

MAINE STATE LEGISLATURE

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LEGISLATIVE COUNCIL
Tuesday, February 26, 1991
1:30 p.m.
Legislative Council Chamber

REVISED AGENDA

CALL TO ORDER

ROLL CALL

SECRETARY'S REPORT

Summary of January 31, 1991, Council Meeting

EXECUTIVE DIRECTOR'S REPORT

Item #1: Law Library's Participation in URSUS

Item #2: Revisor's Drafting Status Report

Item #3: Committee Status Report

REPORTS FROM COUNCIL COMMITTEES

OLD BUSINESS

Item #1: Balances in Legislative Accounts at the End of Fiscal Year 1990. (Information requested by Rep. Marsano and distributed separately).

NEW BUSINESS

Item #1: Submission of Study Reports

- Select Committee on Comprehensive Tax Reform
- Joint Standing Committee on Appropriations and Financial Affairs: Study of Federal and Other Special Revenue Funds in Maine State Government
- Motor Fuel Tax Evasion Committee

Item #2: Governor's Executive Order Regarding Furloughs
(enclosed).

Item #3: Correspondence from the Joint Standing Committee on
Audit and Program Review regarding the Maine Seed
Potato Board. (Letter from Sen. Bustin and Rep. Erwin,
Committee Chairs).

Item #4: After Deadline Bill Requests. (List enclosed).

Item #5: Report from David S. Silsby, Director, State House and
Capitol Park Commission.

ANNOUNCEMENTS AND REMARKS

ADJOURNMENT



SEN. CHARLES P. PRAY
CHAIR

REP. DAN A. GWADOWSKY
VICE-CHAIR

STATE OF MAINE

115th LEGISLATURE

LEGISLATIVE COUNCIL

SEN. NANCY RANDALL CLARK
SEN. DENNIS L. DUTREMBLE
SEN. CHARLES M. WEBSTER
SEN. PAMELA L. CAHILL
REP. JOHN L. MARTIN
REP. JOSEPH W. MAYO
REP. WALTER E. WHITCOMB
REP. FRANCIS C. MARSANO

SARAH C. TUBBESING
EXECUTIVE DIRECTOR

LEGISLATIVE COUNCIL

Thursday, January 31

MEETING SUMMARY

APPROVED FEBRUARY 26, 1991

CALL TO ORDER

The Legislative Council was called to order in the Council Chambers by the Vice-Chair, Rep. Gwadosky, at 3:29 p.m.

ROLL CALL

Senators:	Sen. Pray, Sen. Clark, Sen. Webster, Sen. Dutremble, Sen. Cahill
Representatives:	Rep. Gwadosky, Rep. Whitcomb, Rep. Mayo, Rep. Marsano Absent: Rep. Martin
Legislative Officers:	Sally Tubbesing, Executive Director, Legislative Council Lynn Randall, State Law Librarian Martha Freeman, Director, Office of Policy and Legal Analysis David Kennedy, Revisor of Statutes Joy O'Brien, Secretary of the Senate

SECRETARY'S REPORT

The Summary of the January 8, 1991, Legislative Council meeting was accepted and placed on file. (Motion by Sen. Dutremble; second by Sen. Webster; unanimous).

EXECUTIVE DIRECTOR'S REPORT

Item #1: Resignation letter from David S. Silsby, Director, State House and Capitol Park Commission.

Sally Tubbesing, Executive Director, noted that Council members had received the letter from Mr. Silsby individually. She reported that while Mr. Silsby had not been able to attend the Council meeting due to a prior commitment, he had asked her to request that the Council give him an opportunity to present a report regarding his work at a future meeting.

Motion: That Mr. Silsby's letter announcing his decision to retire be accepted with much affection and deep regret. (Motion by Sen. Clark; second by Sen. Cahill; unanimous).

REPORTS FROM COUNCIL COMMITTEES

Sen. Pray took his place as Chair at this point.

Legislative Budget Committee

Ms. Tubbesing drew members' attention to the materials that had been distributed, which included a 2-page summary of the reductions which the Budget Committee had identified and which had subsequently been presented to the Appropriations Committee. The summary listed each account administered by the Legislature and the reductions that had been proposed, and provided more detail about the specific line items that had been affected in the legislative account.

- Sen. Clark asked that the record show that the \$1,257,000 reduction which the Committee had proposed was equal to the target that had been established by the Governor and that this amount, combined with the reductions that had been made in the current budget last spring, represented a 13.2% reduction in the Legislature's budget overall.

The ensuing discussion focussed on whether Council action was required at this time.

- Sen. Webster recommended that the Council endorse the proposal at this time, fully realizing that the Council would be revisiting the issue of the legislative budget in the near future.
- Rep. Whitcomb noted that the members of the Committee had expressed a variety of opinions in the course of their meetings and that although there had not been complete agreement, Committee members had concluded that they had completed their charge, which was to identify cuts totalling \$1,257,000.

- Sen. Pray expanded on Rep. Whitcomb's point, noting that some members of the Committee had felt that the legislative budget should be cut by more than \$1,257,000. Sen. Pray further noted that some of the cuts were actually within the purview of the presiding officers, and not the Legislative Council.
- Rep. Mayo recalled that the Budget Committee's recommendations regarding budget cuts had been presented in a leadership meeting and that all Council members, as leadership, had agreed that Sen. Pray should present the proposed \$1,257,000 reduction plan to the Appropriations Committee.
- Rep. Marsano asked if the figures presented in the summary included balances from the prior fiscal year that had carried to the current year. Ms. Tubbesing reported that they did not include the balances forward. Rep. Marsano requested further information about the balances forward.

Motion: That the Committee's report be accepted and that the members of the Committee be commended for a job well done.
(Motion by Sen. Clark; second by Sen. Dutremble).

Motion: That the item be tabled. (Motion by Sen. Cahill, second by Rep. Marsano; unanimous).

OLD BUSINESS

Item #1: Deadline for Naming Cosponsors: Review

Sen. Pray reported that his conversations with the Revisor of Statutes, David Kennedy, indicated that the Council should develop a more flexible policy regarding cosponsor signatures on bills. He proposed that, from this point on in the session, bill sponsors be given the opportunity to add or change cosponsors within the 5-day period that they already have to review the bill, provided that the sponsors assume responsibility for getting those cosponsors' signatures.

During a period of general discussion, Council members agreed that it was unrealistic to ask sponsors to get cosponsors without having a copy of the bill, and, further, that the irregular schedule to this point in the session had only exacerbated the problem. Rep. Mahany, of Easton, was recognized and expressed her concern that an inflexible policy could potentially disenfranchise her and jeopardize her efforts to serve her constituents. Discussion then shifted to how best to build in the flexibility that appeared to be warranted.

Motion: That the rule that Sponsors may add or change cosponsors within the 5 days that they have to review their finally-drafted bill stand and that the Legislative Council reaffirm the right of any legislator to request from the presiding officers, or the Legislative Council, an extension beyond the 5 days for getting cosponsors. (Motion by Rep. Marsano; second by Rep. Mayo; approved 7-1).

Item #2: Step Increase for Assistant Secretary of the Senate: Reconsideration. (Request of Sen. Pray).

Sen. Pray noted that this step increase, along with those for the Secretary of the Senate and the Clerk of the House, had appeared on the Council agenda at its December 21 meeting and had failed at that time. Rep. Whitcomb asked for clarification of the process, noting that his request was for the purpose of trying to understand Council policy in view of the current budget crisis. Sen. Pray noted that the Council's action to approve the Assistant Secretary's step increase would be consistent with current policy in all legislative offices, based on her assigned salary range.

Motion: That a step increase from Step 8 to Step 9 in Salary Range 9 be awarded to the Assistant Secretary of the Senate retroactive to her anniversary date. (Motion by Sen. Clark; second by Rep. Mayo; unanimous).

NEW BUSINESS

Item #1: Submission of Study Reports

- Special Committee on the New Capitol Area Master Plan.
- Commission to Assess the Impact of Increased State Spending on the University of Maine System.
- Joint Standing Committee on Judiciary - Staff Study on Grandparents' Visitation Rights.

Motion: That the three Reports be accepted and placed on file. (Motion by Rep. Mayo; second by Rep. Marsano; unanimous).

Item #2: Request from the Joint Standing Committee on Audit and Program Review for an Extension of the Reporting Deadline.

Motion: That the Committee's request for an extension be approved until March 1. (Motion by Rep. Marsano; second by Sen. Pray; approved 6-2).

Motion: That the Council reconsider its previous action to approve the request. (Motion by Sen. Cahill; second by Sen. Dutremble; approved 6-1-1, with Rep. Marsano abstaining).

Motion: That the extension be granted to February 15 only. (Motion by Sen. Cahill; second by Rep. Mayo; unanimous).

Item #3: Request from Maine Low-Level Radioactive Waste Authority to meet with the Legislative Council.

Sen. Pray offered to send a letter on behalf of the Council suggesting that the Council meet with members of the Authority at a future time to be scheduled.

The Council took no formal action on this item.

Item #4: After Deadline Requests.

At the Chair's request, the Revisor of Statutes briefly summarized the current status of drafting, noting that the Office's gains in efficiency have been neutralized by the increases in volume. He noted that the Council's decision to give members an opportunity to voluntarily withdraw bills had been moderately successful, resulting in the withdrawal of approximately 150 bills. Sen. Cahill asked if it would be worthwhile to try this a second time. Mr. Kennedy responded that it might at some future point, but that the administrative overhead involved in the effort warranted against it at this time.

The Council then proceeded to consider after deadline bill requests and requests to introduce Joint Resolutions. The Council's action is summarized on the attached list.

ANNOUNCEMENTS AND REMARKS

None.

ADJOURNMENT

The Legislative Council meeting was adjourned at 4:44 p.m., on the motion of the Chair.

LEGISLATIVE COUNCIL
ACTION ON REQUESTS TO INTRODUCE LEGISLATION

January 31, 1991

	Action
SPONSOR: Rep. Anthony	ACCEPTED
LR 2469 An Act to Provide More Effective Recovery of Child Support	
SPONSOR: Sen. Berube	ACCEPTED
LR 2444 An Act to Improve the Administration of the Engineering Registration Law	
Cosponsors: Rep. Joseph	
SPONSOR: Rep. Carroll, Donnell P.	ACCEPTED
LR 2448 An Act to Amend the Charter of the Gray Water District	
Cosponsors: Sen. Rich	
SPONSOR: Sen. Dutremble, Dennis L.	ACCEPTED
LR 2427 An Act to Require Evaluation of Emissions and Health Risks from Incineration Facilities	
SPONSOR: Sen. Mills	FAILED
LR 2460 An Act Prohibiting Chlorofluorocarbons in Automobile Air Conditioners	
SPONSOR: Rep. Tracy	ACCEPTED
LR 2475 An Act to Authorize Municipalities to Impose a Severance Tax on Gravel	
Cosponsors: Sen. Kany	

JOINT RESOLUTION

SPONSOR: Rep. Ketover	ACCEPTED
LR 2477 JOINT RESOLUTION MEMORIALIZING THE PRIME MINISTER OF ISRAEL RECOGNIZING HIS RESTRAINT IN NOT EXERCISING ISRAEL'S RIGHT TO RETALIATE AGAINST IRAQ	

TABLED BY THE LEGISLATIVE COUNCIL

SPONSOR:	Sen. Clark, Nancy R.	TABLED 1/31/91
LR 2461	An Act to Provide a Medical Definition of Infertility and Guarantee Insurance Benefits for this Disease	
SPONSOR:	Rep. Hussey	TABLED 1/31/91
LR 2428	An Act to Amend the Law Concerning Licensure of Certain Railroad Personnel and to Enforce Licensure Laws	
	Cosponsors: Rep. Pineau Rep. McKeen Sen. Pray	
SPONSOR:	Rep. Martin, John L.	TABLED 1/31/91
LR 2467	An Act to Suspend Certain Provisions of the Tax Laws for Individuals Participating in Operation Desert Storm	
SPONSOR:	Sen. Mills	TABLED 1/31/91
LR 2451	An Act to Amend the Motor Vehicle Laws	
SPONSOR:	Rep. Paradis, Patrick E.	TABLED 01/09/91
**LR 2420	An Act to Remove the Statute of Limitations on Prosecution of Incest	
	Cosponsors: Sen. Gauvreau Rep. Duplessis Rep. Farnsworth	
SPONSOR:	Rep. Rotondi	TABLED 01/03/91
LR 0997	An Act Regarding Access to Certain Lands	
SPONSOR:	Rep. Rotondi	TABLED 01/03/91
LR 0998	An Act Regarding Cardiopulmonary Resuscitation Requirements for Registered Guides	

** Requests noted with 2 asterisks appear to be closely related to other requests on file.

SPONSOR: Rep. Rotondi

TABLED
01/03/91

LR 2414 An Act to Adjust the Fee for Land Use Regulation
Commission Zoning Permits

Cosponsors: Sen. Webster
Rep. Powers

SPONSOR: Rep. Sheltra

TABLED
1/31/91

LR 2445 An Act Authorizing Changes to the Budget Process in
York County

SPONSOR: Rep. Simonds

TABLED
01/09/91

LR 2421 An Act to Allocate Funds to the Maine Council on
Economic Education

SPONSOR: Sen. Summers

TABLED
1/31/91

LR 2450 An Act to Discourage Fraudulent Workers' Compensation
Claims

Cosponsors: Sen. Webster

SPONSOR: Sen. Vose

TABLED
1/31/91

LR 2465 Resolution, Proposing an Amendment to the Constitution
of Maine to Provide for Compensation when State Actions
Diminish Property Values

Law and Legislative Reference Library to Join URSUS

Users of the Law and Legislative Reference Library will shortly be able to search for materials by using a computer terminal rather than the card catalog. The Library is making plans to join URSUS, the online catalog of the University of Maine System libraries. URSUS stands for University Resources Serving Users State-Wide. URSUS now includes information about materials located in the eight University campus libraries and four branch libraries; the holdings of the libraries at Bates, Bowdoin, and Colby are searchable separately. Ultimately records of the holdings of the three Area Reference and Resource Centers (Maine State Library, Bangor Public and Portland Public) will be included.

A user may search URSUS by author, call number, any word in the title or any subject word. After the computer tapes for the Law and Legislative Reference Library are loaded, a user at any URSUS location around the state will be able to search and display records for materials in our collection, just as a user in our library will be able to see records of materials held by any other URSUS library.

In addition to the bibliographic information usually found on a catalog card each URSUS search displays the number of copies each library owns and the status of each copy: available, checked out, on order missing or at bindery. Information about the availability of material at the Law and Legislative Reference Library will added after bar codes are applied to each physical volume and linked to the online record. This will probably be an inter-session project.

URSUS was funded by a bond issue approved by the Legislature and by the voters in referendum in 1986. Funds for including the Law and Legislative Reference Library come from a recent foundation grant, which includes processing of records already in machine-readable form, terminals, communications equipment, circuit installation and port charges.

We anticipate that installation of the communications line to URSUS will be complete by the end of March and that equipment will be delivered and connected during April. We look forward to inviting you to a demonstration of URSUS then.

OFFICE OF POLICY AND LEGAL ANALYSIS

MEMORANDUM

February 22, 1991

TO: Honorable Charles P. Pray, Chair
and Members of the Legislative Council

FROM: Martha Freeman, Director, OPLA *MEF*

RE: Committee workloads

Since all committees have begun hearing bills, I thought I'd share with you the nonpartisan staff's estimate of the workload facing each committee this session. For comparison, I'm also providing you with the number of bills actually considered by each committee during the 114th First Regular Session. We will be sharing this information with the committees as part of our efforts to assist them in planning their work.

Inevitably, the increased number of bill requests this session will increase the workload of several committees. The referral to other committees of bills traditionally heard by the Appropriations Committee will increase some of these workloads further. To meet these new challenges, legislators and staff will need to work within shared expectations. We look forward to the efforts of the presiding officers and Council to help committees establish realistic deadlines, priorities, and standards.

COMMITTEE WORKLOADS

<u>Committee</u>	<u>115th/1st*</u>	<u>114th/1st</u>
Aging, Retirement & Veterans	46	35
Agriculture	35	59
Appropriations & Financial Affairs	107	198
Audit & Program Review	3	2
Banking & Insurance	117	74
Business Legislation	94	81
Corrections	20	14
Education	119	79
Energy & Natural Resources	206	140
Fisheries & Wildlife	63	59
Housing & Economic Development	21	25
Human Resources	139	92
Judiciary	211	138
Labor	124	67
Legal Affairs	143	110
Marine Resources	43	30
State & Local Government	177	142
Taxation	128	168
Transportation	123	99
Utilities	<u>62</u>	<u>40</u>
TOTAL	1,981	1,652

*Totals are estimates and include bills already referred to committee as well as those that are still in the drafting process. The latter group reflects an assignment to a subject area only; thus, there will be shifts in the committee totals.

STATE OF MAINE
DEPARTMENT OF TRANSPORTATION
TRANSPORTATION BUILDING
STATE HOUSE STATION 16 AUGUSTA, MAINE 04333

mdot

DANA F. CONNORS
Commissioner

February 15, 1991

Sara C. Tubbesing, Executive Director
Legislative Council
State House Station No. 115
Augusta, ME 04333

Dear Ms. Tubbesing:

It is my pleasure as Chairperson of the Motor Fuel Tax Evasion Committee to transmit to you the Committee's Final Report, as required by Public Law 1990, Chapter 921, Part E.

The Motor Fuel Tax Evasion Committee, which consists of members of the Legislature, State Government, and private industry, was charged with undertaking "a comprehensive review to evaluate the fiscal impact caused by individuals and businesses who evade paying the motor fuel tax as mandated by Maine Revised Statutes, Title 36, Section 2903, or any other applicable user fees." The enclosed report summarizes the results of that review, and recommends a number of measures to address the problem of motor fuel tax evasion. These measures include formation of an ongoing coordinating group of state agencies concerned with fuel tax enforcement, administrative changes to improve the effectiveness of fuel tax monitoring, and enforcement, and increased fines and trip permit fees.

On behalf of the Motor Fuel Tax Evasion Committee, I am also pleased to submit the legislation necessary to implement those report recommendations which require legislative action.

Sincerely,



Dana F. Connors
Chairperson
Motor Fuel Tax Evasion Committee

DFC/TB/srd
Enclosure

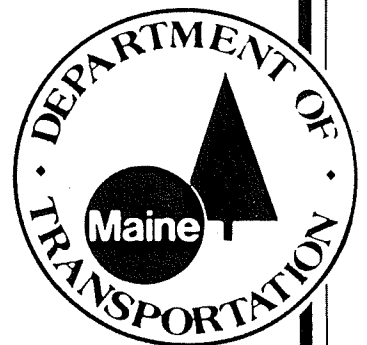
February 1991



Motor Fuel Tax Evasion Committee



FINAL REPORT



As Required by Public Law 1990 Chapter 921, Part E

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EXECUTIVE SUMMARY

I. INTRODUCTION

This report was completed at the request of the Maine Legislature. To conduct and oversee the study which produced this report, the Motor Fuel Tax Evasion Committee was formed with the following mandate:

Public Law 921 (L.D. 2444)

Part E

The Motor Fuel Tax Evasion Committee is established and shall undertake a comprehensive review to evaluate the fiscal impact caused by individuals and businesses who evade paying the motor fuel tax as mandated by Maine Revised Statutes, Title 36, Section 2903, or any other applicable user fees.

The committee shall submit a report regarding its comprehensive review of the fiscal impact caused by individuals and businesses that evade paying motor fuel taxes and the effect that evasion has on the transportation system of this State to the Joint Standing Committee on Transportation, along with any implementing legislation, by February 15, 1991, and shall submit a copy of both to the Office of the Executive Director of the Legislative Council.-

A Study Group was formed at the initial meeting to assist the Committee in gathering data and materials. The Study Group consisted of Department of Transportation personnel from the Office of Policy Analysis. At that meeting, the Committee decided to narrow the focus of the study to include only diesel fuel tax evasion.

II. FINDINGS

- The greatest obstacle to addressing the problem of diesel fuel tax evasion is the lack of verifiable mileage reporting by motor carriers operating in the State.
- Due to the lack of reliable and consistent data, the study group was unable to definitely estimate the dollar value of the evasion. (See Appendix A for a discussion of various estimates of evasion.)
- Review of current State diesel fuel tax enforcement and collection efforts reveals administrative problems arising from dispersed responsibility and uncoordinated leadership.
- Out of State audits, though expensive, have shown increased returns in recent years. It is estimated that a fuel tax auditor at the Bureau of Taxation returns an annual \$325,000 in collected revenue.
- The State Police fuel tax enforcement complement of three full time officers is inadequate to cover the entire State.

- Current penalties for diesel fuel tax evasion are not severe enough by themselves to offset non-compliance.
- The low cost of five day trip permits encourages use of that permit rather than filing fuel tax reports.
- Use of home heating fuel for commercial vehicle operation does not appear to be a major factor in diesel fuel tax evasion.

III. RECOMMENDATIONS

1. Establish a leadership position to oversee the fuel tax program.
2. Establish a Coordinating Group representing all State agencies concerned with fuel taxes.
3. Increase and revise fuel tax fines.
4. Increase the cost of trip permits.
5. Enable the State Police enforcement to obtain current carrier account status from the Division of Motor Vehicles.
6. Expand State Police enforcement of fuel taxes to include the entire Commercial Vehicle Enforcement Unit.

7. Assign the new Bureau of Taxation enforcement officers to aggravated delinquent fuel tax accounts.
8. Provide two additional fuel tax auditors.
9. Encourage better mileage record keeping.
10. Encourage change in the New Hampshire diesel fuel tax law.
11. Prosecute fuel tax evaders.
12. Provide more fuel tax filing information to applicants.

IV. RECOMMENDATIONS FOR FURTHER STUDY

1. Port of entry system.
2. Electronic mileage recording.

I. INTRODUCTION

Governing legislation

This report was completed at the request of the Maine Legislature. To conduct and oversee the study which produced this report, the Motor Fuel Tax Evasion Committee was formed with the following mandate:

Public Law 921 (L.D. 2444)

Part E

The Motor Fuel Tax Evasion Committee is established and shall undertake a comprehensive review to evaluate the fiscal impact caused by individuals and businesses who evade paying the motor fuel tax as mandated by Maine Revised Statutes, Title 36, Section 2903, or any other applicable user fees.

The committee shall submit a report regarding its comprehensive review of the fiscal impact caused by individuals and businesses that evade paying motor fuel taxes and the effect that evasion has on the transportation system of this State to the Joint Standing Committee on Transportation, along with any implementing legislation, by February 15, 1991, and shall submit a copy of both to the Office of the Executive Director of the Legislative Council.

Scope of the study

The Committee made a determination at its initial meeting to narrow the focus of the study to include only diesel fuel tax evasion. The Committee unanimously concluded that this limited focus would best serve the intent of the governing legislation.

How the study was conducted

The study was conducted with substantive input by all Committee members and their respective organizations. A history of previous, albeit random, inter-agency and industry meetings to discuss diesel fuel tax evasion served as a limited background to the Committee study. The issue of diesel tax evasion has been frequently raised but no history exists of any authoritative determinations as to the extent of the evasion. This report is the first cooperative effort on behalf of the State and industry to assess the impact and cause of diesel fuel tax evasion in the State of Maine.

A Study Group was formed at the initial meeting to assist the Committee in gathering data and materials. The Study Group consisted of Department of Transportation personnel from the Office of Policy Analysis.

II. FINDINGS

Introduction

The Committee sought to uncover the causes and extent of diesel fuel tax evasion in the State, but was unable to derive a fiscal estimate as to the size of evasion. While all members concurred that there is evasion of diesel fuel taxes, no

agreement as to the extent was achieved. (See Appendix A for a discussion of evasion estimates.) The diesel tax evasion that is peculiar to the trucking industry is extremely elusive and difficult to discover. There exists a great deal of frustration at both the state and federal levels of government with diesel tax evasion. It is estimated that \$500 million is lost annually from the Federal Highway Fund due to evasion of the federal diesel tax.¹ The federal government has mounted many cooperative efforts with larger states to uncover evasion schemes. A survey conducted for the Committee on Motor Fuel Tax Evasion of the National Association of Tax Administrators found that most states "had reported that they had problems with evasion of gasoline tax, diesel fuel tax, or both."² Clearly, the problems revealed in this Committee report are not uniquely endemic to Maine. Diesel fuel tax evasion is a national concern that is only beginning to be addressed as a priority issue. Indeed, the Transportation Research Board recently reported that "Evasion of state fuel taxes is intrinsically difficult to estimate...[but] the difficulty of estimating evasion does not detract from the importance of curtailing it to achieve equity among taxpayers and assure that much-needed highway revenue is available for states and localities."³

Lack of a definitive figure on the extent of the fiscal impact of evasion should not detract from the findings or recommendations of this report. The Committee has undertaken to recommend modifications in the present program that will allow for more effective collection of information as it pertains to diesel taxes as well as improved enforcement of fuel tax laws. This report primarily focuses on the ways in which the State can mitigate the fiscal impact of evasion.

The current program

Review of current State diesel fuel tax enforcement and collection efforts reveals administrative problems arising from dispersed responsibility and uncoordinated leadership. While

the Department of Transportation is the ultimate administrator of the Highway Fund and dedicated revenue from diesel fuel taxes, it is not presently involved in the routine operation of the diesel tax program. The Bureau of Taxation has the greatest input in the day-to-day operation of the program. The Bureau oversees the collection of diesel tax revenue through the normal reporting process and the auditing of delinquent or otherwise fraudulent accounts. The State Police enforce the collections of delinquent accounts by stopping commercial vehicles identified by the Bureau of Taxation as out of compliance with Maine tax laws. The Division of Motor Vehicles is charged with the suspension of all motor carrier accounts identified by the Bureau of Taxation as delinquent in the payment of fuel taxes. The Division of Motor Vehicles also oversees the distribution of Fuel Use Decals, Regional Fuel Tax Agreement decals, operating authority, registrations, and trip permits.

While the study has not revealed any absence of dedication on the part of these agencies in performing their respective tasks as they apply to fuel taxes, it has uncovered a lack of coordinated leadership among the agencies in modifying and improving the diesel tax collection system, even as it has become apparent that change is needed. Dispersal of responsibility for the program has, in effect, left these agencies powerless to individually redirect the focus of the fuel tax program.

Mileage verification

The greatest obstacle to addressing diesel fuel tax evasion is the lack of verifiable mileage reporting by motor carriers who operate in the State. A carrier is required by law to declare all miles driven in the State and pay a tax based on this report. Unfortunately, no means short of an audit are currently available to objectively assess the validity of these reports. With an auditing staff of only four people at the

Bureau of Taxation to review all Regional Fuel Tax Agreement and Fuel Use Decal accounts, the State's ability to effectively curtail evasion is compromised. While State tax officials express confidence in their tax collections from Regional Fuel Tax Agreement accounts, there exists a general perception in the trucking industry that the farther carriers are based outside of Maine, the less likely they are to be visited by a Maine auditor. Over 10,000 registered Fuel Use Decal accounts represent carriers based outside of the State. Out of State fuel tax audits, though expensive, have shown increased returns in recent years. It is estimated that a fuel tax auditor at the Bureau of Taxation returns an annual \$325,000 in collected revenue.⁴

Roadside enforcement

A State Police fuel tax enforcement complement of only three full time officers to cover the entire State is inadequate. It is unrealistic to expect fuel taxes to be sufficiently enforced by only three troopers. These troopers also lack many of the necessary tools to accomplish their mission. To properly enforce fuel taxes, they need accurate and current information on the status of delinquent accounts. Although account information is provided by the Bureau of Taxation in the form of bimonthly lists, the current account status must still be verified with the Bureau before a trooper can take action. Verification can only be done by telephone to the Bureau of Taxation during office hours. The troopers are not equipped with cellular phones, but are required to use the telephone rather than their radios due to Privacy Act stipulations concerning taxpayer information. This awkward flow of vital information unnecessarily burdens an already weighed down enforcement effort.

Fines and prosecution

The current penalties for diesel fuel tax evasion are not severe enough in themselves to offset non-compliance. With the exception of the fine for failure to display a valid decal, there are presently no statutory minimum fuel tax fines which reflect the seriousness of the violations. As Maine has increased its diesel fuel tax from 14 cents to 20 cents in seven years, the monetary incentive to evade the tax has obviously grown.

Beyond the fines and suspension involved with non-compliance, the State does not prosecute fuel tax evaders. It is common knowledge that the State of Maine has never prosecuted any individual or business for diesel tax evasion. Prosecution of this type is not easily achieved. Once suspended, these companies often file for bankruptcy in order to form a new company that cannot be held liable for the debts incurred by the original corporation although the corporate officers may be identical. These "fly-by-night" corporations obtain new company names, federal identification numbers and new fuel tax accounts to escape the payment of outstanding State taxes.

Trip permits

Five day trip permits are made available to the trucking industry so that intermittent carriers can have expeditious access to the State. These permits, which are in lieu of having to declare and pay fuel taxes, are purchased outside the State's registration and tax tracking efforts. This fact, along with the low \$5 cost of the permit, encourages use of the permit rather than filing fuel tax reports. The permit cost represents an equivalent of only 125 miles traveled by a motor carrier over a five day period. As in the case of the fuel tax penalties, the cost of trip permits was established at a time when diesel fuel taxes were low and commercial vehicles were not as fuel efficient. An increase in the cost of trip permits is

needed to more realistically reflect the greatest possible commercial vehicle travel over the given time period. Otherwise, the State will continue to encourage the subversion of its tax laws in offering this underpriced permit.

Home heating fuel

The use of home heating fuel for commercial vehicle operation does not appear to be a major factor in fuel tax evasion. The incentive for such use is that while the fuels are interchangeable, home heating fuel incurs only the minimal sales tax compared to the substantially higher diesel fuel tax. While it is true that there has been no concerted State effort to effectively monitor the private deliveries and consumption of home heating fuel, the extent of this type of evasion appears to be limited because: 1) Unusually large purchases of home heating fuel during the summer months would trigger an inquiry from the Bureau of Taxation; 2) The kerosene additive necessary for the operation of diesel-driven vehicles during the winter is absent from home heating fuel; and 3) The high cost of kerosene makes it economically prohibitive for use in diesel burning vehicles. In view of this, evasion of this type appears to be limited.

III. RECOMMENDATIONS

1. **Establish a leadership position to oversee the fuel tax program.**

The Bureau of Taxation has plans to create a new position within their Excise Tax division to administer fuel taxes. This administrator will be in a position to offer a unique and qualified perspective on the entire program. For this reason, this individual should be tasked with working in a cooperative

manner with both the enforcement and audit staff to refine and improve the existing program. This administrator should also be the single point of contact for fuel tax for the Bureau of Taxation and should be a member of the Coordinating Group that will be detailed later in this report.

2. Establish a Coordinating Group representing all State agencies concerned with fuel taxes.

A Coordinating Group should be formed to provide the fuel tax program with ongoing inter-agency oversight. It would serve as an appropriate forum to discuss the division of fuel tax responsibilities and modifications in the program where needed. It should be charged with the task of determining the extent of the evasion problem. Long term improvements such as electronic mileage recording could also be studied by this group. Annual reports from the group could be issued to the respective heads of the agencies involved. Initially, these reports should assess the implementation of the final recommendations contained herein. Ongoing reports should address system improvements.

3. Increase and revise fuel tax fines.

As previously noted, statutory minimum fuel tax fines are needed which reflect the severity of the violation. The recommended changes are as follows:

a) Maintain the present statutory minimum fine of \$250 for failure to display a valid fuel tax decal.

b) Establish a minimum statutory fine of \$250 for:

- 1) Operating without a fuel tax license.
- 2) Failure to file quarterly tax reports.

- 3) Failure to pay tax, penalty or interest (non-payment account).
- 4) Misuse of tax-exempt home heating fuel as a motor fuel.

It must be noted that the above fines are issued by the Courts. The Bureau of Taxation also levies additional penalties against delinquent accounts based on a percentage of the outstanding tax debt.

4. Increase the cost of trip permits.

The current cost of a five day trip permit is \$5. This should be increased to \$50 with the time limit reduced from five to three days. As the trip permit is in lieu of fuel taxes, the cost of the permit should reflect its realistic value. It should be assumed that the permits purchased are used to their maximum value in terms of miles traveled and not their minimum as is the current assumption.

5. Enable the State Police enforcement to obtain current carrier account status from the Division of Motor Vehicles.

The Division of Motor Vehicles should be the point of contact for fuel tax enforcement. The Division of Motor Vehicles presently obtains delinquent account status for the purposes of suspending or reinstating accounts. If computer access were given to the State Police dispatch as to the status of suspended accounts, then inquiries from roadside enforcement could be made expeditiously 24 hours a day. As is the current case, any vehicle owned by an individual or business found to be under suspension would be held or impounded until the the Bureau of Taxation account and the Division of Motor Vehicles reinstatement fee was paid. Because the enforcement inquiries would only concern suspension status and not actual account

information, such inquiries could be made via radio without infringement of Privacy Act regulations. In view of this, cellular phones would not be needed.

6. **Expand enforcement of fuel taxes to include the entire State Police Commercial Vehicle Enforcement Unit.**

With the increased and more expeditious access to fuel tax accounts, State Police coverage can be expanded to include the entire Commercial Vehicle Enforcement Unit with minimal additional training. This added coverage would substantially increase the State's ability to enforce fuel taxes. The mission of the Unit's troopers is to enforce weight and safety standards as they apply to commercial vehicles. The enforcement of fuel taxes is a logical extension of the Unit's mission.

7. **Assign the new Bureau of Taxation enforcement officers to aggravated fuel tax accounts.**

The Bureau of Taxation has plans to hire two enforcement officers to address aggravated delinquent tax accounts. These officers, who are in a new Taxation job function, will be empowered to take severe action against delinquent tax accounts through seizure of property and the like. Fuel taxes should be included in their assignments. Actions taken by these officers should complement the State Police efforts in fuel tax enforcement.

8. **Provide two additional fuel taxes auditors.**

The Bureau of Taxation conducted its own study of fuel tax administration. One of the study recommendations included the

addition of fuel tax auditors. These two new positions would represent a fifty percent increase in the State's audit coverage and would provide greater resources to conduct out of State audits. An expansion of the Regional Fuel Tax Agreement program would also facilitate increased out of State audit coverage, as would encouraging reciprocal audits with other States.

9. Encourage better mileage record keeping.

It is recommended that the Bureau of Taxation issue arbitrary assessments to taxpayers who do not furnish adequate information to verify miles traveled in Maine. An arbitrary assessment is the Bureau of Taxation's best estimate of taxpayer liability where adequate information is not made available. These assessments should serve to provide strong incentives for taxpayers to keep accurate records.

The Bureau of Taxation is currently empowered with the authority to issue arbitrary assessments to taxpayers.

10. Encourage change in the New Hampshire diesel fuel tax law.

The State of New Hampshire currently does not have a diesel tax at the point of retail purchase. This administrative tax allows the industry a ninety day "float" on the payment of the money owed the state. This lack of tax at the pump offers a prime opportunity for evasion and one that is certainly utilized by some motor carriers. As a bordering state to New Hampshire, Maine may be suffering significant evasion from New Hampshire's diesel tax law.

The New Hampshire Department of Public Safety plans to sponsor legislation that would tax diesel at the pump. It is recommended that such efforts be encouraged by those at the highest levels of Maine State government.

11. Prosecute fuel tax evaders.

The State should use all means to enforce fuel tax laws, including selective prosecution of fuel tax evaders. Maine is perceived by the trucking industry as lacking serious enforcement and prosecution for fuel tax evasion. If Maine were to prosecute a small number of individuals or businesses engaged in serious fuel tax evasion, the message to the industry would be a positive one. The trucking industry has frequently called for prosecution of those found to be evading fuel taxes.

Many instances of fuel tax evasion involve companies or individuals who change names or federal identification numbers while remaining essentially the same entity. For example, John Smith may be suspended for failure to file a fuel tax report. Unable to obtain a renewal fuel decal under his name and federal ID number, he modifies his name slightly, and uses his wife's social security number.

To help enforcement efforts against this type of evasion, applicants should be asked to affirm that either: 1) they have never been an owner or corporate officer of a company that was suspended for a fuel tax violation; or 2) if such a suspension described in 1) has occurred, that suspension is no longer in effect.

12. Provide more fuel tax filing information to applicants.

The Division of Motor Vehicles should provide explicit fuel tax information on how to file a fuel tax report. This information should be provided when Regional Fuel Tax Agreement decals and Fuel Use Decals are issued.

IV. RECOMMENDATIONS FOR FURTHER STUDY

The following topics are recommended for future study by the Coordinating Group as described in this report.

1. Port of entry system.

Maine is geographically suited for a port of entry system. The bulk of Maine's interstate commercial traffic uses the I-95/Route 1 corridor in Kittery. One port of entry concept worthy of study involves a 24 hour permanent enforcement detail at the existing weigh areas on both I-95 and Route 1 in Kittery. To make such a system viable, all commercial traffic entering or exiting the State could be required by law to pass through the Kittery checkpoints for the purposes of weight, safety and fuel tax enforcement. There exist many variations on this premise.

The greatest restriction to the implementation of a port of entry system is the large amount of personnel resources required to staff such an operation. The State Police Commercial Vehicle Enforcement Unit utilizes the existing stations at Kittery for intermittent weight, safety and fuel tax details. The State Police have concluded in a recent study that the current facilities are not cost-effective to use on a 24 hour a day basis. To reduce staffing costs, the possibility of consolidating the Route 1 and I-95 weigh stations in the form of a connector road had been considered at the project public hearings in 1981. The concept was dismissed largely because of the local opposition to the proposal. Another possibility would be to raise the weight limits of I-95 from the New Hampshire border to the Maine Turnpike and require that all interstate commercial traffic use I-95, not Route 1 for that distance. The problem with such an idea is that an increase in interstate weight limits would probably require an Act of Congress. Congressional action of this kind would increase the viability of the port of entry system.

2. Electronic mileage recording.

The use of electronic mileage recording is undoubtedly tied to the future of fuel tax enforcement. Transponder systems which electronically link truck cabs with random roadside units to track mileage have much promise. The practicality of such technology as it applies to commercial vehicles has only begun to be explored. The cost of such equipment is currently high but is expected to become more reasonable as the technology becomes more mainstream. At the national level, both public and private entities are engaged in vigorous efforts to develop and apply this technology and Maine should watch their progress closely.

APPENDIX A

ESTIMATES OF EVASION

As noted in the report, there was no agreement by Committee members or the study group concerning a definitive figure for the extent and cost of diesel tax evasion. This Appendix briefly describes various monetary estimates of the cost of diesel tax evasion as they evolved during Committee discussions and the study process. The estimates are provided as further background for an understanding of the problem of diesel fuel tax evasion and to illustrate the disparity of evasion estimates.

Committee members from the diesel truck stop sales industry believe that "retail market insight" based upon anecdotal information from truck stop customers points to a diesel tax evasion problem which could approach 30% of diesel collections. This would mean that \$34 million should have been collected for on-highway diesel taxes in Fiscal Year 1990 instead of the \$24 million that was actually collected, an evasion related shortfall of \$10 million. These truck stop customers report that diesel tax evasion occurs primarily because of the availability of tax free New Hampshire diesel and the perception that Maine's enforcement of fuel taxes is lax. Diesel sales Committee members also note the fact that more than 13% of commercial vehicle violations over the last several fiscal years were "No Fuel Decal" violations, and see this as an indication that a significant number of trucks are illegally operating outside the fuel tax accounting system.

A spot check of 355 commercial trucks was made by MDOT during the summer of 1989. Based upon driver responses, mileage for fuel tax reporting was estimated and checked against third quarter 1989 fuel tax reports filed by the owners of those trucks. Results of the cross check indicated that there was significant mileage underreporting by some out-of-state small fleets or single truck owners. Those with estimated quarterly mileage of 3,000 miles or less were found to be more likely to underreport, with 13% of this group underreporting to some degree. (It should be noted that Maine registered vehicles whose owners indicate they purchase only tax paid fuel are waived from filing fuel tax reports.)

Out-of-state trucks constitute roughly 20 percent of the truck traffic on Maine's highways, and a comparable percentage of diesel tax revenues. If it is assumed that all out-of-state trucks evade paying diesel taxes, (and that in-state evasion is nominal), the Maine Highway fund would have lost an estimated \$6 million in diesel tax collections in Fiscal Year 1990. A more

conservative estimate of 50% evasion by out-of-state trucks would yield an estimated loss of \$3 million.

Although evasion by in-state trucks is possible, there is no evidence of widespread evasion by this group of vehicles. The bulk of the diesel purchased by these vehicles would reasonably be expected to be tax paid diesel purchased within Maine. The estimates discussed in this Appendix could include nominal in-state evasion.

APPENDIX B

REFERENCES

- 1 Federal Highway Administration. "Estimated FY 1987 Highway Trust Fund Revenue Losses Attributable to Diesel Tax Evasion." June, 1987.
- 2 Poe, J.F. "Presentations at the 1987 Annual Meeting." 1987 Annual Meeting of the Motor Fuel Tax Section of the National Association of Tax Administrators, Tulsa, Okla. October, 1987.
- 3 Transportation Research Board. "Measures to Curtail State Fuel Tax Evasion." Washington, D.C. October, 1990.
- 4 Maine Bureau of Taxation. "Report on Fuel Tax Audit." July, 1990.

APPENDIX C

MOTOR FUEL TAX EVASION COMMITTEE
Study Group Members
Maine Department of Transportation

Christian P. Zur	Study Director
Gedeon G. Picher	Director, Office of Policy Analysis
Tim Bolton	Planning and Research Assoc. (O.P.A.)
Bea Messier	Planning and Research Asst. (O.P.A.)

APPENDIX D

MOTOR FUEL TAX EVASION COMMITTEE
Committee Members

Dana F. Connors	Commissioner, Maine Department of Transportation
Lt. Col. Alfred R. Skolfield	Dep. Chief, Maine State Police Dept. of Public Safety
William Dowling	Asst. to Dep. Secretary of State Division of Motor Vehicles
John D. LaFaver	Maine State Tax Assessor Bureau of Taxation
Edward Dysart	President, Dysart's Transportation, Inc.
James E. Howell	President, Howell's Auto Truck Stop
Sen. R. Donald Twitchell	Maine State Senate
Rep. Harold M. Macomber	Maine House of Representatives

APPENDIX E

MOTOR FUEL TAX EVASION COMMITTEE

Honorary Participants

Garry Hinkley

Div. Chief, Commercial Vehicle,
Division of Motor Vehicles

Robert McEvoy

Officer-in-Charge,
Office of Motor Carriers,
Federal Highway Admin.

Richard Jones

Executive Director
Maine Motor Transport Assoc.

AN ACT TO AMEND LAWS PERTAINING TO SPECIAL FUEL
TAX LICENSING PERMITS AND FINES

(Amended wording is underlined; deleted wording is overstruck.)

Part 1

Amend MRSA Title 29, Section 246-A, Subsection 6 as follows:

6. Trip permits. In lieu of fuel tax licensing and reporting, the ~~The~~ Secretary of State may issue, by telegram or otherwise, a trip permit which identifies a specific vehicle and such vehicle may operate without a fuel use identification decal being displayed for a period not to exceed § 3 consecutive days. Such a trip permit shall accompany the vehicle at all times while being operated on the highways of this state. The fee for a § 3-day permit is ~~\$\$~~ \$50.

Part 2

Amend MRSA Title 36, Section 3203-A, Subsection 4 as follows:

4. Penalties. Any supplier who sells special fuel under this section with the knowledge that it will not be used for heating purposes and any person who purchases special fuel under this section and uses the fuel for any purpose other than heating ~~shall be subject to a civil penalty of \$100 for each violation~~ is guilty of a Class E crime and is subject to a fine of not less than \$250, payable to the State, if the offender in a civil action which may not be reduced.

Part 3

Amend MRSA Title 36, Sections 3216 and 3217 as follows:

Sec. 3216. Failure to file statement; false statement

Any person who refuses or neglects to make any statement, report, payment or return required by this chapter, or who refuses or neglects to pay interest or penalties arising from the nonpayment of taxes required by this chapter, or who knowingly makes, or who aids or assists any other person in making a false statement in a return or report to the State Tax Assessor, or in connection with an application for refund of any tax, or who knowingly collects or attempts to

collect, or causes to be paid to that person or any other person, either directly or indirectly, any refund of that tax without being entitled to that refund or is in violation of the affidavit as prescribed for registered sellers in section 3205, is guilty of a Class E crime and is subject to a fine of not less than \$250, which may not be reduced. Any fines collected pursuant to this section must be credited to the Highway Fund.

The State Tax Assessor shall notify the Secretary of State and the Bureau of State Police of any carrier who has failed to comply with this chapter.

The Secretary of State shall suspend vehicle registrations in the name of that carrier, if any, and the right to operate as provided in Title 29, section 2241, and the Secretary of State shall refuse to issue or reissue authority required by Title 29, chapter 25.

Sec. 3217. Additional violations

Any user, or any agent or employee of any user, who shall consume any fuel in a registered motor vehicle within the State, when that user is not the holder of an uncanceled license as required by this chapter, or when that user has failed to file any report or pay tax, ~~or interest~~ as required by this chapter ~~and chapter 7~~, or when that user has refused or neglected to pay interest or penalties arising from the nonpayment of taxes required by this chapter, commits a Class E crime and is subject to a fine of not less than \$250, which may not be reduced. Each day or part thereof during which any person shall consume any fuel in a registered motor vehicle within the State, when that user is not the holder of an uncanceled license as required by this chapter, or when that user has failed to file any report or pay tax, ~~or interest~~ as required by this chapter ~~and chapter 7~~, or when that user has refused or neglected to pay interest or penalties arising from the nonpayment of taxes required by this chapter, shall constitute a separate violation within the meaning of this section. Any fines collected pursuant to this section must be credited to the Highway Fund.

STATEMENT OF FACT

Part 1 of this bill increases the fee for the trip permit granted by the Secretary of State in lieu of special fuel tax licensing and reporting from \$5 to \$50. It also reduces the term of the permit from five days to three days.

Part 2 of this bill provides that misuse of tax exempt home heating fuel as a motor fuel is a Class E crime subject to a minimum fine of \$250 which may not be reduced.

Part 3 of this bill establishes a minimum fine of \$250 for failure to file a special fuel tax license application or report, for making fraudulent statements in connection with that license, for failure to pay the special fuel tax, or for failure to pay interest and penalties associated with nonpayment of the tax.

OFFICE OF THE EXECUTIVE DIRECTOR

MEMORANDUM

February 21, 1991

TO: Honorable Charles P. Pray, Chair
and Members of the Legislative Council

FROM: Sally *Sally*

SUBJECT: Governor's Proposals regarding Furloughs and
Modifications in Pay Dates

As you know, the Governor has recently taken action to institute a furlough program for all employees in the executive branch and to move the pay day back by a total of one week between now and September.

In preparation for the discussion at the Council meeting next week, I have tried to briefly summarize the two initiatives.

Furloughs

I have enclosed a copy of the Executive Order, on the chance that you have not seen it. In essence, it requires all executive branch employees to take 3 furlough days between now and June 1. Since the Executive Order was issued, we have received some information about how the furlough days, or technically, "temporary layoffs", will be handled administratively.

- No employee will be required to take more than one furlough day in a single pay period to minimize the financial impact on employees.
- If an employee works on a weekend in a week that includes one of their furlough days, the weekend work will be paid at "straight time" until the employee has worked 40 paid hours in that week.
- It is not possible to substitute earned vacation time, comp time or any other accrued leave for the furlough days.
- Furlough days will not constitute a break in service for retirement purposes; nor will they change established anniversary dates or leave accruals.
- Employees who participated in the voluntary leave program will be credited for up to 3 days, which may be applied to their furlough "commitment".

Rollback of Pay Dates

This aspect of the Governor's plan is not addressed in the Executive Order, but is being executed by the Controller. The pay date will be moved forward one day every 6 weeks between now and September, resulting in a total "rollback" of one week. The net effect is that the payday will lag 3 weeks from the end of the period for which the employee is being paid, instead of 2. Thus, the employee's total pay for this calendar year will be for one week less than is currently scheduled; and the employee will not "catch up" with the last week until he/she terminates state employment.

Dick and I would be happy to try and answer and questions you may have.

Enclosure



OFFICE OF
THE GOVERNOR

NO. 11 FY 90/91
DATE February 13, 1991

TEMPORARY LAYOFF OF STATE EMPLOYEES
BALANCE OF FY '91

WHEREAS, the national economy entered a period of general recession in November of 1990; and

WHEREAS, this national economic recession has led the economy of Maine and the northeast to perform significantly below expectations; and

WHEREAS, it is necessary to effect a reduction in expenses without significantly interrupting public services; and

WHEREAS, it is necessary to minimize the number of additional State employees subject to lay off on a permanent basis; and

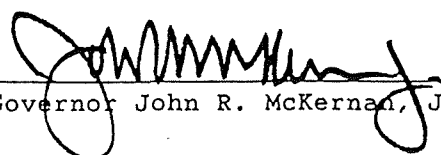
WHEREAS, a careful review and analysis of available alternatives has been completed.

NOW, THEREFORE, I, JOHN R. MCKERNAN, JR., Governor of the State of Maine do hereby order that the following measures be taken to reduce expenses within State government:

- A. Beginning February 24, 1991, all State employees will be laid off without pay for a total of three (3) workdays prior to June 1, 1991, with certain exceptions described in the policies and procedures to be issued by the Department of Administration;
- B. To the extent it is not possible to temporarily layoff essential service State employees for an entire workday in accordance with Section A above, such employees may be temporarily laid off for an equivalent amount of time; and,
- C. The Department of Administration is hereby directed to issue policies and procedures as may be necessary to implement and assure compliance with this Executive Order.

I urge other branches of State government to adopt similar measures to assist in achieving a balanced budget for FY 91 without resorting to further permanent layoffs.

This Order is effective immediately and will remain in effect through June 30, 1991, unless specifically amended, terminated, or extended by Executive Order.


Governor John R. McKernan, Jr.



MAINE STATE LEGISLATURE
Augusta, Maine 04333

February 19, 1991

Hon. Michael D. Pearson, Senate Chair
Hon. Lorraine N. Chonko, House Chair
Members of the Joint Standing Committee
on Appropriations and Financial Affairs
115th Maine State Legislature
Augusta, Maine 04333

Dear Senator Pearson, Representative Chonko, and Committee Members,

We are writing to inform you about a recommendation approved by the Audit & Program Review Committee regarding the Maine Seed Potato Board. We are aware that the Joint Standing Committee on Appropriations and Financial Affairs has also discussed the future of the Maine Seed Potato Board, particularly the option of dissolving the Board and transferring its function to the Maine Agricultural Experiment Station at the University of Maine.

Regardless of the final disposition or location of the Board, the Audit Committee found that the function of providing Maine's potato industry with seed potatoes will require review and revision in order to eliminate the operation's chronic deficit and increase efficiency. As a result, the Committee has recommended that the Department of Agriculture establish a Working Committee composed of representatives of the Legislature, the Maine Potato Board, the Seed Potato Board, the University of Maine, the Department of Agriculture, and an agricultural business consultant in order to review the manner in which seed potatoes are supplied to Maine's potato industry and to make recommendations for improvement. In this way, the operation will be streamlined, operate within available revenues, and continue to provide high-quality seed potatoes to Maine's potato industry.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bustin".

Beverly M. Bustin
Senate Chair

A handwritten signature in cursive script, appearing to read "Phyllis".

Phyllis R. Erwin
House Chair

cc: John Wakefield, Director, Office of Fiscal & Program Review
James Clair, Deputy Director
Cheryl Ring, Principal Analyst
Legislative Council, 115th Maine State Legislature

LEGISLATIVE COUNCIL
REQUESTS TO INTRODUCE LEGISLATION
FIRST REGULAR SESSION
February 13, 1991

Action

SPONSOR: Sen. Clark, Nancy R.

LR 2482 An Act to Provide for the 1991 and 1992
Allocations of the State Ceiling on Private
Activity Bonds

SPONSOR: Sen. Dutremble, Dennis L.

LR 2499 An Act to Require Assistance for Economic
and Community Development Activities

Cosponsors: Rep. Dutremble, Lucien A.
Rep. Plourde
Rep. Sheltra

SPONSOR: Sen. Estes

LR 2483 An Act Concerning Amendments to the Laws
Affecting Education Programs of the Finance
Authority of Maine

Cosponsors: Rep. Crowley

SPONSOR: Rep. Gwadosky

LR 2481 An Act Concerning Amendments to the Laws
Affecting the Finance Authority of Maine

SPONSOR: Rep. Heino

LR 2490 An Act to Amend the Hunting Laws on Westport
Island

SPONSOR: Rep. Kilkelly

LR 2495 An Act to Allow Municipalities to Establish
Fees for Copies of Vital Records

SPONSOR: Rep. Luther

LR 2500 An Act to Amend the Laws Concerning Seatbelts

Action

SPONSOR: Rep. Luther

LR 2505 An Act Regarding Children Who are Passengers
in Pick-up Trucks

SPONSOR: Rep. MacBride

LR 2503 An Act to Amend the Charter of the Presque
Isle Sewer District

Cosponsors: Rep. Donnelly
Sen. Collins

SPONSOR: Sen. McCormick

LR 2493 An Act to Amend the Calculation Procedure for
Final Average Compensation under the Retirement
Laws in Case of Furloughs

Cosponsors: Rep. Jalbert

SPONSOR: Sen. Mills

*LR 2460 An Act Prohibiting Chlorofluorocarbons in
Automobile Air Conditioners

SPONSOR: Sen. Mills

LR 2487 An Act to Prohibit the Privatization of Lotteries

Cosponsors: Rep. Lawrence

SPONSOR: Sen. Mills

LR 2488 An Act to Prohibit the Closing of State Liquor
Stores

Cosponsors: Rep. Lawrence

SPONSOR: Rep. Mitchell, Elizabeth H.

LR 2489 An Act to Establish an Insurance Commission

* Request Rejected 1/31/91 and resubmitted.

SPONSOR: Rep. Mitchell, Elizabeth H.

ACTION

LR 2502 An Act Relating to Tax Refund Anticipation
Loan Disclosures

Cosponsors: Sen. Kany

SPONSOR: Rep. O'Dea

LR 2458 An Act to Amend the Law Pertaining to Destruction
of Law Enforcement Canines

SPONSOR: Rep. Tracy

LR 2494 An Act to Authorize a Local Option Excise Tax
on Gravel Mining

Cosponsors: Sen. Kany
Rep. Mayo
Rep. Dore

SPONSOR: Sen. Webster

LR 2497 An Act to Alter the Composition of the Commission
on Governmental Ethics and Election Practices

TABLED BY THE LEGISLATIVE COUNCIL

SPONSOR: Sen. Clark, Nancy R.

TABLED
02/02/91

LR 2461 An Act to Provide a Medical Definition of
Infertility and Guarantee Insurance Benefits
for this Disease

SPONSOR: Rep. Hussey, Jr.

TABLED
02/02/91

LR 2428 An Act to Amend the Law Concerning Licensure of
Certain Railroad Personnel and to Enforce Licensure
Laws

Cosponsors: Rep. Pineau
Rep. McKeen
Sen. Pray

SPONSOR: Rep. Martin, John L.

TABLED
02/02/91

LR 2467 An Act to Suspend Certain Provisions of the Tax
Laws for Individuals Participating in Operation
Desert Storm

SPONSOR: Sen. Mills

TABLED
02/02/91

LR 2451 An Act to Amend the Motor Vehicle Laws

SPONSOR: Rep. Paradis, Patrick E.

TABLED
01/09/91

**LR 2420 An Act to Remove the Statute of Limitations
on Prosecution of Incest

Cosponsors: Sen. Gauvreau
Rep. Duplessis
Rep. Farnsworth

SPONSOR: Rep. Rotondi

TABLED
01/03/91

LR 0997 An Act Regarding Access to Certain Lands

** Requests noted with 2 asterisks appear to be closely
related to other requests on file.

SPONSOR: Rep. Rotondi

TABLED
01/03/91

LR 2414 An Act to Adjust the Fee for Land Use Regulation
Commission Zoning Permits

Cosponsors: Sen. Webster
Rep. Powers

SPONSOR: Rep. Sheltra

TABLED
02/02/91

LR 2445 An Act Authorizing Changes to the Budget Process
in York County

SPONSOR: Rep. Simonds

TABLED
01/09/91

LR 2421 An Act to Allocate Funds to the Maine Council
on Economic Education

SPONSOR: Sen. Summers

TABLED
02/02/91

LR 2450 An Act to Discourage Fraudulent Workers'
Compensation Claims

Cosponsors: Sen. Webster

SPONSOR: Sen. Vose

TABLED
02/02/91

LR 2465 Resolution, Proposing an Amendment to the
Constitution of Maine to Provide for Compensation
when State Actions Diminish Property Values

LEGISLATIVE COUNCIL
REQUESTS TO INTRODUCE LEGISLATION
FIRST REGULAR SESSION
February 21, 1991

Action

SPONSOR: Rep. Carleton, Jr.

LR 2518 An Act to Amend the Boundaries Between the City
of Saco and the Town of Old Orchard Beach

Cosponsors: Rep. Kerr
Rep. Nadeau

SPONSOR: Sen. Clark, Nancy R.

LR 2523 An Act Concerning Health Insurance for
Retired Teachers

Cosponsors: Sen. Theriault
Rep. Hastings
Rep. Gwadosky

SPONSOR: Sen. Clark, Nancy R.

LR 2482 An Act to Provide for the 1991 and 1992 Allocations
of the State Ceiling on Private Activity Bonds

Cosponsors: Sen. Foster
Rep. Lebowitz
Rep. Gwadosky

SPONSOR: Sen. Dutremble, Dennis L.

LR 2499 An Act to Require Assistance for Economic
and Community Development Activities

Cosponsors: Rep. Dutremble, Lucien A.
Rep. Plourde
Rep. Sheltra

SPONSOR: Sen. Estes

LR 2483 An Act Concerning Amendments to the Laws
Affecting Education Programs of the Finance
Authority of Maine

Cosponsors: Rep. Crowley
Rep. Ault
Rep. Norton

Action

SPONSOR: Sen. Gauvreau

LR 2519 An Act to Extend the Reporting Deadline of the Commission to Study the Certificate of Need Law and the Impact of Competitive Market Forces on Ambulatory Health Services

SPONSOR: Sen. Gould, Robert R.

LR 2524 Resolve, Authorizing the Transfer of Certain Lands to the Belfast Water District

SPONSOR: Rep. Gwadosky

LR 2481 An Act Concerning Amendments to the Laws Affecting the Finance Authority of Maine

Cosponsors: Rep. Kilkelly
Rep. Lebowitz
Rep. Bailey, Ronald C.

SPONSOR: Rep. Heino

LR 2490 An Act to Amend the Hunting Laws on Westport Island

SPONSOR: Rep. Ketover

LR 2509 An Act to Repeal the Exemptions for Consumer and Antitrust Laws as they apply to the Banking Industry

SPONSOR: Rep. Kilkelly

LR 2495 An Act to Allow Municipalities to Establish Fees for Copies of Vital Records

SPONSOR: Rep. Luther

LR 2500 An Act to Amend the Laws Concerning Seatbelts
(BY REQUEST)

SPONSOR: Rep. Luther

LR 2505 An Act Regarding Children Who are Passengers in
Pick-up Trucks

SPONSOR: Rep. MacBride

LR 2503 An Act to Amend the Charter of the Presque Isle
Sewer District

Cosponsors: Rep. Donnelly
Sen. Collins

SPONSOR: Sen. McCormick

LR 2493 An Act to Amend the Calculation Procedure for
Final Average Compensation under the Retirement
Laws in Case of Furloughs

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SPONSOR: Sen. Mills

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LR 2487 An Act to Prohibit the Privatization of Lotteries

Cosponsors: Rep. Lawrence

SPONSOR: Sen. Mills

LR 2488 An Act to Prohibit the Closing of State Liquor
Stores

Cosponsors: Rep. Lawrence

SPONSOR: Rep. Mitchell, Elizabeth H.

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Cosponsors: Sen. Kany

* Request Rejected 1/31/91 and resubmitted.

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SPONSOR: Rep. O'Dea

LR 2458 An Act to Amend the Law Pertaining to Destruction
of Law Enforcement Canines

SPONSOR: Sen. Pray

LR 2513 An Act to Eliminate Sunday Allocations on the
Penobscot River

SPONSOR: Rep. Reed, Gary W.

LR 2507 An Act to Amend the Boundaries of the Back Bay Cove
Sanctuary in Falmouth

SPONSOR: Rep. Tracy

LR 2494 An Act to Authorize a Local Option Excise Tax
on Gravel Mining

Cosponsors: Sen. Kany
Rep. Mayo
Rep. Dore

SPONSOR: Sen. Webster

LR 2497 An Act to Alter the Composition of the Commission
on Governmental Ethics and Election Practices

TABLED BY THE LEGISLATIVE COUNCIL

SPONSOR:	Sen. Clark, Nancy R.	TABLED 02/02/91
LR 2461	An Act to Provide a Medical Definition of Infertility and Guarantee Insurance Benefits for this Disease	
SPONSOR:	Rep. Hussey, Jr.	TABLED 02/02/91
LR 2428	An Act to Amend the Law Concerning Licensure of Certain Railroad Personnel and to Enforce Licensure Laws	
	Cosponsors: Rep. Pineau Rep. McKeen Sen. Pray	
SPONSOR:	Rep. Martin, John L.	TABLED 02/02/91
LR 2467	An Act to Suspend Certain Provisions of the Tax Laws for Individuals Participating in Operation Desert Storm	
SPONSOR:	Sen. Mills	TABLED 02/02/91
LR 2451	An Act to Amend the Motor Vehicle Laws	
SPONSOR:	Rep. Paradis, Patrick E.	TABLED 01/09/91
**LR 2420	An Act to Remove the Statute of Limitations on Prosecution of Incest	
	Cosponsors: Sen. Gauvreau Rep. Duplessis Rep. Farnsworth	
SPONSOR:	Rep. Rotondi	TABLED 01/03/91
LR 0997	An Act Regarding Access to Certain Lands	
SPONSOR:	Rep. Rotondi	TABLED 01/03/91
LR 2414	An Act to Adjust the Fee for Land Use Regulation Commission Zoning Permits	
	Cosponsors: Sen. Webster Rep. Powers	

** Requests noted with 2 asterisks appear to be closely
related to other requests on file.

SPONSOR: Rep. Sheltra

**TABLED
02/02/91**

LR 2445 An Act Authorizing Changes to the Budget Process
 in York County

SPONSOR: Rep. Simonds

**TABLED
01/09/91**

LR 2421 An Act to Allocate Funds to the Maine Council on
 Economic Education

SPONSOR: Sen. Summers

**TABLED
02/02/91**

LR 2450 An Act to Discourage Fraudulent Workers' Compensation
 Claims

Cosponsors: Sen. Webster

SPONSOR: Sen. Vose

**TABLED
02/02/91**

LR 2465 Resolution, Proposing an Amendment to the
 Constitution of Maine to Provide for Compensation
 When State Actions Diminish Property Values

ADDENDUM

LEGISLATIVE COUNCIL
REQUESTS TO INTRODUCE LEGISLATION
FIRST REGULAR SESSION
February 26, 1991

Action

SPONSOR: Sen. Clark, Nancy R.

LR 2530 An Act to Authorize Municipal Guarantees of
Council of Government Obligations

Cosponsors: Rep. Reed, Gary W.
Sen. Rich

SPONSOR: Rep. Coles

LR 2532 An Act to Establish a Budget Process for
Sagadahoc County

SPONSOR: Sen. Conley

LR 2526 An Act to Reconcile Dates Barring Claims in the
Probate Code

SPONSOR: Sen. Conley

LR 2527 An Act to Reduce the Filing Fee for Jury Trials

Cosponsors: Rep. Paradis, Patrick E.
Sen. Gauvreau
Rep. Marsano

SPONSOR: Rep. Hale

LR 2531 An Act Regarding the Taxes Imposed to Provide
Access to Health Care

SPONSOR: Sen. Mills

LR 2534 An Act to Continue Authority for Seasonal
Agency Liquor Stores

Cosponsors: Rep. Lawrence

SPONSOR: Rep. Nutting

LR 2528 An Act to Allow Schools in the State to
Self-insure for Fire Insurance

SPONSOR: Rep. O'Gara

**LR 2529 An Act to Amend the Laws Concerning Immunization
of College Students

Cosponsors: Rep. Kontos

SPONSOR: Rep. Spear

LR 2538 An Act to Amend the Waldoboro Sewer District
Charter

SPONSOR: Sen. Summers

LR 2536 An Act to Establish a Seasonal Permit for the
Sale of Deer Hides

SPONSOR: Rep. Tardy

LR 2533 An Act to Make Maine Milk Law Conform to
Federal Law

** Requests noted with 2 asterisks appear to be closely
related to other requests on file.

LEGISLATIVE COUNCIL
REQUEST TO INTRODUCE LEGISLATION
FIRST REGULAR SESSION
February 26, 1991
Addendum

SPONSOR: Rep. Kerr

Action

An Act to Limit the Siting of Landfills
Within Ten Miles of Municipalities That Host
or Have a Waste to Energy Facility