is in the Senate, is mandatory. So there is no need, really, for advertising and sales commission. Because every employer is under a legal obligation to purchase it. This is where you save the money and when you make a savings of 30 percent on the \$50 million annual situation that we will soon be in, by soon I would say three or four years, you are saving the employers of the State of Maine a heck of a lot of money and you are making our employers a little bit better to compete without taking anything away from the injured employee.

The SPEAKER: The Chair recognizes the gentleman from Ellsworth, Mr. McNally.

Mr. McNALLY: Mr. Speaker and Members of the House: I can only go with what I have seen in the calendar and what I see in our legislative document file. And it says that if you go for Report B it is reported in a new draft under L. D. 2580. Now, let me read to you what the statement of fact of 2580 is; "The purpose of this legislation is to establish a State Workmen's Compensation Fund and when this fund is fully operated it should be based on experience in other states," etc. Then it drops down to the next paragraph and it says, "This legislation provides for the appointment of five commissioners; two representing employees; two representing employers; and one representing the public." Now, this, if I understood one of the gentlemen's testimony for this thing, said that this is not starting an insurance business. But I can't see any different from the statement of fact. It is establishing a State Workmen's Compensation Insurance. And if you read that over and get back into the first part of it, it says that it replaces any workmen's compensation that other companies and concerns are carrying in this state. I don't know but it is a good idea. Perhaps it is good. Perhaps you would get down to these small amounts of premiums, but I am just wondering if you would. I would like to know more about it. That is why I voted to do the study in the future when we have done it

last summer. But for some reason or other, it was removed from the agenda.

The SPEAKER: A roll call has been requested. For the Chair to order a roll call, it must have the expressed desire of one fifth of the members present and voting. All those desiring a roll call vote will vote yes; those opposed will vote no.

A vote of the House was taken, and more than one fifth of the members present having expressed a desire for a roll call, a roll call was ordered.

The SPEAKER: The pending question is on the motion of the gentleman from Augusta, Mr. Brown, that the House accept Report A on L.D. 2292. All in favor of that motion will vote yes; those opposed will vote no.

#### ROLL CALL

YEA — Ault, Baker, Binnette, Birt, Brawn, Brown, Cameron, Churchill, Cressey, Davis, Deshaies, Donaghy, Dow, Dyar, Evans, Farrington, Flynn, Garsoe, Gauthier, Hamblen, Hoffses, Hunter, Immonen, Kauffman, Kelley, Knight, Lawry, MacLeod, Maxwell, McCormick, McNally, Parks, Pratt, Ross, Shaw, Shute, Simpson, L. E.; Snowe, Sproul, Trask, Willard, The Speaker.

NAY — Albert, Berry, G. W.; Berry, P. P.; Berube, Bither, Bustin, Carey, Carrier, Carter, Chick, Chonko, Clark, Conley, Connolly, Cooney, Cote, Cottrell, Crommett, Curran, Curtis, T. S., Jr., Drigotas, Dudley, Dunleavy, Dunn, Emery, D. F.; Farley, Farnham, Fecteau, Ferris, Finemore, Fraser, Gahagan, Genest, Good, Goodwin, H.; Goodwin, K.; Greenlaw, Hancock, Herrick, Hobbins, Jackson, Jacques, Jalbert, Kelleher, Kelley, R. P., Keyte, Kilroy, LaCharite, LaPointe, Lewis, E.; Lewis, J.; Littlefield, Lynch, Mahany, Martin, McHenry, McKernan, McMahon, McTeague, Merrill, Morin, L.; Morton, Mulkern, Murchison, Murray, Najarian, Norris, O'Brien, Palmer, Peterson, Ricker, Rollins, Silverman, Smith, D. M.; Smith, S.; Strout, Susi, Talbot, Tanguay, Theriault, Tierney, Trumbull, Twitchell, Tyndale, Walker, Webber, Wheeler, Wood, M. E.

ABSENT — Boudreau, Bragdon, Briggs, Bunker, Dam, Faucher, Huber, LeBlanc, Maddox, Mills, Morin, V.; Perkins, Pontbriand, Rolde, Santoro,

Sheltra, Soulas, Stillings, White, Whitzell.

Yes, 42; No, 88; Absent, 20.

The SPEAKER: Forty-two having voted in the affirmative and eighty-eight in the negative, with twenty being absent, the motion does not prevail.

The Chair recognizes the gentleman from Dover-Foxcroft, Mr. Smith.

Mr. SMITH: Mr. Speaker, I now move we accept Report B.

The SPEAKER: The gentleman from Dover-Foxcroft, Mr. Smith, moves the House accept Report "B" "Ought to pass" in New Draft, House Paper 2047, L. D. 2580.

The Chair recognizes the gentleman from Biddeford, Mr. Farley.

Mr. FARLEY: Mr. Speaker, I would ask for a division. We now get down to Report B and Report C, and I would briefly like to explain what Report C does. Some of you who voted in the red, I am hoping you will go along with Report C.

Report C is able for state workmen's comp funds to be optional instead of mandatory. You have heard of a savings here mentioned of 30 percent that could be realized from the bill. If in fact this is true, I am sure the business man in the State of Maine is astute enough to buy insurance at this rate through the state comp fund.

I would hope that you would defeat the motion on the floor and eventually accept Report C that makes it optional, not mandatory.

The SPEAKER: The Chair recognizes the gentleman from Cumberland, Mr. Garsoe.

Mr. GARSOE: Mr. Speaker and Members of the House: This House having not accepted Report A, I would urge you not to follow the advice of the gentleman from Biddeford. An elective fund, a competitive fund, in my opinion, would do nothing to improve the situation and could quite well do a great disservice to all of us.

The SPEAKER: The pending question is on the motion of the gentleman from Dover-Foxcroft, Mr. Smith, that the House accept Report B. All in favor of that motion will vote yes; those opposed will vote no.

A vote of the House was taken.

85 having voted in the affirmative and 15 having voted in the negative, the motion did prevail.

Thereupon, the New Draft was read once and assigned for second reading tomorrow.

#### **Order Out of Order**

Mr. Theriault of Rumford presented the following Joint Order and moved its passage:

WHEREAS, on Saturday the 16th day of March, the Rumford Panthers were victorious for the 22nd consecutive time and in so doing captured the State Class "A" Basketball Crown for 1974; and

WHEREAS, this notch in state tournament history was carved by a determined group of young men called "champions" with all the skill and knowledge that accompanies the term; and

WHEREAS, this triumphant march to victory reflects great credit upon the individual participants and their coach, and has brought long awaited honor to their school; now, therefore, be it

ORDERED, the Senate concurring, that we, the Members of the Senate and House of Representatives of the One Hundred and Sixth Legislature, now assembled in special legislative session, take this opportunity to recognize and honor this outstanding basketball team and their coach, John Shaw, for their admirable attainments in the field of sports, wishing them continued success in bringing honor to their community, school and state; and be it further

ORDERED, that suitable copies of this Order be transmitted forthwith to Principal William Curry and Coach John Shaw of Rumford High School in token of the sentiments expressed herein. (H. P. 2052)

The Order was received out of order by unanimous consent and read.

The SPEAKER: The Chair recognizes the gentleman from Dixfield, Mr. Rollins.

Mr. ROLLINS: Mr. Speaker and Members of the House: It was with a great deal of pride that I watched television last Saturday night, the Rumford team winning the State championship. I think there are other people in this House that were probably

as proud as I was, and one of them is the gentleman from Portland, Mr. Cottrell. He had the honor of being the coach in 1935 when Rumford won the State championship. Also, the gentlelady from Portland, Mrs. Boudreau graduated in that year — probably I shouldn't have said that. The Senior Senator from Maine, Senator Muskie, graduated in 1932 from Stevens High, and lastly, myself, graduated in '29.

The SPEAKER: The Chair recognizes the gentleman from Camden, Mr. Hoffses.

Mr. HOFFSES: Mr. Speaker, Ladies and Gentlemen of the House: I certainly have a degree of pride in the championship team of Rumford last Saturday night. My pride is this. The coach, John Shaw of Rumford High, graduated from Camden High School, and that is undoubtedly the reason that Rumford won the tournament.

The SPEAKER: The Chair recognizes the gentleman from Mexico, Mr. Fraser.

Mr. FRASER: Mr. Speaker and Members of the House: I have to go along with the gentlemen regarding pride, because these folks are my next door neighbors and I know them all personally.

I would like to know what happened though, because a year ago this thing came right up to the finals and they failed to make it. The next day there was a great big flag on my microphone here, but this year there is no flag. Why?

(Off Record Remarks)

Thereupon, the Order received passage.

#### **Order Out of Order**

Mrs. McCormick of Union presented the following Order and moved its passage:

ORDERED, that Steven Perkins of South Portland be excused for the duration of his illness.

The Order was received out of order by unanimous consent, read and passed.

(Off Record Remarks)

#### **Divided Report**

Report "A" of Committee on Judiciary on Bill "An Act to Clarify the



Municipal Rent Control Law" (H. P. 1828) (L. D. 2318) reporting "Ought to pass" in New Draft (H. P. 2049) (L. D. 2583) under same title.

Report was signed by the following members:

Messrs. SPEERS of Kennebec  
BRENNAN of Cumberland  
— of the Senate  
Messrs. DUNLEAVY of Presque Isle  
PERKINS of South Portland  
McKERNAN of Bangor  
Mrs. KILROY of Portland  
— of the House

Report "B" of the same Committee on same Bill reporting "Ought not to pass"

Report was signed by the following members:

Mr. TANOUS of Penobscot  
— of the Senate  
Mrs. BAKER of Orrington  
WHITE of Guilford  
WHEELER of Portland  
Messrs. CARRIER of Westbrook  
GAUTHIER of Sanford  
— of the House

Reports were read.

The SPEAKER: The Chair recognizes the gentlewoman from Orrington, Mrs. Baker.

Mrs. BAKER: Mr. Speaker, I move acceptance of Report B "Ought not to pass."

The SPEAKER: The gentlewoman from Orrington, Mrs. Baker, moves the acceptance of Report B.

The Chair recognizes the gentleman from Bangor, Mr. Murray.

Mr. MURRAY: Mr. Speaker, Men and Women of the House: I urge you not to vote for the pending motion. I hope that we can defeat that motion and then we can accept Report A, which is "Ought to pass."

I would like to explain to you the bill briefly. If you recall, in the regular session of the 106th Legislature, we had two options open to us concerning rent control. The gentleman from Portland had a rent stabilization bill in which would have been a state-wide rent control, which we dealt with and decided against by a relatively close vote.

We also had as a second option, a bill sponsored by yourself, Mr. Speaker, which allowed for local rent control. In other words, local municipal

governments would make a decision on whether rent control was necessary for any particular community.

This bill before us today is a clarification of that rent control law that we passed in the regular session. I believe that if we are going to keep faith with what we did in the regular session that we should pass these amendments to that law today.

I would like to point out that this method of controlling the high cost of rent, namely through the local option, was passed by a 92 to 32 vote in the regular session. Basically, this bill clarifies what or how a housing emergency will be declared. It leaves it up to the local government to declare that housing emergency. After the housing emergency is determined by local communities, it is still their option whether they want to put rent control into existence. It does not in any way mandate it.

The second aspect of this bill just says that the law is the minimum outline of what the communities can write for an ordinance.

The third section of the bill includes a few more exemptions. It includes rental property that is used for transient guests, people who are only there for a short period of time to be excluded from rent control, and it leaves it up to the local community to determine what a transient guest is.

The fourth section of the bill deals with the studies that allows a rent control board to do studies in the area of rents in their community.

The fifth section of the bill sets up procedures on who can initiate hearings. It allows for the board itself to initiate rent control hearings. It allows for landlords to come in and initiate hearings for rent adjustments. And it also allows for tenants to come in and petition for rent adjustment hearings. It also gives the Rent Control Board power to reject these requests for hearings if adjustments have taken place within the last year.

The sixth section of the bill adds penalties for those people that violate either this law or local ordinances.

And the last section of the bill, what we

call the severability clause, which says that if any one portion of the bill is declared invalid that the whole chapter is not declared invalid.

Basically, those are the clarifications to the law we passed last session that we are asking for today. I hope you will remember that we did, by resounding vote in the regular session, decide that this is a local decision. And it is up to the town fathers to decide whether rent control is necessary. And it is up to them to write a local ordinance. All this bill is; it gives them a background to go by.

So I hope that today we will reject the pending motion and accept the "Ought to Pass Report."

The SPEAKER: The Chair recognizes the gentleman from Camden, Mr. Hoffses.

Mr. HOFFSES: Mr. Speaker, Ladies and Gentlemen of the House: On seeing this divided report of this bill on our calendar today, I looked back to see the original bill. And after studying the redraft.

And, frankly, I am quite a bit frightened. The original bill said, in Section Two, a new paragraph; A municipality may include in its rent control ordinance provisions intended to implement or amplify. Now, I think everyone in this House knows what the word 'amplify' means. The provisions of his Chapter. A new bill.

As I interpret it, it would in effect make a provision that Board or the Administrator — and the administrator is one individual — one individual — may enforce the regulations and the orders, and require a person to furnish under oath any information required by the Board or this Administrator, and to provide records and other documents and make reports.

Ladies and gentlemen of this House, in the eleven years that I have been here in Augusta we have passed some far-reaching measures. And I think that this one is about as far-reaching as any that I have seen. A person who is under indictment, shall we say, would be required to hire counsel to defend himself. Now, I don't believe that this State is ready for this kind of legislation. I always thought that this country was founded and has progressed under the

free enterprise system. Now, this is certainly anything but free enterprise. This is controlled regulation by some political agency, some government agency, to tell the landlords, to tell the tenants, to tell all of us what and how we are going to live.

Now, reading down; the rent adjustment here in section six; it would be my opinion, reading this, that it would be one man's decision as to exactly what the rental prices are going to be. Now, if it is one man's decision to determine what it is going to be I say to you in all sincerity that it is that one man's decision and obligation to find the tax dollars to run the municipalities and to run the State.

We have been taking money from the taxpayer for every conceivable thing that there is. And now we are going to tell him how much money that he can charge for rents. I believe that this is one of the poorest pieces of legislation that I have seen in some time. And I would hope that this body here today would give this piece of legislation a suitable burial. And I don't know how suitable that it should be; maybe just plain burial. And I certainly hope that you will support the motion of the gentlelady from Orrington to accept the "Ought not to pass report."

The SPEAKER: The Chair recognizes the gentleman from Oakland, Mr. Brawn.

Mr. BRAWN: Mr. Speaker, Ladies and Gentlemen of the House:

This here makes me think of a teeterboard.

Now, you take my good friend from Lewiston, Mr. Cote, over here. He's a little larger man than I am. Put him on one end of the teeterboard and me on the other. I would always be up in the air, and if he didn't decide to get off I could never get my feet on the ground.

Here it says; the high cost of rent. It says nothing about the low cost of rent. Gentlemen, I rent. There is no one that charges their tenants less than I do. Now, if we are going to have a fair law here, let's come out and say, "Brawn, yours are too low. Let's raise them up." There is nothing said about that. It only says for the high cost.

Oil has gone from 17 to 33 cents a

gallon in just nine months in my rents. They have cut the voltage in my electric current so that we are using less, but my light bill is more. Now, how are we going to go on, and on, and on if someone don't get more?

And I hope you will go along with Mr. Hoffses and Mrs. Baker today.

The SPEAKER: The Chair recognizes the gentleman from Bangor, Mr. Kelleher.

Mr. KELLEHER: Mr. Speaker, ladies and gentlemen of the House: I think that representative brought out a valid point out here this afternoon, and that is not the comparison of the teeterboard, it is the comparison of dollar paid and dollar for value received for one's rent. And I think this is one intention why such a bill like this was presented by you, Mr. Speaker, at the last session. And some clarification was presented in the form of a bill by Mr. Murray of Bangor.

And to listen to my very learned colleague from Camden to say that in the eleven years he has been here it is one of the worst bills he has ever read; maybe he hasn't read all the bills that I have seen in the past six years.

There is nothing wrong with this bill. I went to the hearing. The only ones that were really concerned about it were the landlords. And they are always concerned about any types of legislation like this. This bill was presented on a — with a very fair and well worked out report and presentation by Mr. Murray. There is nothing alarming about it. I pay \$100 for a rent. I want to get a hundred dollars worth from my money. But, unfortunately, there are rents in this State where people are not getting the value for the money that they are paying. And, unfortunately, we have to come to the legislature like this and institute legislation like this for fair and equal treatment for everyone. That is why this bill is here this afternoon. That is why you people should consider it, and not sidestep this issue.

This bill is a deserving bill. Municipalities should take a stronger look at the living conditions in their own cities. But unfortunately they don't do it all the time. You look at the boards in some of our larger cities in this State, and it is not the average individual that

sometimes you would like to see on there, but someone from a particular social or economic class that are on there. That is why this legislation is here. That is why the Speaker of the House presented it the last session.

I would hope that you would vote against the motion of Mrs. Baker, and eventually accept the report.

The SPEAKER: The Chair recognizes the gentleman from Bangor, Mr. McKernan.

Mr. McKERNAN: Mr. Speaker, ladies and gentlemen of the House:

I would just like to make a couple of points.

I signed the Report A, "Ought To Pass In New Draft." Before that I would like to make a couple of comments. One; the gentleman from Camden, Mr. Hoffses, I was interested to hear. His comments concerning free enterprise. And I wonder why those went on deaf ears during the milk debate.

The other thing goes to Mr. Brawn from Oakland. The reason that one of the provisions for declaring emergency is not that rents are too low. Because, obviously, if rents were too low there wouldn't be an emergency. And the landlord could always raise his prices. And that is why it only deals with rents that are too high and other specific problems. I think if you look at the new draft you see that there are four or five specific provisions by which the municipality can determine whether or not there is in fact a housing emergency.

That is the important part of this bill, is that it does not mandate rent control. And as the gentleman from Bangor, Mr. Murray, said; that we defeated that last year. So what we did pass was allowing municipalities to deal with their own problems in housing. And because of the problems that arose when a group in Bangor tried to use the bill we passed last time, Representative Murray put in this bill, actually put in another bill, which had some provisions in it that nobody could live with, so that it was redrafted. But it is only an attempt to try to clarify some of the provisions in the bill that we passed last session. It in no way allows the State to decide whether or not we are going to have rent control. But it does establish specific standards.

That was the problem with the bill we had last time. There were no standards by which a municipality could determine whether or not there was a housing emergency. And all this bill does is put it in the municipality's hands.

Another objection I think the gentleman from Camden raised dealt with producing books and records by the landlord. Well, the obvious need for that is that if the rent control board is going to have any power at all it has to have access to the books in order to determine whether or not there is in fact an excess profit being made.

The part about having to hire counsel, also; that is not mandated. All it says in the provision is that if the landlord or tenant decides that he or she wants to be represented by counsel it is permissible to have somebody there.

I guess the last thing that I want to try to emphasize is that all this does is try to implement the bill that we passed last time. And I have talked to people in Bangor. And there were landlords galore at the hearing that were against the bill. And we have tried to take out most of their objections. In fact, there are two major objections; was the fact that the original bill, the Governor could declare an emergency. And we on the Committee all agreed and the sponsor of the bill agreed that that was not the intent of the legislation that was introduced by the Speaker at the last session. And for that reason we took that out.

The other objection dealt with a transient issue. And in the original bill there was a limit of days set to determine whether or not people were in fact transients. We have taken that out and left that also to municipal control.

So all this bill does is try to clarify what we passed last session and allow municipalities to deal with their own problems in their own ways and not let a problem go so far that the State is going to have to jump in and take over what should be the duty of municipalities.

The SPEAKER: The Chair recognizes the gentleman from Camden, Mr. Hoffses.

Mr. HOFFSES: Mr. Speaker and Ladies and Gentlemen of the House: In answer to the first question the

gentleman from Bangor, Mr. McKernan posed relative to the Milk Commission, I can assure him that I know which end of the cow you approach to get the milk from, having been born on a dairy farm myself.

Now, the gentleman spoke about revealing the records of income of a landlord. Now, I think that this could be setting a very, very dangerous precedent, when some commission or board, or as this document says, administrator, which is one individual, who has been chosen by some method or manner, regardless of how it may be, one individual may require a person to reveal their books and their income. I think this is an extremely dangerous precedent. And where will it end? This would be just the beginning.

The only other thing I would dare to say right now is in regards to what the gentleman from Bangor, Mr. Kelleher, said; that he quoted me as saying that this is one of the worst bills that I have seen in the eleven years that I have been here. I would only say that I have not read all of the bills that the gentleman from Bangor, Mr. Kelleher, has introduced.

The SPEAKER: The Chair recognizes the gentlelady from Orrington, Mrs. Baker.

Mrs. BAKER: Mr. Speaker and Ladies and Gentlemen of the House:

As a signer of Report B, I think I would like to tell you a little bit of how I feel about this bill.

We did pass a bill in the regular session giving the municipalities rent control. This bill has been in force less than a year. True enough, a group in Bangor tried to show that there was an emergency there. The City Council took it under consideration. And they found no emergency. And as far as I know everyone in Bangor is living in a house.

There are houses listed in the paper all the time for rent. I don't think there is any emergency. Maybe you can't get a rent for the price you would like to get it. But what else can you get for the price you would like to pay?

I feel that this bill is under the guise of calling it guideline. It think it is becoming very restrictive. I think it is getting into private enterprise; making

people account for this, that, and the other. And it is discouraging to people who have capital to invest to think even consider putting it into rental property. And from my point of view it makes housing less available rather than more available. I think it is a restrictive bill. And we should have given the law we passed last year more time. I have only known of one instance in the State where it was tried at all, and that was in Bangor. And the group that didn't get their own way, were disappointed. And so they came back to the legislature to try to tighten up the laws so that it could be made to their advantage.

And you will notice in the bill it says; "Upon petition of five percent of the registered voters." Now that is a pretty small percentage. And it puts the city to a great deal even after all they have gone through, all the hearings and everything that's set up in these so-called guidelines, there may be no, really, emergency. That's emergency on the part of a few individuals.

Generally speaking, with regard to the philosophy of this bill, I think it is wrong. I think a lot of us get the idea that we have to come down here to Augusta and put more bills on the books, more bills, more bills, more bills. Every session. Tie things down a little tighter. Make it a little harder for the businessman. Well, this is one instance where I don't think we should do it.

The SPEAKER: The pending question is on the motion of the gentlewoman from Orrington, Mrs. Baker, that the House accept Report B "Ought not to pass." The Chair will order a vote. All in favor of that motion will vote yes; those opposed will vote no.

A vote of the House was taken.

Thereupon, Mr. McKernan of Bangor requested a roll call vote.

The SPEAKER: A roll call has been requested. For the Chair to order a roll call, it must have the expressed desire of one fifth of the members present and voting. All those desiring a roll call will vote yes; those opposed will vote no.

A vote of the House was taken, and more than one fifth of the members present having expressed a desire for a roll call, a roll call was ordered.

The SPEAKER: The Chair recognizes

the gentleman from Bangor, Mr. Murray.

Mr. MURRAY: Mr. Speaker, Men and Women of the House: I guess I didn't explain this bill clearly enough to you. I hope that you will, when you vote on the pending motion, that you will vote no. This bill is just what I said before. It is a clarification of the bill that we passed in the last regular session.

Now, I don't think we ought to fool ourselves. I think if we feel that this is a local option, if our local communities are to deal with housing problems, then we ought to have state laws on the books that will allow these local governments to deal with the problem. The bill that we passed in the last session, like any control measure, says that an emergency has to exist before any government can put controls on.

Well, I think to be fair to the town fathers of any of our towns or cities, we ought to explain what we mean by an emergency. This is the main thrust of this bill. It will let the local community determine for itself whether an emergency exists. It needs this clarification in the state law. The local city solicitors are saying, "We don't know what a housing emergency is. If the State Legislature is going to give us power to enact controls, we are going to have to know before that what an emergency is." This bill sets up criteria, and that criteria is determined by the local government — nobody else.

The 5 percent that Mrs. Baker mentioned doesn't enact rent control. The 5 percent is a group of people that is just petitioning the city to hold a hearing to determine whether an emergency exists. That is all. The 5 percent doesn't turn it out to the people or anything. That is just a mechanism for the people to be able to approach their council, have their council deal with the problem.

So I think to be fair with what we did in the regular session, we need a bill of this kind to clarify the law. Naturally, if an emergency exists, and if a community wants to have rent control, naturally you are going to have to give that board some power to be able to hold hearings. How can they determine whether we need a rent increase if they don't ask those people that own rental property to

come in and show what they are charging? I should hope you don't just expect some board to sit down and say "yes, there will be a 5 percent increase — no, there will be a 10 percent decrease" without requiring people to come in with facts to substantiate what they are asking for. This is all we are asking for in this piece of legislation, to make the last one workable, nothing else.

I just point out for the last time, this is local control. We are just giving them something that they can take by the handle and make a local determination, nothing more. So I do wish that you would vote against the pending motion and in favor of the "ought to pass" report.

The SPEAKER: The Chair recognizes the gentleman from Westbrook, Mr. Carrier.

Mr. CARRIER: Mr. Speaker and Members of the House: I wish to make a few comments on this bill on what has been said here this afternoon. First, I want you to know that this bill here was heard in the Judiciary Committee January 23. It took them almost two months before it came on the calendar. So you can see that there was confusion on the part of the proponents of this bill. As a matter of fact, this is — not officially — but this is about the third redraft the Judiciary Committee has had before it was presented to us.

I wish to also state that on June 11, 1973, this legislature chose to enact by L. D. 1834, An Act to Provide Municipal Rent Control. At that time it was enacted, and objections were presented to the bill questioning whether it was needed and whether it was an intrusion and violation of the individual's property rights. I still question whether this bill is needed or ever was needed. I will try to stick to the contents of the bill more than any philosophy that I have on these rent controls or any rent bills.

However, this bill here has been in force just about eight or nine months. I think there is only one municipality that went under it, to my knowledge, and that was the City of Bangor. Bangor has their troubles over there, and I don't think — I am rather concerned that they take care of their own troubles by home rule. I

don't think that they should come down here and we should pass legislation, just because they are discontented with the ruling of the municipal officers, that they should come down here for legislation which would be to their advantage. All the trouble that was caused up there was promoted by people outside of Bangor.

We were told at the time the bill was passed that this was probably a cure-all, that it was permissive legislation. I asked, Permissive for whom? So far it hasn't helped the tenants and it hasn't helped the landlords either. So I think that the legislation itself is very questionable, the one we passed before.

But I want to say a few words about the hearing. At the hearing there was only a few proponents. I would say that they didn't come out as strong as they claimed here today on the floor of the House. There were also some opponents. The opponents were also limited, due to the fact that they didn't have too much to rebut. But at the hearing, it was presented by a gentleman from Lewiston, one of the opponents, showing an advertising in the Lewiston Daily Sun, showing five columns of unrented property. So actually there is not an emergency there.

As far as the fair return section of this bill, I think the Keating Case, decided September of '73 here in Augusta, takes care of that part of the deal. I could say more about the hearing, but the hearing was not a pleasant one, far from it. It was not pleasant, it was not interesting either.

But I want to say to you, here we also have a letter from the city solicitor of the City of Bangor questioning the whole bill. It was dated January 28, 1974. I realize that many of the objections that he has put in, the questions that he has put in, have been taken care of. I would say not all of them have.

It says there that this bill, all it does is actually clarify the rent control. I don't believe that. There are sections of this bill that actually are additions to the rent control. I still say that the arguments for this bill, that it is a needed bill, the arguments are very weak.

I want you to take a look at the bill, and if you do, I have a copy of the old law, the

present law, as it was passed. This bill, 2583, under the first section, 5371, the next to the last sentence, it says that any municipality may enact municipal rent control with due regard for the rights and responsibilities of its local community. This is what the new draft says. And when you look at the law as it is now, it says for the rights and responsibilities of the citizens. This is what we need. We need to take care of the citizens. We don't need to go for the rights and responsibilities of the local communities. If you take care of the citizens, it is a universal standard where each community will make their own standard.

We have 5371, as presented here, we have a new section which is not clarifying anything, which gives you — and this is a very important section this section A, which gives you on the front page, which gives you under two conditions it can be found to be an emergency. If any of you can tell me where there is an increasing shortage of rental accommodations now, this you can find anywhere if you want to, abnormally high rents or other factors. We don't say what the factors are here. We don't say what the factors are. This is the new bill. So what are you going to do? Anything that comes up that they don't like, deterioration or substandard portion of existing housingstock, what is that? Doesn't every property deteriorate to some extent?

Under new housing construction — we gave them \$60 million last year. What did they do with it anyway? We gave them another \$40 million, or they are asking for it now. Where are all these new houses that they are supposed to build?

The next paragraph says that upon five percent of the number of registered voters they can have a referendum. Good. A referendum for what? A referendum so they can have a hearing, so they can have a public hearing to determine whether or not a housing emergency exists. Assuming as it has happened in Bangor, assuming that the municipality declares that no emergency exists, they have a referendum and again they come out

and say that no emergency exists. What are you going to do with this? You have got to have 5 percent of — a very low number — of persons. Let's get a good number of persons involved in this.

There are all kinds of additions. Under 3575 they are putting a new section in there which is not in the regular bill. This is not clarification. This is all addition, which was mentioned here, "on its own initiative, the board or the administrator may make a general adjustment on the rent." I am not worried about the rents so much. I am just wondering how much power are we going to give these people? How much clarification is this. I don't think it is. It says they should have a public hearing that shall be published three times in at least one newspaper having general circulation with a city or town. Who is going to pay for this? There is no provision as to who is going to pay for this. Is the one that brings the action or is it the one being sued or is it the municipality or not?

Under penalties, this is all new. As it was passed the last time, apparently the proponents of the bill were not happy with it. I believe there were no penalties the last time. As a matter of fact, they added on here about three or four new sections, 5376 the last time, and the last section in this here is 5379. They added on two new sections here. One of them is penalties. Now for those of you who don't believe in punishment, what do we need the penalties for?

5379, which is extremely important, if any provision of this chapter shall be held invalid. In other words, if any provision of this particular thing here is no good, it doesn't make it all no good. It just makes that particular part good. Since when do you use that kind of language in drawing up laws anyway? I don't know where this comes from, but I can tell you that if you go along with this, and I hope that you don't, I hope your good judgment prevails today, that this would only worsen the housing situation as it is. If you put more restrictions on, they are going to come here and ask for more housing money for building houses. The restrictions only lead to state and federal control of housing. That is what it does. I don't think it

should be that way. I think any individual can get a better deal out of an individual than he can out of the state or federal government. It gives the right to appeal and all kinds of nice goodies and this stuff. But really, I don't think this — whether Bangor has trouble or not, we have enough troubles in Westbrook too. I don't think this is the place here. I think if you have home rule over there like we have in Westbrook, let them use home rule, and if you are not satisfied with the way it goes, well, I am not satisfied with a lot of things too, but I can live with it.

So I suggest to you that this legislation actually — what is the need for this legislation? The present one is not a matter of clarification whatsoever. It is a matter of an addition, and I hope that you vote to accept the "Ought not to pass" report.

The SPEAKER: The Chair recognizes the gentleman from Eastport, Mr. Mills.

Mr. MILLS: Mr. Speaker, Ladies and Gentlemen of the House: We have heard a lot of discussion on this bill here. I have read it, gone over it pretty thoroughly, and I can't find anything that doesn't clarify the lines which will be used by any municipality on the rent control situation. That is all this bill does, in my mind, simply set up guidelines.

The SPEAKER: The Chair recognizes the gentleman from Bangor, Mr. McKernan.

Mr. McKERNAN: Mr. Speaker and Members of the House: I only want to correct one thing that was brought up concerning the City of Bangor. The reason for this legislation is in fact because of the problem in Bangor, but it is not to correct something that has already been done in Bangor. It just happens that one group in one city has tried to use this law, and they found that there were some serious problems with it. These clarifications aren't going to make any difference. The city council in Bangor, even though there weren't any provisions in the original bill that was passed, still had a hearing, had a two day hearing in which they heard testimony from both sides. They decided that there was not an emergency in Bangor. And I for one, at least, am not quarreling with that decision. I just think that because of some of the

problems that were brought out, we ought to work to try to clarify the law. Sure it is adding new provisions, but the reason we are adding new provisions is to clarify it.

You look at section 1 of the bill that was passed last session, it says, "If serious public housing emergency exists." Then it goes on to say what can be done. There are absolutely no standards to determine what a public housing emergency is, and that is the reason for section 1 saying that if there are certain factors present. So again, all this does, because of the problems that came up when this bill was tried to be implemented, we realize that there are certain deficiencies that have to be corrected. That is all this bill tries to do. It will not change anything that has taken place in Bangor. It just hopefully will make it easier for the next area that tries to work under this law.

The SPEAKER: The Chair recognizes the gentleman from Westbrook, Mr. Carrier.

Mr. CARRIER: Mr. Speaker and Members of the House: I just read the first section under the old law, and it does declare what an emergency crisis is. It says if a housing emergency exists in a municipality which would result in a shortage of rental housing accommodations and abnormally high rents — that is what it says — and will produce serious threats to the public health, safety and general welfare of the citizens of this community. To me, this explains what it is.

Mr. Speaker, I would like to ask a question. What effect does any bill, new draft or anything presented with no statement of fact, what is the standing on it? There is no statement of fact, there is no legislative intent on this bill, the copy that I have, and I just wonder, it is a minute thing and I just want you to notice it, that is all.

The SPEAKER: The Chair assumes that the Statement of Fact on the original bill would apply to the Statement of Fact on the new draft.

The SPEAKER: A roll call has been ordered. The pending question is on the motion of the gentlewoman from Orrington, Mrs. Baker, that Report B "Ought not to pass" be accepted. All in



favor of that motion will vote yes; those opposed will vote no.

### ROLL CALL

**YEA** — Ault, Baker, Berry, G. W.; Berube, Binnette, Birt, Boudreau, Brown, Bunker, Cameron, Carrier, Chick, Chonko, Cote, Cressey, Dam, Davis, Deshaies, Donaghy, Dudley, Dunn, Dyar, Evans, Farnham, Farrington, Ferris, Finemore, Flynn, Fraser, Gauthier, Good, Hamblen, Hoffses, Hunter, Immonen, Jackson, Kauffman, Kelley, Kelley, R. P.; Knight, Lewis, E.; Littlefield, MacLeod, McCormick, McNally, Merrill, Morin, L.; Morin, V.; Murchison, Norris, Palmer, Parks, Pratt, Ricker, Rollins, Shaw, Shute, Silverman, Simpson, L. E.; Sproul, Theriault, Trask, Trumbull, Webber, Wheeler, White, Willard.

**NAY** — Albert, Berry, P. P.; Bither, Brown, Bustin, Carter, Clark, Conley, Connolly, Cooney, Cottrell, Crommett, Curran, Curtis, T. S., Jr.; Dow, Drigotas, Dunleavy, Emery, D. F.; Fecteau, Gahagan, Garsoe, Genest, Goodwin, H.; Goodwin, K.; Greenlaw, Hancock, Hobbins, Jacques, Jalbert, Kelleher, Keyte, Kilroy, LaCharite, LaPointe, Lewis, J.; Lynch, Mahany, Martin, Maxwell, McHenry, McKernan, McMahon, McTeague, Mills, Mulkern, Murray, Najarian, O'Brien, Peterson, Ross, Smith, D. M.; Smith, S.; Snowe, Soulas, Susi, Talbot, Tanguay, Tierney, Twitchell, Tyndale, Walker, Wood, M. E.; The Speaker.

**ABSENT** — Bragdon, Briggs, Carey, Churchill, Farley, Faucher, Herrick, Huber, Lawry, LeBlanc, Maddox, Morton, Perkins, Pontbriand, Rolde, Santoro, Sheltra, Stillings, Strout, Whitzell.

Yes, 67; No, 63; Absent, 20.

The **SPEAKER**: Sixty-seven having voted in the affirmative and sixty-three in the negative, with twenty being absent, the motion does prevail.

Sent up for concurrence.

### Divided Report

Majority Report of the Committee on Taxation on Bill "An Act Amending the Elderly Householders Tax and Rent Refund Act to Improve Benefits to Their Previous Level" (H. P. 1958) (L. D. 2501) reporting "Ought to pass" in New Draft

(H. P. 2050) (L. D. 2584) under new title "An Act Amending the Elderly Householders Tax and Rent Refund Act to Improve Benefits"

Report was signed by the following members:

Messrs. **WYMAN** of Washington

**COX** of Penobscot

**FORTIER** of Oxford

— of the Senate

Messrs. **MORTON** of Farmington

**FINEMORE** of Bridgewater

**SUSI** of Pittsfield

**IMMONEN** of West Paris

**MERRILL** of Bowdoinham

**MAXWELL** of Jay

**DOW** of West Gardiner

— of the House

Minority Report of same Committee on same Bill reporting "Ought not to pass"

Report was signed by the following members:

Messrs. **COTTRELL** of Portland

**DRIGOTAS** of Auburn

**DAM** of Skowhegan

— of the House

Reports were read.

The **SPEAKER**: The Chair recognizes the gentleman from Bridgewater, Mr. Finemore.

Mr. **FINEMORE**: Mr. Speaker, I move we accept the Majority Report, "Ought to pass."

The **SPEAKER**: The gentleman from Bridgewater, Mr. Finemore, moves the House accept the Majority "Ought to pass" Report.

The Chair recognizes the gentlewoman from Bath, Mrs. Goodwin.

Mrs. **GOODWIN**: Mr. Speaker, Ladies and Gentlemen of the House: It seems to me I have been here before.

L. D. 2501, in new draft, which is L.D. 2550, provides total tax rebate up to a maximum of \$400 for those elderly with incomes of \$3,000 or under. Thereafter, it provides for a tax burden, not a rebate, a tax burden of \$105 at \$3,500 income; \$210 at \$4,000 income; \$315 at \$4,500; and \$420.00 at \$5,000.

The next bill on the calendar provides total tax rebates up to a maximum of \$400 for those elderly with incomes of \$2,000 and under, a tax burden of \$25 at \$2,500, \$50 at \$3,000 and \$130 at \$3,500. From \$4,000 and up the two bills are

identical. The original price tag for L.D. 2287, which was the second bill on the calendar, which appeared in the Governor's Part II, was \$450,000. The minimum difference between the cost of the two bills before us is \$200,000. Although the Bureau of Taxation now estimates the costs of L. D. 2050 at only \$500,000. So it now appears that L.D. 2287 was way over-estimated. Had I realized this, I would have adjusted the legislation upwards. L.D. 2287 also made approximately 10,000 recipients of SSI, Supplement Security Income, eligible for tax refunds under new Federal regulations which say now that property tax rebates are not income. However, the Appropriations Committee has already removed the \$750,000 from Part I necessary to fund this.

I am disturbed, since the law now on the books say that the tax refund program is intended to supplement aid to the aged or any program which succeeds it. It would, however, appear to be futile to try to get the \$750,000 put back in.

I am also, a little bit concerned that the appropriations property tax relief for the elderly, for the amendments, not for SSI, but the amendments that we are discussing today, have now been put on the bill. And evidently out of Part II, which means now tax relief for the elderly, at least the amendments must lie on the Appropriations Table. I would hope that we would get some assurance from Leadership and the Appropriations Committee that this bill will fare well on the Appropriations table.

The average tax rebate in 1973 was \$46 more than in 1972. People who came from high tax effort areas, such as the City of Bath, made out significantly better than they had previously. However, some people with very low incomes and very low taxes were adversely affected. L. D. 2287 or L. D. 2050 would correct this while continuing to give significant relief to those with unusually high tax burdens.

I appreciate my friends from the minority party, who signed L. D. 2287, however, I think we must pass the legislation which will provide the most relief within the funds available. Also, tax refunds for the elderly can no longer

be a part of an issue. I, therefore, urge the adoption of the "Majority Ought to Pass" Report.

The SPEAKER: The Chair recognizes the Gentleman from Strong, Mr. Dyar.

Mr. DYAR: Mr. Speaker, Ladies and Gentlemen of the House: I would like to clarify one statement that the previous speaker has made.

Under the old system for Aid to the Aged, Blind, and Disabled, these people were not eligible to receive tax relief under the existing law. Under the SSI implementation we no longer will have the category of Aid to the Aged, Blind, or Disabled but it will all be SSI. And these people, again, will not be able to receive SSI and tax relief. So I think, basically, that people who were left out before are being left out this time.

The SPEAKER: The Chair recognizes the gentleman from Skowhegan, Mr. Dam.

Mr. DAM: Mr. Speaker, Ladies and Gentlemen of the House: I do want to clarify my reason for my signing the "Ought not to Pass" Report on this. I do hope that we will go along with the "Ought to Pass" Report even though I signed the "Ought Not to Pass" Report.

The reason I did sign the "Ought Not to Pass" Report is because I just happen to feel that there is a little courtesy involved in politics and being a politician, and I have been here, this is my third term, and I have no reason right now to doubt that I won't run again, for I think I will, but that remains to the voters whether they will send me back or not. I have not made up my mind yet. I have always, in the last two terms, seen where there has always been one person working on a bill for aid to the elderly and I have always associated that person with the bill.

I would have hoped, even at this Session, and it makes no difference in this case to me whether it be one party or the other, but I believe that when people are working in a special area that consideration should be given to their bills, where they have studied and worked, in this area. And I can remember back in the Regular Session, when in the 105th, Mr. Carey, from Waterville, had had a bill in to exempt machinery from the Sales and Use Tax.

Before I put that bill in myself, I called him and asked him if he intended to do any more with it and he said "no, if you want to play around with it, go ahead". So I took the bill and played around with it and finally we did see it pass. That was the only reason for signing the "Ought Not to Pass" Report, was because I believe that credit should go where credit is due. And I think the Gentlewoman from Bath, Mrs. Goodwin, has done a tremendous amount of work in the area of aid to the elderly. And, personally, I would like to see the bill come out bearing her name.

The SPEAKER: The Chair recognizes the Gentleman from Bridgewater, Mr. Finemore.

Mr. FINEMORE: Mr. Speaker, Ladies and Gentlemen of the House: I would like to take just a few moments, I know I am probably wasting your time.

But I think the lady from Bath, Mrs. Goodwin, deserves a lot of credit. She has done a lot of work on it, and I worked with her but nowhere near what she did. She is a real good worker on tax relief to the elderly.

She has brought up SSI income. And if I might, I would like to explain that to you. This bill has that on there. It says, "No claim shall be granted, which is otherwise allowable under this part. Any claimant who receives, or to any claimant a member of whose household receives, or to any claimant who receives, or to any claimant a member of whose household receives, or to any claimant who is eligible to receive, or to any claimant who is a member of whose household who is eligible to receive benefits under the Supplement Security Income Program, pursuant to the United States Social Security Act of 1935 as amended." This is the same thing that was on the tax relief ever since this came out. The only thing is, that at that time, it read Health and Welfare; any one receiving aid from Health and Welfare.

I would like to explain to you, if I may, the reason this is still in here. When they started out in December 15th with Supplement Security Income, or so-called SSI, they started out at \$130 a person receiving Old Age Assistance, Aid to the Disabled, or Aid to the Blind; they were supplemented at the age of

sixty-two; they would be eligible under this act. But they raised that \$130 for a single person to \$140. And two members in a family were raised from \$195 to \$210. And that was fifteen dollars a month on one and ten on the other, which would be a \$120 a year and a \$180 a year, which would really take care of their tax, under tax relief. They were not eligible for tax relief. Therefore, they were given that amount to cover it.

There is in the works, a program, to raise this again. A single person to \$150 or eight dollars to make it a \$148. And there is one also for the married couples to raise it to \$8.00 or to \$223. And these are the reasons for this, and the sole reason for this, is the fact that it is for tax relief. Also, this is shut off from the State now. There is now no more Aid to the Blind, Aid to the Disabled in the State of Maine or Old Age Assistance. These were all supplemented programs anyway. They were supplements to Social Security or whatever pension they were getting. Now, with this bill here, they will be covered as much as \$120 or \$180 a year or more under the new one if they get the aid of \$12.00 they will be covered as well as these here. So everyone under this Act, with the work of Mr. Silverman, with the work of the gentlewoman from Bath, they have a wonderful bill. I hope you will go along with passing it.

The SPEAKER: The Chair recognizes the gentleman from Calais, Mr. Silverman.

Mr. SILVERMAN: Mr. Speaker, Ladies and Gentlemen of the House: Unquestionably, this bill is the bill which I sponsored and I certainly would praise the lady who sits with me in State Government for her work for tax relief for the elderly.

My concern came with when I returned home after Regular Session, and so many of my constituents came to me after the form that we had passed in the Regular Session, and said, we are getting so much more less. Some of it was a \$100 or more. And it brought me into this field wondering why I had blindly voted for the bill last time that took so much away from my constituents in my area as it did in other areas. So, I came in and presented a bill, which I thought would help them to the best of

their advantage. It is somewhat more helping to people, say, in Washington County, because it is helping at the lower end of the low income scale. This, in my opinion, is where the help is needed most. I realize that in other areas in the Southern part of Maine, probably they need the help with the higher end of the lower income scale. But I still say if we are going to aid people who need assistance, we should start at the lower end, put a bill out that would give them the most assistance. I think this; being a non-partisan bill, should be a benefit in 1974 in helping elderly citizens to receive a fair and equitable assistance in their property tax assistance, in turn, to help them in an area where their fixed incomes are being eroded by so many costs, such as fuel, property taxes, and so forth. I hope this will be a product of the 106th Special Session and benefit of all, to show that we are concerned with senior citizens and their hope to remain in their homes or rents regardless of how high the property taxes are raised.

Thereupon, on motion of Mr. Finemore of Bridgewater, the Majority "Ought to pass" Report was accepted.

The New Draft was read once and assigned for second reading tomorrow.

#### **Divided Report**

Majority Report of the Committee on Taxation on Bill "An Act Amending the Elderly Householders Tax and Rent Refund Act" (H. P. 1807) (L. D. 2287) reporting "Ought Not to Pass"

Report was signed by the following members:

Messrs. WYMAN of Washington  
COX of Penobscot  
FORTIER of Oxford  
— of the Senate  
Messrs. MAXWELL of Jay  
MERRILL of Bowdoinham  
IMMONEN of West Paris  
FINEMORE of Bridgewater  
SUSI of Pittsfield  
MORTON of Farmington  
DOW of West Gardiner  
— of the House

Minority Report of same Committee on same Bill reporting "Ought to Pass"

Report was signed by the following members:

Messrs. DAM of Skowhegan

COTTRELL of Portland  
DRIGOTAS of Auburn

— of the House

Reports were read.

The SPEAKER: The Chair recognizes the gentleman from Bridgewater, Mr. Finemore.

Mr. FINEMORE: Mr. Speaker, Ladies and Gentlemen of the House: I would like very much at this time to make a motion that I am going to make, and again I wish to thank the gentlewoman from Bath, Mrs. Goodwin, for the work she has done on this bill. The bill that she and I were very much in favor of until this other bill mentioned by Mr. Silverman of Calais came along. And as she has stated, if we were told that some of these changes could be made, we would have made them. But, again, in apologizing to her, I would move that we accept the "Ought not to pass" Report.

Thereupon, the Majority "Ought not to pass" Report was accepted and sent up for concurrence.

#### **Divided Report Tabled and Assigned**

Report "A" of Committee on Business Legislation on Bill "An Act Creating the Maine Consumer Credit Code" (H. P. 1908) (L. D. 2451) reporting "Ought to pass" in New Draft (H. P. 2043) (L. D. 2582) under same title.

Report was signed by the following members:

Messrs. COX of Penobscot  
KATZ of Kennebec  
MARCOTTE of York  
— of the Senate  
Messrs. TRASK of Milo  
JACKSON of Yarmouth  
HAMBLIN of Gorham  
MADDOX of Vinalhaven  
TIERNEY of Durham  
Mrs. CLARK of Freeport  
BOUDREAU of Portland  
— of the House

Report "B" of same Committee on same Bill reporting "Ought not to pass"

Report was signed by the following members:

Messrs. DONAGHY of Lubec  
DESHAIES of Westbrook  
— of the House

Report "C" of same Committee on

same Bill reporting "Ought to pass" in New Draft (H. P. 2044) (L. D. 2586) under same title.

Report was signed by the following members:

Mr. O'BRIEN of Portland  
— of the House

Reports were read.

The SPEAKER: The Chair recognizes the gentleman from Milo, Mr. Trask.

Mr. TRASK: Mr. Speaker, I move acceptance of the Majority "Ought to pass" Report.

(On motion of Mr. Simpson of Standish, tabled pending the motion of Mr. Trask of Milo to accept the Majority Report and tomorrow assigned.)

#### **Passed to Be Engrossed**

Bill "An Act to Increase the Borrowing Capacity of School Administrative District No. 70" (H. P. 2045) (L. D. 2577)

Bill "An Act Eliminating Waiting Period under Employment Security Law" (H. P. 2046) (L. D. 2578)

Were reported by the Committee on Bills in the Second Reading, read the second time, passed to be engrossed and sent to the Senate.

Bill "An Act to Enable the Temporary Extension of Unemployment Compensation Benefits as Provided by Recent Federal Legislation as a Result of the Energy Crisis" (H. P. 2942) (L. D. 2482) (C. "A" H-764)

Was reported by the Committee on Bills in the Second Reading and read the second time.

Mr. Hobbins of Saco offered House Amendment "A" and moved its adoption.

House Amendment "A" (H-766) was read by the Clerk.

The SPEAKER: The Chair recognizes the gentleman from Saco, Mr. Hobbins.

Mr. HOBBS: Mr. Speaker and Members of the House: The purpose of this amendment this afternoon is to make it clear that extended benefits as provided by new paragraph "L" are contingent upon the receipt of matching federal funds and to make the bill retroactive on the date so indicated. It also allows retroactive benefits for extended periods of unemployment.

Thereupon, House Amendment "A" was adopted.

The Bill was passed to be engrossed as amended by Committee Amendment "A" and House Amendment "A" and sent to the Senate.

#### **Passed to Be Enacted**

An Act Authorizing a Study of Maine's Forest Resources and of Opportunities for their Better Utilization" (H. P. 2026) (L. D. 2567)

Were reported by the Committee on Engrossed Bills as truly and strictly engrossed, passed to be enacted, signed by the Speaker and sent to the Senate.

The following Enactors appearing on Supplement No. 1 were taken up out of order by unanimous consent:

#### **Passed to Be Enacted**

##### **Emergency Measure**

An Act to Clarify Certain Administrative Aspects of the Saco River Corridor Commission (S. P. 826) (L. D. 2353) (S. "A" S-381)

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed. This being an emergency measure and a two-thirds vote of all the members elected to the House being necessary, a total was taken. 101 voted in favor of same and 3 against, and accordingly the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

##### **Emergency Measure**

An Act Relating to Representation of School Administrative Districts (H. P. 2020) (L. D. 2563)

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed. This being an emergency measure and a two-thirds vote of all the members elected to the House being necessary, a total was taken. 108 voted in favor of same and none against, and accordingly the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

##### **Emergency Measure**

An Act Advancing the Effective Date of a Pay Adjustment for State, Maine Maritime Academy and Classified and Unclassified University of Maine Employees and State Officers and Judges (H. P. 2022) (L. D. 2565) (S. "A" S-392) (H. "A" H-748)

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed. This being an emergency measure and a two-thirds vote of all the members elected to the House being necessary, a total was taken. 107 voted in favor of same and 4 against, and accordingly the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

### **Emergency Measure**

An Act Making Additional Appropriations from the General Fund for the Current Fiscal Year Ending June 30, 1974, Allocations for the Administrative Expenses of the Bureau of Alcoholic Beverages, and the State Lottery Commission and Changing Certain Provisions of the Law Necessary to the Proper Operation of State Government. (H. P. 2028) (L. D. 2569) (H. "A" H-750)

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed. This being an emergency measure and a two-thirds vote of all the members elected to the House being necessary, a total was taken. 107 voted in favor of same and 6 against, and accordingly the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

### **Passed to Be Enacted**

An Act to Amend the Industrialized Housing Law (S. P. 927) (L. D. 2558) (H. "A" H-746) (S. "A" S-393)

An Act Authorizing Municipal Auditoriums to Have a Liquor License (H. P. 1013) (L. D. 2553)

Were reported by the Committee on Engrossed Bills as truly and strictly engrossed, passed to be enacted, signed by the Speaker and sent to the Senate.

All matters acted upon in concurrence and all matters requiring Senate concurrence were ordered sent forthwith to the Senate.

### **Orders of the Day**

The Chair laid before the House the first tabled and today assigned matter:

Bill "An Act Relating to the Powers of Maine Port Authority" (S. P. 931) (L. D. 2564)

Tabled—March 14, by Mr. Simpson of Standish

Pending—Passage to be engrossed

On motion of Mr. Simpson of Standish, retabled pending passage to be engrossed and tomorrow assigned.

The Chair laid before the House the second tabled and today assigned matter:

Bill "An Act Granting Energy Emergency Powers to the Governor" (H. P. 2005) (L. D. 2549) Emergency

Tabled — March 14, by Mr. Simpson of Standish

Pending — Final enactment

On motion of Mr. Simpson of Standish, retabled pending passage to be enacted and specially assigned for Wednesday, March 20.

The Chair laid before the House the third tabled and today assigned matter:

Bill "An Act Establishing the Office of Energy Resources" (S. P. 832) (L. D. 2375) Emergency

Tabled — March 14, by Mr. Simpson of Standish

Pending — Further Consideration

(The House passed the bill to be engrossed as amended by Senate Amendment "A" (S-376) as amended by House Amendment "A" (H-728) thereto.

The Senate passed the bill to be engrossed as amended by Senate Amendment "A" (S-376)

On motion of Mr. Simpson of Standish, retabled pending further consideration and specially assigned for Wednesday, March 20.

The Chair laid before the House the fourth tabled and today assigned matter:

Bill "An Act Allowing Incorporated Civic Organizations to Apply for a Liquor License for One Event Per Year" (S. P. 923) (L. D. 2555) (S. "A" S-384)

Tabled — March 14, by Mr. Ault of Wayne

Pending — Final enactment

Thereupon, the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

The Chair laid before the House the following tabled and later today assigned matter:

Bill "An Act to Amend Certain Provisions of the Laws Administered by the Department of Health and Welfare" (S. P. 883) (L. D. 2468) pending acceptance of either report.

The SPEAKER: The Chair recognizes the gentleman from Gardiner, Mr. Whitzell.

Mr. WHITZELL: Mr. Speaker, Ladies and Gentlemen of the House: This item, which received an almost unanimous report from the Health and Institutional Services Committee, is one that I felt should have been dealt with here at this session, since it was one of the matters that was brought in under the Cost and Management Survey.

The matter did take into consideration that the Department of Health and Welfare was charging, in many cases for licensing, amounts of money that were completely ridiculous with today's standards of living. For instance, some hospitals were being charged \$15 for a complete licensing examination. I was speaking to some of the people over in Health and Welfare and one hospital may take as much as four complete man days. That means that the department must send somebody out to that hospital to perform the inspection and that person spends a complete four days doing it.

Now, what we have done is revised the fees in this bill to more closely recover the cost of administering these licensing procedures.

Now, the passage of time and influence of inflation have eroded the present fees until they no longer pay for a meaningful percentage of the cost of this licensing. With the exception of section three of the bill, these fees would be based on a cost which is fair and equitable and will mean that the State will be sufficiently reimbursed for performing these inspections.

Section three, which took care of the testing of private water supplies provided that the fee would be based on one half of the cost. This is the water testing that anyone who wants to buy a home under FHA or VA must do in order to test the quality of the water at their wells. It was one of the things that some members of the committee didn't agree on. To break it down, talking with Dr.

Okey over at Health and Welfare, who runs the laboratory over there, it would cost, on a cost basis, right now, it would cost them \$8.40 to run the complete series of tests on drinking water. To break that down, what he felt was, if \$5 would test the water to the point where you would know that it would not kill you, and for \$7 it run that basic test plus some other tests to determine what kind of minerals were in it and for \$9, you could have a complete analysis of the water sample that you sent there.

There are other sections of this bill which only—what the bill actually tries to do is implement a fair and equitable method of operating the licensing and the water testing of the Department of Health and Welfare. It doesn't make much sense to allow this to go until the 107th, because the inequities are there now. The amount of work that we have already done on the bill would put it presently in a position to insure that everybody is treated fairly, because the programs now at Health and Welfare are financed from the special accounts with some dedicated funds and some money from the General Fund.

Now, the department has excessive financial flexibility. Under the current law, the way it is written, they can shift money from account to account to supplement the amount of money that is necessary to run each part of the inspection and licensing and the water testing series because neither or none of these accounts generate enough income to operate each one of those branches.

Now, if the legislature, through the Appropriations Committee, turns down a request for a new employee, for example, what the department does now is that they can go ahead and hire a new employee from their Dedicated Accounts. This new draft would correct that situation.

Some of the examples of cost-based fees, and this was probably the thing that some of the committee members didn't go along with at first, but in the Passenger Tramway and Safety Board, the fee for inspecting a ski lift is precisely the amount of time that the inspector spends at the site inspecting that lift. A larger mountain with more tows and more facilities would require

more time of the inspector and rightfully they should pay more. The small town, where the fellow spends an hour or two hours, that portion of his salary, that one or two hours is charged as licensing fee.

Also, it isn't a really unique experience, because what happens is, currently the State House Post Office is run on that same basis. They actually charge each department for the amount of service that each department receives, so each department pays a certain amount into the State Post Office. Also, the State Auditor works in exactly the same way. The town audits are performed by state auditors who are paid for the actual number of hours they spend in that town reviewing the books.

If you pass this bill, you will encourage the state employees, who are right now unsupervised in the field, to efficiently use their time, because they will be accountable not only to the facility that they are examining for licensure but also to their supervisor who will have better control of both their time and their time and their travel. He will have to keep records of the inspection and there will be some increases in federal funds coming into the State of Maine which can be expected through this legislation. The cost of many of the inspections will become part of the total cost of the operations of the Department of Health and Welfare.

Now, much of this cost will be recovered through programs such as Medicare and Medicaid, and this bill will eliminate that amount to an indirect subsidy by the State of Maine to the federal government.

If you really want to consider any inequality of this, what is happening is, for instance, let's say that we send an inspector to Van Buren, Maine, and he spends six hours inspecting a facility now. If he did go to Van Buren, spend six hours there, not only is his travel time and his inspection time there charged to the Department of Health and Welfare and to you and I as taxpayers, but the license fee that he would be collecting for this six hours of service would be \$15. Now there is no equity in that system. This bill will correct that and put each inspection on a paying basis so the Department can be run like a business.

It will also implement cost management recommendations, I believe, 29, 30, 31 and 32.

I would ask you to vote against the majority report, which was to send it to the 107th, keep it alive today. We have one amendment that will be offered in its second reading, and we will have more time both for you to look over the bill and those who were opponents of the bill in committee to see the justice in the bill that we have presented here. I would ask you to please vote on the majority report, give us an opportunity to put an amendment on it.

The SPEAKER: The Chair recognizes the gentleman from Strong, Mr. Dyar.

Mr. DYAR: Mr. Speaker and Members of the House: I will try to be brief on this report. Basically, what we are talking here is what is for the benefit of the people in the State of Maine at large, and what is the benefit of the individuals.

Now, what the gentleman from Gardiner, Mr. Whitzell, has suggested in the case of the boarding home, the actual cost for inspection, to be charged at the boarding home is the cost of licensing. Presently that charge is \$5 along with the commission, I believe, recommended \$20, and the redraft is the actual cost.

The gentleman mentioned someone going to Van Buren to inspect the boarding home, driving from Augusta to Van Buren, checking that boarding home, deciding that four o'clock in the afternoon was too late to drive back to Augusta so he stayed in Van Buren overnight; decides the next morning that possibly he should venture on further and then decide to turn around and come back to Augusta because Friday he wanted to be back before noon. So, basically, this boarding home in Van Buren could be charged the cost, the hourly cost, that person coming from Augusta to Van Buren, his meal expense, his mileage, his hourly expense, which could bring that cost from the present \$5 and recommended \$20 up to an excess of \$100.

Under Section Three, on the testing of water supplies, an individual presently can have a water test for \$2, the Longley Commission recommended \$9, and the



actual cost is \$8.37. But here again the redraft puts in half the actual charge. Well this case you can get into law of diminishing utilities where an individual is paying so many fees now to build a home that possibly this four or five dollars more than nine dollars might be the instrument that he would disregard and not have his water tested. And here, again, you got the public point of view versus the individual, because certainly be other people in the period of time drinking this water other than the individual who will be paying the cost of testing. This is one of the Longley Commission reports that was drafted by the department and in pages 3, 4, and 5 most of this writing is departmental writings, 6 and 7. And we were a little bit cautious on writing in more legislation allowing the department to get into mobile home parks or recreational camps and so forth above and beyond what they have now. So we felt it very feasible due to the time that we are in now to report this bill out, and try to redraft it to make it workable. We felt it much more feasible to be able to get some figures from the Department of Health and Welfare and know where we are going and report back to the 107th and get this measure taken care of. So, hopefully, today we will vote to accept the majority report.

The SPEAKER: The Chair recognizes the gentleman from Gardiner, Mr. Whitzell.

Mr. WHITZELL: Mr. Speaker and Members of the House: Very briefly; what the gentleman really did was to convince me that this is the right way to go, to pass this bill out, because what he said, the example that he gave of the man going to Van Buren right now and making that test and deciding it is four o'clock and staying over night and then coming back to Augusta the next day, that is exactly what happens now. But under this legislation he will be accountable for every hour that he is out of this office. When he gets to Van Buren and he is inspecting that facility he is not going to be sitting downstairs having coffee and he is not going to be wasting time.

Mr. Dyar told me about an agricultural agent that came to his store

and spent half the day there. The man was an egg inspector or something. And I might be wrong but what he actually said was that the man wasn't really accountable for his time. The person who is being licensed by that person who is doing the inspecting, he is going to be very cognizant of how much time that person spends on that facility inspecting it. What we have done in the past is; we have completely subsidized him; a large motel, for instance, a big Howard Johnsons motor lodge in Portland; the Department of Health and Welfare right now receives \$15 for four man days of investigating that facility. Seems to me that you and I are actually subsidizers of many, many motels, and large restaurants, and hospitals, nursing homes and boarding homes. And that shouldn't be. They should pay their way. And that is what this bill does. It is finding a formula where they will actually pay for the service they receive. And it is a service. As far as the water testing goes; I don't know how this house feels about water testing. I don't know if any of you here, if the price went from \$2 to \$4.50 for a testing a sample of water, whether or not you would take the chance to drink that water. Now, if you want to know if there is any sewers running into that water, or if that water is fit to drink, then you will certainly have it tested from the Department of Health and Welfare regardless of how much. The FHA and the VA loans will not be approved unless the water supply has been tested. So it would be completely ridiculous for someone to spend \$700, \$800, \$1,000 drilling a well and then not testing the water that he is getting before he starts drinking it. So regardless if it is \$4.50 for the man, and for the people here who didn't believe in the prescription drug advertising bill, believe me, they said they were willing to pay \$12.00 or \$18.00 for medicine. Well, I would rather not have to take that medicine. I would rather know that the water that I am drinking is pure and does meet with every need for human life.

I would hope that you would vote to support the minority report and let the bill go on its way and become probably one of the most responsible things that

we could do at this time toward making the Department break even and be accountable.

The SPEAKER: The Chair recognizes the gentleman from China, Mr. Farrington.

Mr. FARRINGTON: Mr. Speaker, Ladies and Gentleman of the House: I don't know whether now is the time. But, certainly, until we get to the cost accounting; four units, four departments, this legislature, the committees of this legislature are not going to know the true costs involved in any one program. I haven't formed any opinion on this particular measure, it might be a little early. But, certainly, in the near future if you want to know what is going on we need to be involved with cost accounting.

The SPEAKER: The Chair recognizes the gentleman from Brewer, Mr. Norris.

Mr. NORRIS: Mr. Speaker, Ladies and Gentlemen of the House: Very briefly. I heard the good gentleman from Gardiner, Mr. Whitzell mention dedicated revenue. And we have passed an act, which is now Chapter 744 of the public law, which was approved March 15, 1974 by the Governor; which states that the Appropriations Committee and the Legislature shall allocate all dedicated funds. There will be a hearing before the Appropriations Committee on all dedicated revenues starting next year. And this has been signed in law by the Governor. So there will be no more of

this shifting for personnel, or shifting for all other, because it can't be done. All of the dedicated revenues will have to be allocated by the Legislature.

The SPEAKER: The pending question is on the motion of the gentleman from Strong, Mr. Dyar, that the House accept the Majority Report referring this matter to the 107th Legislature in concurrence. All in favor of that motion will vote yes; those opposed will vote no.

A vote of the House was taken.

71 having voted in the affirmative and 17 having voted in the negative, the motion did prevail.

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(Off Record Remarks)

Mr. Lawry of Fairfield was granted unanimous consent to address the House.

Mr. LAWRY: Mr. Speaker, Ladies and Gentlemen of the House: I just thought the members of the House would like to know that we have raised \$158.65. And for any of those who haven't had a chance to contribute you might leave your donations at the Majority Leader's or the Minority Leader's:

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(Off Record Remarks)

On motion of Mr. Birt of East Millinocket,

Adjourned until nine o'clock tomorrow morning.