MAINE STATE LEGISLATURE

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STATE OF MAINE

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SARAH C. DIAMOND EXECUTIVE DIRECTOR

114th LEGISLATURE

LEGISLATIVE COUNCIL

LEGISLATIVE COUNCIL

MAY 3, 1989

MEETING SUMMARY

APPROVED MAY 9, 1989

CALL TO ORDER

The meeting of the Legislative Council was called to order in the Council Chambers by the Chair, Speaker Martin, at 11:44 a.m.

ROLL CALL

Senators:

Sen. Pray, Sen. Clark, Sen. Dutremble, Sen.

Cahill

Absent: Sen. Webster

Representatives:

Rep. Gwadosky, Rep. Mayo, Rep. Martin, Rep.

Marsano, Rep. Webster

Legislative Officers:

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and Program Review

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Director

Note: Since the Chair, Speaker Martin, had called the meeting for a single purpose, the regular order of business was suspended.

NEW BUSINESS

Items #1: Tax Revenue Study

Speaker Martin had asked the members of the Committee appointed to oversee this study to attend the meeting. Those present from this committee included Sen. Andrews and Rep. Cashman, Co-Chairs, and Sen. Emerson, State Auditor Rodney Scribner, and State Tax Assessor John LaFever. Commissioner of Finance Jean Mattimore arrived later, having been called from another meeting.

Speaker Martin reported that he had called the meeting so that the entire Council could share a concern reported to him earlier by Rep. Cashman. At the Chair's request, Rep. Cashman reported that he had learned that Commissioner Mattimore and Mr. LaFever had called Peat Marwick, the firm contracted to do the tax study, to ask if they could fly to Washington to review the preliminary report before it was issued. Rep. Cashman expressed concern that he and Sen. Andrews as Chairs of the Oversight Committee had not been contacted before this call was made.

Mr. LaFever, when asked by the Chair to respond, reported that the purpose of his call was to follow-up the submission of quantities of data which had been prepared at Peat Marwick's request and to offer to sit down with the consultants for the purpose of reviewing the data to ensure that it would not be used inappropriately. He stated that his purpose was not to get an advance copy of the preliminary report.

The ensuing discussion focussed on the agreement that was struck at the time the Council authorized the contract with Peat Marwick: when the Oversight Committee was appointed, it was agreed that all communications with the consulting firm were to be coordinated through Kevin Madigan, Legislative Analyst, in the Office of Fiscal and Program Review. Rep. Cashman questioned whether Mr. LaFever's call reflected the spirit of that agreement; Mr. LaFever asserted that he and his staff had kept Mr. Madigan informed of the substance of all of their direct conversations with Peat Marwick, thus respecting not only the spirit, but the letter of the agreement.

Speaker Martin closed the discussion by clarifying that for the remainder of the contract with Peat Marwick, Mr. Madigan was to be involved in <u>any</u> and all contacts with the firm and that both the Chairs and members of the project Oversight Committee were to be notified in advance of any conversations with the firm. There were no objections; no formal action was taken.

ADJOURNMENT

The Legislative Council meeting was adjourned at 11:58 a.m. on the motion of the Chair.