

MAINE STATE LEGISLATURE

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REP. JOHN RICHARDSON
CHAIR

SEN. BETH EDMONDS
VICE-CHAIR



SEN. MICHAEL F. BRENNAN
SEN. PAUL T. DAVIS, SR.
SEN. KENNETH T. GAGNON
SEN. CAROL WESTON
REP. GLENN A. CUMMINGS
REP. DAVID E. BOWLES
REP. ROBERT W. DUPLESSIE
REP. JOSHUA A. TARDY

DAVID E. BOULTER
EXECUTIVE DIRECTOR

122ND MAINE STATE LEGISLATURE

LEGISLATIVE COUNCIL
MEETING SUMMARY
FEBRUARY 16, 2006
Approved March 2, 2006

CALL TO ORDER

The Chair, Speaker Richardson, called the Legislative Council meeting to order at 1:15 p.m. in the Legislative Council Chamber.

ROLL CALL

| | |
|-----------------------|---|
| Senators: | President Edmonds, Sen. Brennan, Sen. Gagnon, Absent: Sen. Davis, Sen. Weston |
| Representatives: | Speaker Richardson, Rep. Cummings, Rep. Bowles, Rep. Duplessie, Rep. Tardy |
| Legislative Officers: | Millicent MacFarland, Clerk of the House Michael Cote, Assistant Clerk of the House David Boulter, Executive Director, Legislative Council Grant Pennoyer, Director, Office of Fiscal and Program Review Patrick Norton, Director, Office of Policy and Legal Analysis Margaret Matheson, Revisor of Statutes Lynn Randall, State Law Librarian Paul Mayotte, Director, Legislative Information Services |

REPORTS FROM EXECUTIVE DIRECTOR AND STAFF OFFICE DIRECTORS

• Executive Director's Report

David Boulter, Executive Director of the Legislative Council, reported on the following items:

1. Closing of Memorial Bridge in Augusta

On February 26, 2006, DOT will be closing Memorial Bridge for 3 months in order to conduct bridge repairs. DOT has identified alternative routes, including using the new third bridge for those heading east and I-95 or the Gardiner-Randolph bridge for those heading south. Significant congestion is expected, so travelers should allow extra time traveling to and from the State House.

2. Union Street renovations

DOT and the City of Augusta are developing plans to upgrade Union Street adjacent to Capitol Park. He is working with DOT, BGS and the Maine Historic Preservation Commission to secure street improvements that will enhance Capitol Park. In particular, they are exploring ways to place utilities underground similar to how utilities are installed elsewhere in the Capitol complex.

• **Fiscal Report**

Grant Pennoyer, Director, Office of Fiscal and Program Review reported the following:

A. General Fund and Highway Fund Revenue Update General Fund

- General Fund revenue was \$13.1 million under budget for the month of January, reducing the positive variance for the fiscal year-to-date (FYTD) to \$8.5 million (+0.6%).
- Corporate income tax, cigarette tax and estate tax revenues have been the major contributors to the positive FYTD variance (with a combined positive variance of \$23.4 million).
- Individual income tax, insurance company tax and other revenue (primarily judicial fine revenue and DHHS revenue) have partially offset positive variances lines, with combined negative variances totaling \$14.9 million for the FYTD.
- Individual income tax revenue, which fell below budget for the 1st time in January, would have been even more negative had it not been for the positive variances from the timing in BETR and Circuit Breaker program expenditures, which were \$15.3 million behind projections for the FYTD, resulting in a positive revenue variance.
- January sales tax revenue (representing December taxable sales) was ahead of budget, reflecting holiday sales above revised projections. However, after adjusting for one-time revenue of \$2.1 million from an audit settlement in December, the sales tax line would be under budget for the FYTD.
- Weaknesses in taxable sales and individual income tax seem to validate the recent downward revisions to the economic forecast made by the Consensus Economic Forecasting Commission.

The Speaker asked Mr. Pennoyer what the effect, if any, of the closing of the Brunswick Naval Air Station had on the forecast. Mr. Pennoyer said the economic forecasters did not factor the closing into this forecast because accurate information was not available.

Sen. Brennan asked whether the fact the corporate income tax revenue was doing so well and individual income tax and sales tax revenues were not, was an indicator that corporations and corporate profits were growing at the expense of salaries and wages. Mr. Pennoyer said the major reason that the corporate income tax was doing well was the apportionment method of the corporate income tax that uses income of national corporations and regional growth differentials are not factored into the calculation.

Highway Fund

- Highway Fund revenue was under budget in January by \$4.6 million, resulting in a negative variance for the FYTD of \$4.2 million (-2.3%). The Fuel Taxes' line is the major reason for this negative variance. It was under budget by \$4.3 million in January alone, largely due to an uncollected \$3.6 million audit assessment that was budgeted for January collection.

B. Economic and Revenue Forecast Update

- This revised forecast was more pessimistic than the previous assessment of the economy in all of the major forecast variables, projecting slower employment and personal income growth and higher inflation. Major reasons for the more pessimistic economic forecast include:
 - The recent release of 4th quarter calendar year 2005 growth estimates by the U.S. Bureau of Economic Analysis (BEA) showed slower growth than previously anticipated; and
 - Oil prices, previously forecast to decline, are now assumed to remain at high levels.

The Revenue Forecasting Committee will be meeting on Thursday, February 23rd, at 9:00 a.m. in Room 228 of the State House.

C. Cash Pool and Cash Balance Trends

At the December, 2005 Council meeting, Mr. Pennoyer had noted a potential problem with the Highway Fund balances and reported the following:

- Highway Fund cash balances dropped significantly during this fiscal year.
- Highway and Bridge Improvement program shortfall due to inflationary pressures and earmarking of a higher portion of new federal funding has eroded cash balances and delayed the normal seasonal recovery in Highway Fund cash.
- February's average daily beginning balances as tracked by OFPR have shown some modest improvement, but balances remain near 10-year lows.

- **Update of Interim Studies**

Patrick Norton, Director, Office of Policy and Legal Analysis, referred members to the report on the status of legislative studies in their packet.

A copy of the Progress Report on Legislative Studies is attached.

- **Office of Information Services' Report**

Paul Mayotte, Director, Legislative Information Services Office reported the following:

Bill Drafting System:

The Revisor's Office is using the MELD system to draft the new bills entering the process. MELD functions will be reviewed in a production mode during the warranty period to maximize the warranty protection. A post-session processing test will be conducted during the week of the 20th.

HP is committed to closing a block of open warranty items this week and HP has scheduled a software update for March 6, 2006.

House Internet Video:

- All work and testing will be completed during the week of the 13th.

Data Backup:

- Process changes have been made to ensure data backups are complete, current and recoverable.
- All legislative backup data is current at this time.

Rep. Bowles stated that his office did not receive any information from the Legislative Information Services Office regarding the computer problems, despite his staffs' requests to the office. He requested that in the future, the Information Services Office promptly alert all offices in the Legislature, both by email and in person, of problems with the computer system.

Wireless Network:

- Additional wireless capacity was installed in the House Chamber.
- Legislative Information Services is reviewing wireless performance on the 3rd floor and in the area of the Council Chamber.

SUMMARY OF THE JANUARY 12, 2006 COUNCIL MEETING

Motion: That the Meeting Summary of January 12, 2006 be accepted and placed on file. (Motion by President Edmonds, second by Rep. Tardy, unanimous).

REPORTS FROM COUNCIL COMMITTEES

- **Personnel Committee**

Rep. Cummings, Chair, Personnel Committee, reported that the committee had not met.

- **State House Facilities Committee**

Sen. Gagnon, Chair, State House Facilities Committee gave a report of the committee's meeting of January 12, 2006.

The committee met to consider a request by the Maine Association of Realtors for a waiver to allow serving full meals in the Hall of Flags on March 16th as part of "Realtor Rally Day." After full consideration of the request and the policy implications of changing the policy, the facilities committee unanimously felt that the policy should not be waived. The committee felt that the association can still fully interact with legislators without having to serve a full meal. It noted that the policy is working well so far, without negative effects on any group. The committee also noted that the Legislative Council agreed to review the policy within a year, after having operated under the new policy for a full session.

The facilities committee will charge the executive director with notifying the realtor's association of the State House Facilities Committee's decision to not waive the policy, explaining that the policy will be reviewed later this year.

No Legislative Council action required.

OLD BUSINESS

Item #1: Council actions taken by ballot

A copy of a list of actions taken by ballot by the Legislative Council since its January 12, 2006 meeting is attached.

NEW BUSINESS

Item #1: Consideration of After Deadline Bill Requests

Fifteen after deadline requests were considered by the Legislative Council. The Council's actions on these requests are included on the attached list.

Item #2: Submission of Study Reports

- Committee to Study State Compliance With the Federal Indian Child Welfare Act of 1978
- Health Care System and Health Security Board
- Study Commission to Study Alternative Voting Procedures, the Citizen Initiative Process and Minor Party Ballot Access
- Joint Standing Committee on Agriculture, Conservation and Forestry's staff study report on "Maine Forestland Ownership: Trends and Issues"

Motion: That the above Study Reports be accepted and placed on file. (No motion or second was made; approved 8-0, absent for the vote were Sen. Davis and Sen. Weston).

ANNOUNCEMENTS AND REMARKS

Rep. Duplessie requested that the Legislative Council review the process of how and when fiscal information on proposed legislation is developed and released. Currently, preliminary fiscal information is usually provided for a bill before the bill has had a public hearing. He believes staff time would be better utilized, and called for in the joint rules, for fiscal notes to be prepared and released at the time the committee reports out the bills.

Sen. Gagnon announced that the State House Facilities Committee would be meeting immediately after the Legislative Council meeting.

ADJOURNMENT

The Legislative Council meeting was adjourned at 1:47 p.m. (Motion by Sen. Brennan, second by Rep. Tardy, unanimous).



Maine State Legislature
OFFICE OF POLICY AND LEGAL ANALYSIS

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February 13, 2006

To: Representative John Richardson, Chair, Legislative Council
Senator Beth Edmonds, Vice-Chair, Legislative Council

From: Patrick Norton, Director, OPLA

Re: Status of studies

Except as noted below, authorized study commissions have generally completed their work and submitted their required reports. The exceptions are:

Interim studies

Homeland security. The Homeland Security Task Force received an extension of their reporting deadline to February 3rd. The Task Force has completed its work for this session (this is a two year study), and OPLA staff is finalizing the report of the Task Force. Legislation to implement the recommendations of the Task Force is in production. The recommendations include 2 pieces of legislation.

Freedom of access. The Freedom of Access Advisory Committee received approval to hold its final 2 meetings in January. Those meeting were held, and OPLA staff is finalizing the Advisory Committee's report to the Judiciary Committee and the Chief Justice. Following receipt of that report, the Judiciary Committee is authorized to report out a bill to make any necessary changes in law.

Liveable wages. The Liveable Wages Study Commission received an extension of its reporting deadline to February 1st. The Commission has completed its work and OPLA staff is finalizing the report of the Task Force. Legislation (8 bills) to implement the recommendations of the Commission is in production.

Unorganized territories cost of services. The Commission to Study the Cost of Providing Certain Service in the Unorganized Territories received an extension of their reporting deadline to July 1, 2006. The Legislative Council has also authorized 2 off-site meetings. The Commission, which is staffed by OFPR, has held one off-site meeting since the start of the session, January 26th in Millinocket. The Commission plans to hold one additional off-site meeting during the session, tentatively planned for the end of February or early March in Dover-Foxcroft.

Harbor master education, safety and training. A Joint Order (HP 1190) was passed on May 31, 2005 directing the Marine Resources Committee to study methods to promote

education, safety and training for harbor masters. The study was to take place during the 2nd Regular Session by the Committee, and the Committee was directed to report out a bill based on its study by March 3, 2006. A bill from the Committee is expected.

Permanent on-going study and advisory bodies

Legislative Youth Advisory Council. The Legislative Youth Advisory Council (LYAC) is a permanent, 22-member advisory council which is authorized to meet at least 6 times per year. The LYAC is staffed by OPLA. The Council has met in January and February of this year. OPLA staff is finalizing the 2006 annual report of the Council, which is due in February of each year. The Council is planning to hold several additional meetings throughout the year. No legislation is expected this session from LYAC.

Citizen Trade Policy Commission. The Citizen Trade Policy Commission is a permanent, 17-member Commission which is staffed by OPLA. The Commission is authorized to meet at least twice annually, but has been regularly meeting on a monthly or bi-monthly basis. The Commission met in January of this year and has tentatively scheduled a meeting for mid-February or perhaps March. No additional legislation is expected this session from this commission.

cc: David Boulter, Executive Director

**Actions Taken by Ballot by
the Legislative Council Since
the January 12, 2006 Council Meeting**

1. Request for Introduction of Legislation

- A. LR 3102: **An Act to Amend the Charter of the Kennebunk Light and Power District**

Submitted by: Representative Christopher Babbidge
Accepted: February 7, 2006, 9 – 0 – 0 – 1

- B. LR 3133: **An Act to Strengthen Maine’s Craft Brewers**

Submitted by: President Beth Edmonds
Accepted: January 31, 2006, 10 – 0 – 0 – 0

- C. LR 3125: **An Act Amending and Restating the Charter of the President and Trustees of Colby College**

Submitted by: Senator Kenneth Gagnon
Accepted: January 26, 2006, 10 – 0 – 0 – 0

- D. LR 3132: **Resolve, Directing the Department of Transportation to Amend Its Rules Governing Noise Abatement and Reimbursement**

Submitted by: Representative Kevin Glynn
Accepted: January 31, 2006, 10 – 0 – 0 – 0

- E. LR 3106: **An Act Protecting Youth From Losing Health Insurance**

Submitted by: Senator Arthur Mayo
Accepted: January 19, 2006, 9 – 1 – 0 – 0

- F. LR 3107: **An Act to Protect the Confidentiality of Prescription Information**

Submitted by: Senator Arthur Mayo
Accepted: January 19, 2006, 10 – 0 – 0 – 0

- G. LR 3104: **Resolve, Directing the State Board of Property Tax Review to Accept and Review the Appeal Filed by the Town of Palermo**

Submitted by: Senator Carol Weston
Accepted: January 19, 2006, 10 – 0 – 0 – 0

LEGISLATIVE COUNCIL
ACTION ON REQUESTS TO INTRODUCE LEGISLATION
SECOND REGULAR SESSION
February 16, 2006

| | Action |
|--|------------------|
| SPONSOR: Rep. Finch, Edward D. | ACCEPTED |
| LR 3172 Resolve, To Allow the Department of Inland Fisheries And Wildlife To Convey a Part of a Parcel of Land in Fairfield | |
| SPONSOR: Rep. Gerzofsky, Stanley J. | ACCEPTED |
| LR 3098 JOINT RESOLUTION MEMORIALIZING THE SECRETARY OF THE NAVY TO HONOR THE GIFT BESTOWED IN 1791 OF 1,000 ACRES KNOWN AS BRUNSWICK COMMONS BY THE PEJEBSCOT PROPRIETORS TO THE CITY OF BRUNSWICK FOREVER, AND RETURN IT TO THE CITY AT NO COST | |
| SPONSOR: Rep. Gerzofsky, Stanley J. | WITHDRAWN |
| LR 3120 An Act Regarding License Suspension Notification | |
| SPONSOR: Rep. Jackson, Troy D. | TABLED |
| LR 3148 An Act To Allow a Second Option To Apply for Continued Coverage under the State Group Health Plan | |
| SPONSOR: Rep. Jackson, Troy D. | TABLED |
| LR 3149 An Act To Allow Heavy Equipment To Be Moved during Nighttime Hours | |
| SPONSOR: Rep. Jackson, Troy D. | TABLED |
| LR 3167 An Act To Protect Victims from Domestic Abuse | |
| SPONSOR: Rep. Makas, Elaine | TABLED |
| LR 3105 An Act To Establish a Minimum Salary for Teachers | |

SPONSOR: Rep. Pingree, Hannah **ACCEPTED**

LR 3186 JOINT RESOLUTION MEMORIALIZING CONGRESS AND THE PRESIDENT FOR REIMBURSEMENT OF ALL STATE COSTS INCURRED BY THE IMPLEMENTATION OF THE FEDERAL MEDICARE PART D PROGRAM

SPONSOR: Rep. Simpson, Deborah **ACCEPTED**

LR 3103 An Act To Establish An Automated Victim Notification System For Crimes Involving Domestic Violence

SPONSOR: Rep. Simpson, Deborah **WITHDRAWN**

LR 3162 An Act To Correct Inequities in the Judicial Retirement System

SPONSOR: Rep. Tardy, Joshua A. **ACCEPTED**

LR 3137 Resolve, To Study the Adequacy of Information Provided by the Office of the Secretary of State Regarding Referendum Questions

SPONSOR: Rep. Tuttle, Jr., John L. **FAILED**

LR 3136 Resolve, To Expedite a Workers' Compensation Case

SPONSOR: Rep. Webster, David C. **ACCEPTED**

LR 3099 An Act To Simplify and Relieve Personal Property Taxes for Small Businesses

SPONSOR: Rep. Woodbury, Richard G. **TABLED**

LR 3126 RESOLUTION, Proposing an Amendment to the Constitution of Maine To Create a Property Taxation Exemption for Property Owners with Limited Personal Property Assessments

SPONSOR: Rep. Woodbury, Richard G. **TABLED**

LR 3163 An Act To Exempt Personal Property of Less than \$20,000 from the Personal Property Tax