

February 15, 2018

## Legislature's failure to extend marijuana moratorium leaves employers in the lurch

by Peter Lowe of Brann & Isaacson

In the past two weeks the Maine Legislature has failed to extend the moratorium on key provisions of the recreational marijuana legalization law (Marijuana Legalization Act or MLA) that was passed by referendum back in November 2016. The result is that on February 1, 2018, specific provisions relating to employment went into effect. While I anticipate that the Legislature may address these issues, right now Maine employers need to be aware of these provisions and ensure that they do not expose themselves to legal liability when it comes to addressing workplace marijuana issues.

### Legislative Background...

When Maine voters legalized marijuana at the ballot box in 2016, most voters viewed the question as a simple "yes" or "no." However, Question 1 incorporated almost 30 pages of legislation. Buried away in the lengthy text are a few simple paragraphs which address marijuana in the workplace. The language is poorly drafted and is sure to cause confusion, and inevitably unless it is fixed, it will result in litigation between employers and employees. Marijuana advocates are heralding Maine's law to be a first-in-the-nation anti-discrimination law, and the media is writing headlines such as "Employers blocked from discriminating against staff using marijuana in Maine."

(The Independent; February 10, 2018).

### The Current MLA Requirements...

I believe that it is most helpful first to make clear what employers may do under the current law. There should be no dispute that:

- 1 Employers may prohibit the use of recreational marijuana in the workplace.
- 2 Employers may prohibit the possession of recreational marijuana in the workplace.
- 3 Employers may discipline employees who are under the influence of marijuana at work.

I recommend that an employer's drug and alcohol policy include these provisions. A definition of what constitutes being "under the influence" (sometimes referred to as "impairment") should also be spelled out.

What is less clear is the ability of an employer to take action based on an employee's consumption of recreational marijuana outside of the employer's property. The MLA states: "A[n]...employer...may not refuse to...employ...or otherwise penalize a person 21 years of age or older solely for that person's consuming marijuana outside of the...employer's...property." (Emphasis added)

*Continued on Page 4...*

## OPEGA trying to get confidential taxpayer data again

### **Chamber opposes collection of data that poses competitive risk to Maine businesses**

On Tuesday, February 13, Beth Ashcroft, director of the Office of Program Evaluation and Government Accountability (OPEGA), passed out to the Joint Standing Committee on Labor, Commerce, Research & Economic Development (LCRED), a laundry list of confidential information OPEGA would like to collect from Maine businesses in order to continue to evaluate not only the Pine Tree Zone Program but all tax incentives.

The request was presented to the committee at a work session on **LD 1654, An Act to Protect Economic Competitiveness in Maine by Extending the End Date of Pine Tree Development Zone Program Benefits**. Sponsored by Sen. Troy Jackson (D-Aroostook), the bill would extend benefits by five years under the Pine Tree Development Program since the program will end on December 1, 2018.

OPEGA's presentation has opened up the debate on what information is appropriate to collect for reviews of tax expenditures. That is a different policy issue than the one involved with the bill at hand. While supportive of transparency, the Maine State Chamber has long been strongly opposed to the collection of data that places Maine businesses at competitive risk. The type of data OPEGA is requesting

*Continued on Page 6...*

**Inside Impact...**

**2018 Business Day . . . . . p. 7**

**Education . . . . . p. 3**

**Legislative Social . . . . . p.**

**Marijuana Legalization . . . . . p. 1**

**New Legislation . . . . . p. 6**

**New Markets Tax Credit . . . . . p. 3**

**Pine Tree Zones . . . . . p. 1**

**Public Hearings . . . . . p. 7**

**Vol. 52, No. 06 Impact  
(207) 623-4568**

**Impact** (ISSN 1055-3029) is published weekly January through June and monthly July through December by the Maine State Chamber of Commerce, 125 Community Dr., Suite 101, Augusta, Maine 04330-8010. Periodicals postage paid at Augusta, Maine, and additional mailing offices. Maine State Chamber member companies are assessed \$75.00 yearly for each newsletter subscription (subscribers or out-of-dues assessment). **POSTMASTER:** Please send any address changes to **Impact**, 125 Community Dr., Suite 101, Augusta, Maine 04330-8010.

**Chairman of the Board of Directors:**  
Charles "Wick" Johnson  
**President:** Dana F. Connors

*Information in this newsletter is intended to provide guidance, not legal advice. Since exact language and definitions of key terms are critical to understanding the requirements of legislation, rules or laws, we encourage you to read each carefully. Articles and information contained in this newsletter may be reprinted with attribution given to: Maine State Chamber of Commerce. Please address comments to Melanie Baillargeon, director of communications. Information about the Maine State Chamber of Commerce may also be viewed on the Internet at: [www.mainechamber.org](http://www.mainechamber.org). Our email address is [news@mainechamber.org](mailto:news@mainechamber.org).*

**About the Maine State Chamber of Commerce:** Since 1889, the Maine State Chamber has been fighting to lower your cost of doing business. Through our Grassroots Action Network and OneVoice program, we work with a network of approximately 5,000 companies statewide who see the value in such a service and provide the financial support that keeps our access, advocacy, and assistance efforts going strong. As Maine's Chamber, we make sure that the business environment of the state continues to thrive. The Maine State Chamber of Commerce advocates on behalf of their interests before the legislature and regulatory agencies and through conferences, seminars, and affiliated programs.

# Governor LePage delivers 2018 State of the State address



**EDITOR'S NOTE:** On Tuesday, February 13, 2018, Governor Paul R. LePage delivered his final State of the State address to a joint convention of the Maine Legislature and many invited guests, administrators, and dignitaries. Below is the text of Governor LePage's address, as prepared for delivery, for your review and consideration. Official remarks differ from prepared text. To view a video of Governor LePage's 2018 State of the State speech, please visit the [http://mainelegislature.org/Audio/#house\\_chamber?event=73953](http://mainelegislature.org/Audio/#house_chamber?event=73953), and scroll down on the right-hand calendar to "6:50:31 PM - State of the State."

Chief Justice Saufley, members of the 128th Legislature, distinguished guests, and my fellow citizens: I want to briefly remember Paul Mitchell of Waterville, brother of Senator Mitchell, who passed away this weekend. He was a dedicated public servant and a good friend.

As I begin the last State of the State Address of my time as Governor of this great state, let me first thank my wife Ann—please stand—for her service to the people of Maine these past seven years. I would not be here tonight without you. Ann, you have made Maine proud as our First Lady—and our family is proud of you. In case I forget, happy Valentine's Day tomorrow. I also thank our children. I appreciate my family's willingness to share my time with the duties of being Governor.

To Staff Sergeant Ronald Fowler of the Air Force's 243rd Engineer Installation Squadron, the military herald

this evening, thank you for your selfless service to our state and nation. We congratulate you on being our state's 2018 Outstanding Airman of the Year. Ann and I are grateful to all our military and their families for their service.

I would also like to recognize two members of my staff, Angela Kooistra, our sergeant of security, and Holly Lusk, my chief of staff.

I'm here tonight to speak to you about the future of our state. We have made progress—but there is much more we could have done and more that we can do to move our state forward.

In his last State of the Union, President Ronald Reagan said: "If anyone expects just a proud recitation of the accomplishments of my administration, I say let's leave that to history; we're not finished yet. So, my message to you

**Continued on Page 5...**

## Chamber testifies in support of New Markets Tax Credit bill

### Proposal to limit “same day loans” receives OTP Report

On Tuesday, February 13, Linda Caprara testified on behalf of the Maine State Chamber before the Joint Standing Committee on Taxation in support of **LD 1796, An Act to Improve the Effectiveness of the New Markets Capital Investment Credit**, (Rep. Ryan Tipping, D-Orono). The committee immediately went into work session following the public hearing and voted unanimous ought-to-pass on LD 1796.

Under Maine’s New Markets Capital Investment (NMCI) program, LD 1796 would exclude from the definition of “qualified low income community investment” a capital or equity investment if more than 5% of the investment is used to refinance costs, expenses or investments incurred or paid by the qualified active low income community business or a party

related to the qualified active low income community business prior to the date of the qualified low income community investment; would make equity distributions from the qualified active low income community business to its owners; acquire an existing business or enterprise in the state; or pay transaction fees. Basically, the bill excludes from the tax credit investments that are used to cover payments referred to as “same day loans.”

NMCI was established by the Maine State Legislature in 2011. It is modeled after the bipartisan Federal New Markets Tax Credit Program and is run by the Finance Authority of Maine (FAME). The goal of the program is to bring job-creating development into economically depressed

*Continued on Page 8...*

## LD 1774 seeks pathway for adult education to employment

On Wednesday, February 14, the Maine State Chamber of Commerce testified in support of **LD 1774, An Act To Reduce Child Poverty by Leveraging Investments in Families for Tomorrow** (Speaker Gideon of Freeport).

The Maine State Chamber of Commerce supports policies and regulations that spur the investment in, and help grow, our economy. One of the biggest issues facing our state today is our current workforce challenge. It is widely known that to be competitive in the global workplace of the future, Maine will need approximately 158,000 *more* workers with postsecondary degrees or credentials by 2025 than exist here today. Right now, employers in health care,

construction, finance, manufacturing, and other sectors report difficulty in finding workers with the right skills.

Part of the solution to address Maine’s aging and shrinking workforce must be to focus on Maine’s adult learner population. LD 1774 helps advance more low-skilled, low-wage adult workers in today’s economy while using already existing funds. This bill recognizes that many individuals’ barriers to employment are broader than simple skill deficiencies. It will help pave a pathway from education to employment for these adults, while providing them with the support they need to succeed, resulting in real, positive results. This legislation

*Continued on Page 8...*

For the most current information, visit [www.mainechamber.org](http://www.mainechamber.org)



Flip a switch and we're there!

Supporting the communities we serve  
[www.cmpco.com](http://www.cmpco.com)

 CENTRAL MAINE POWER

Summit is making converting to natural gas simple and

**AFFORDABLE**

with our 2018 promotional rebates for your business!

**SAVE AS MUCH AS \$6,800\***

on the conversion of your business's primary heating system

 Summit Natural Gas

Take advantage of BIG SAVINGS on converting your heating system to affordable natural gas.

For more information, call 800.909.7642 or visit, [SummitNaturalGasMaine.com/rebates](http://SummitNaturalGasMaine.com/rebates).

\*Subject to terms and conditions set forth in Summit's tariff. The program is for a limited time only. The premises must be converted to a natural gas primary heating system and cannot previously have received natural gas service. Applicant must execute a customer agreement with Summit by 9/30/2018 and must complete conversion to natural gas and begin receiving natural gas service by 12/31/2018. The amount of the rebate available to Applicant is subject to the terms and conditions in Summit's tariff and, in certain instances, pre-approval by Summit. Applicant must submit verifiable documentation of conversion. The rebate may only be combined with Summit rebates and incentives provided for in Summit's tariff, and cannot be combined with other Summit promotions. The rebate must be redeemed by 3/31/2019. Visit [SummitNaturalGasMaine.com/rebates](http://SummitNaturalGasMaine.com/rebates) for more information and full program details.

# MaineHealth

mainehealth.org



Proud sponsor of the Maine State Chamber  
Legislative Strictly Social



Altria's companies promote economic development in the communities we call home.

We support initiatives that attract capital investment and create new jobs. We're committed to leadership development programs that prepare future leaders for community service.

Altria salutes the Maine State Chamber of Commerce.

Altria commends the Chamber's efforts to promote a positive business climate in the State of Maine.



Philip Morris USA • U.S. Smokeless Tobacco Company • John Middleton  
Nu Mark • Ste. Michelle Wine Estates

Take a closer look at Altria.com

© Altria Group, Inc. 2018

## Marijuana Legalization... (Continued from Page 1...)

This is the so-called non-discrimination provision that is creating considerable debate, doubt, and confusion. While some advocates and lawyers are saying that this means that Maine employers must ignore off-duty marijuana use, I disagree that it is as clear-cut as this. This word “solely” is an important qualifier in this sentence. For example, I believe that if an employer makes a decision not to hire an applicant for a safety-sensitive position based upon a positive marijuana drug test and a fitness-for-duty evaluation, this would not be a refusal to employ the person based solely on their marijuana use. The MLA also contains the statement that “this [law] does not affect the ability of employers to enact and enforce workplace policies restricting the use of marijuana by employees...” Expect employers to argue that this language recognizes the right of an employer to have a drug-free workplace policy, which prohibits the use of any illegal drugs (under state or federal law) by employees. The short answer is that the loosely-drafted MLA referendum language has sown seeds of uncertainty, which serve neither employers nor employees.

### The Future of the Legislation...

In order to address many of the questions and issues raised by the MLA, the Legislature established the Joint Select Committee on Marijuana Legalization Implementation (MLI). After months of work, this committee produced a bill (LD 1650), which addressed the workplace issues in a sensible and practical manner that put workplace safety as the highest priority. The non-discrimination language was removed. **LD 1650** was approved by the Legislature on October 23, 2017, but vetoed by the Governor who pointed to the conflict between Maine and federal laws, and uncertainly how the Trump administration would treat states that seek to legalize marijuana. The veto was ultimately sustained by the Maine House of Representatives, and LD

1650 did not become law.

In the interim, the MLI committee went back to the drawing board in January 2018. **LD 1719**, *An Act to Implement a Regulatory Structure for Adult Use Marijuana*, took up where LD 1650 left off. The committee continued to refine the previous legislation in an attempt to address the concerns of the Governor, and legislators who supported his veto. Amongst those provisions that were retained was the workplace language from LD 1650. However, LD 1719 has not yet been voted on by the full legislature, nor undergone gubernatorial scrutiny. Thus, when the moratorium was not extended on February 1, 2018, the employment provisions of the MLA took effect.

At the same time, there are murmurings that the Maine Department of Labor will remove marijuana from the list of drugs that employers test for under the MDOL's model policy. I believe that such an approach is not required by the current law, and would be a mistake.

### What's Next?

The Joint Select Committee on Marijuana Legalization Implementation will continue to hammer out a bill that addresses a host of recreational marijuana issues. It will be critical for employers to pay close attention to the proposed legislation and voice their concerns if there is a push to re-introduce the non-discrimination language into the bill. As things stand, the utility and future of many employer drug-testing policies are in question. The Legislature's inaction has put employers who drug test in a quandary: Should they still drug test for marijuana? What happens if an applicant tests positive for recreational marijuana? Must an employer hire a recreational marijuana user for a safety-sensitive position? These questions were already tricky, and Augusta's latest actions, or inaction, have made them all the more challenging. □

*Peter Lowe is a partner at Brann & Isaacson and has counseled Maine employers for more than 25 years, and he has spoken and written extensively on marijuana in the workplace.*

## State of the State... (Continued from Page 2...)

tonight is put on your work shoes; we're still on the job."

Now is not the time to slow down. I will continue working until the last minute of my last day.

I came into office saying I will put people before politics, and I have tried to do that. Politics as usual puts our most vulnerable Mainers at risk. As most of you know, I'm no fan of the status quo.

Today, special interests continue to hijack our ballot box and politicians continue to kowtow to wealthy lobbyists and welfare activists. The Legislature has forgotten about the Mainers who need our help the most.

Our elderly, our intellectually and physically disabled and even our youth are being left out of the process. I vow to spend my final year as Governor fighting for those Mainers who don't have a voice in Augusta.

For years I have listened to liberals talk about compassion. Subsidizing solar panels for wealthy homeowners at the expense of our needy is not compassionate. Raising taxes on hard-working families to expand welfare entitlements for able-bodied people is not compassionate. Catering to the activists in the halls of the State House instead of the struggling family businesses on Main Street is not compassionate.

I know what it's like to need help. That's why I meet one-on-one with constituents on Saturday mornings. That's why I get involved in cases that affect our elderly and our most vulnerable. They need our help. It's our job to help them. We are, after all, public servants.

### Reducing Property Taxes...

For the past seven years as Governor, my priority has been to make all Mainers prosper. Too many Maine families are facing skyrocketing property taxes that strain household budgets. Our elderly on fixed incomes are particularly vulnerable to these increases. You simply cannot tax your way to prosperity. As Chief Justice John Marshall wrote, "The power to tax is the power to destroy."

School budgets are often blamed for property-tax increases. The real culprit is the tremendous amount of land and property value we've allowed to be taken off

the tax rolls, leaving homeowners to pick up the tab. These landowners must contribute to our tax base.

It's time for all land and real estate owners to take the burden off homeowners and pay taxes or a fee in lieu of taxes. The federal government does! Maine property-tax payers need a break.

We proposed allowing municipalities to collect property taxes or fees from large non-profit entities, and we've tried to require land trusts to contribute to the tax rolls. We have been met with staunch resistance from Democrats.

We must think outside the box. Tough problems call for tough decisions and solutions. I don't walk away from tough decisions. I've proven that on occasion.

We established an online registry for all non-profits to report conservation-land ownership.

The result of all property-tax exemptions reported within municipalities exceeds \$18 billion. Think about that—\$18 billion.

The loss of that tax revenue has shifted over \$330 million in property taxes onto the backs of local homeowners.

My office is distributing to each legislator the total value of property taken off the tax rolls for each town, along with the estimated increase in taxes paid annually by property owners.

Over 4 million acres have been conserved by the federal and state governments, as well as non-profit organizations, such as land trusts. Nearly 20 percent of our state is conserved from development. This is an area larger than the size of Connecticut.

In 1993, about 35,800 acres of land was owned by land trusts. That number has increased by an astonishing 1,270 percent. Land trusts now control more than half-a-million acres with an estimated value of over \$400 million.

Ask your local officials how much land in your community has been taken off the tax rolls. Ask them how much in tax revenue it would be contributing today to help reduce your property taxes.

The desire to preserve land without benefit to the taxpayers or their input is out of control. We must restore balance.

We must ensure that all property owners are required to contribute to the local tax base. Everyone must pay their

**Continued on Page 8...**

## Connect with us daily on these social media platforms!



[www.mainechamber.org](http://www.mainechamber.org)



[@mainechamber](https://twitter.com/mainechamber)



[www.facebook.com/  
MaineChamber](http://www.facebook.com/MaineChamber)



[www.youtube.com/user/  
MaineChamber](http://www.youtube.com/user/MaineChamber)



[www.linkedin.com/  
company/11137613/](http://www.linkedin.com/company/11137613/)



Welcome a clean,  
affordable and reliable  
energy source into  
your home or business

Discover the convenience  
of Natural Gas

888-486-4845  
www.unitil.com



## Digest of New Legislation

Maine Chamber staff have studied each of these recently printed bills to assess potential impact on business trends. If you have concerns regarding any bill, please communicate those concerns to a member of our governmental services staff at (207) 623-4568.

### LABOR

**LD 1654, An Act to Protect Economic Competitiveness in Maine by Extending the Pine Tree Zone Development Program Benefits.** (Sen. Jackson, D-Aroostook) *Joint Standing Committee on Labor, Commerce, Research, and Economic Development.* The bill would extend by five years the Pine Tree Zone Development program after December 1, 2018.

### WORKFORCE DEVELOPMENT

**LD 1774, An Act To Reduce Child Poverty by Leveraging Investments in Families for Tomorrow.** (Speaker Gideon, D-Freeport) *Joint Standing Committee on Health and Human Services.* This bill establishes two programs intended to strengthen the financial stability of low-income families with children and individuals through increased access to education and training services and the support services needed to participate. The first program is a food supplement employment and training program that requires partnership agreements to be made between the Department of Health and Human Services and 3rd-party educational institutions or community-based organizations that meet certain standards to provide education, training and support services to eligible adults who are food supplement benefit recipients. This program is supported with federal supplemental nutrition assistance program funds. The 2nd program is a companion to the current Parents as Scholars Program and is available to persons with minor children who do not qualify for cash assistance under the Temporary Assistance for Needy Families program, who have incomes at or below 185% of the federal poverty level and who are pursuing a postsecondary degree, industry-recognized certificate or similar credential in a field or occupation that has at least an average job outlook as identified by the Department of Labor. This program is funded with Temporary Assistance for Needy Families block grant funds. □

## Pine Tree Zones... (Continued from Page 1...)

is very concerning to the business community. The tax incentives Maine has on the books are performance-based incentives – meaning the business only receives the incentive if an investment is made. OPEGA is asking the committee for authority to collect considerable information which the Maine State Chamber, and our members, would consider proprietary in nature. Unfortunately, they have listed the incentive programs as “public assistance programs.” The information would include:

- ♦ List of all public assistance programs (state, federal and municipal) that the business received benefits from during the report year and the value of benefits received from each program (includes tax expenditures and non-tax expenditure programs), with indication of which physical locations those

benefits were associated;

- ♦ Total dollars of incremental investment during report year with breakdown of what invested monies were spent on (i.e. equipment and machinery, non-residential construction, contracted services, real estate purchases) that includes detail of dollars spent with Maine-based suppliers/vendors for each breakdown category;
- ♦ Amount of change in sales revenues from immediately preceding report year (in the first report year this would be change since date of certification);
- ♦ Total amount of wages and salaries and benefits (benefits reported separately from wages and salaries) for qualifying employees for report year with detail on range and median of wages and salaries;
- ♦ Total number of qualifying jobs retained from past report year due

to public assistance benefits received within the last municipal) that the business received benefits from during the report year that were specific to this business activity / development project and the value of benefits received from each program (includes tax expenditures and non-tax expenditure programs); and,

- ♦ Total dollars cost associated with business activity / development project for the report year with breakdown by payroll and benefits, capital investment, maintenance expense and operating expense with detail on money spent with Maine-based suppliers/vendors for all categories but payroll and benefits.

A second work session has not yet been scheduled. For questions or additional information, please contact Linda Caprara by calling (207) 623-4568, ext. 108, or by emailing [lcaprara@mainechamber.org](mailto:lcaprara@mainechamber.org). □



# Business Day at the Statehouse

Thursday, March 8 ♦ 8:00 a.m. to Noon  
Statehouse Hall of Flags



The Maine State Chamber of Commerce is hosting its annual Business Day at the Statehouse on Thursday, March 8, 2018, from 8:00 a.m. to 12:00 p.m. in the Hall of Flags (Statehouse, Second Floor).

For more information or to RSVP, please contact Linda Caprara, director of grassroots advocacy, by calling (207) 623-4568, ext. 106, or by emailing [lcaprara@mainechamber.org](mailto:lcaprara@mainechamber.org). With your participation, the “Voice of Maine Business” will resonate throughout Augusta!



## Thank you to the sponsors of 2018 Business Day at the Statehouse:

- Allied Engineering, Inc.
- Backyard Farms, LLC
- Burns & McDonnell
- Consolidated Communications
- Emera Maine
- EMHS
- Enbridge
- Hannaford Supermarkets
- IDEXX Laboratories, Inc.
- Maine Department of Economic & Community Development
- MaineHealth
- Poland Spring Water Company
- Procter & Gamble-Tambrands
- Reed & Reed
- Spectrum Healthcare Partners
- Texas Instruments



## Public Hearings

Public hearings are open to everyone. This public hearing schedule is subject to change. Questions may be directed to the Secretary of the Senate's Office at (207) 287-1540. For the most current schedule, please visit <http://legislature.maine.gov/lto/committee-membership/9089/> or contact the committee clerk.

### Tuesday, February 20, 2018

#### Taxation

#### 1:00 p.m.; State House, Room 127

**LD 1461** (Work Session), An Act To Encourage the Construction of Affordable Housing (Sen. Volk of Cumberland)

**LD 1629** (Work Session), An Act To Protect the Elderly from Tax Lien Foreclosures (Rep. Espling of New Gloucester)

**LD 1723** (Work Session), An Act To Expand Job Opportunities for People Working in Maine (Rep. Herbig of Belfast)

**LD 1744** (Work Session), An Act To Create the Hire American Tax Credit for Businesses That Hire Residents of the United States (Sen. Jackson of Aroostook)

**LD 1805** (Work Session), An Act To Amend the Maine Tax Laws (Sen. Dow of Lincoln)

### Wednesday, February 21, 2018

#### Education and Cultural Affairs

#### 9:00 a.m.; Cross Building, Room 202

**LD 1829**, An Act To Amend the Laws Governing Education (Rep. Stewart of Presque Isle)

### Tuesday, February 27, 2018

#### Insurance and Financial Services

#### 1:00 p.m.; Cross Building, Room 220

**LD 696**, An Act Regarding Insurance and Financial Services (Rep. Lawrence of Eliot)

**LD 1792**, An Act To Improve Market Stability for Maine Residents Purchasing Individual Health Insurance Coverage (Rep. Lawrence of Eliot) □

## **New Markets...**

*(Continued from Page 3...)*

areas that would otherwise be unattractive to investors. It provides a 39% credit over seven years for investors who make qualified equity investments in qualified active low-income community businesses.

Maine's New Markets Capital Investment Program is one of few incentive programs Maine has to attract badly needed out-of-state capital to the state, and it is not something we can afford to lose. About 73% of the investments under the program were north of Bangor, including 21% in Washington County and 16% in Somerset County. The program has created or retained 764 permanent jobs directly, and more than 1,000 indirect jobs throughout the supply chain of the various projects funded by the program.

If you have any questions, please contact Linda Caprara by calling (207) 623-4568, ext. 106, or by emailing [lcaprara@mainechamber.org](mailto:lcaprara@mainechamber.org). □

## **LD 1774...**

*(Continued from Page 3...)*

connects education and training, will help increase wages, and will expand opportunities for better paying jobs and for children's chances for a bright future. Not surprisingly, parents who have stronger literacy skills and more education themselves are better situated to help their children learn.

This legislation will help address the economic challenges facing businesses, individuals, and communities, and in building a skilled workforce to support sustainable economic growth will create more opportunities for workers and businesses to prosper.

For more information or questions, please contact Megan Sanborn by calling (207) 623-4568, ext. 108, or by emailing [msanborn@mainechamber.org](mailto:msanborn@mainechamber.org). □

## **State of the State...**

*(Continued from Page 5...)*

fair share. It's common sense.

Richard and Leonette Sukeforth are the elderly couple who were evicted from their home due to their inability to pay their property taxes on their fixed income. Due to health reasons, Mr. and Mrs. Sukeforth were unable to attend tonight.

In 2015, the town of Albion foreclosed the Sukeforths' home and sold it for \$6,500. A compassionate neighbor offered to pay the taxes, but the town officials refused to accept the money. The new owner evicted them and demolished their home.

I learned of Sukeforths' situation after the foreclosure had occurred—it was too late to help them. I submitted a Governor's bill to protect the elderly from tax lien foreclosures going forward.

We must fight to protect our parents and grandparents whose fixed income cannot keep up with rising property taxes.

This common-sense solution will require municipalities to be a bit more compassionate to our elders. I thank Representative Espling for sponsoring this bill, and I urge both chambers to pass it. This is the right thing to do for our senior citizens.

## **Tax Conformity...**

My tax cuts have resulted in tangible savings for Maine families. A family of four earning \$90,000 pays 29 percent less than they did under the prior law. A fam-

ily of four earning \$35,000 no longer pays the \$298 tax bill they did under the prior law. Despite what my colleagues to my left say, these are not tax breaks for the rich. These cuts are meaningful savings for hard-working families.

The new federal Tax Cut and Jobs Act will provide more savings for families and businesses. The federal tax cut will result in an estimated economic benefit of approximately \$1 billion in 2019. More than \$500 million of that will be in direct income tax cuts for Mainers. Our small businesses will receive tax cuts of an additional \$200 million.

Whenever Congress changes the federal tax code, Maine must decide whether to conform our tax code to the federal changes. Doing so is better for the taxpayer because it simplifies tax filing. It is also better for the state because the IRS takes the lead on income-tax compliance, and we do not have to fund duplicate services, like additional auditors, in Maine.

For that reason, I will be proposing legislation to conform to the new federal law. However, since strict conformity would result in a tax increase to Mainers, my bill will include a proposal that offsets any tax increase. Let me make this perfectly clear: I will not support any conformity measure that results in a net increase in income taxes.

In fact, I will not support ANY increase in taxes for either tax conformity or to pay for Medicaid expansion.

*Continued on Page 9...*





## State of the State...

(Continued from Page 8...)

### Medicaid Expansion...

Maine's previous experiment with Medicaid expansion plunged our state into financial disarray. However, make no mistake: Medicaid expansion is the law, and I will execute the law. But funding it is the Legislature's constitutional duty, as it is the Legislature's job to appropriate the funds.

Appropriate the money, so we can implement the law. The time is now—not after the next election.

I have laid out four basic principles to guide your decision on how to pay for Medicaid expansion. I will not jeopardize the state's long-term fiscal health. We must avoid the budget disasters of the past.

We must fund Medicaid expansion in a way that is sustainable and ongoing. Therefore, my principles are as follows:

- 1 No tax increases on Maine families or businesses.
- 2 No use of the Budget Stabilization Fund (which we call the "Rainy Day Fund").
- 3 No use of other one-time funding mechanisms—known as budget gimmicks.
- 4 Full funding for vulnerable Mainers who are still waiting for services, and no reduction of services or funding for our nursing homes or people with disabilities.

It would be fiscally irresponsible for the Legislature to demand we implement Medicaid expansion without adequate funding. It is simply not too much to ask the Legislature to prioritize our truly needy over those looking for a taxpayer-funded handout.

DHHS cannot hire and train the additional 105 staff needed to run the expanded Medicaid program without money. We cannot pay the state's share of the new enrollees' medical bills without funding.

Democrats, hospitals, advocacy groups and wealthy out-of-state special interests who campaigned for this referendum claim that adding 80,000 people to a taxpayer-funded entitlement program will save money. I take you at your word. Show me the money and put your plan in writing. Show the Maine people how you will pay for Medicaid expansion.

I ask Theresa Daigle and Josiah Godfrey to please stand up. These are the

people you should be thinking about. Theresa has shared with me the hardships she and her son have experienced while awaiting services for his physical and intellectual challenges. Josiah has autism, an intellectual disability, and bipolar disorder. He qualifies for services, but he is stuck on your waitlist.

Because his mother will need to care for him, it will be impossible for her to continue working. She has been told that she may need to leave Josiah at St. Mary's and refuse to pick him up—thus making him homeless—in order to qualify for Section 21 services. **THIS IS WRONG!**

I ask that the Legislature fully fund these programs so people like the Daigles can get the help they desperately need and qualify for. I have proposed to fully fund them, but Legislators chose to use the money for other programs, like giving welfare to illegal immigrants. That is simply wrong. Maine people need to come first.

Do the right thing for Josiah and his worried mother. Fund the Section 21 and 29 programs.

### Keeping Young People In Maine...

Now, many legislators tell me that they don't pass bad bills. Let me give the Maine people tonight an example of a horrible bill.

I vetoed a bill that would prohibit 18-year-old adults from buying cigarettes, but the Legislature overturned it. This law denies rights and responsibilities to 18-year-old adults who want to purchase a legal product.

This is not about cigarettes—no one should ever start smoking. This is about protecting our personal choices from an ever-expanding nanny state.

Our laws must recognize one age when adulthood begins. You, the Legislature, must pick that age. I don't care what the age is, whether it is 18 or 21. It can't be both.

Legislators have no problem letting 18-year-olds vote for them in elections or die in wars. Let's think about that a moment—legislators think 18-year-olds are not adult enough to decide whether they should purchase cigarettes. But they think 18-year-olds are adult enough to vote on complex referendums like the legalization of marijuana, the elimination of the tip credit, and a 3 percent tax surcharge that would devastate our economy.

## Legislative Week Ahead

Check it out at  
[www.mainechamber.org/legweekahead.php](http://www.mainechamber.org/legweekahead.php)



Young adults should be treated like adults. If 18-year-olds can fight for our country, pay taxes, get married and divorced and make personal medical decisions—and even younger teens can use birth control and smoke "medical" marijuana—then let's make adulthood start at 18. If they can do all that, they should be able to decide if they want to buy legal products.

The last I knew this was still a free country. That includes the freedom to make personal choices—free from government interference.

Frankly, drinking is no different, the federal government uses the threat of defunding road construction if 18-year-olds are allowed to drink, so let's make adulthood 21.

### Investing In Our Economy...

We are the oldest state in the nation. We must attract young people to Maine. Our current position requires us to get serious about growing our state. Please join me in this effort.

I will put forth bills this session to support investment in Maine and the develop-

**Continued on Page 10...**

## State of the State...

(Continued from Page 9...)

ment of our workforce. We have spent seven years fixing Maine's balance sheet. Now is the time to make investments in our economy and for the Maine people.

Our bond sales have not focused on commercialization. I support a commercialization bond. Maine has always supported research-and-development bonds, hoping it would create jobs. Although R&D is critical, it is not enough to bring an innovative idea to market.

Developing a patent that sits on a shelf is not a good return on investment for our taxpayers. We must focus on commercialization.

Our innovators create a vast array of products in many industries: bio-tech; high-tech; forest products; manufacturing; aquaculture; agriculture. We must invest in commercialization as we do in research.

Let's get our products to market. Let's offer excellent careers at high wages for our people. Let's attract newcomers to our state.

If our state is to survive and prosper, we need to grow our workforce and keep our economy growing. Record numbers of baby boomers are entering retirement. Employers need to replace these skilled workers. For our economy to continue to grow, we must attract and retain young people.

Not only will these young people work in our industries, but they will also buy homes, pay taxes, invigorate our communities and, yes, have children.

We can invest in our young people by relieving some of the burden of student debt for those who want to stay in Maine or choose to relocate here and start their professional careers.

High student-loan payments prevent our young people from buying a house or a car or spending their money at local businesses. Many take higher-paying jobs out of state to survive. They simply cannot afford to live in Maine.

We cannot continue to sit by while our employers have vacant positions that young people could fill. I will be submitting legislation again to create and fund initiatives that make these strategic investments.

My initiative—the Maine Student Loan Debt Relief Program—calls for a



\$50 million bond to fund zero-interest student loans to keep Maine kids in school attending Maine colleges and universities.

It also calls for a new, low-interest refinancing program to encourage graduates from outside Maine to work in our great state.

In addition, I am asking the Legislature to simplify and increase the Opportunity Maine tax credit so employers can attract and retain the young workforce we need. The return on these investments will pay enormous dividends by encouraging young people to come here and help to reverse our declining population.

Good-paying jobs attract workers. To attract manufacturing jobs, more than half the states—28—have passed Right to Work legislation.

Kentucky became a Right to Work state in 2017. It has already proven to be a major catalyst for growth. Kentucky shattered its annual economic investment record in 2017, reaching \$9.2 billion—nearly doubling its previous record of \$5.1 billion.

Mainers are missing out on these opportunities. I urge you to have a serious debate on Right to Work.

### Fiscal Responsibility...

Despite our challenges, we have made state government more efficient and more accountable. We lowered the tax burden on hard-working Mainers. We cut the pension-fund deficit by nearly half. We paid off the hospital debt. We reformed welfare.

People say they want government to run like a business—until it does. Now we must make sure our progress is not hijacked by big-money, out-of-state liberals who continue to use our broken referendum process as a means of implementing their social-engineering agenda.

The will of the people is the constitution of our state—a representative republic. But if we want to govern through referendum, we do not need a Legislature. However, as we have seen, governing through referendum has been very destructive to many true democracies.

It took a shutdown of state government to prevent the most damaging of the 2016 referenda from taking effect.

I will fight just as hard this year to make sure we keep moving forward. There is nothing wrong with Maine people realizing a bit of prosperity.

I am pleased to report that the state of our financial house is good. In fact, it is in better shape than any time in the past 40 years. Our economy is strong. Unemployment is at 3 percent—down from 8 percent in 2011, and lower than the national and New England averages.

And the number that some call the “real” unemployment rate, which includes people working part-time or those no longer even looking for work, has fallen to Maine's lowest-level ever.

**Continued on Page 11...**

## State of the State...

(Continued from Page 10...)

The number of jobs in our private sector is at an all-time high. Unfortunately, our problem is we have more deaths than births. That is why we must continue to be fiscally responsible. We must enact policies to attract young people, not chase them away.

Our good fiscal health is the result of making tough decisions and taking bold action—like using the liquor bond to pay off our hospital debt.

We have had a positive General Fund cash position for the past three fiscal years. We project this fiscal year's General Fund ending cash will remain positive. But we cannot pat ourselves on the back and say we have done enough. The job is not done.

Before I took office, Augusta used the Budget Stabilization Fund as their own personal slush fund. It damaged our credit rating and put the state at risk during financial emergencies. We've built this rainy-day fund to over \$200 million—an amount greater than the average of the funds of all New England states.

We promised to bring fiscal sanity to Augusta, and we did it.

The credit rating agencies have improved our credit rating. It is less expensive now for us to borrow money to improve our roads and bridges and to fund other essential capital projects.

We should strive to become a Triple-A-rated credit risk. Increasing the fund to \$300 million would help us achieve this goal. We must keep moving forward.

We have right-sized the state's workforce, making it more efficient and more accountable. Former administrations balanced the budget on the backs of our state workers. I promised not to do that—and I didn't. We eliminated the furlough days; we restored merit pay increases; and we provided cost-of living increases, which will total six percent this biennium.

We told the state employees that if they like their union, they can keep their union. But we also told them that if they didn't want to join the union, they didn't have to, and we let them keep their wages instead of paying fees to subsidize a political agenda. And many have!

## We Must Continue Our Progress...

We need legislators who will pass laws that make sense and help Maine families—not politicians looking for feel-good headlines.

We have made great progress implementing reforms that have brought greater prosperity and created jobs. Just today, the North Carolina-based company LignaTerra announced it will build a new, cross-laminated timber facility at the former Great Northern Paper site in Millinocket.

We've been working with the company the last few months, and we are pleased that it will invest \$28 million and eventually create 120 new, good-paying jobs. Welcome to Maine, LignaTerra! Your investment is welcomed and appreciated.

My administration has eliminated red tape, created charter schools, cut taxes, improved our infrastructure, created new trade relationships, and reformed health insurance to lower costs—to name just a few reforms. Reforming government is hard work, but it is the right thing to do for our people.

I thank Rep. Ken Fredette, Rep. Ellie Espling, Rep. Jeff Timberlake, Rep. Heather Sirocki, Rep. John Martin, and Rep. Craig Hickman, as well as Sen. Rob Whittemore, Sen. Lisa Kiem, Sen. Eric Brakey, and Sen. Troy Jackson for working with me.

This is an election year, and this year's vote will be especially important. Mainers get the government they vote for. So I urge the Maine people to think carefully before going to the polls.

Think long and hard who you will send to the Legislature and to the Blaine House.

You will be voting to either protect Maine's fiscal health or to let politicians run it back into the ground.

You will be voting on whether to keep our taxes low and to maintain the right size of government or to let special interests and public-sector unions raise taxes and bloat government for their socialist agenda.

You will be voting on whether to respect our young adults or exploit our youth and chase them out of the state. You will vote on whether to keep growing our economy or to stifle it.

You will also be voting to continue our significant progress on welfare reform. Our policies now protect our

most vulnerable while encouraging those on welfare to look for work, if they are able. We are offering people a hand up, not a hand out.

You will be voting on whether to continue these common-sense welfare reforms or whether to return to the days of out-of-control welfare entitlements that almost bankrupted the state.

In my Inaugural address, I made a pledge to the Maine People, "to put you before politics: The parents trying to make a better life for their kids; the retirees trying to hold onto their homes on a fixed income; the college graduate trying to find a good paying job; the entrepreneurs with the courage to take a chance on an idea; and, the taxpayers tired of footing the bill for a bloated establishment in Augusta. It is time to make state government accountable. It is time to deliver value. It is time to put Mainers first."

Those were the promises I made, and those are the promises I have kept. I promise to continue to fight for you until 11:59 a.m. on Inauguration Day.

To all the hard-working Maine taxpayers out there, it has been the biggest privilege of my life to work on your behalf as your Governor.

As a homeless kid living on the streets of Lewiston, I never imagined I would one day make it to the Blaine House. You are in my thoughts and prayers every minute of every day. Your prosperity is paramount for Maine's success.

I fought for you every day, and it has not been easy. But I would not have had it any other way. Thank you for letting me serve you and our great state.

I leave you with this quote President Reagan attributed to Abraham Lincoln:

"You cannot help the poor by destroying the rich. You cannot strengthen the weak by weakening the strong. You cannot bring about prosperity by discouraging thrift. You cannot lift the wage earner up by pulling the wage payer down. You cannot further the brotherhood of man by inciting class hatred. You cannot build character and courage by taking away people's initiative and independence. You cannot help people permanently by doing for them, what they could and should do for themselves."

God Bless the great State of Maine and God Bless America! We still have much to do—let's get to work. □

*Periodicals*

*Postage Paid*

*Lisbon, ME*

125 Community Drive, Suite 101  
Augusta, Maine 04330-8010



*This Networking Reception  
is brought to you by:*

**MAINE**  
**S T A T E**  
**CHAMBER**  
*of*  
**COMMERCE**

# Legislative Strictly Social

**Wed., February 28 ♦ 5:00 to 7:00 p.m. ♦ The Senator Inn & Spa** (Western Avenue, Augusta)

**COMPLIMENTARY HORS D'OEUVRES & CASH BAR**

The Maine State Chamber invites you to its **FREE Legislative Strictly Social** networking reception. Our annual Legislative Strictly Social is an ideal way for you, the Maine business leader, to interact with legislators, business associates, new and prospective Maine State Chamber members, and government representatives in a relaxed setting. **Please register by emailing your complete contact information to [kmorrell@mainechamber.org](mailto:kmorrell@mainechamber.org).**

**THANK YOU TO OUR SERIES SPONSORS!**

*Casella Waste Systems, Eastern Region; Maine Department of Economic & Community Development;  
Spectrum Healthcare Partners; University of New England; Vanasse Hangen Brustlin, Inc.*