

# MAINE STATE LEGISLATURE

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**Legislative Record**  
**House of Representatives**  
**One Hundred and Nineteenth Legislature**  
**State of Maine**

**Volume III**

**Second Regular Session**

March 23, 2000 – May 12, 2000

**Appendix**  
**House Legislative Sentiments**  
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ONE HUNDRED AND NINETEENTH LEGISLATURE  
SECOND REGULAR SESSION  
36th Legislative Day  
Thursday, April 26, 2000

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

Prayer by the Honorable Robert E. Stanwood, Southwest Harbor.

Pledge of Allegiance.

The Journal of yesterday was read and approved.

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**SPECIAL SENTIMENT CALENDAR**

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

**In Memory of:**

Carl Sheltra, of Biddeford, former Member of the Maine House of Representatives during the 104th, 105th, 106th, 113th, 114th and 115th Legislative Sessions, serving as Chair of the York County Legislative Delegation and as Chair of the Business Legislation Committee. He was a United States Army Air Corps veteran of World War II and was a Past Exalted Ruler of the Biddeford-Saco Elks, Lodge #1597. We acknowledge his dedicated service to the State of Maine. He will be greatly missed by his family and friends;

(HLS 1293)

Presented by Representative SULLIVAN of Biddeford.

Cosponsored by Senator LaFOUNTAIN of York, Representative MARTIN of Eagle Lake Representative TWOMEY of Biddeford, Representative FRECHETTE of Biddeford.

On **OBJECTION** of Representative SULLIVAN of Biddeford, was **REMOVED** from the Special Sentiment Calendar.

**READ.**

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

Representative SULLIVAN: Mr. Speaker, Men and Women of the House. It is with a sad heart that I read of the passing of Representative Sheltra. It is in his district that I serve today in the 119<sup>th</sup>. Representative Sheltra loved his country. He loved his family, his God and his community of Biddeford. He worked hard and he showed his passion. Like many of us who served here in either chamber, his spouse also supported his work and his work continues on today. His wife is a councilor for the City of Biddeford. He had a rough past two years being very ill. Biddeford is very grateful to him and certainly I am. Thank you very much for taking this time Mr. Speaker.

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

Representative TUTTLE: Mr. Speaker, Men and Women of the House. I was a little caught off guard by this. I was a long-time friend of Representative Sheltra. I had served with him in the 113<sup>th</sup> Legislature and knew him all my life. I had visited him from time to time at the facility he had been at in Biddeford in my job as an Emergency Medical Technician. I had seen him off and on over the last few years. Carl always had a good wit and a good sense of humor. He was one of the many former legislators that used to stay over at the Capital City Motel when they were accepting legislators. Carl, one of his loves was Mexican food. There was a place we all used to go in Gardiner where we had good friendship. Like former Representative Al Gamache from Lewiston, Carl was from the old school. He

would always place people first. He always placed the cause of good government above those of partisan politics. I have always said before those people who serve here their good is always retained. I know Carl's spirit is with us now. Carl, God bless you and rest in peace.

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

Representative TWOMEY: Mr. Speaker, Men and Women of the House. I served with Mr. Sheltra on the City Council. Many times I had the opportunity to go to Carl and Rose Marie's house. He loved his garden. He loved to walk in back of his house and show me his flowers. He took pride in that. He was a good Democrat. He loved to laugh. He loved a good joke and he really will be missed in the community of Biddeford. He served Biddeford well and I think he served the State of Maine well. Thank you Mr. Speaker.

**ADOPTED** and sent for concurrence.

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**BILLS RECALLED FROM GOVERNOR**

(Pursuant to Joint Order - House Paper 1954)

An Act to Amend the Liquor Laws to Create a New Category of License for Pool Halls and Exempt Certain Facilities from the Prohibition Against Smoking

(H.P. 1807) (L.D. 2533)

(S. "A" S-669 to C. "A" H-1004)

- In House, **PASSED TO BE ENACTED** on April 11, 2000.

- In Senate, **PASSED TO BE ENACTED** on April 13, 2000.

On motion of Representative TUTTLE of Sanford, the House **RECONSIDERED** its action whereby the Bill was **PASSED TO BE ENACTED**.

On further motion of the same Representative, the House **RECONSIDERED** its action whereby the Bill was **PASSED TO BE ENGROSSED**.

On further motion of the same Representative, the House **RECONSIDERED** its action whereby **Committee Amendment "A" (H-1004) as Amended by Senate Amendment "A" (S-669)** thereto was **ADOPTED**.

On further motion of the same Representative, the House **RECONSIDERED** its action whereby **Senate Amendment "A" (S-669) to Committee Amendment "A" (H-1004)** was **ADOPTED**.

On further motion of the same Representative, **Senate Amendment "A" (S-669) to Committee Amendment "A" (H-1004)** was **INDEFINITELY POSTPONED**.

The same Representative presented **House Amendment "C" (H-1168) to Committee Amendment "A" (H-1004)** which was **READ** by the Clerk.

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

Representative TUTTLE: Mr. Speaker, Men and Women of the House. As many of you are aware, I had requested a Joint Order to remove LD 2533 from the Governor's desk and submitted a draft of a floor amendment, which has removed the bowling centers and retained only the provisions dealing with pool halls. This floor amendment replaces the Senate Amendment, by which this bill was enacted. The floor amendment adopts those changes, which remove the self-contained lounge provision and adds the language, which strikes all reference to bowling centers. As you can see from the amendment (H-1168) from the summary, the amendment incorporates the changes made by the Senate Amendment to

the Committee Amendment and strikes the definition of bowling center lounge and removes the provision that would exempt the bowling center lounge from the ban on smoking. As most of you are aware, the Executive has communicated that he would veto this bill unless the bowling alleys were included. It is for that reason that I offer this amendment, Mr. Speaker.

Representative POVICH of Ellsworth **REQUESTED** a roll call on the motion to **ADOPT House Amendment "C" (H-1168) to Committee Amendment "A" (H-1004)**.

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

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

Representative **BROOKS**: Mr. Speaker, Ladies and Gentlemen of the House. I am feeling a little restrained about what I want to say and to whom I may want to direct my comments. I thought that we had disposed of this bill. I thought that this was something that was going to, I think, be palatable to most of us in this body. I have never taken a count. I don't know how many pool halls there are as compared to how many bowling alleys there are. I think that it is very unfortunate that I feel that we are in a position now where we have to carve out part of these small businesses. I know of one business that I will be visiting next Monday night because I happen to be part of a Monday night bowling league for old men. I know what kind of comments I am going to get so I feel obligated to get up and say that I am absolutely adamantly opposed to this. Now that is on record, I will support it. Thank you.

The **SPEAKER**: The Chair recognizes the Representative from Arundel, Representative Daigle.

Representative **DAIGLE**: Mr. Speaker, May I pose a question through the Chair?

The **SPEAKER**: The Representative may pose his question.

Representative **DAIGLE**: Mr. Speaker, Men and Women of the House. In discussions about this bill, I was told by people out in the hallway advocating for it that under these conditions, a pool hall with smoking in progress would have to stop that if a young man or woman under the age of 18 entered the building. Can someone from the committee tell me if that is correct or if children will be welcome in these pool halls concurrently with adults smoking cigarettes? Thank you.

The **SPEAKER**: The Representative from Arundel, Representative Daigle has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Sanford, Representative Tuttle.

Representative **TUTTLE**: Mr. Speaker, Men and Women of the House. In answer to the good Representative's question, in the bill presently, pool halls will be defined as pool halls or billiard rooms with a minimum of six regulation pool tables. A pool hall must derive 50 percent of the annual income from the playing of pool or rental of the pool hall and the pool hall is not a restaurant as defined by Title 22. The pool hall license, the proprietor will have the flexibility in reference to the gentleman's question, to prohibit or permit minors. If minors are permitted, smoking is not prohibited on the premises. For the purpose of the pool hall license, a minor is anyone under 18. If smoking is prohibited, minors are prohibited unless accompanied by a parent or legal guardian as defined by Title 22.

The **SPEAKER**: The Chair recognizes the Representative from Ellsworth, Representative Povich.

Representative **POVICH**: Mr. Speaker, Men and Women of the House. I am rather faked out by a comment from a previous

speaker as to the unfairness of this amendment. I would urge you to defeat the pending motion to offer some fairness to bowling alleys that seem to fit in quite consistently with pool halls and off-track betting operations. Please defeat the pending motion.

The **SPEAKER**: The Chair recognizes the Representative from Standish, Representative Mack.

Representative **MACK**: Mr. Speaker, Right Honorable Men and Women of the House. I urge you to support the pending motion. I, too, think that the way we originally had it was the best way to include the bowling alleys and other things. Being reminded of the House Rule that will not let us talk about possibly actions of the Chief Executive, Mr. King, for reasons I cannot say, I urge you to support this amendment. Thank you.

The **SPEAKER**: A roll call has been ordered. The pending question before the House is Adoption of House Amendment "C" (H-1168) to Committee Amendment "A" (H-1004). All those in favor will vote yes, those opposed will vote no.

**ROLL CALL NO. 673**

**YEA** - Ahearne, Andrews, Baker, Berry DP, Berry RL, Bolduc, Bouffard, Bowles, Brennan, Bruno, Bryant, Bumps, Cameron, Carr, Chick, Chizmar, Clark, Clough, Collins, Colwell, Cote, Cowger, Dudley, Dugay, Duncan, Dunlap, Duplessie, Etnier, Fisher, Foster, Fuller, Gagne, Gagnon, Gillis, Glynn, Goodwin, Gooley, Green, Hatch, Heidrich, Jacobs, Kneeland, Labrecque, LaVerdiere, Lemoine, Lemont, Lindahl, Lovett, MacDougall, Mack, Madore, Mailhot, Martin, Marvin, Mayo, McAlevey, McDonough, McGlocklin, McKee, McKenney, McNeil, Murphy E, Murphy T, Muse, Nass, Norbert, Nutting, O'Brien JA, O'Brien LL, Peavey, Perry, Pieh, Powers, Quint, Richard, Samson, Sanborn, Savage C, Savage W, Saxl JW, Saxl MV, Sherman, Shiah, Shields, Skoglund, Snowe-Mello, Stanley, Stevens, Sullivan, Tessier, Thompson, Tobin D, Tobin J, Townsend, Tripp, True, Tuttle, Twomey, Usher, Watson, Weston, Williams, Mr. Speaker.

**NAY** - Bagley, Belanger, Brooks, Buck, Bull, Cross, Daigle, Davis, Desmond, Gerry, Honey, Jodrey, Kasprzak, Mendros, Mitchell, Perkins, Pinkham, Povich, Richardson E, Rosen, Schneider, Stanwood, Trahan, Treadwell, Waterhouse, Wheeler EM, Winsor.

**ABSENT** - Bragdon, Campbell, Cianchette, Davidson, Frechette, Jabar, Jones, Joy, Kane, Matthews, O'Neal, O'Neil, Plowman, Richardson J, Rines, Shorey, Sirois, Stedman, Tracy, Volenik, Wheeler GJ.

Yes, 103; No, 27; Absent, 21; Excused, 0.

103 having voted in the affirmative and 27 voted in the negative, with 21 being absent, and accordingly **House Amendment "C" (H-1168) to Committee Amendment "A" (H-1004) was ADOPTED**.

**Committee Amendment "A" (H-1004) as Amended by House Amendment "C" (H-1168) thereto was ADOPTED**.

The Bill was **PASSED TO BE ENGROSSED as Amended by Committee Amendment "A" (H-1004) as Amended by House Amendment "C" (H-1168) thereto in NON-CONCURRENCE** and sent for concurrence. **ORDERED SENT FORTHWITH**.

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

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

**SENATE PAPERS**

**Non-Concurrent Matter**

An Act to Implement the Recommendations of the Commission to Study Poverty Among Working Parents with Regard to State Earned Income Credit

(H.P. 90) (L.D. 103)

**PASSED TO BE ENACTED** in the House on March 9, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "B" (H-812)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

---

**Non-Concurrent Matter**

An Act to Encourage Funding for Applied Research and Development Relevant to the Maine Economy

(H.P. 1081) (L.D. 1528)

**PASSED TO BE ENACTED** in the House on April 3, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-927)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

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**Non-Concurrent Matter**

An Act to Promote Equity Among Health Care Clinics

(S.P. 532) (L.D. 1594)

**PASSED TO BE ENACTED** in the House on March 3, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "B" (S-487)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

---

**Non-Concurrent Matter**

An Act to Stimulate Job Creation and Investment in Maine by Amending the Income Tax Apportionment Formula

(S.P. 360) (L.D. 1064)

**PASSED TO BE ENACTED** in the House on April 8, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-544)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

---

**Non-Concurrent Matter**

An Act to Change the Reimbursement Rate for Law Enforcement Personnel Who Testify in Court

(H.P. 894) (L.D. 1251)

**PASSED TO BE ENACTED** in the House on February 25, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "B" (H-783)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

---

**Non-Concurrent Matter**

An Act to Establish a Trust Fund to Provide Statewide Assistance to Low-income Electric Consumers

(H.P. 1069) (L.D. 1500)

**PASSED TO BE ENACTED** in the House on March 29, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "B" (H-891)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

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**Non-Concurrent Matter**

An Act to Encourage Equity Equivalent Loans or Investments in Nonprofit Community Economic Development Organizations

(S.P. 642) (L.D. 1824)

**PASSED TO BE ENACTED** in the House on March 29, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-553)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

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**Non-Concurrent Matter**

An Act to Make Changes to the Cub Care Program (EMERGENCY)

(H.P. 1622) (L.D. 2269)

**PASSED TO BE ENACTED** in the House on March 31, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-929)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

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**Non-Concurrent Matter**

An Act to Appropriate Funds to Match a Federal Department of Energy Research and Development Award

(S.P. 882) (L.D. 2297)

**PASSED TO BE ENACTED** in the House on March 28, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-547)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

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**Non-Concurrent Matter**

An Act Concerning Eligibility Requirements for State Employees, Teachers and Participating Local District Employees to Purchase Military Service Credit

(H.P. 1649) (L.D. 2318)

**PASSED TO BE ENACTED** in the House on April 7, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-1075)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

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**Non-Concurrent Matter**

Resolve, to Increase the Reimbursement Amount for Occupational and Physical Therapy Services Under the Medicaid Program

(H.P. 1655) (L.D. 2324)

**FINALLY PASSED** in the House on March 28, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-853) AS AMENDED BY HOUSE AMENDMENT "A" (H-903)** thereto)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

**Non-Concurrent Matter**

An Act to Establish a Comprehensive Electronic Claims-filing System for the Medicaid Program

(S.P. 929) (L.D. 2379)

**PASSED TO BE ENACTED** in the House on April 11, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-679)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

**Non-Concurrent Matter**

An Act to Establish the Public Resources and Information for Maine Foundation

(S.P. 737) (L.D. 2087)

**PASSED TO BE ENACTED** in the House on March 30, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-570)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

**Non-Concurrent Matter**

An Act to Enhance the Maine State College Savings Program

(S.P. 742) (L.D. 2101)

**PASSED TO BE ENACTED** in the House on March 7, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-501)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

**Non-Concurrent Matter**

An Act to Conform the Tax Laws of this State for 1998 With the United States Internal Revenue Code (GOVERNOR'S BILL)

(H.P. 1613) (L.D. 2256)

**PASSED TO BE ENACTED** in the House on February 25, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-779)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

**Non-Concurrent Matter**

An Act to Appropriate Funding for the Maine School of Science and Mathematics for Fiscal Year 1999-00 (EMERGENCY)

(H.P. 1687) (L.D. 2393)

**PASSED TO BE ENACTED** in the House on March 21, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-842)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

**Non-Concurrent Matter**

An Act to Create a Patent Program in Maine

(H.P. 1690) (L.D. 2396)

**PASSED TO BE ENACTED** in the House on March 31, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-939)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

**Non-Concurrent Matter**

An Act to Designate a Poison Control Center and to Adequately Fund Poison Control Services

(H.P. 1693) (L.D. 2399)

**PASSED TO BE ENACTED** in the House on March 22, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-849)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

**Non-Concurrent Matter**

An Act to Appropriate Funds to the Forum Francophone

(H.P. 1750) (L.D. 2456)

**PASSED TO BE ENACTED** in the House on April 3, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-907)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

**Non-Concurrent Matter**

An Act to Implement the Recommendations of the Court Unification Task Force

(H.P. 1829) (L.D. 2563)

**PASSED TO BE ENACTED** in the House on April 7, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-1081)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

**Non-Concurrent Matter**

An Act to Restore the Chaplaincy in the Maine Correctional Center in South Windham (EMERGENCY)

(H.P. 1837) (L.D. 2575)

**PASSED TO BE ENACTED** in the House on March 29, 2000.  
Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.  
The House voted to **RECEDE AND CONCUR**.

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**Non-Concurrent Matter**

An Act to Amend the Comprehensive Research and Development Evaluation  
(S.P. 1043) (L.D. 2631)

**PASSED TO BE ENACTED** in the House on March 23, 2000.  
Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.  
The House voted to **RECEDE AND CONCUR**.

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**Non-Concurrent Matter**

An Act to Create a Linked Investment Program for Child Care Providers  
(S.P. 1073) (L.D. 2675)

**PASSED TO BE ENACTED** in the House on April 6, 2000.  
Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.  
The House voted to **RECEDE AND CONCUR**.

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**Non-Concurrent Matter**

An Act to Establish the Applied Technology Development Center System  
(H.P. 1785) (L.D. 2506)

**PASSED TO BE ENACTED** in the House on April 3, 2000.  
(Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A"** (H-962)  
Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.  
The House voted to **RECEDE AND CONCUR**.

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**Non-Concurrent Matter**

An Act to Expand Pretrial Services for the Bail and Supervision of Criminal Defendants Statewide  
(H.P. 1446) (L.D. 2067)

**PASSED TO BE ENACTED** in the House on April 7, 2000.  
(Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A"** (H-1070)  
Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.  
The House voted to **RECEDE AND CONCUR**.

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**Non-Concurrent Matter**

An Act to Reduce the State Rate for Tax on Telecommunications Personal Property (EMERGENCY)  
(H.P. 1752) (L.D. 2458)

**PASSED TO BE ENACTED** in the House on March 29, 2000.  
(Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A"** (H-897)  
Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.  
The House voted to **RECEDE AND CONCUR**.

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**Non-Concurrent Matter**

An Act to Generate Economic Development Through Community Service and Education  
(H.P. 1761) (L.D. 2467)

**PASSED TO BE ENACTED** in the House on April 7, 2000.  
(Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A"** (H-1083)  
Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.  
The House voted to **RECEDE AND CONCUR**.

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**Non-Concurrent Matter**

An Act to Revitalize Teacher Certification  
(H.P. 1763) (L.D. 2469)

**PASSED TO BE ENACTED** in the House on April 4, 2000.  
(Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A"** (H-997)  
Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.  
The House voted to **RECEDE AND CONCUR**.

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**Non-Concurrent Matter**

An Act to Appropriate Funds for Acquisitions for the Maine State Library  
(H.P. 1770) (L.D. 2483)

**PASSED TO BE ENACTED** in the House on March 3, 2000.  
Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.  
The House voted to **RECEDE AND CONCUR**.

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**Non-Concurrent Matter**

An Act to Promote Safe Mobility for Maine's Aging Population through Education and Community-based, Economically Sustainable Alternative Transportation  
(H.P. 1796) (L.D. 2521)

**PASSED TO BE ENACTED** in the House on April 5, 2000.  
(Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A"** (H-933)  
Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.  
The House voted to **RECEDE AND CONCUR**.

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**Non-Concurrent Matter**

An Act to Provide Funding for Mental Retardation Day Services and Residential Services for Nonclass Members  
(H.P. 1810) (L.D. 2536)

**PASSED TO BE ENACTED** in the House on March 30, 2000.  
(Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A"** (H-906)  
Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.  
The House voted to **RECEDE AND CONCUR**.

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By unanimous consent, all matters having been acted upon were **ORDERED SENT FORTHWITH** with the exception of matters being held.

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

**UNFINISHED BUSINESS**

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

Bill "An Act to Correct Errors and Inconsistencies in the Laws of Maine" (EMERGENCY)

(H.P. 1665) (L.D. 2334)

TABLED - April 24, 2000 (Till Later Today) by Representative THOMPSON of Naples.

PENDING - **ADOPTION OF COMMITTEE AMENDMENT "A" (H-1121) AS AMENDED BY HOUSE AMENDMENTS "A" (H-1124) AND "B" (H-1161)** thereto.

On motion of Representative THOMPSON of Naples, Joint Rule 311 was **SUSPENDED** for the purpose of **OFFERING** an amendment.

The same Representative **PRESENTED** House Amendment "C" (H-1169) to **Committee Amendment "A" (H-1121)**, which was **READ** by the Clerk.

The **SPEAKER**: The Chair recognizes the Representative from Naples, Representative Thompson.

Representative **THOMPSON**: Mr. Speaker, Men and Women of the House. I am pleased to say this is not an error in the errors bill, this is an error in a bill that was passed on a previous session that was brought to my attention from the Agriculture Committee. If anyone has any specific questions, I would be glad to answer them. I think it is fairly self-explanatory.

**House Amendment "C" (H-1169) to Committee Amendment "A" (H-1121) was ADOPTED.**

On further motion of the same Representative, **TABLED** pending **ADOPTION of Committee Amendment "A" (H-1121) as Amended by House Amendment "A" (H-1124), House Amendment "B" (H-1161) and House Amendment "C" (H-1169)** thereto and later today assigned.

On motion of Representative McKEE of Wayne, the House **RECONSIDERED** its action whereby it voted to **RECEDE AND CONCUR** on An Act to Restore the Chaplaincy in the Maine Correctional Center in South Windham (EMERGENCY)

(H.P. 1837) (L.D. 2575)

On further motion of the same Representative, **TABLED** pending the motion to **RECEDE AND CONCUR** and later today assigned.

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

**UNFINISHED BUSINESS**

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

Majority (8) **Ought to Pass** - Minority (5) **Ought Not to Pass** - Committee on **HEALTH AND HUMAN SERVICES** on Bill "An Act to Promote Healthy Maine Families"

(S.P. 492) (L.D. 1477)

- In Senate, Bill and accompanying papers **COMMITTED** to the Committee on **HEALTH AND HUMAN SERVICES**.  
TABLED - March 28, 2000 (Till Later Today) by Representative KANE of Saco.

PENDING - **ACCEPTANCE OF EITHER REPORT.**

On motion of Representative TOWNSEND of Portland, the Bill and all accompanying papers were **INDEFINITELY POSTPONED** in **NON-CONCURRENCE** and sent for concurrence.

**SENATE DIVIDED REPORT - Majority (9) Ought to Pass as Amended by Committee Amendment "A" (S-599) - Minority (1) Ought Not to Pass - JOINT SELECT COMMITTEE ON RESEARCH AND DEVELOPMENT** on Bill "An Act to Enhance Biomedical Research in Maine"

(S.P. 913) (L.D. 2365)

- In Senate, Majority **OUGHT TO PASS AS AMENDED** Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-599).**

TABLED - March 30, 2000 (Till Later Today) by Representative COWGER of Hallowell.

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

On motion of Representative TOWNSEND of Portland, the Bill and all accompanying papers were **INDEFINITELY POSTPONED** in **NON-CONCURRENCE** and sent for concurrence.

Bill "An Act to Appropriate Funds for the Federal Retirement Recovery Claim" (EMERGENCY)

(S.P. 1071) (L.D. 2664)

- In Senate, under suspension of rules and **WITHOUT REFERENCE** to a Committee, the Bill **READ TWICE** and **PASSED TO BE ENGROSSED.**

(Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS** suggested.)

TABLED - April 3, 2000 (Till Later Today) by Representative SHIAH of Bowdoinham.

PENDING - **REFERENCE.**

On motion of Representative TOWNSEND of Portland, the Bill and all accompanying papers were **INDEFINITELY POSTPONED** in **NON-CONCURRENCE** and sent for concurrence.

An Act to Allocate from the Fund for a Healthy Maine

(H.P. 1818) (L.D. 2552)

(H. "A" H-964 to C. "A" H-941)

TABLED - April 3, 2000 (Till Later Today) by Representative SAXL of Portland.

PENDING - **PASSAGE TO BE ENACTED.**

On motion of Representative TOWNSEND of Portland, the Bill and all accompanying papers were **INDEFINITELY POSTPONED** in **NON-CONCURRENCE** and sent for concurrence.

An Act to Promote Bone Marrow Donation



(S.P. 916) (L.D. 2368)  
(S. "A" S-695 to C. "A" S-596)

TABLED - April 14, 2000 (Till Later Today) by Representative SAXL of Portland.

PENDING - **PASSAGE TO BE ENACTED.**

On motion of Representative TOWNSEND of Portland, the Bill and all accompanying papers were **INDEFINITELY POSTPONED** in **NON-CONCURRENCE** and sent for concurrence.

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

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

**ENACTORS**

**Acts**

An Act to Amend the Liquor Laws to Create a New Category of License for Pool Halls and Exempt Them from the Prohibition Against Smoking

(H.P. 1807) (L.D. 2533)  
(H. "C" H-1168 to C. "A" H-1004)

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. **ORDERED SENT FORTHWITH.**

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**BILLS RECALLED FROM GOVERNOR**

(Pursuant to Joint Order - House Paper 1949)

An Act to Ensure that Maine Citizens Injured While Working in Foreign Countries are Provided with Workers' Compensation Benefits

(H.P. 1907) (L.D. 2652)  
(C. "A" H-969)

- In House, **PASSED TO BE ENACTED** on April 4, 2000.

- In Senate, **PASSED TO BE ENACTED** on April 4, 2000.

On motion of Representative MARTIN of Eagle Lake, the House **RECONSIDERED** its action whereby the Bill was **PASSED TO BE ENACTED.**

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

Representative MARTIN: Mr. Speaker, Members of the House. This bill was put in at the request of a number of citizens along the border who end up working in Canada, especially for most of them being in New Brunswick. The Province of New Brunswick has a provision in their law that does not cover people who are working there unless they are citizens of New Brunswick. Even though they are there employed by companies that might be in New Brunswick, if they were to be hurt and come back to this state, there would be no ability for them to get any benefits whatsoever or salary. I asked the Representative from Skowhegan if she would put in the bill, which she did and I cosponsored, which basically provided for retroactivity and basically it was one of those things where what is good for them ought to be good for us and visa versa. Since then the administration has been in contact with the Premier of New Brunswick and the Premier, their system works a little different than ours, it works somewhat faster, has indicated that it will be going through the new Brunswick Legislature and they will

amend the New Brunswick law to provide for coverage for our citizens who might be working in New Brunswick. So, I feel confident that they will fulfill that commitment in the session that they are about ready to embark upon. I basically, at this point, will go along with no longer having the need for the bill. We may end up having to deal with it again because it appears that the Province of New Quebec is giving us some of the same problems, but at this point I would like to thank the members of the Labor Committee who worked in getting this bill, frankly, so fast that the Governor never knew it hit his desk until it got there. I am pleased to really report to you that I believe by the time we should be back in session, the matter will have been resolved.

On further motion of the same Representative, the Bill and all accompanying papers were **INDEFINITELY POSTPONED** in **NON-CONCURRENCE** and sent for concurrence. **ORDERED SENT FORTHWITH.**

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

**COMMUNICATIONS**

The Following Communication: (S.C. 657)

**STATE OF MAINE**  
**OFFICE OF THE GOVERNOR**  
**1 STATE HOUSE STATION**  
**AUGUSTA, MAINE 04333**

April 26, 2000

Dear Members of the 119th Legislature,  
Enclosed please find S.P. 987, L.D. 2540, "An Act Concerning Fingerprinting and Background Checks for School Employees," which I am returning without my signature or approval.

This bill repeals the existing law requiring all school employees, both current and future, to undergo background checks for criminal history, based on fingerprints, at the time of licensing or renewal by the Department of Education. The bill requires background checks only for new applicants for licensure or new employees after August 15, 2000. The bill exempts all current school employees from background checks, unless the school employee subsequently seeks employment in a different school district. For individuals who are employed in schools as of August 15, 2000, who subsequently change employer, each local school board in the state would determine whether this subclass of new employees would also be subject to background checks, based on fingerprints.

As you know, Maine has recently been recognized for having the finest K-12 educational system in America. A central reason for this success is a spectacularly dedicated, experienced and capable teaching faculty and staff. As a parent who has had children in Maine's public schools for over 25 years (the total will be 38 years when Molly finishes high school), I can attest to this fact without reservation.

Let there be no doubt that the overwhelming majority of these extraordinary educators are of outstanding and unblemished character. Unfortunately, tragic experience has also taught us that in any group of 50,000 individuals, there are likely to be a small minority who pose a threat to society, in this case, to the very children entrusted to their care. The law which this veto leaves intact is in no way an accusation or indictment of any individual or group; it is instead a simple recognition of our responsibility to take cognizance of an unfortunate, but compelling statistical fact.

The damage that even a handful of the wrong people can do to children is immeasurable and the victims of such damage will be scarred for life.

The existing law requiring background checks for all school employees is a sensible safeguard to protect our children from individuals with proven criminal convictions. The Department of Education has long had rules prohibiting individuals with dangerous convictions from working in our schools. Criminal history records checks, based on fingerprinting, provide the only systematic, consistent, and accurate means to enforce this prohibition. Importantly, the law sends a strong message that should deter individuals with serious convictions from seeking or continuing employment in Maine schools.

The existing law is a carefully crafted measure that was studied extensively by all stakeholders prior to enactment by the Legislature in 1997. The process for conducting background checks is designed to be constitutional, to be consistent, to ensure confidentiality of all criminal records, and to be narrowly tailored to focus on recent, serious criminal convictions which show that an individual poses a threat to children.

All stakeholders endorsed this sensible precaution when it was presented in 1997. A number of groups representing educators, parents, school boards, advocates for victims of sexual assault, and citizens continue to strongly support this safeguard for students.

Maine's adoption of a background check requirement for school employees makes Maine's practice consistent with the national standard. Thirty-four other states require background checks using fingerprints. Twenty-one of those states, like Maine, require checks for all school employees without an exemption for current employees.

The background check is a device for prevention, not accusation, and is a uniformly applied requirement for all school employees. Many other professions require background checks. Until 1972, all Maine school children were fingerprinted for safety reasons. Numerous other Maine residents have been fingerprinted, including more than 150,000 who were printed incidental to military service. Mary and I were fingerprinted in 1994 as part of the adoption process -- and I did not view this in any way as an accusation, but rather as a reasonable precaution where a child's life and welfare was at stake.

The approach in L.D. 2540 is an unacceptable substitute for existing law. L.D. 2540 would exempt more than 47,000 current employees from background checks. Thus, the bill would only ensure that a fraction of school employees -- the new hires -- would have clean records -- and it would take over 30 years to provide that assurance for all employees. It strikes me as disingenuous at best that those who oppose this process on the grounds of principle seem prepared to impose the process they find so objectionable on others, but not themselves.

L.D. 2540 is laden with ambiguities about which employees would be covered and when background checks would be conducted. With regard to the narrow circumstances under which current school employees may be screened if they change employers, the bill creates a patchwork of protection to be determined by each local school board -- and imposes the cost of these background checks on local school districts.

I cannot support an approach which reduces the existing safeguard to such inconsistency and incompleteness. More than 16,000 school employees have already been fingerprinted. It is a mistake to alter a sensible policy in mid-course and waste considerable resources already invested in protecting children.

There is broad consensus that if the State mandates background checks for school employees, the State -- and not the employee -- should pay the cost of the checks. In addition, it is necessary to make adjustments to the timeframes for fingerprinting and running criminal history records checks on several categories of school employees and contractors in order to successfully implement the existing law. I stand ready to work with the Legislature to resolve both of these concerns, but in a form that is not coupled with the poor public policy of exempting current school employees.

The most compelling argument to me, and the ultimate reason I cannot sign this bill, is the stark fact that if we take this step and effectively exempt almost 50,000 people from this sensible and non-intrusive requirement, some day two, five, or ten years from now, we will awaken to news of a horrendous case which could have been prevented -- and all of us who supported this proposal -- including me if I sign it -- will bear a full measure of responsibility. This I cannot and will not do.

I want to end this message with a somewhat unusual plea directed to those dedicated, skilled, and conscientious educators who believe that compliance with this law requires such a compromise of their principles that they feel compelled to leave their honorable and vitally important profession. Please rethink this position -- you are not being accused and you are not being subjected to a process any different from that applied to tens of thousands of your fellow citizens. To those of us who place our children into your care each day, this is neither a brand nor an accusation, and it will only become so through your own words and actions. Our children need principled leaders, teachers, and mentors, but in this case, the principle being asserted simply does not rise to a level which would justify leaving the students to whom you have given so much.

For the reasons outlined above, I believe that background checks as a safeguard for children should be required in a fair and consistent manner for all school employees. I am in firm opposition to L.D. 2540 and I respectfully urge you to sustain my veto.

Sincerely,  
S/Angus S. King, Jr.  
Governor

Came from the Senate **READ** and **ORDERED PLACED ON FILE**.

**READ** and **ORDERED PLACED ON FILE** in concurrence.

The accompanying Bill "An Act Concerning Fingerprinting and Background Checks for School Employees"(S.P. 987) (L.D. 2540) (S. "A" S-735 to C. "B" S-692)

In Senate April 26, 2000, this Bill, having been returned by the Governor, together with his objections to the same, pursuant to the provisions of the Constitution of the State of Maine, after reconsideration, the Senate proceeded to vote on the question: 'Shall this Bill become a law notwithstanding the objections of the Governor?'

21 voted in favor and 5 against, and accordingly it was the vote of the Senate that the Bill become a law, notwithstanding the objections of the Governor, since two-thirds of the members of the Senate so voted.

S/Joy J. O'Brien  
Secretary of the Senate

The SPEAKER: The Chair recognizes the Representative from Kennebunk, Representative Murphy.

Representative MURPHY: Mr. Speaker, Men and Women of the House. The four times that we have debated this bill, I think

the members of the House, those that have remained in the chamber learned that for those of us in teaching and some of us were on both sides of this issue that it was a very personal issue. I hope that through that debate that when you listened to us, you realized that those of us that serve in that teaching profession who have that unique opportunity to work with young people find that they touch our lives every day. I would thank you for your votes in the past. Thank you.

The SPEAKER: The Chair recognizes the Representative from Waldoboro, Representative Trahan.

Representative **TRAHAN**: Mr. Speaker, Ladies and Gentlemen of the House. I apologize for my previous action. I feel it is necessary to get up for just a moment and speak for those people that I have avoided speaking to earlier. We have debated this issue extensively and I really don't want to get into the technical parts of the debate any longer, but I do think that something needs to be said for those people that are out there that have stood on their principles and have said that they cannot accept this in good conscience. As Americans we sometimes become spoiled with what our forefathers gave us, our freedoms and the ability to say no when our government tells us we must do something. For those people that had the courage to make that kind of commitment in today's world, I believe that is quite scarce for someone to stand on their principles and be willing to give up their livelihood. For them, I say that this great debate has been worth it and I stand today and say that I am very sorry that our education system has taken this kind of damaging debate. I think that our future will show that the direction that we are going today will be harmful and there will be a day when we sorely regret what we have done. Thank you.

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

Representative **MENDROS**: Mr. Speaker, Ladies and Gentlemen of the House. We have heard a lot about this. I will try to say something that we haven't heard before. As I have said many times, this will protect no one and let me tell you why. If the fingerprinting does find somebody, which I don't think it will, no one will know that that person has a record. They just won't be rehired. They won't get their license renewed. They will leave. We take this teacher who supposedly has a record, that I don't think exists, but if they do, there is no provision for anything to be done for that person to be labeled a child molester. They will merely be let go. That teacher with a 20-year history will go to a daycare center and say that they don't feel like teaching anymore, no one will know why they were let go, it will be swept under the rug and that daycare center will say they will hire you and that person will still have access to kids. We will have protected no one. This law protects nobody.

The SPEAKER: A roll call has been ordered. The pending question before the House is shall this bill "An Act Concerning Fingerprinting and Background Checks for School Employees" become law notwithstanding the objections of the Governor?. All those in favor will vote yes, those opposed will vote no.

After reconsideration, the House proceeded to vote on the question: 'Shall this Bill become a law notwithstanding the Objections of the Governor?' A roll call was taken.

**ROLL CALL NO. 674V**

YEA - Berry DP, Berry RL, Bryant, Buck, Carr, Chick, Chizmar, Clark, Collins, Colwell, Cowger, Davis, Dugay, Duplessie, Fisher, Fuller, Gagne, Gillis, Goodwin, Green, Hatch, Jacobs, Kasprzak, Lindahl, Lovett, MacDougall, Madore, Mayo,

McDonough, McNeil, Mendros, Mitchell, Murphy T, Nass, O'Brien LL, Peavey, Perkins, Pinkham, Povich, Powers, Richardson E, Samson, Sanborn, Saxl JW, Sherman, Shiah, Skoglund, Snowe-Mello, Stanwood, Sullivan, Tessier, Tobin D, Tobin J, Tracy, Trahan, Treadwell, Twomey, Waterhouse, Wheeler EM, Williams.

NAY - Ahearne, Andrews, Bagley, Baker, Belanger, Bolduc, Bouffard, Bowles, Brennan, Bruno, Bull, Bumps, Cameron, Clough, Cote, Cross, Daigle, Desmond, Dudley, Duncan, Dunlap, Etnier, Foster, Gerry, Glynn, Gooley, Heidrich, Honey, Jodrey, Kneeland, Labrecque, LaVerdiere, Lemoine, Lemont, Mack, Mailhot, Martin, Marvin, McAlevey, McGlocklin, McKee, McKenney, Murphy E, Muse, Norbert, Nutting, O'Brien JA, Richard, Richardson J, Rines, Rosen, Savage W, Saxl MV, Schneider, Shields, Stanley, Thompson, Townsend, Tripp, True, Tuttle, Usher, Weston, Wheeler GJ, Winsor, Mr. Speaker.

ABSENT - Bragdon, Brooks, Campbell, Cianchette, Davidson, Frechette, Gagnon, Jabar, Jones, Joy, Kane, Matthews, O'Neal, O'Neil, Perry, Pieh, Plowman, Quint, Savage C, Shorey, Sirois, Stedman, Stevens, Volenik, Watson.

Yes, 60; No, 66; Absent, 25; Excused, 0.

60 having voted in the affirmative and 66 voted in the negative, with 25 being absent, and accordingly the Veto was **SUSTAINED. ORDERED SENT FORTHWITH.**

**REPORTS OF COMMITTEE**

**Divided Report**

Majority Report of the Committees on **JUDICIARY** and **BUSINESS AND ECONOMIC DEVELOPMENT** reporting **Ought to Pass as Amended by Committee Amendment "A" (S-740)** on Bill "An Act to Establish Requirements for the Removal of Directors of Certain Maine Business Corporations before the Expiration of Their Established Terms" (EMERGENCY) (S.P. 1089) (L.D. 2693)

Signed:

Senators:

TREAT of Kennebec  
KONTOS of Cumberland

Representatives:

THOMPSON of Naples  
BULL of Freeport  
LaVERDIERE of Wilton  
JACOBS of Turner  
MITCHELL of Vassalboro  
MADORE of Augusta  
SCHNEIDER of Durham  
MENDROS of Lewiston  
CLOUGH of Scarborough  
O'NEAL of Limestone  
USHER of Westbrook  
BOLDUC of Auburn  
TRIPP of Topsham

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

Signed:

Representatives:

NORBERT of Portland  
WATERHOUSE of Bridgton  
MARVIN of Cape Elizabeth  
BOWLES of Sanford

Came from the Senate with the Majority **OUGHT TO PASS AS AMENDED** Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-740)**.

**READ.**

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

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

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

The **SPEAKER**: The Chair recognizes the Representative from Bridgton, Representative Waterhouse.

Representative **WATERHOUSE**: Mr. Speaker, Ladies and Gentlemen of the House. As you are all aware by now, there was a joint committee meeting public hearing this morning with the Business and Economic Development Committee and the Judiciary Committee. I might add that this public hearing had very short notice, which concerned me greatly because a lot of people who would be concerned about this LD did not have sufficient notice to come to the public hearing. One of the things that we really look for is predictability in state laws. Make no mistake about it, what we are being asked to do tonight to make predictability unsure and change the rules in midstream. We are being asked to change the corporate law in the State of Maine for one company. If you notice, the amendment, there is a retroactivity clause and also a sunset clause in the Committee Amendment.

One of the arguments is that Maine's corporate law is flawed because it has a 10 percent minimum in it for 10 percent of the shareholders to call a meeting of the corporation. What you should know is that 10 percent is the bottom threshold and any publicly held corporation can in its bylaws raise that limit to the level they want to. BTI in its bylaws kept it at 10 percent of their shareholders could call a meeting. Thirty-one states in this country have a 10 percent threshold.

The concern that you will hear from proponents of this bill is that they want to give the company time to find out what the intent of the person trying to acquire the company is. They haven't got any clear answers. They are worrying about losing Maine jobs. I will stand proudly on my record of supporting businesses in the State of Maine. I have done that in the six years that I have been up here. I don't see this as doing that. One of the unintended consequences of us getting involved in this transaction and interjecting ourselves to the market forces as this could actually drive down the value of BTI and in the near future they could be acquired at a lower value. Nobody wants to see business leave the State of Maine and when we had a couple of representatives of the business that was trying to acquire BTI, they presented a history where they showed that they had a track record of commitment to the community when they went in and acquired a company.

Is there a guarantee that the company would not move? No. I don't think any company can make that guarantee. How many people up here represent their districts and had businesses that they thought was going to stay in their district, but for whatever reason, market forces or whatever, moved out or, for that matter, moved in without us knowing that they were going to do that? BTI, in retrospect, when they were faced with acquisition of their company made a business mistake. The laws in the State of

Maine are not flawed, the corporate law, because as I mentioned earlier, in their bylaws they could have raised a higher threshold to require a higher threshold of the shareholders to call a meeting. They didn't do that. We are not looking at a bad law, per say, in the State of Maine. We are looking at a bad business decision. We being asked at the 11<sup>th</sup> hour with a very technical issue, corporate law, to interject ourselves into it retroactively and change the bylaws that the company who is trying to acquire BTI used. They used the very same bylaws. They used BTI's bylaws to proceed. I think that is inappropriate.

You hear a lot of good things about BTI. Nobody is questioning that. It is a model company with technology and home based. We didn't want them to move. I have heard comments today and I have heard them in the past about Delaware. Maine is not Delaware. Delaware has a court that goes into great depth in corporate law. If we ever do that, it is a long ways down the road. I was on a committee looking at the corporate law when Senator Bennett put in a bill to look at making Maine a more shareholder friendly state for corporate law. We had a lot of people very well versed in corporate law come in and testify before the committee. At the end of the day, we decided not to tinker with the corporate law. The Maine Bar Association is doing a whole overhaul of the corporate law and it is going to come to us sometime in the future and make some suggestions.

Please do not let your emotions rule the day. This is not proper policy. It is inappropriate regardless of the good intentions. Thank you.

The **SPEAKER**: The Chair recognizes the Representative from Naples, Representative Thompson.

Representative **THOMPSON**: Mr. Speaker, Men and Women of the House. After a three hour public hearing this morning, I guess I can't agree very much with the statement that this didn't get a fair hearing. You know, if this bill was brought to us two months ago, it would have needed this type of quick action if we were going to do something. The fact that it happened in the last few days of the session isn't the issue. The issue is whether there are problems with the Maine corporations law and whether we should do something to change that clearly with the intent to help a Maine-based business? I disagree with the Representative where he says there are no problems with the Maine corporate laws. I think there are many people even that are on the other side of this issue with me will agree that we will try to do things with our Maine corporate laws to help protect and kept Maine businesses.

The issue comes down to simply should we do this now because of this situation? In doing so, we have to balance what we are doing versus the reasons for not doing it. When balancing that, I come down on the side of helping this local Maine business, which went public in 1997, is admittedly relatively naïve in the ways of the Wall Street world and probably their naivety is best demonstrated perhaps to be incorporated all in the State of Maine. Most other states through their corporate laws provide much greater protections to these corporations when it comes to hostile takeovers. We are talking about changing one aspect in a limited way. That is the number of shareholders it takes to call a shareholder's meeting. That is only one way that state law acts to help their locally based corporations. They use other items, such as staggering the terms of directors so that the directors can't be harder to remove them all at once, etc. and a number of other techniques that

provide protection to their corporations. Maine hasn't done well in this area.

Brunswick Technologies is faced with a very imminent hostile takeover by a huge corporation, which has the assets clearly to do that to fight the big fight as evident by the hallways. They are coming to us and saying help us. The help we have crafted is a very limited help. It says simply that once there is an election of directors by a corporation, it takes a higher burden on the shareholders to call a meeting to remove those directors in the first 90 days after that election. Otherwise, you can have a cycle of election meetings to try to remove them and a month later another to try to remove them and month later another meeting to try to remove them. It is all on the call of 10 percent of the shareholders. The 10 percent rule in Maine goes way back to the '70s. I went to '71 and I may be wrong by a few years. The intent, between you and I, was clearly to look for the interest of the small shareholder to give them a voice in the corporation, to allow them to have a way to voice their concerns.

In this instance we are not dealing with exactly the type of situation that I think the enactors envisioned when the giant corporation happens to be, in this case, the 14 percent shareholder in Brunswick Technologies. They are using this 10 percent rule to gain an advantage, which they might not otherwise have had been able to gain if Brunswick Technologies had incorporated in Delaware or even Massachusetts, which has other different protections for their corporations. Are there valid arguments that we shouldn't interfere? Yes, there are some. I would not stand up here and tell you there are no arguments in that area. Are there valid arguments that we should do something to help this corporation? Yes, there are. I don't think that we should jump into either camp without thinking about the people who started this business and are faced with losing their future with this business.

The company, if it is taken over, clearly will go on. We don't know where that will be. We don't know what portion of that business will continue in Maine. In fact, the directors of this business many, in fact, at some point, may finally agree to a takeover. What they are saying is, could we have done better when we set ourselves up? Yes, we think we could have. Are we a small trinket in this big world of finance? Yes, we are. Do we deserve to be given a two-day notice, close this deal, negotiate this deal in two days or we will do a hostile takeover? I find that hard to accept. Sure, it is a balancing act. I hope that every one of you will look at the balance and don't just look at the one side of the argument.

This committee, bipartisan report, of the Majority Report came out and said that after hearing both sides that the solution is to do this. It affects only one small three-month period in each corporate life, that three-month period after a board is elected. I hope you will think of the message that this will send to Maine business and I hope you will think that even if you vote this down, will Brunswick Technologies stay here in the future? Will they say that Maine isn't going to protect me, I will go somewhere where they will. This isn't a potential job situation. These are 93 of the best jobs in that area. Losing Brunswick Technologies certainly would have a horrible affect on Brunswick and surrounding areas. Not just on them, but on the economy of the State of Maine because Brunswick Technologies is a leader in the composite business. It is trying to create in Maine the center of the composite industry in the entire United States. Do you think that when the corporation that has its headquarters in Pennsylvania takes over this tiny Maine company, in relation to

their other holdings, that they will keep this operation entirely in Maine as it is now? I can't answer that, but neither would they answer that.

I hope that you will look at this and not simply react to it, but balance the issues, consider both sides of the issue before you cast your vote and join the majority in voting Ought to Pass. Thank you.

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

Representative **BUCK**: Mr. Speaker, May I pose a question through the Chair?

The SPEAKER: The Representative may pose his question.

Representative **BUCK**: Mr. Speaker, Men and Women of the House. You gave some examples of the difficulties Maine businesses have because of the way our corporate law is written. You gave two examples. One was the number of votes needed and the second example was the fact that you have staggered terms. My question was, could not both of those issues have been addressed by the writing of the bylaws of the company itself? My second question is, if that is the case, could you give me some other examples of how Maine could write its corporate laws so that companies like this would not find themselves in the situation they are today?

The SPEAKER: The Representative from Yarmouth, Representative Buck has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Naples, Representative Thompson.

Representative **THOMPSON**: Mr. Speaker, Men and Women of the House. In response to the questions from the Representative from Yarmouth, Representative Buck, the answer to the issue of staggered directors could have been done. Yes. The answer to the raising of the percentage required to call a meeting could be done, but is only partly affective because the Maine statute indicates that regardless of what the percentage that you have if you are a publicly traded company, you can raise it. I know a lot of companies, for example, would probably use 30 percent as a common figure. I have been told that. There is also a provision that says any 10 percent of the shareholders for cause shown can go into court and get a court order to hold a shareholders meeting with only a 10 percent request. The answer to the first part is a little more detailed than simply yes or no. There is a provision that says you can go into court with 10 percent even though your bylaws are different in Maine than the 10 percent that was in existence.

The company wishes they had done some things different. I am sure. That is not the issue. That is an issue and it is a valid issue. They didn't deny that and try to dance around it either. It still gets down to the issue of hard choice, but a choice nonetheless that I chose to go in this direction.

The SPEAKER: The Chair recognizes the Representative from Bridgton, Representative Waterhouse.

Representative **WATERHOUSE**: Mr. Speaker, Men and Women of the House. I want to address that issue myself. I think the good Representative from Naples mistakenly mischaracterized my statement on Maine's corporate law. I am not saying that Maine's corporate law doesn't need an overhaul. I certainly didn't mean to make the statement that we have real good corporate law. What I was addressing was the 10 percent threshold issue. The good Representative from Yarmouth is entirely correct. My impression in hearing the public hearing was that BTI did make a mistake. They made a mistake in not writing their bylaws to include a higher threshold. Thirty-one other

states have a 10 percent threshold for shareholders calling a meeting.

We talked about messages we are sending to business. We might want to think what kind of message are we saying to investors who want to invest capital in the State of Maine and they look at it and say, look at this. There was an acquisition tried and Maine at the eleventh hour went in and revamped and changed their corporate law to accommodate one side of that transaction and did it retroactively. I think that is a real bad message. May I pose a question through the chair? To the good Representative from Naples, does the Committee Amendment repeal the availability to go to court?

The SPEAKER: The Representative from Bridgton, Representative Waterhouse has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Durham, Representative Schneider.

Representative SCHNEIDER: Mr. Speaker, Men and Women of the House. I believe I can answer the question. No, it does not repeal that section. What the good Representative from Bridgton is talking about is the fact that there is a paragraph in the statute that says that if a company adopts a bylaw that requires more than 10 percent of the shareholders to call a special meeting, that shareholders can still file an action in court with 10 percent of the shareholders and they can have that special meeting called. In effect, it negates that part of the company's bylaws.

The SPEAKER: The Chair recognizes the Representative from Bridgton, Representative Waterhouse. Having spoken twice now requests unanimous consent to address the House a third time. Is there objection? Chair hears no objection, the Representative may proceed.

Representative WATERHOUSE: Mr. Speaker, Ladies and Gentlemen of the House. I apologize. I promise not to get up again. That makes even more of a case, I think, if I heard the good Representative from Durham correctly. The 10 percent problem from the perspective of the good Representative from Naples is still in there. This bill is addressing the bylaws that the company did not address when they went ahead. We are looking at just changing the bylaws retroactively with this bill. Thank you.

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

Representative NORBERT: Mr. Speaker, Ladies and Gentlemen of the House. I rise to oppose this bill, not because I am unsympathetic to the plight of Brunswick Technologies, but rather I think it is unwise to make this big change and to pursue this policy based on one case, especially as we look to future. I do not think it is a good message to send. It is questionable policy. It is a questionable message. Essentially the Legislature is changing the corporate bylaws of a publicly traded company. Everything I learned in law school about business entities suggests that what is important is that investors and shareholders have a say and that laws be predictable and understood to the outside world. I think that making such a change, especially raising what was a suggested minimum of 10 percent of shareholders up to 50 percent is really unwise. Typically when we undergo such a change we do it in a very deliberate fashion. That is the good aspect of lawmaking, especially when the Maine Business Corporation Act is amended. It typically is done after a while, after input is gained

from businesses and scholars on the subject. That is not the case here.

It is understandable that Brunswick Technologies has to act. Everything that I learned today at our long public hearing indicates that they are a terrific company and I wish that there were another way to help them, perhaps a private and special law, rather than something that affects so many companies. I think it is important to keep in mind, too, that, yes, the board has a great interest, but so do the shareholders who really are the bosses of a publicly traded company. I do not see why it is not good to have shareholders vote to do the democratic thing and to let them, if the idea is poor, vote it down. To do this and to reach and to wade in to what seems to be a very complex and difficult to understand situation, I do not think that is our position.

It is an extraordinary action to turn back the clock. Other states do not have such a high level as the good Representative from Bridgton, Representative Waterhouse, pointed out. A good 31 or 32 states have the 10 percent rule. By the way, all the New England states have the 10 percent rule. Again, the highest one goes to Iowa, which does set 50 percent, but the others are well below that 20 percent or 10 percent. I think the shareholders could decide this. I think there is another way to go about it. Also, I think it is worth repeating that the bylaws are the best way to do this. A company could set a 50 percent floor if it wanted. To have the Legislature decide how to set that floor, I do not think that to be a good idea. I do urge you to vote against this measure.

The SPEAKER: The Chair recognizes the Representative from Lebanon, Representative Chick.

Representative CHICK: Mr. Speaker, Ladies and Gentlemen of the House. I probably have as much information as many of my colleagues here in the House tonight. This hasn't been something that has been discussed over a long period of time, but I have heard quite a few people trying to get somebody to go on a fishing expedition, which I don't listen to. I only think of one thing, Mr. Speaker. We have a company that is asking for what I believe is an honest request. As one member of this body, I am not going to turn my back on a Maine company that is asking for what I consider a relief. If it means changing the law to accomplish this, then I guess probably I would support it. I know I will. I am looking at a Maine company and I would want to always have any of them understand that my first commitment would be to support what I think is an honorable request. I would hope that you will find a way to allow this to happen. Thank you.

The SPEAKER: The Chair recognizes the Representative from Old Town, Representative Dunlap.

Representative DUNLAP: Mr. Speaker, Men and Women of the House. I have had the privilege of working with the Business and Economic Development Committee this session on another issue not entirely dissimilar from this and it was an issue dealing with unfair competition with the businesses from another country. I believe that was Representative Campbell's bill. That issue sort of got my attention about some of the things that we can do practically day to day to help Maine businesses overcome some of these obstacles proposed to them by organizations in other countries. That particular issue was fairly straightforward and dealt with how out-of-state distributors in Canada were luring Maine customers to their businesses in violation of their contract agreements and in violation of their warranties. That was a very lengthy and complicated issue. We were referring that bill from the Fisheries and Wildlife Committee to Business and Economic Development Committee. I was very pleased that this body

chose to unanimously pass that bill under the hammer. It sort of frames out for me in this particular issue tonight one of the central questions that we are dealing with here and that is, what about Maine businesses?

To get back on track, we have an industry in this state, which has proven itself to be a good member of a vital community and the argument has been said that somehow we are changing the rules in the middle of the game that this company from out of the country has come in and used the system as it has been set up fairly and somehow we are yanking the rug out from under them. I can't really buy that because of the other half of that and that is because we are a governing body here to represent the people and the businesses that are located within the State of Maine. We are that redress for those problems. I think that we should take that consideration fairly seriously.

I grew up watching woolen mills go out of business because of foreign competition and shoe factories in Orono, Old Town, Corinna, Lewiston and Westbrook, you name them and everywhere they are gone because basically how can we compete with other countries that could pay 50 cents a day for labor? This is a different story. This is coming into the state and trying to take one of these companies away. I think if we can do something to stop that, I think we should. I will be voting for the Majority Report and I will be urging my colleagues to join me.

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

Representative **RICHARDSON**: Mr. Speaker, Men and Women of the House. I think the good chair from Naples, Representative Thompson, gave a great summation of exactly what is going on here. I am just going to sum up what I think about this. Yes, I am from Brunswick. Yes, these are people who are affected who live in my district, but we have a multi-national corporation on this side, a Maine publicly held corporation on this side with 100 Maine citizens. We had St. Gobain who came in and made an offer on this company. It gave Brunswick Technologies just two days to make up its mind regarding that particular offer. St. Gobain refused to reveal its intentions regarding the employees or whether it was going to relocate. When BTI asked for more time than just two days to determine whether or not that was a good asking price and a good offering price, St. Gobain said they were going to conduct a hostile takeover.

Instead of getting more time to do due diligence, because in two days you can't possibly do due diligence of a corporation to determine its value, it started a hostile takeover. It offered half of its original asking price. It essentially said to BTI, we are going to take you over whether you like it or not. We are not going to give you time to consider whether this is a good deal or not. What we are faced with, I know the Representative from Portland, Representative Norbert, had mentioned that we are really trying to change the dynamics here. He has some trouble with it. I understand some of the concerns that he has. It is so narrow in this particular case. All we are asking is that BTI be given 90 days. If the minority shareholder wants to unseat a board member, they have to wait 90 days. I don't think that is a lot of time. Here we are in the midst of a hostile takeover and they won't state their intentions. They have offered less than half of their original price and you got a Maine corporation with 100 Maine employees asking for 60 days to determine whether or not this is a good deal.

Maybe in the final analysis St. Gobain is the best alternative. If it is good today, it will be good in 60 days. I am going to side

with Maine people today and a Maine public corporation who sweated along and built this thing where it is today, instead of the multi-national conglomeration. Thank you very much.

The SPEAKER: The Chair recognizes the Representative from Topsham, Representative Tripp.

Representative **TRIPP**: Mr. Speaker, Men and Women of the House. This is an example of exactly what we would like to see businesses do in the State of Maine. This is a one-person operation that grew to a point where it wanted to expand the board of directors felt that the expansion should be to go public. Maybe they weren't aware of all the consequences that might come up. Maybe they didn't understand the success that they might have. What they have enjoyed is the greatest success in a leader in a composite industry, which is worldwide recognized. This multi-national company has recognized this and they want a piece of it. This is what we are looking at today and our Maine employees not knowing what St. Gobain is going to do with them. St. Gobain is not telling them what is going to happen to this Maine business. As a member of the Business and Economic Development Committee, the question was asked to the representative's of St. Gobain today and they couldn't tell us what they are going to do with this business. They couldn't even give us a hint. I feel that we need to support this business and support others like it in the State of Maine and hope that we have others that grow like BTI. Thank you.

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

Representative **MAYO**: Mr. Speaker, Ladies and Gentlemen of the House. Not to prolong the debate a great deal longer than it has gone, but I would like to remind some members of the House who have been here for the last few years and that this is not the first time as we approached adjournment that we have dealt with similar issues involving businesses. I believe, if my memory is correct, and I checked with one of the good Representatives that sits ahead of me, that this is the third time. We dealt with an airline four years ago, I believe as we moved towards adjournment. Two years ago we dealt with a shipyard and tonight we are dealing with an industry on the cutting edge of technology. Yes, it is unfortunate that these issues come to us at the last minute, but we do not control what is taking place out in the market area.

Brunswick Technologies started in a garage with one person. It has grown over the years. It now has in excess of 5 million shares. It has done a good job. It is asking for a brief period of time to make a decision as to whether or not it should allow this takeover to take place. What we are doing here, at least in my understanding in reading this particular piece of legislation, is we are not establishing a major change in how we allow corporations to deal in this country for a long period of time. This particular legislation will sunset. I would urge the members in this House, as I have on two previous occasions since I have been privileged to be a member, to realize that these things do come up. They may come up at the last minute, but if they are good for the State of Maine and they are good for the employees of these corporations, then we should move forward and accept the Majority Ought to Pass. Thank you.

The SPEAKER: The Chair recognizes the Representative from Dover-Foxcroft, Representative Cross.

Representative **CROSS**: Mr. Speaker, Ladies and Gentlemen of the House. It has been said that we are changing the rules in the middle of the stream. For those who have been here for a while, what is new about that? We have been doing

this for the years that I have been here. We have a Maine company that has been an example for everybody in the corporate world to look at. They have been doing things right. They have asked for our help. I say that now is the time to show that we are business friendly and I urge you to vote for the Ought to Pass report. Thank you.

The SPEAKER: The Chair recognizes the Representative from Arundel, Representative Daigle.

Representative **DAIGLE**: Mr. Speaker, Ladies and Gentlemen of the House. Speaking of hypothetical, if you opened your newspaper this morning and you saw that Shaws was selling a can of peas for 20 cents a can. You walk into Shaws and you say I will give you 80 cents a can, but I want them all. What is Shaws supposed to do? Shaws asks, what are you going to do with them? It is none of your business. I think it is really parallel to what is happening here. This is a company that went public. It said that the public now owns all of this company in the form of shares. It was selling them for a price that they were satisfied with because of what the market demanded. Somebody came in and offered to pay more. Now they are asking and we have talked about this here in this House, what are you going to do with it? Do we really expect the potential buyer, a multi-national business with a strategic plan of its own, to tell the world publicly exactly what it is going to do with its investment? We defend very strongly the rights of companies to keep their business plans confidential because those business plans can mean a lot.

I am sure whoever the competitors are that this company would love to have them release publicly exactly what they intend to do with their capital investment plan for the next couple of years because the owners of a product they have offered for sale wanted to know what they were going to do with it. Frankly, it is not something that is a legitimate question to ask. Are we really proposing we get that involved in this process? The stock being sold by this company right now belongs to all of us in one form or another. It is probably backing up some of the insurance policies we may hold for a life insurance or auto insurance or whatever. It is probably in mutual funds that form the foundations of all of our retirement plans. They may have some dollars from the Rainy Day Fund and the Maine State Retirement System. If that stock is selling for a profit higher than its current market value, if that is what happens in this process, then the owners of all this stock right now will get that value out of it. That will be reflected in the price we have for insurance and the amount we have for retirement and the amount returned by investments in our Rainy Day Fund.

If we step in here now in the last few days of the session and say that we are going to make a special case here, I don't think we really understand its implications. There are favorable implications when somebody asks for four times the asking price of a can of peas. They have the right to buy all of them because you offered them for sale when you went public. You can't impose conditions fairly, I believe, when you look at the person buying and say that you want to know because maybe I won't want to sell them anymore. Thank you.

The SPEAKER: The Chair recognizes the Representative from Durham, Representative Schneider.

Representative **SCHNEIDER**: Mr. Speaker, Men and Women of the House. I don't live down the road from cans of peas. I live down the road from families that live and work in Maine and who rely on their jobs at Brunswick Technologies for their livelihood. I urge you to vote for the Majority Report. This is a chance to take

a concrete action to help a Maine-grown business that has followed all the rules to stay in Maine. This Maine-grown business made one big mistake. They incorporated in Maine, which is a really rare thing for a publicly held corporation to do and we are finding out why tonight. Our state doesn't provide the protections that other states do for states that incorporate in Maine. There are only 12 public companies that are incorporated in Maine.

This bill does appear at the last moment, but it appears at the last moment because this hostile takeover has developed in the last two weeks and it is going on today even as we speak. You have heard a lot about what the bill does, but the bottom line is it gives 60 to 90 days for Brunswick Technologies to evaluate the offer and see if it is a good one. The bill is before us because a large foreign corporation is attempting to use exactly this tactic in a hostile takeover of Brunswick Technologies. This company holds about 14 percent of Brunswick Technology's stock. With that 14 percent of the stock, they can call a special shareholders meeting just one month after the annual meeting at which the board of directors was elected. They can try to replace the board of directors at that meeting. If they fail that time, they can do it again and again. This bill would allow Brunswick Technologies 60 or 90 days without that kinds of distraction to evaluate the offer made by the French company.

This bill is good for all three groups who were involved in a public corporation. It is good for the employees who work there and their families. It is good for the community in which the corporation exists. It is good for the management. It is good for the shareholders. This raider has refused to disclose its intentions and therefore we must be prepared for the worst. If you have ever voted for any of the many things that we tried to do to grow businesses in Maine, I urge you to vote for the Majority Report on this bill.

The SPEAKER: The Chair recognizes the Representative from Wilton, Representative LaVerdiere.

Representative **LAVERDIERE**: Mr. Speaker, Men and Women of the House. There are several things about this discussion today that troubles me. One of the things that troubles me is the irony of some of the discussion that is going on. Brunswick Technologies is a company that, as you have heard, was started in a garage here in Maine. It grew and it grew because of the efforts of people in Maine. The people that managed that company made one fatal decision. That fatal decision was because of their love for this state and because of the love that they have for the people of this state, they decided to incorporate here in Maine. As a result of that, they are not getting the same type of protections that the company that is doing the raiding here, St. Gobain, is getting. St. Gobain is a Delaware corporation. In Delaware it is interesting that you cannot have a shareholders called meeting. It is against the law in Delaware to have shareholders call a meeting to do what they are trying to do here in Maine.

Nobody could do this to St. Gobain, but they are doing it to Brunswick Technologies. They gave Brunswick Technologies an ultimatum. Sell your shares to us in two days or we are coming after you. They didn't buy the shares in two days so St. Gobain is coming after them. Like the good Representative Schneider indicated earlier, these aren't cans of peas. These are people. They are people who have built a company and built it well. They have done everything that good corporate citizens are supposed to do. They have worked with the University of Maine System. They have set up a foundation whose sole purpose it is



to bring other companies into Maine in the composites industry so that we can grow composites here in Maine with the technology that we have and make that an important part of our economy. This company is not asking for us to change the rules with regard to whether or not the shareholders sell or not. All they are asking for is 90 days in which to evaluate the offer.

The final ironic thing that I have got to tell you is this. It is important to understand one point. Someone mentioned earlier, why thwart the democratic process? The interesting thing is on May 16, upcoming, there will be a regular annual meeting at which the board of directors will be elected by the shareholders of this corporation. St. Gobain is calling a meeting 30 days later to have them thrown out. What is democratic about that? They are duly elected and will be duly elected directors and all that this bill says is give them at least 90 days within which to evaluate the offer and determine whether it is appropriate. That is not asking too much.

Finally, I would say that the good Representative from Portland seems to give the impression that this is a major change to the law and it affects a lot of people. It doesn't. There are only 12 corporations that are publicly traded in Maine. Most of them are utilities that are regulated. This is a very narrow exception. It would probably never apply to any other company and it is sunset. I hope that you will join with me and with the majority of both committees that met this morning for three hours in voting Ought to Pass.

The SPEAKER: The Chair recognizes the Representative from Arundel, Representative Daigle.

Representative **DAIGLE**: Mr. Speaker, May I pose a question through the Chair?

The SPEAKER: The Representative may pose his question.

Representative **DAIGLE**: Mr. Speaker, Men and Women of the House. We heard in earlier testimony that part of the problem is a poor set of bylaws in this corporation and we now know that we are scheduled to hold a normal shareholders meeting shortly anyway. Why can't this corporation at this next scheduled shareholders meeting, change their bylaws and thereby protect themselves?

The SPEAKER: The Representative from Arundel, Representative Daigle has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Wilton, Representative LaVerdiere.

Representative **LAVERDIERE**: Mr. Speaker, Men and Women of the House. In answer to that question, you can only vote on things that are noticed in the proxy. You can only vote on what has specifically been listed in the appropriate notice documents that are sent to all shareholders. That is not in the annual meeting because at the time those proxies were sent out and at the time this notice was made, this was not an issue. It is now.

The SPEAKER: The Chair recognizes the Representative from Cape Elizabeth, Representative Marvin.

Representative **MARVIN**: Mr. Speaker, Ladies and Gentlemen of the House. There is no question in anybody's mind that Brunswick Technologies is a great company. They have done wonderful things. It is the success story that we would all like to hear about, but one of the things that Brunswick Technologies did is they decided to become a publicly traded company. When you make that decision, there are certain responsibilities that go along with that decision. One of the things that happens is you can be taken over by somebody that maybe wouldn't be your choice. If you privately own your

company, you can decide to sell it to anybody you want, but once you become a publicly traded company, you give up that right.

Like many of you, I am a student of public policy. I really enjoy creating public policy. The thing that bothers me the most about this bill is that this is terrible public policy. It is a retroactive law. How many of you can remember passing a law that is retroactive or how about a law with a sunset? That tells me there are some problems with this and people are feeling really uncomfortable about this. When you miss all that up with a public hearing that was scheduled yesterday, the company that is involved with this takeover was in Pennsylvania. They were notified at 4:20 yesterday afternoon that the public hearing was in Augusta, Maine at 10:00 this morning. That really didn't give them a lot of time to prepare for this.

Public hearings insinuate that the public is going to be there. It tells us that we are going to hear both sides of the issue. I really don't think the public had time to learn about this. I didn't have time to learn about this. This is a very complex issue. These kinds of laws would take the scrutiny of many, many fine lawyers, I think, to determine if they are right. There seems to be a lot of question in this body as to whether these laws work correctly. In fact, the Maine State Bar is now looking at them to see if they are working. They have a study commission on it. I think we need to wait and find out if these laws are in need of being rewritten and if so, we should do that. We ought not to be passing laws because one company is feeling uncomfortable with their situation. The best thing we can do to create a favorable business environment for the State of Maine is to have consistent laws. They should be laws that are consistent for everyone. I urge you to vote against the pending motion. Thank you.

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

Representative **BOWLES**: Mr. Speaker, Ladies and Gentlemen of the House. Increasingly I feel that the proper uniform of the day in this House should be a striped shirt with a whistle because we seem to have been called upon a number of times in the recent week to act as a referee in corporate matters. I would like to ask you whether you think that is the proper role of the Legislature to be put in a position of refereeing disputes that are really between private corporations.

I would like to address a couple of things that have been mentioned. We have heard the company that wishes to pursue the acquisition, St. Gobain, we have referred to as large, hostile, a raider and a foreign corporation. I would suggest to you that these pejoratives, and pejoratives is what they are, are not really appropriate. This is a company that while it is headquartered in Europe, it has a North American Division that has 30,000 employees in roughly two-thirds of the American states. This is not a company that cuts and runs. This is a company that makes investments. It employs American people with good jobs. One of the points that we heard earlier from my learned friend from Naples, the good Representative Thompson, when we were talking about the threshold, Representative Thompson said that he believed the threshold of shareholders of 33 and a third percent, while, in fact, we know of the figures that we were given that 31 states only require 10 percent, six states require 20 percent, four require 25 and only one state requires 33 percent and then there is another scattering. Only one other state requires 50 percent and that is the threshold that we are asked to attain in this bill. We would really be out there on our own.

The good Representative from Old Town made a reference to the fact that this corporation that wishes to pursue the acquisition, St. Gobain, fairly used the existing laws, not only of the State of Maine, but of the bylaws of the corporation. That is true. They fairly used the law that exists. Now you are being asked to punish them for fairly using those laws.

Finally, I would reinforce the point that I think the Representative from Cape Elizabeth made very eloquently, there is a reason that we put a sunset on this bill, ladies and gentlemen. We put a sunset on the bill because this legislation may be good for BTI, we are not even certain of that, but it is not good public policy.

The SPEAKER: The Chair recognizes the Representative from Pembroke, Representative Goodwin.

Representative **GOODWIN**: Mr. Speaker, May I pose a question through the Chair?

The SPEAKER: The Representative may pose his question.

Representative **GOODWIN**: Mr. Speaker, Men and Women of the House. I would like to know what the offer was that this foreign company made to the BTI?

The SPEAKER: The Representative from Pembroke, Representative Goodwin has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Durham, Representative Schneider.

Representative **SCHNEIDER**: Mr. Speaker, Ladies and Gentlemen of the House. The French Company made an offer of \$8 per share.

The SPEAKER: The Chair recognizes the Representative from Pembroke, Representative Goodwin.

Representative **GOODWIN**: Mr. Speaker, Men and Women of the House. I know the hour is late. I didn't see in the *Wall Street Journal* that they have made an offer. It is a tender offer. If they own 14 percent of this company, they already own 732,000 shares. The insiders in the company own 1.83 million shares. The only shares out there, the total number of shares out there is 5.23 million, the float is 3.40 million. The float means that that is what people trade everyday. This is a public corporation and if the offer is \$8 a share, the whole company is only worth \$41,840,000.

This bill we are working on tonight is not going to save this company. What is going to save this company is the shareowners who are going to vote on May 16. The voters that show up on May 16 may not be the voters that own the shares tonight. They are buying and selling in today's market. I didn't know anything at all about this company. I just went out into our telephone lounge room and I just hit the keys and I bring it up. The 52 week high for the stock is \$8.75. Miraculously that number came up because this company offered \$8 a share and the insiders in this company are going to make money on this project. This company could disappear in a week if the 3,400,000 shares that are tendered to this company and they accept the \$8 offer. The insiders will still only own 1.83 million. They can either hold them or do what they want with them, but they will no longer be directors of this corporation. There will be another corporation.

For your information, the insiders bought the shares in this company for \$3 a share. Oops, I am wrong, 3 cents a share. For 3 cents a share they bought this stock. The insiders started selling immediately after they gathered it in. One person acquired 10,000 shares at 3 cents a share for \$309. He has since sold all of those. One sale was \$72,000 another sale was \$15,000, \$13,500, \$5,000, \$8,000 so, the insiders no longer

own, as of the records that I have, the insiders owned 1.83 million shares. They don't own that anymore after today. They are still selling today. Their percentage has dropped. The overwhelming percentage of this company is owned by people from the Philippians, California or maybe Maine. I don't know how many shares the 100 workers own. They may not have been offered anything at 3 cents a share. If I worked for that company and had a chance to buy shares at 3 cents, I would have bought a ton. I don't know who owns this company other than the public. I don't know if this bill is going to save this company, whatever we do tonight. I think it is very bad policy and I will oppose it. I thank the Speaker.

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

**ROLL CALL NO. 675**

YEA - Ahearne, Belanger, Bolduc, Bouffard, Brennan, Bryant, Buck, Bull, Cameron, Carr, Chick, Chizmar, Clark, Cote, Cowger, Cross, Davis, Desmond, Dudley, Duncan, Dunlap, Duplessie, Etnier, Fisher, Fuller, Gagne, Gerry, Gillis, Gooley, Green, Hatch, Heidrich, Jacobs, Jodrey, Kneeland, LaVerdiere, Lemoine, Lemont, Lovett, Madore, Mailhot, Martin, Mayo, McAlevey, McDonough, McGlocklin, McKee, McNeil, Mendros, Mitchell, Murphy E, Murphy T, Nutting, O'Brien LL, Peavey, Pinkham, Povich, Powers, Richard, Richardson E, Richardson J, Rines, Rosen, Samson, Sanborn, Savage C, Savage W, Saxl JW, Saxl MV, Schneider, Sherman, Shiah, Shields, Skoglund, Snowe-Mello, Stanley, Sullivan, Tessier, Thompson, Tobin J, Townsend, Trahan, Tripp, True, Usher, Weston, Wheeler GJ, Williams, Mr. Speaker.

NAY - Andrews, Bagley, Baker, Berry DP, Berry RL, Bowles, Bruno, Bumps, Clough, Collins, Daigle, Dugay, Foster, Glynn, Goodwin, Honey, Kasprzak, Labrecque, Lindahl, MacDougall, Mack, Marvin, McKenney, Nass, Norbert, O'Brien JA, Perkins, Stanwood, Tobin D, Tracy, Tuttle, Twomey, Waterhouse, Wheeler EM, Winsor.

ABSENT - Bragdon, Brooks, Campbell, Cianchette, Colwell, Davidson, Frechette, Gagnon, Jabar, Jones, Joy, Kane, Matthews, Muse, O'Neal, O'Neil, Perry, Pieh, Plowman, Quint, Shorey, Sirois, Stedman, Stevens, Treadwell, Volenik, Watson.

Yes, 89; No, 35; Absent, 27; Excused, 0.

89 having voted in the affirmative and 35 voted in the negative, with 27 being absent, and accordingly the Majority Ought to Pass as Amended Report was **ACCEPTED**.

The Bill was **READ ONCE**. **Committee Amendment "A" (S-740)** was **READ** by the Clerk and **ADOPTED**.

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

Under further suspension of the rules the Bill was **PASSED TO BE ENGROSSED as Amended by Committee Amendment "A" (S-740)** in concurrence. **ORDERED SENT FORTHWITH**.

The SPEAKER: The Chair recognizes the Representative from Labanon, Representative Chick.

Representative **CHICK**: Mr. Speaker, Men and Women of the House. In reference to Roll Call 674V on LD 2540, I would like the record to reflect that I intended to vote nay.

**SENATE PAPERS**

**Non-Concurrent Matter**

Resolve, Directing the Bureau of Liquor Enforcement to License an Agency Liquor Store in the City of Caribou

(H.P. 1413) (L.D. 2020)

**FINALLY PASSED** in the House on April 6, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-777)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

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**Non-Concurrent Matter**

Resolve, to Provide Adequate Reimbursement for Speech and Language Pathologists and Audiologists and a Study of Medicaid Reimbursement

(S.P. 889) (L.D. 2308)

**FINALLY PASSED** in the House on April 5, 2000. (Having previously been **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "C" (S-633)**)

Came from the Senate with the Bill and accompanying papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

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**CONSENT CALENDAR**

**First Day**

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

(S.P. 62) (L.D. 132) Bill "An Act to Increase the Cap on the Maine Rainy Day Fund" Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS** reporting **Ought to Pass as Amended by Committee Amendment "A" (S-714)**

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

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

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

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On motion of Representative SULLIVAN of Biddeford, the House adjourned at 10:25 p.m., until 3:00 p.m., Thursday, April 27, 2000 in honor and lasting tribute to Carl Sheltra, of Biddeford.