

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

1st Special Session

OF THE

*One Hundred and Sixth
Legislature*

OF THE

STATE OF MAINE

1974

Kennebec Journal
Augusta, Maine

SENATE

Friday, January 25, 1974

Senate called to order by the President.

Prayer by Mr. Julius Sussman of Augusta.

Reading of the Journal of yesterday.

**Papers from the House
Non-concurrent Matter**

Joint Order (H. P. 1892) relative to PUC evaluating water and water-related lands for generating electricity.

In the House January 21, 1974, Read and Passed.

In the Senate January 23, 1974, Indefinitely Postponed, in non-concurrence.

Comes from the House, that Body having Insisted.

On motion by Mr. Berry of Cumberland, tabled until later in today's session, pending Consideration.

Non-concurrent Matter

Bill, "An Act Relating to Absentee Voting by Persons Serving Sentences in Jails and Penal Institutions." (H. P. 1781) (L. D. 2253)

In the House January 16, 1974, Bill and Reports Indefinitely Postponed.

In the Senate January 22, 1974, the Bill Passed to be Engrossed as Amended by Committee Amendment "A" (H-630), in non-concurrence.

Comes from the House, the Bill Passed to be Engrossed as Amended by House Amendment "A" (H-636), in non-concurrence.

On motion by Mr. Shute of Franklin, the Senate voted to Recede and Concur.

House Papers

Bills and Resolve today received from the House requiring Reference to Committees were acted upon in concurrence.

Orders

On motion by Mr. Shute of Franklin,

WHEREAS, the Legislature has learned that the Chief of the Engrossment Division has set up temporary quarters at the Augusta General Hospital; and

WHEREAS, such action is highly irregular for this intensely loyal and dedicated servant of the State and the

Legislature for the past 45 years; and

WHEREAS, Miss Lemieux is an acknowledged expert on engrossment and elections, who has taken leave in Room 362 against her will; and

WHEREAS, circumstances are such that the Maine Legislature is powerless to restore her valuable service or to persecute the perpetrators of this movement; now, therefore, be it

ORDERED, that We, the Members of the Senate of the First Special Session of the One Hundred and Sixth Legislature, acknowledge this unhappy occasion brought about by the illness of Miss Rachel E. Lemieux and express to her our warmest wishes for a speedy recovery; and be it further

ORDERED, that a suitable copy of this Order properly attested be immediately transmitted to Miss Lemieux at the Augusta General Hospital to convey the sentiments expressed herein.

Which was Read and Passed.

**Committee Reports
House**

The following Ought Not to Pass reports shall be placed in the legislative files without further action pursuant to rule 17-A of the Joint rules:

Bill, "An Act to Provide Legislative Review of Administrative Rules and Regulations." (H. P. 1845) (L. D. 2338)

Bill, "An Act Prohibiting a Municipal Officer from being a Member of the Legislature." (H. P. 1827) (L. D. 2317)

Ought to Pass - As Amended

The Committee on Marine Resources on,

Bill, "An Act to Correct Errors and Inconsistencies in the Marine Resources Law" (H. P. 1786) (L. D. 2258)

Reported that the same Ought to Pass as Amended by Committee Amendment "A" (H-648).

Comes from the House, the Bill Passed to be Engrossed as amended by Committee Amendment "A".

The Committee on County Government on,

Bill, "An Act Relating to Expending Cumberland County Funds at County Jail and Recreation Center." (H. P. 1832) (L. D. 2323)

Reported that the same Ought to Pass

as Amended by Committee Amendment "A" (H-647).

Comes from the House, the Bills Passed to be Engrossed as Amended by Committee Amendments "A".

Which reports were Read and Accepted in concurrence and the Bills Read Once. Committee Amendments "A" were Read and Adopted in concurrence and the Bills, as Amended, tomorrow Assigned for Second Reading.

Ought to Pass in New Draft

The Committee on County Government on,

Bill, "An Act to Authorize a Food Stamp Program in Cumberland County." (H. P. 1831) (L. D. 2322)

Reported that the same Ought to Pass in New Draft under Same Title (H. P. 1898) (L. D. 2402)

Comes from the House, the Bill in New Draft Passed to be Engrossed.

Which report was Read and Accepted in concurrence, the Bill in New Draft Read Once and Tomorrow Assigned for Second Reading.

Senate

Ought to Pass in New Draft

Mr. Shute for the Committee on Transportation on,

Bill, "An Act to Implement the Federal Aid Safer Roads Demonstration Program and to Make Additional Allocations from the General Highway Fund." (S. P. 752) (L. D. 2162)

Reported that the same Ought to Pass in New Draft under New Title: "An Act to Implement the Federal Aid Safer Roads Demonstration Program and to Make Additional Allocations from the General Highway Fund." (S. P. 878) (L. D. 2443)

Which report was Read and Accepted, the Bill in New Draft Read Once and Tomorrow Assigned for Second Reading.

Divided Report

The Majority of the Committee on Taxation on,

Bill, "An Act Exempting Certain Sales through Coin-operated Vending Machines from the Sales Tax." (S. P. 753) (L. D. 2163)

Reported that the same Ought to Pass.

Signed:

Senators:

WYMAN of Washington

COX of Penobscot

FORTIER of Oxford

Representatives:

MERRILL of Bowdoinham

MORTON of Farmington

COTTRELL of Portland

DRIGOTAS of Auburn

SUSI of Pittsfield

IMMONEN of West Paris

MAXWELL of Jay

DOW of West Gardiner

DAM of Skowhegan

The Minority of the same Committee on the same subject matter reported that the same Ought Not to Pass.

Signed:

Representative:

FINEMORE of Bridgewater

Which reports were Read.

Thereupon, the Majority Ought to Pass Report of the Committee was Accepted, the Bill Read Once and Tomorrow Assigned for Second Reading.

Second Readers

The Committee on Bills in the Second Reading reported the following:

House

Bill, "An Act Relating to the Inspection and Licensing of Motor Vehicle Racing." (H. P. 1722) (L. D. 2115)

Which was Read a Second Time and Passed to be Engrossed in concurrence.

Senate

Bill, "An Act Relating to Exemption of Certain Plants under Oil Burner Men's Licensing Law." (S. P. 870) (L. D. 2421)

Which was Read a Second Time and Passed to be Engrossed.

Sent down for concurrence.

Enactors

The Committee on Engrossed Bills reported as truly and strictly engrossed the following:

An Act to Provide Emergency Medical Training for Ambulance and Rescue Personnel. (H. P. 1660) (L. D. 2053)

(On motion by Mr. Sewall of Penobscot placed on the Special Appropriations Table.)

Emergencies

An Act Relating to the Borrowing Cap-

acity of School Administrative District No. 24. (H. P. 1662) (L. D. 2055)

An Act to Authorize County Commissioners of Oxford County to use 1974 Federal Revenue Sharing Funds for Hangar Facility at Oxford County Regional Airport. (S. P. 741) (L. D. 2153)

These being emergency measures and having received the affirmative votes of 24 members of the Senate, were Passed to be Enacted and, having been signed by the President, were by the Secretary presented to the Governor for his approval.

On motion by Mr. Berry of Cumberland, Recessed until the sound of the bell.

After Recess

Called to order by the President.

The President laid before the Senate the matter tabled earlier in today's session by Mr. Berry of Cumberland:

Joint Order (H. P. 1892) relative to PUC evaluating water and water-related lands for generating electricity.

Pending - Consideration.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Berry.

Mr. BERRY: Mr. President and Members of the Senate: No one was more surprised than myself to see this item appear on the calendar this morning and, in order for me to be assured of my own veracity, I checked again on the facts that I told the Senate yesterday. And just to refresh your memory, the letter from the PUC was practically word for word with the joint order that was before us, with the exception that the resolve, I think, recommended two specific locations that the PUC investigate the hydro potential. The purport of the joint order was that the PUC investigate present and potential hydro power capacities of all sites in the state. This is the required duty of the PUC under the statutes, and they wrote this letter to all interested people on January 4th.

Once again, my interest here is the unnecessary cluttering up of the calendar of the business of the Senate and, if the Senate will take my word for the facts of the situation, I am going to move now that the Senate adhere.

The PRESIDENT: The Senator from Cumberland, Senator Berry, now moves that the Senate adhere in non-concurrence. Is this the pleasure of the Senate?

The motion prevailed.

Papers From The House

Out of order and under suspension of the rules, the Senate voted to take up the following:

Committee Report

The Committee on State Government on,

Bill, "An Act to Change the Evaluation of the Housing Reserve Fund and to Clarify the Right of the Maine State Housing Authority to Sell Refunding Bonds." (H. P. 1805) (L. D. 2285)

Reports that the same Ought to Pass as Amended by Committee Amendment "A" (H-655)

Comes from the House, the Bill Passed to be Engrossed as Amended by Committee Amendment "A".

Which report was Read and Accepted in concurrence and the Bill Read Once.

Committee Amendment "A" was Read.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Brennan.

Mr. BRENNAN: Mr. President, I wonder if some member of the Senate could explain what it does now, this bill as amended?

The PRESIDENT: The Senator from Cumberland, Senator Brennan, has posed an inquiry through the Chair which any member of the Senate may answer if he desires.

The Chair recognizes the Senator from Kennebec, Senator Speers.

Mr. SPEERS: Mr. President, I was afraid some member would ask that.

Mr. President and Members of the Senate: This bill is the result of many long and arduous hours on the part of the Committee on State Government. It is the result of problems which have arisen with the Maine State Housing Authority over the past six months or so.

This bill does nothing and it does not relate in any way to the various charges with which you are all, I am sure, quite aware, and it does nothing to conclude or arrive at any conclusion on those particular charges.

One of the real problems that has arisen over the past six months is the ability of the Housing Authority to issue the bonds which we authorized in the last regular session. You may or may not know that the Housing Authority at the beginning of last year was authorized to issue \$20 million in bonds. The regular session increased that authorization to \$60 million in bonds. The proceeds from these bonds were to be used for the purchases of mortgages from various banks in the State of Maine. And the banks, in turn, are required to reinvest the proceeds that they receive from the Maine Housing Authority as a result of the purchasing of these mortgages, to reinvest that money into new mortgages.

The Housing Authority was planning, of course, to issue the additional \$40 million which were authorized by the regular session until there was a problem that arose with the operating expenses of the Authority, and a question which arose as to whether or not there was any limitation written into the law on the amount that could be used from the proceeds of the sale of the bonds for operating expenses. This Act that you have before you today addresses itself to that question. It fairly places a limitation that may be used by the Housing Authority from the proceeds of the sale of the bonds for operating expenses for the mortgage purchase program.

Now, there are a lot of qualifying statements in that sentence. No. 1, the proceeds are solely from the sale of the bonds, the proceeds from the bonds, that are being dealt with in this Act. No. 2, the expenses are for the mortgage purchase program. No. 3, they are relating solely to the operating and administrative expenses of the State Housing Authority.

The Housing Authority requested at the beginning of this session that something be done very quickly to clear up this question of operating expenses so that they could issue the additional \$40 million in the bonds. The reason they asked that something be done quickly is that they had contracted with various banks around the state to purchase \$25 million of mortgages once they were able to issue these bonds. That contract relates to the date of January 28, 1974, which is next Monday. And if the Authority is unable to assure the banks

that they are going to be able to float this additional \$40 million in bonds, then the contract that had been negotiated would be void and they would have to renegotiate with these banks to purchase the \$25 million worth of mortgages, and that would be an additional amount of time and an additional expense for the operation of the Authority.

Now, the amendment limits the expenses of the operation of the Authority to one-half of 1 per cent of the bond value outstanding each year. That is one-half of 1 per cent from the proceeds of the sale of the bonds that may be used for operating expenses. It does not limit the Authority in any way from obtaining funds for operating expenses from other sources that are authorized by the Act, but this limitation applies solely to the proceeds of the sale of bonds. It also applies only to the operation of the mortgage purchase program and not to the other activities of the Authority, such as the Industrialized Housing Act. That has its own source of funding.

Now, if the total \$60 million of bonds are issued, as I understand is being planned, the one-half of 1 per cent comes to a total of \$300,000. The \$300,000 could be used for the operating expenses of the Authority applicable solely to the mortgage purchase program, and that \$300,000 could be derived from the proceeds of the sale of bonds. They would also be able to obtain funds for the operation of the mortgage purchase program from whatever other sources they may obtain them which are authorized by the Act.

It was the feeling of the Committee - the unanimous report of the Committee, I might add - that Authority should operate under this law with the qualifications which I have mentioned, and it certainly is my feeling that under a budget of that type, of that size, that they certainly should be able to continue. And if we can enact this bill on Monday, I am sure that they will be able to purchase the \$25 million in mortgages that they have already contracted to do. This is a long and complicated subject, I am very satisfied with the unanimous report of the Committee, and I think that the State of Maine is taking a very giant step forward in ensuring that the Housing Authority may meet the obligations

it has contracted to meet at this point without, by enacting this bill, coming to the point where we have drawn any conclusions as to the concerns, the comments and the charges that have been made as to the operation of the Authority.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Berry.

Mr. BERRY: Mr. President, I feel that I would like to make one or two comments here. I certainly am going to vote for the engrossment of the bill today, and I think that we should keep our thoughts concentrated solely on the bill in front of us, and not the general problems of the Maine Housing Authority.

I find it an anathema to me that we are paying for operation and maintenance out of the principal amount of the sale of bonds. I recall the depression days in Massachusetts when this was a method of keeping state and local government viable. We had to sell bonds to get money to feed people. But while we are saying that the Maine Housing Authority, which apparently has some problems of operation, should be able to take one-half of 1 per cent of the principal amount of the bonds it sells for its operation and maintenance, I do not understand. I appreciate the fact that the language of the amendment says that this is for the operation and administration set forth in each particular bond issue, but we are all familiar with the principles of allocation of overhead, and it doesn't take any legerdemain for anybody to be able to transfer the costs of running a department into the proceeds of the sale of bonds and call it operation and administration, and I think this is subterfuge.

I also fail to understand why it is going to cost any more to sell a \$60 million bond issue than a \$20 million bond issue.

There are other considerations I think here that I am very much tempted to bring up, but I think our discussion should be concentrated on this issue at the moment.

Under this language, all the operations of the Maine Housing Authority can be funded under the sale of the bonds. Now, the state has always followed the principle that when it lends its credit to the issuance of bonds that the costs of the administration of such programs is paya-

ble by a certain overriding percent of interest attached to the bonds. This has been the theory of operation of the Maine Recreational Authority, the Maine Industrial Building Authority, and everybody else. They pay half a percent, a quarter percent, on interest rate, and this money is available to the respective agencies. I think these are questions that by Monday we should have answers to.

The PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Speers.

Mr. SPEERS: Mr. President and Members of the Senate: There have been a number of questions that have been raised by the Majority Leader. I won't attempt to answer all of those at the present time. I think that this is a subject that is so thoroughly complicated that perhaps a lengthy discussion, not in debate, would be the best way to answer some of the questions.

I would like to answer one comment that was made so that it not stand as part of the legislative record and to the intent of this bill, and that is the comment that all of the operations of the Authority could be paid out of the proceeds of the sale of the bond. That is not the case. It certainly is not the intent of the committee nor the intent of this legislation. This legislation deals with the payment of operations and expenses of the authority related to the mortgage purchase program alone; not to any of the other operations of the Authority.

The PRESIDENT: Is it now the pleasure of the Senate to adopt Committee Amendment "A"?

Thereupon, Committee Amendment "A" was Adopted and, under suspension of the rules, the bill Read a Second Time and Passed to be Engrossed in Concurrence.

Under suspension of the rules, sent forthwith to the Engrossing Department.

Mr. Hichens of York was granted unanimous consent to address the Senate:

Mr. HICHENS: Mr. President and Members of the Senate: We began our session this morning with poetry and I would like to adjourn our session this morning also with poetry, not as profound as what we heard at the beginning but, nevertheless, very significant.

Just a week ago today we heard debate on ERA. The result made me feel like the devil when we brought women down to man's level.

Of course that vote won't change my mind, but from life-long training I still find a real satisfaction in being nice to all that sugar and added spice.

And on this day I get real pleasure with good wishes beyond measure in honoring one amongst our ranks to whom we should all give our thanks for adding glamor and real grace when she

arrives and takes her place.

It is with real pleasure you can bet wishing Happy Birthday to Minnette.

But this parting line I must add to your sorrow, you can't kiss her today boys; her birthday's tomorrow.

(Off Record Remarks)

On motion by Mr. Sewall of Penobscot,
Adjourned until Monday, January 28,
1974, at 4 o'clock in the afternoon.