

MAINE STATE LEGISLATURE

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Legislative Record

OF THE

One Hundred and Seventh Legislature

(First Special Session)

OF THE

STATE OF MAINE

1976

KENNEBEC JOURNAL
AUGUSTA, MAINE

SENATE

Tuesday, March 16, 1976

Senate Called to order by the President.

Prayer by the Rev. Joe Flippin, Fellowship Baptist Church, Augusta:

Our Father, we pray today that your will be done here in the session, as they come together, Lord, seeking your direction. We just pray that your will be done in each thing that is said in order to be able to accomplish something. We pray that you will bless our state, bless our government. We ask you, Lord Jesus, if you would watch over us and guide us. Forgive us for our many shortcomings and our sins. We ask all this in Jesus' name. Amen.

Reading of the Journal of yesterday.

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

Bill, "An Act to Temporarily Suspend Statutory Provisions for Constituent Service Allowance." (S. P. 750) (L. D. 2304)

In the Senate March 12, 1976, referred to the Committee on Appropriations and Financial Affairs.

Comes from the House, Indefinitely Postponed, in non-concurrence.

On motion by Mr. Speers of Kennebec, tabled pending Consideration.

**Joint Resolutions
STATE OF MAINE**

In the Year of Our Lord One Thousand Nine Hundred and Seventy-six.

IN MEMORIAM

Having Learned of the Death of Hon. Raymond L. Teel of Frenchboro Member of the 90th and 91st Legislatures

The Senate and House of Representatives of the State of Maine do hereby extend their sincere heartfelt condolences and sympathy to the bereaved family and friends of the deceased; and further

While duly assembled in session at the State Capitol in Augusta under the Constitution and Laws of the State of Maine, do herein direct that this official expression of sorrow be forthwith sent to the family of the deceased on behalf of the Legislature and the people of the State of Maine. (H. P. 2195)

Comes from the House. Read and Adopted.

Which was Read and Adopted in concurrence.

STATE OF MAINE

In the Year of Our Lord One Thousand Nine Hundred and Seventy-six.

IN MEMORIAM

Having Learned of the Death of Honorable Elbert L. Starrett of Warren who was a Former Member of the Maine Legislature and for Many Years a Selectman of the Town of Warren

The Senate and House of Representatives of the State of Maine do hereby extend their sincere heartfelt condolences and sympathy to the bereaved family and friends of the deceased; and further

While duly assembled in session at the State Capitol in Augusta under the Constitution and Laws of the State of Maine, do herein direct that this official expression of sorrow be forthwith sent to the family of the deceased on behalf of the

Legislature and the people of the State of Maine. (H. P. 2196)

Comes from the House, Read and Adopted.

Which was Read and Adopted in concurrence.

STATE OF MAINE

In the Year of Our Lord One Thousand Nine Hundred and Seventy-six.

IN MEMORIAM

Having Learned of the Death of Donald E. Leighton of Westbrook District Fire Chief for the Past 11 Years and a Professional and Dedicated Firefighter

The Senate and House of Representatives of the State of Maine do hereby extend their sincere heartfelt condolences and sympathy to the bereaved family and friends of the deceased; and further

While duly assembled in session at the State Capitol in Augusta under the Constitution and Laws of the State of Maine, do herein direct that this official expression of sorrow be forthwith sent to the family of the deceased on behalf of the Legislature and the people of the State of Maine. (H. P. 2197)

Comes from the House, Read and Adopted.

Which was Read and Adopted in concurrence.

**Joint Orders
STATE OF MAINE**

In the Year of Our Lord One Thousand Nine Hundred and Seventy-six

WHEREAS, The Legislature has learned of the Outstanding Achievement and Exceptional Accomplishment of the Boys' Ski Team of Fryeburg Academy and Its Coach, Greg Cunningham State Class B Champions

We the Members of the House of Representatives and Senate do hereby Order that our congratulations and acknowledgement be extended; and further

Order and direct, while duly assembled in session at the Capitol in Augusta, under the Constitution and Laws of the State of Maine, that this official expression of pride be sent forthwith on behalf of the Legislature and the people of the State of Maine. (H. P. 2191)

Comes from the House, Read and Passed.

Which was Read and Passed in concurrence.

STATE OF MAINE

In the Year of Our Lord One Thousand Nine Hundred and Seventy-six.

WHEREAS, The Legislature has learned of the Outstanding Achievement and Exceptional Accomplishment of Daniel Simoneau of Livermore Falls High School who won the U. S. Nordic Junior National Ski Championship for the 7.5 Kilometer Cross Country Race at Deadwood, S. D.

We the Members of the House of Representatives and Senate do hereby Order that our congratulations and acknowledgement be extended; and further

Order and direct, while duly assembled in session at the Capitol in Augusta, under the Constitution and Laws of the State of

Maine, that this official expression of pride be sent forthwith on behalf of the Legislature and the people of the State of Maine. (H. P. 2189)

Comes from the House, Read and Passed.

Which was Read and Passed in concurrence.

STATE OF MAINE

In the Year of Our Lord One Thousand Nine Hundred and Seventy-six

WHEREAS, The Legislature has learned of the Outstanding Achievement and Exceptional Accomplishment of the Boys' Basketball Team of Fryeburg Academy and Its Coach, Harry True State Class C Champions

We the Members of the House of Representatives and Senate do hereby Order that our congratulations and acknowledgement be extended; and further

Order and direct, while duly assembled in session at the Capitol in Augusta, under the Constitution and Laws of the State of Maine, that this official expression of pride be sent forthwith on behalf of the Legislature and the people of the State of Maine. (H. P. 2192)

Comes from the House, Read and Passed.

Which was Read and Passed in concurrence.

STATE OF MAINE

In the Year of Our Lord One Thousand Nine Hundred and Seventy-six

WHEREAS, The Legislature has learned of the Outstanding Achievement and Exceptional Accomplishment of the Girls' Ski Team of Fryeburg Academy and its Coach, John Atwood State Class B Champions

We the Members of the House of Representatives and Senate do hereby Order that our congratulations and acknowledgement be extended; and further

Order and direct, while duly assembled in session at the Capitol in Augusta, under the Constitution and Laws of the State of Maine, that this official expression of pride be sent forthwith on behalf of the Legislature and the people of the State of Maine. (H. P. 2193)

Comes from the House, Read and Passed.

Which was Read and Passed in concurrence.

STATE OF MAINE

In the Year of Our Lord One Thousand Nine Hundred and Seventy-six

WHEREAS, The Legislature has learned of the Outstanding Achievement and Exceptional Accomplishment of Spencer Apollonio who Served the State of Maine for 10 Years in the Department of Sea and Shore Fisheries and Marine Resources as Marine Resource Scientist, State Oceanographer, and Commissioner

We the Members of the House of Representatives and Senate do hereby Order that our congratulations and acknowledgement be extended; and further

Order and direct, while duly assembled in session at the Capitol in Augusta, under

the Constitution and Laws of the State of Maine, that this official expression of pride be sent forthwith on behalf of the Legislature and the people of the State of Maine. (H. P. 2198)

Comes from the House, Read and Passed.

Which was Read and Passed in concurrence.

STATE OF MAINE

In the Year of Our Lord One Thousand Nine Hundred and Seventy-six.

WHEREAS, The Legislature has learned of the Outstanding Achievement and Exceptional Accomplishment of William J. Rogers of Kennebec Department Commander of the Maine American Legion, National Vice Commander and The First Maine Legionnaire to be a Candidate for National Commander of the American Legion

We the Members of the House of Representatives and Senate do hereby Order that our congratulations and acknowledgement be extended; and further

Order and direct, while duly assembled in session at the Capitol in Augusta, under the Constitution and Laws of the State of Maine, that this official expression of pride be sent forthwith on behalf of the Legislature and the people of the State of Maine. (H. P. 2199)

Comes from the House, Read and Passed.

Which was Read and Passed in concurrence.

Orders

On motion by Mr. Reeves of Kennebec, (Cosponsor: Mrs. Cummings of Penobscot),

ORDERED, the House concurring, that the Joint Standing Committee on Public Utilities is directed to report out a bill establishing the 3-element service charge governing telephone installation, as filed by the New England Telephone and Telegraph Company in F. C. No. 2090, at \$17.00 until the final decision of the Supreme Judicial Court in New England Telephone and Telegraph Company vs. Public Utilities Commission et al., Supreme Judicial Court docket number KEN 76-5. (S. P. 759)

Which was Read.

THE PRESIDENT: The Chair recognizes the Senator from Knox, Senator Collins.

Mr. COLLINS: Mr. President, I move the indefinite postponement of this order. If you will take a look at the wording in the calendar, it seems very clear that this legislature would be interfering with the operation of two other branches of state government in a completely unwarranted way. The Public Utilities Commission made an order, there was an appeal taken, the matter is now in the Supreme Judicial Court, the order is stayed, and this particular effort to interfere with this process will only take the time of the legislature and cannot possibly accomplish anything that is not already being accomplished by the regular processes of public utility regulation.

THE PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Reeves.

Mr. REEVES: Mr. President, this order is a very necessary one, and for many people throughout Maine. Last summer, because of its lack of staff, the Public Utilities Commission was forced to grant

the New England Telephone Company interim authority to raise its rates pending the outcome of their revenue case. The telephone company raised its installation price from \$12 and \$15 to a minimum of \$32.50. Furthermore, since our no deposit law went into effect last year, this fee has been made payable in advance.

I began to receive complaints about this installation fee in August 1975. Finally, in November I had enough complaints to bring to the attention of the PUC, and I was assured of a prompt decision in this case and refunds to customers, if necessary. They first set a deadline in November, then it was December, and finally the case was settled about one month ago. The PUC said the installation charge should not be \$32.50 but \$17, and they ordered refunds. But now one month later the installation fee is still \$32.50 and the case is not settled. But for many waiting for telephone service, they cannot pay this \$32.50 in advance for a telephone. I am talking now about patients on a stay in a nursing home, working families who are forced to move to a new apartment, a widow who is moving to an elderly housing project; these are the kind of people who have been complaining about this. But it is not possible to pay in installment payments; they are just told not to ask.

In 1974 there were 78,000 telephones installed in Maine, so the number of people affected by this \$32.50 installation charge is substantial. And in my mind the question is basically this: the Maine citizens have a right to telephone service at a reasonable price, and if so, this is an emergency bill, because if we do not consider this bill today, this \$32.50 charge will stay in effect for six months to a year while other technical matters involved in this rate case are decided in the Maine courts. This bill provides only temporary relief while a permanent decision is being appealed, and it does not affect the prerogatives, contrary to what the previous speaker indicated, it does not affect the prerogatives of the Public Utilities Commission in any way, nor does it interfere with the court.

I know that some are very concerned about the Senate voting to interfere with the court in this matter, but I would like to call your attention to three examples. Recently the Senate voted to admit a bill that would strip the Maine Milk Commission of its regulatory powers, even as the court was ruling on a Maine Milk Commission judgment of 13 cents. Last year we gave the Sobin Chemical Company a sales tax break, even as its case was before the Maine court. And last week we passed a bill to guarantee improvements in a sugar beet refinery while that case was and is before the Maine courts. So let's be fair to the elderly and the working people as well. They need this special consideration that only we can give them now.

I would like to point out that in conversations I have had with the Public Utilities Commission that the purpose of this order and of this bill being admitted is to provide as much access as possible to telephone service, and the effect that this bill would have on the adjustment of all other rates is not comparable to the effect of denying telephone service to many thousand of customers. I think both the consumers and the companies are entitled to prompt and firm decisions in rate cases. But the PUC, despite the excellent direction and high quality staff that it has, cannot keep up with the constant rate

increases. And I think that this is our fault, that the PUC is our responsibility and we are not meeting that responsibility.

So here is one case where we can discuss a bill that will restore telephone service to many Maine people. So please vote for this order. Let's admit our responsibility in this case to the Maine consumers who need telephone service and try to do something about it. I ask for a roll call on this matter.

THE PRESIDENT: A roll call has been requested.

The Chair recognizes the Senator from Kennebec, Senator Katz.

Mr. KATZ: Mr. President, I also would like to point out to the members of the public present today that this is an excellent example of the philosophy that government can do everything for all people. The Maine Legislature does some things perfectly splendidly, and other things we don't do so well. From time to time we nibble at things that properly should not be of our concern. I think this is one of them, where the Maine Legislature attempts to step into an arena of a public utility and say exactly how much a telephone company should charge for a specific service.

You will remember that earlier this session and last session there were those who felt that we should tell the newspapers exactly how much to pay a newsboy for delivering newspapers with supplements in them. I have often wondered to what extent we would go, perhaps even to the extent of telling a poor innocent retail jeweler in downtown Augusta how much he must pay his people for gift wrapping a package which has been sold to an affluent legislator as a gift, and so on and on. And I think this is a magnificent opportunity for the Maine Legislature to do what it does well and to stay out of those areas in which it should not meddle.

THE PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Conley.

Mr. CONLEY: Mr. President and Members of the Senate: I dislike getting up to oppose this order. I sympathize with everything the Senator from Kennebec, Senator Reeves, has stated. However, I do honestly feel that this is meddling into an area where the legislature should not be concerned. I am not an attorney but it is years that I have been around and I have spent many years around the courthouse, and I certainly recognize due process. I recognize also the fact that there are co-equal branches of government, and I therefore ask the Senate to support the motion by the good Senator from Knox, Senator Collins, to indefinitely postpone this order.

THE PRESIDENT: A roll call has been requested. In order for the Chair to order a roll call, it must be the expressed desire of one-fifth of those Senators present and voting. Will all those Senators in favor of a roll call please rise in their places until counted.

One-fifth having arisen, a roll call is ordered. The pending question before the Senate is the motion by the Senator from Knox, Senator Collins, that this order, Senate Paper 759, be indefinitely postponed. A "Yes" vote will be in favor of indefinite postponement; a "Nay" vote will be opposed.

The Secretary will call the roll.

ROLL CALL

YEAS: Senators Berry, E.; Berry, R.; Carbonneau, Cianchette, Clifford, Collins, Conley, Corson, Curtis, Cyr, Danton, Gahagan, Graffam, Greeley, Huber,

Jackson, Johnston, Katz, Marcotte, McNally, Merrill, O'Leary, Pray, Roberts, Speers, Thomas, Trotzky, Wyman.

NAVS: Senators Cummings, Graham, Hichens, Reeves.

A roll call was had. 28 Senators having voted in the affirmative, and four Senators having voted in the negative, the motion prevailed.

Committee Reports

House

The following Ought Not to Pass report shall be placed in the legislative files without further action pursuant to Rule 17-A of the Joint Rules:

Bill, "An Act to Amend the Law Relating to the Registration of Pick-up Trucks." (H. P. 1840) (L. D. 2005)

Leave to Withdraw

The Committee on Transportation on, Bill, "An Act to Regulate Vehicles Transporting Combustible, Flammable or Hazardous Materials." (H. P. 1967) (L. D. 2156)

Reported that the same be granted Leave to Withdraw.

The Committee on Taxation on, Bill, "An Act to Help Maintain the Purchasing Power of Participants in the Elderly Tax and Rent Refund Program by Tying Refunds to the Consumer Price Index." (H. P. 1839) (L. D. 2004)

Reported that the same be granted Leave to Withdraw.

Come from the House, the reports Read and accepted.

Which reports were Read and Accepted in concurrence.

Ought to Pass — As Amended

The Committee on Human Resources on, Bill, "An Act to Amend the Mandatory Reporting Law on Child Abuse and Neglect." (H. P. 1898) (L. D. 2078)

Reported that the same Ought to Pass as Amended by Committee Amendment "A" (H-968).

The Committee on Health and Institutional Services on, Bill, "An Act to Amend the Medical Practices Act." (H. P. 1919) (L. D. 2107)

Reported that the same Ought to Pass as Amended by Committee Amendment "A" (H-966).

The Committee on Public Utilities on, Bill, "An Act Relating to the Trustees of the Dexter Utility District." (H. P. 2103) (L. D. 2269)

Reported that the same Ought to Pass as Amended by Committee Amendment "A" (H-971).

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.

Senate

Divided Report

The Majority of the Committee on State Government on, Bill, "An Act to Establish the Dates of Legislative Sessions and to Clarify Laws Relating to Expenses of Legislators." (S. P. 663) (L. D. 2087)

Reported that the same Ought to Pass as Amended by Committee Amendment "A" (S-435).

Signed:

Sensors:

CURTIS of Penobscot
GRAHAM of Cumberland

Representatives:

COONEY of Sabattus

KANY of Waterville

PELOSI of Portland

LEWIN of Augusta

STUBBS of Hallowell

SNOWE of Auburn

QUINN of Gorham

WAGNER of Orono

The Minority of the same Committee on the same subject matter reported that the same Ought to Pass as Amended by Committee Amendment "B" (S-436).

Signed:

Senator:

WYMAN of Washington

Representatives:

CARPENTER of Houlton

FARNHAM of Hampden

Which reports were Read.

The PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator Curtis.

Mr. CURTIS: Mr. President, I move acceptance of the majority ought to pass report, as amended by Committee Amendment "A", and would speak to my motion.

The PRESIDENT: The Senator has the floor.

Mr. CURTIS: Mr. President, I think it is important for members of the Senate as they review this piece of legislation to have an explanation of what is included. First of all, I would like to point out that the original bill has been completely revamped and only the enacting clause is retained.

The two documents that you might like to refer to, to fully understand this piece of legislation, are two amendments which are in your book today. Under Filing No. S-435 is report "A", the majority report from the State Government Committee, and the following amendment under S-436 is the minority report. Both reports establish or propose establishing the length of the first and the second regular sessions of the legislature.

The reason that this legislation is necessary, indeed it is mandatory, is that the people last November approved a constitutional amendment which said that we would have annual sessions of the legislature, and that the legislature must establish the length of the first regular session and the length of the second regular session.

Now, the State Government Committee is not divided on the question of what the length should be. We recommend that the length of the first regular session should be adjourning no later than the last Friday of May, and an adjournment of the second regular session no later than the first Friday in April. The first regular session, of course, is the one that begins in January of each odd-numbered year, and in the future the second regular session will be the session which begins in January of the even numbered year, what we usually consider now as being the special session, the equivalent of the session that we are now in.

Both reports also recommend that adjournment may be at a later date if two-thirds of each house of the legislature shall vote in favor of a joint order which declares that an emergency exists and which approves adjournment not later than some subsequent specified date. That is the committee's recommendation in an attempt to provide for a really emergency situation in which the legislature had not completed its business but did indeed need to stay in session. There of course is one other alternative in the event that such a

joint order would fail, and that would be the opportunity of the legislature or the governor to call the legislature into special session.

Now, the reports differ in one other area, and it is an area that it is not absolutely essential that we address this session, and it has to do with the salaries and expenses of legislators. The reason I say it is not absolutely essential is because the constitution requires that we establish a length for the first regular and second regular sessions. It does not say we have to do anything about legislative salaries. However, by virtue of the change in the constitution, in the future legislators serving in what has traditionally been the special session, and what in the future will be called the second regular session, would not be eligible to receive a per diem of \$25 a day salary.

Report "A" recommends that in keeping with the provision of the existing statute regarding salaries, and what we understood the intent of the previous legislature, which reviewed the citizens' report recommending salary adjustments for legislators in keeping with that understanding, legislators ought to be paid \$25 a day for that second year. So the majority report recommends that that continue. The majority report also retains the existing method of paying the \$6,000 salary for the biennium as being \$5,000 in the first year of the biennium and \$1,000 in the second year of the biennium, and it provides that the expenses be at a maximum of \$25 a day, the same as the present situation.

Report "B", which is signed by the minority of the committee, does not recommend the inclusion of \$25 a day for the second regular session salary, and it does recommend raising the expenses that would be available to legislators from \$25 a day to \$30 a day.

There are some other minor changes in the bills, such as the elimination of a provision that I have never seen used, and that is the one that says anybody who serves as speaker or president pro tem for a day gets an extra \$2 for that service, and some other provisions that we thought were a little archaic.

Thank you, Mr. President.

The PRESIDENT: Is it now the pleasure of the Senate to accept the majority ought to pass report of the committee?

The Chair recognizes the Senator from Washington, Senator Wyman.

Mr. WYMAN: Mr. President, as a signer of the minority report, it seems to me if we pay ourselves \$1,000 plus \$25 a day, rightly or wrongly, it is increasing our salaries at a time when we are asking the state employees and the University of Maine to get along on less. I think it will project a very poor image for the legislature. For this reason, I am going to vote against it and ask for a roll call.

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

Thereupon, on motion by Mr. Katz of Kennebec, tabled and Tomorrow Assigned, pending the motion by Mr. Curtis of Penobscot to accept the Majority Ought to Pass as Amended Report of the Committee.

Divided Report

The Majority of the Committee on Taxation on, Bill, "An Act Relating to Definition of Retail Sale under Sales and Use Tax Laws." (S. P. 669) (L. D. 2128)

Reported that the same Ought to Pass as Amended by Committee Amendment "A" (S-437).

Signed:
Senators:

WYMAN of Washington
MERRILL of Cumberland

Representatives:

MAXWELL of Jay
SUSI of Pittsfield
COX of Brewer
MORTON of Farmington
MULKERN of Portland

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

Signed:
Senator:

JACKSON of Cumberland

Representatives:

DRIGOTAS of Auburn
TWITCHELL of Norway
FINEMORE of Bridgewater
IMMONEN of West Paris
DAM of Skowhegan

Which reports were Read.

Thereupon, the Majority Ought to Pass as Amended Report of the Committee was Accepted and the Bill Read Once. Committee Amendment "A" was Read and Adopted and the Bill, as Amended, Tomorrow Assigned for Second Reading.

Second Readers

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

House - As Amended

Bill, "An Act Concerning Ice Fishing on Sebago Lake." (H. P. 1918) (L. D. 2106)

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

Senate

Bill, "An Act to Require an Annual Governor's Report on Employment and the Economy." (S. P. 720) (L. D. 2256)

Which was Read a Second Time and Passed to be Engrossed.
Sent down for concurrence.

Senate - As Amended

Bill, "An Act to Revise the Personnel System." (S. P. 677) (L. D. 2166)

Which was Read a Second Time.

Mr. Curtis of Penobscot presented Senate Amendment "A" and moved its Adoption.

Senate Amendment "A", Filing No. S-434, was Read and Adopted and the Bill, as Amended, 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 Establish the Belfast and Moosehead Lake Railroad Authority. (S. P. 741) (L. D. 2292)

Which was Passed to be Enacted and, having been signed by the President, was by the Secretary presented to the Governor for his approval.

Orders of the Day

The President laid before the Senate the first tabled and Specially Assigned matter:

Bill, "An Act to Establish a Single Maine Estate Tax Based Upon a Percentage of Federal Taxable Estate." (H. P. 1951) (L. D. 2142)

Tabled — March 9, 1976 by Senator Speers of Kennebec.

Pending — Passage to be Engrossed.

(In the House — Passed to be Engrossed as Amended by House Amendment "A" (H-948).)

(In the Senate — House Amendment "A" Adopted in Concurrence.)

The PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator Trotzky.

Mr. TROTZKY: Mr. President, I move that L. D. 2142 be indefinitely postponed, and I would like to speak to my motion.

The PRESIDENT: The Senator has the floor.

Mr. TROTZKY: Mr. President and Members of the Senate: This bill is again a major tax revision for the State of Maine, and at this time I don't believe that this is an emergency.

What this bill does is raise the level of exemptions in inheritance taxes. It includes life insurance, and it raises rates at the higher levels. The rates of the proposed bill are so structured that the 8.5 million dollars that is being paid currently by approximately 3,500 estates each year under the current law will be now paid by 750 estates under this proposed law. And I would particularly point out that the tax would be most burdensome to the middle size and larger estates, precisely the people who have the economic ability and mobility to leave the state should the tax climate in their eyes become hostile. We have already increased the burden on the upper income in the educational funding act, and I feel it is inappropriate at this time to move further in this direction.

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

Mr. THOMAS: Mr. President and Members of the Senate: When I first read this bill I was highly in favor of it because, as I am sure some of you know, I specialize in tax law and I felt that this was another step in major tax reform here in the State of Maine for the simple reason that it followed the federal inheritance tax law. It incorporates the \$60,000 exemption and the marital deduction, which is of course a great benefit under the federal law. I also felt that it would eliminate administrative overhead in the Bureau of Taxation. The tax is placed on the gross estate.

At the present time the tax in Maine is placed on the individual beneficiary, and I could bring you in computation sheets of the state taxes that I have had done, particularly where there are trust funds, where there could be a great-grandchild who eventually would inherit — in fact, I had one recently where they computed the form all the way down to a little two months old child and the child paid \$135 tax. I hope the child lives long enough to inherit.

This also for the first time, as Senator Trotzky mentioned, places life insurance under the Maine tax law. It is currently under the federal tax law, but it is exempt under the Maine tax law. And it would also cut the returns processed by approximately 60 percent. I, however, think that we would have a loss of revenue here in the State of Maine. It would, however, accelerate the revenue because it would now make the tax return due in nine months rather than in twelve. The federal return is due in nine months.

However, the more I think about this, I am going to vote against this particular bill because I feel it is a little premature. The governor and the next legislature are committed to major tax reform, and therefore I feel this bill is too soon and should be considered at a later date.

I would like to quote in closing from the Kiplinger letter of yesterday. This was at my house when I arrived home last evening.

"As for tax reform" -- this is in Washington we are talking about -- "it is in trouble. Liberals are being buffaloed on closing tax loopholes by the delaying tactics of the anti-reformers. Time squeeze is likely to kill it in June. Includes tax shelter changes." Now, listen to this. "And no change in estate and gift taxes will be voted this year. There is a great demand to boost inheritance tax exemptions up to \$200,000 from the present \$60,000. This is because in the midwest the farm values are increasing so. Ford himself is proposing to raise it to \$150,000. Many lawmakers oppose this on the grounds it is a rich man's tax break, but groundwork will be laid. Changes in the next congress seem good." I therefore feel that we in the State of Maine should also wait. Thank you.

The PRESIDENT: The Chair recognizes the Senator from Knox, Senator Collins.

Mr. COLLINS: Mr. President, I am also going to support the motion of the Senator from Penobscot, Senator Trotzky, and for some of the same reasons that have been so well stated by the Senator from Kennebec, Senator Thomas. However, I have some other reasons and I would just like to mention a couple of them.

I think that this bill moves in the right direction. It has a strong value in administrative savings. I expect that the Bureau of Taxation can get along with five or six less employees if this method was used. I also favor the greater exemption for a spouse, which this approach would provide. Some of my friends in the Senate have inquired about the effect on an estate where there are, say, two children and no spouse, and the family assets are left to the two children. Under this approach the tax would be less for the two children in an estate up to a figure of approximately \$370,000. From that point upward the tax will become steeper for that kind of a family disposition.

I also favor the trend of this bill to include life insurance as a part of the wealth to be taxed on transmission at death. However, in surveying those in the profession who actively deal with estate planning and estate settling in my own district, I have found only five out of fifteen offices acquainted with this particular bill, and I have found a great need for a greater understanding of what it is we are attempting to do.

I would assume that if this bill should pass that it would be vetoed because the chief executive has said no tax reform this year, wait until next year. I would hope that this bill would become an important part of next year's tax reform. I think that when we approach it with more time another year that we can improve upon this particular bill. I think that unrelated beneficiaries should not get the free ride that this bill provides, and I strongly suspect that the federal government is moving in that direction. As Senator Thomas has mentioned, in this election year there will be considerable discussion and I think perhaps some action in that direction, so that it is possible that the federal government will not only increase its basic exemption but also may bring into its law a principle now observed in Maine law that we might call parental exemption. In other words, giving a bit more favorable treatment to passage of property from parent to child than now exists in federal law.

For these reasons, I would go along with the present move to not take any

important action in this area at this session.

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

Mr. MERRILL: Mr. President and Members of the Senate: I have no real quarrel with the description of this bill that has been provided by the Senator from Kennebec, Senator Thomas, and the Senator from Knox, Senator Collins. I think that basically what they have said in talking about the bill is true. I think they have focused on the real direction of this bill and I think that, even though they have both concluded that for their part they are going to wait, I think that nonetheless they have presented the favorable points of this bill quite well.

As to the fact that the federal government is likely to change their estate law next year, I think that that probably will hang over our heads as a possibility whenever we get around to enacting this change. And a compelling point with me really in voting for this this year is that it does provide, as the Senator from Knox, Senator Collins, pointed out, some real relief for the spouses, for the widows, in most cases in many, many instances in Maine. Many people who are presently paying taxes upon death in the State of Maine who are widows wouldn't have to pay anything if this bill passed, and the relief that this bill would give them this year, I think, is worthy of passing it now, not to suggest that like everything else the legislature does, it won't be something that we will have to look at from time to time in the future.

Mr. President, I would request a roll call.

The PRESIDENT: A roll call has been requested. The Chair recognizes the Senator from Cumberland, Senator Jackson.

Mr. JACKSON: Mr. President and Members of the Senate: I rise to support the move by the good Senator from Penobscot, Senator Trotzky, for indefinite postponement of this piece of legislation. I share the same concerns that the good Senators from Knox and Kennebec have spoken on.

I do believe that the provision of the life insurance is the problem that I have with the bill. There are many, many people who do not have the monies tied up in real estate but they have monies in life insurance. Life insurance, currently the premiums are paid after tax dollars are taken from their monies. The state collects a premium tax on the life insurances and the federal government includes it in the inheritance tax. I think this is something that demands more research. In talking with the state tax assessor's office, they didn't actually compute any of the returns but based it on the federal returns. They feel it is going to be a washout. The 3,500 people which are currently paying the estate and inheritance tax in the state would be reduced to 750. 750 people would be picking up the burden. This is of great concern to me because I feel that we possibly would be removing from our tax base in this state people who are currently paying and will continue to pay in the climate that exists today.

As the good Senator from Knox stated, I think this motion should be supported to indefinitely postpone to give this further study. I do have to agree with the good Senator from Cumberland that it does increase the exemption considerably, but I do think in all fairness and kindness to the

people in this state that we should lay this to rest today and give the 108th the flexibility to really perform on tax reform.

The PRESIDENT: The Chair recognizes the Senator from Washington, Senator Wyman.

Mr. WYMAN: Mr. President and Members of the Senate: I like to think that the State of Maine is different, and I think we are capable of writing our own laws without having them written in Washington. I don't like any of our laws tied to what is done in congress, and I think that is reason enough alone. If we want to write a law similar, fine, but I don't think we need to have them write our laws for us in Washington and then tie our taxes to those laws.

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

Mr. MERRILL: Mr. President and Members of the Senate: I would like to think that Maine is different, but different in ways other than the fact that we charge the widows more than the federal government does, widows that don't have enough money to be able to pay. That is what this bill is all about. And the fact of the matter is that this idea has been given quite a bit of consideration. The Governor's Tax Policy Committee, considered it and recommended it, and the Governor's Tax Policy Committee was made up of individuals, many of whom I am sure will have considerable estates when they pass on unless some great ill fortune interrupts their professional lives, and these people did it on the basis of the equity that they thought this would bring about in the way we tax estates and because these people, who are accountants, and tax lawyers, see the inequities in the present system every day.

The PRESIDENT: Is the Senate ready for the question? A roll call has been requested. In order for the Chair to order a roll call, it must be the expressed desire of one-fifth of those Senators present and voting. Will all those Senators in favor of a roll call please rise in their places until counted.

Obviously more than one-fifth having arisen, a roll call is ordered. The pending question before the Senate is the motion by the Senator from Penobscot, Senator Trotzky, that L. D. 2142 and all its accompanying papers be indefinitely postponed. A "Yes" vote will be in favor of indefinite postponement; a "Nay" vote will be opposed.

The Secretary will call the roll.

ROLL CALL

YEAS: Senators Berry, R.; Carbonneau, Clifford, Collins, Cummings, Curtis, Cyr, Danton, Gahagan, Graffam, Greeley, Hichens, Huber, Jackson, Johnston, Katz, Marcotte, McNally, Roberts, Speers, Thomas, Trotzky, Wyman.

NAYS: Senators Berry, E.; Cianchette, Conley, Corson, Graham, Merrill, O'Leary, Pray, Reeves.

A roll call was had. 23 Senators having voted in the affirmative, and nine Senators having voted in the negative, the motion prevailed.

The PRESIDENT: The Chair recognizes the Senator from Washington, Senator Wyman.

Mr. WYMAN: Mr. President, having voted on the prevailing side, I now move reconsideration.

The PRESIDENT: The Senator from Washington, Senator Wyman, now moves that the Senate reconsider its action

whereby this bill was indefinitely postponed. Will all those Senators in favor of reconsideration please say "Yes"; those opposed will say "No".

A viva voce vote being taken, the motion did not prevail.

Sent down for concurrence.

The President laid before the Senate the second tabled and Specially Assigned matter:

Resolution, Proposing an Amendment to the Constitution to Increase the Bonding Limit on Maine Veterans' Mortgage Loans from \$2,000,000 to \$4,000,000 and to Decrease the Bonding Limit of the Maine School Building Authority from \$25,000,000 to \$10,000,000. (H. P. 2171) (L. D. 2295)

Tabled — March 12, 1976 by Senator Katz of Kennebec.

Pending — Passage to be Engrossed.

(In the House — Passed to be Engrossed)

Mr. Katz of Kennebec presented Senate Amendment "A" and moved its Adoption.

Senate Amendment "A", Filing No. S-438, was Read.

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

Mr. KATZ: Mr. President, this constitutional amendment originally was intended to reduce the bonding limitation of the Maine School Building Authority from 25 million to 10 million dollars. The Maine School Building Authority presently does not issue any more bonds because of the passage of the school funding act several years ago. But the constitutional amendment also increases the state's jeopardy by increasing the bonding limit on Maine veterans mortgage loans from 2 to 4 million dollars at a time when we are terribly concerned about the effect of our bonded indebtedness on our credit rating. The Senate amendment in front of you removes all mention of the veterans from the bill, and it leaves the bill in the posture that the bonding authority of the Maine School Building Authority is reduced.

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

Mr. HUBER: Mr. President and Members of the Senate: The Maine Veterans Small Business Loan Authority started operation in June 1974, and since that time has guaranteed 109 loans representing approximately \$1,142,000. They anticipate they will reach their limit of bonded indebtedness of 2 million dollars near the end of 1976.

This program makes small loans to small businesses operated by veterans up to an amount of \$15,000. To date, losses incurred by this program total \$3,500, an extraordinary success ratio in this program. When this bill passed, expenses were expected to cost approximately \$50,000 per year and loan losses were expected to be about \$50,000 per year. Again, I compare this to the actual loan loss of \$3,500. The initial funding was \$200,000, and in over a year and a half of operation there still remains \$177,000 due to the fact that the Authority charges banks a 1 per cent per year fee for guaranteeing loans and also collects interest income on the unused funds.

As I stated earlier, the projection is that the limits of this program will be reached toward the end of 1976, and I feel that this is a program worthy of continuation. It is estimated that approximately 100 businesses operating at the present time generate approximately 21 million dollars.

in sales annually. Assuming that these sales are taxable, this has generated \$125,000 a year in sales tax. In short, this appears to be one program that works, not only for the individuals served but also to the benefit of the people of Maine. I hope we won't be pennywise and pound foolish on this, and I move indefinite postponement of the amendment.

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

Mr. KATZ: Mr. President, I subscribe to all the remarks of the Senator from Cumberland, Senator Huber, about the fact that this is a well run program, it is being administered well, it has been successful. The purpose of my amendment purely and simply is to bring before the Senate the single question as to whether or not the Senate for any purposes wishes to increase the state's bonded indebtedness exposure at this time.

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

Mr. BERRY: Mr. President, I think the good Senator from Kennebec, Senator Katz, is answering his own question because there is a decrease of 15 million dollars on the Maine School Building Authority, and I think that is a major step forward to cutting the bonded indebtedness, which I think is a tremendous point. And I think Senator Huber has given a very good explanation why this project, which I think some of us thought at the time should be watched very carefully, has succeeded beyond all our expectations. So I would support the motion to indefinitely postpone Senate Amendment "A".

The PRESIDENT: Is it now the pleasure of the Senate to indefinitely postpone Senate Amendment "A"?

The motion prevailed.

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

Mr. KATZ: Mr. President, may I request a division on the motion to indefinitely postpone?

The PRESIDENT: The Chair would advise the Senator that it would be necessary for the Senate to reconsider its action, since the action has already been taken. Do you request such action?

The Senator from Kennebec, Senator Katz, now moves that the Senate reconsider its action whereby Senate Amendment "A" to L. D. 2295 was indefinitely postponed. Will all those in favor of reconsideration say "Yes"; those opposed will say "No".

A viva voce vote being taken, the motion did not prevail.

Thereupon, the Bill was Passed to be Engrossed in concurrence.

The President laid before the Senate the third tabled and Specially Assigned matter:

Resolution, Proposing an Amendment to the Constitution to Allow Judges whose Terms of Office Expire or who Reach Mandatory Retirement Age to Continue to Hold Office for up to 6 Months until their Successors are Appointed. (H. P. 2037) (L. D. 2209)

Tabled — March 15, 1976 by Senator Merrill of Cumberland.

Pending — Final Passage.

(In the House — Finally Passed)

This being a Constitutional Amendment and having received the affirmative votes of 31 members of the Senate, with one voting in the negative, the Resolution was Finally Passed and, having been signed by

the President, was by the Secretary presented to the Secretary of State.

The President laid before the Senate the fourth tabled and Specially Assigned matter:

Bill, "An Act to Amend the Uninsured Motorist Law." (H. P. 2178) (L. D. 2298) (Emergency)

Tabled — March 15, 1976 by Senator Conley of Cumberland.

Pending — Passage to be Engrossed. (In the House — Passed to be Engrossed)

Which was Passed to be Engrossed in concurrence.

Papers from the House

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

Joint Resolution State of Maine

In The Year Of Our Lord One Thousand Nine Hundred And Seventy-Six

Joint Resolution in Tribute to The Town of Millinocket In Observance of Its Seventy-Fifth Anniversary

WHEREAS, on March 16, 1901, a town was cut from the Maine wilderness within the shadow of Mt. Katahdin and incorporated as the 467th town; and

WHEREAS, located near the source of raw material and abundant water power, Millinocket, or the "Magic City of the Wilderness," as it is known, grew rapidly as the mills of the Great Northern Paper Company became giants in the paper industry; and

WHEREAS, the citizens of this proud northern community are enthusiastically celebrating this, their seventy-fifth anniversary of incorporation of the Town of Millinocket; and

WHEREAS, all the citizens of the town and its neighbors have arranged appropriate anniversary activities commencing on March 16th of this, the Bicentennial Year of the American Revolution; and

WHEREAS, the citizens of the State of Maine firmly join hands with the inhabitants of Millinocket for the purposes of the celebration to commemorate not only a rich past but a bright and challenging future; now, therefore, be it

RESOLVED: That we, the Members of the Senate and House of Representatives of the One Hundred and Seventh Legislature of the State of Maine now assembled in Special Session, do hereby take this opportunity to extend congratulations and best wishes to the citizens of Millinocket as they observe their seventy-fifth year of incorporation; and be it further

RESOLVED: as a token of our future support and encouragement, that the Secretary of State be directed to transmit forthwith to the people of Millinocket through the town officers an engrossed copy of this resolution duly authenticated by the Secretary of State and bearing the Great Seal of the State of Maine to commemorate this memorable occasion. (H. P. 2203)

Comes from the House, Read and Adopted.

Which was Read and Adopted in concurrence.

Papers from the House

Out of order and under suspension of the

rules, the Senate voted to take up the following:

Enactor

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

An Act to Permit a Manufacturer of Alcoholic Beverages to be a Stockholder in a Corporation which is a Licensee. (H. P. 1892) (L. D. 2072)

Which was Passed to be Enacted and, having been signed by the President, was by the Secretary presented to the Governor for his approval.

(Off Record Remarks)

On motion by Mrs. Cummings of Penobscot.

Adjourned until 10 o'clock tomorrow morning.