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L.D. 1943

Date:

(Filing No. H-)

HOUSING AND ECONOMIC DEVELOPMENT

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STATE OF MAINE HOUSE OF REPRESENTATIVES 132ND LEGISLATURE FIRST SPECIAL SESSION

COMMITTEE AMENDMENT “ ” to H.P. 1302, L.D. 1943, “Resolve, to Establish a Commission to Study the Role of Private Equity in Maine's Economy and in Key Economic Sectors”

Amend the resolve in section 1 in the indented paragraph in the first line (page 1, line 6 in L.D.) by striking out the following: "'private equity firm' means" and inserting the following: "'private equity' means a class of investments or assets, including hedge funds, venture capital, growth capital, mezzanine capital, leveraged buyouts, secondary buyouts and carve-outs, used to purchase or invest in nonpublicly traded businesses or real estate. For purposes of this resolve, 'private equity firm' means'

Amend the resolve in section 2 in subsection 2 in the first line (page 1, line 13 in L.D.) by striking out the following: "national,"

Amend the resolve in section 2 in subsection 3 in the first line (page 1, line 16 in L.D.) by inserting after the following: "sectors" the following: 'in the State'

Amend the resolve in section 2 in subsection 3 in the 2nd line (page 1, line 17 in L.D.) by inserting after the following: "energy," the following: 'child care,'

Amend the resolve by striking out all of sections 3 and 4 and inserting the following:

'Sec. 3. Membership. Resolved: That, notwithstanding Joint Rule 353, the commission consists of the following members:

1. Two members of the Senate, appointed by the President of the Senate, including one member of the party holding the largest number of seats in the Legislature and one member of the party holding the 2nd largest number of seats in the Legislature;

2. Two members of the House of Representatives, appointed by the Speaker of the House, including one member of the party holding the largest number of seats in the Legislature and one member of the party holding the 2nd largest number of seats in the Legislature;

3. One representative from the Department of Health and Human Services, appointed by the Commissioner of Health and Human Services;

1 4. One representative from the Department of Economic and Community
2 Development, appointed by the Commissioner of Economic and Community
3 Development;

4 5. One representative from the Department of Administrative and Financial Services,
5 appointed by the Commissioner of Administrative and Financial Services;

6 6. One representative from the Finance Authority of Maine, appointed by the chief
7 executive officer of the Finance Authority of Maine;

8 7. Two members with expertise in public policy and economic transparency, one
9 appointed by the President of the Senate and one appointed by the Speaker of the House;

10 8. Two members with expertise in the health care, child care, housing or nursing home
11 sectors, including advocates or industry professionals, one appointed by the President of
12 the Senate and one appointed by the Speaker of the House;

13 9. Two academic experts in economics, business or public policy, one appointed by
14 the President of the Senate and one appointed by the Speaker of the House;

15 10. Representatives from relevant consumer advocacy groups focused on economic
16 fairness and transparency in markets, appointed by the President of the Senate and the
17 Speaker of the House;

18 11. One member who is a corporate attorney who specializes in governance, regulatory
19 compliance and risk management, appointed by the President of the Senate; and

20 12. Two representatives from private equity firms based in the State, including one
21 appointed by the President of the Senate and one appointed by the Speaker of the House.

22 **Sec. 4. Chairs. Resolved:** That the first-named Senate member is the Senate chair
23 and the first-named House of Representatives member is the House chair of the
24 commission.

25 **Sec. 5. Appointments; convening of commission. Resolved:** That all
26 appointments to the commission pursuant to section 3 must be made no later than 30 days
27 following the effective date of this resolve. The President of the Senate and the Speaker of
28 the House shall notify the Executive Director of the Legislative Council when all
29 appointments have been completed. After the appointment of all members, the chairs shall
30 call and convene the first meeting of the commission. If 30 days or more after the effective
31 date of this resolve a majority of but not all appointments have been made, the chairs may
32 request authority and the Legislative Council may grant authority for the commission to
33 meet and conduct its business.

34 **Sec. 6. Duties. Resolved:** That the commission shall:

35 1. Collect and analyze data on the market shares, transparency practices and economic
36 effects of private equity firms that carry out business in the State, including the economic
37 cost to the State and the potential loss of state revenue;

38 2. Consult with experts in economics and public policy and in the energy, child care,
39 health care, housing and nursing home sectors and members of private equity firms based
40 in the State;

41 3. Consult with organizations involved in private investment intended to spur
42 innovation and business-specific growth in the State; and

4. Study the private equity industry and the systemic economic risks and potential harm posed by the private equity industry to the State.

Sec. 7. Staff assistance. Resolved: That the Legislative Council shall provide necessary staffing services to the commission, except that Legislative Council staff support is not authorized when the Legislature is in regular or special session.

Sec. 8. Report. Resolved: That, no later than December 3, 2025, the commission shall submit a report that includes its findings and recommendations, including suggested legislation, to the Joint Standing Committee on Housing and Economic Development. The report may include legislative proposals to address the effects of private equity firms on the State's economy and key economic sectors, such as energy, child care, health care, housing and nursing homes. The joint standing committee may submit a bill related to this report to the Second Regular Session of the 132nd Legislature.'

Amend the resolve by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment, which is the majority report of the committee, makes the following changes to the resolve.

1. It adds a definition for "private equity."
2. It limits the focus of the commission to state and local impacts, not national impacts.
3. It requires that Legislators appointed to the commission from the Senate and the House of Representatives represent the 2 parties holding the largest number of seats in the Legislature.
4. It clarifies which state agencies are to be represented on the commission and requires the commissioners of those agencies to appoint agency representatives, not the President of the Senate or the Speaker of the House.
5. It adds representatives from private equity firms based in the State to the commission.
6. It requires the commission to consult with organizations involved in private investment intended to spur innovation and business-specific growth in the State.
7. It requires the commission's report to be submitted to the Joint Standing Committee on Housing and Economic Development, not the Joint Standing Committee on Health Coverage, Insurance and Financial Services.
8. It adds provisions required by Joint Rule 353 on staffing of the commission, the appointment of members and convening of the commission and selection of commission chairs.

FISCAL NOTE REQUIRED

(See attached)