

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

***One Hundred and Eighth
Legislature***

OF THE

STATE OF MAINE

1978

Second Regular Session

January 4, 1978 — April 6, 1978

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Senate Confirmation Session

June 14, 1978

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First Special Session

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December 6, 1978

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APPENDIX

HOUSE

Friday, September 15, 1978

The House met according to adjournment and was called to order by the Speaker.

Prayer by Reverend Herbert Reid, Church of the World Brotherhood of Fairfield.

Reverend REID: We thank you, dear God, that we live in a nation where we can agree to disagree and where we can disagree without being disagreeable. Amen.

The journal of yesterday was read and approved.

Five Members of the Committee on Appropriations and Financial Affairs on RESOLUTION, Proposing an Amendment to the Constitution to Limit the Maximum Property Tax which can be Levied (H. P. 2346) (L. D. 2213) report in Report "A" that the same "Ought to Pass" as amended by Committee Amendment "A" (H-1266)

Report was signed by the following members:

Mr. MERRILL of Cumberland
—of the Senate.

Mr. JALBERT of Lewiston
Mrs. POST of Owl's Head
Messrs. CARTER of Winslow
PEARSON of Old Town

—of the House.

Two Members of the same Committee on same Resolution report in Report "B" that the same "Ought to Pass" as amended by Committee Amendment "B" (H-1267)

Report was signed by the following members:

Mrs. NAJARIAN of Portland
Mr. GREENLAW of Stonington

—of the House.

One Member of the same Committee on same Resolution reports in Report "C" that the same "Ought to Pass" as amended by Committee Amendment "C" (H-1268)

Report was signed by the following member:

Mr. MORTON of Farmington

—of the House.

Five Members of the same Committee on same Resolution report in Report "D" that the same "Ought Not to Pass"

Report was signed by the following members:

Messrs. HUBER of Cumberland
MORRELL of Cumberland

—of the Senate.

Messrs. HIGGINS of Scarborough
PERKINS of Blue Hill
McBREAIRTY of Perham

—of the House.

Reports were read.

The SPEAKER: The Chair recognizes the gentlewoman from Portland, Mrs. Najarian.

Mrs. NAJARIAN: Mr. Speaker, I would like to move the adoption of Committee Report B, under filing number H-1267, and move its adoption.

The SPEAKER: The gentlewoman from Portland, Mrs. Najarian, moves that the House accept Committee Report B, as amended by Committee Amendment "B" and moves its adoption.

The gentlewoman may proceed.

Mrs. NAJARIAN: Mr. Speaker and Members of the House: This bill has three parts, one dealing with state appropriations, a second subsection which deals with other governmental units and a third section which provides for property tax relief. It is the only proposal that I have seen around here, either constitutional or statutory, which would effectively limit state spending.

We have all listened to a lot of rhetoric up here for the last two weeks about how everyone in this House favors limiting state spending, but there hasn't been a bill before us yet that does that. We all know how to cut state spending, and the best way and the only way to do

that is if we don't have it to spend in the first place.

I would like to go first to Subsection B under property tax relief. It provides a \$5,000 homestead exemption and it provides a \$50 rebate for tenants, except for those who are already receiving subsidy for their rent from the federal government. That costs \$29 million. This is to be funded by 6 percent of the General Fund beginning June 30, 1980. The projected growth in this year's revenues 5 percent inflation rate is expected to be \$43 million more than it is this year. So, 6 percent would take \$29 million of that projected growth and return it next year, when they get their property taxes, to the taxpayers to the tune of \$29 million. Another important provision of this amendment is that it provides the municipalities another source of revenue which has growth and the purpose is so that they will not have to continue to rely on the property tax as their basic means of revenue. We have provided in this bill that whenever 6 percent of the General Fund through growth of sales tax or income tax through inflation is more than enough to fund this initial \$5,000 homestead exemption and rebate to renters, that will go into the local government fund, be distributed to the towns on that formula to further reduce their property taxes, unless the voters of that municipality vote in a referendum to use that for some other purpose.

I would just like to say a word about the Maine Tax Limitation Committee. I don't think that there was any member on that committee from Portland. I know Mr. Stowell and John Robinson are not from Portland, I don't think any other member was, and I don't think that their proposal did what the voters in Portland want.

I sent out a questionnaire. Of those returned, 92 percent wanted a reduction in their property taxes. A great number thought there was too much government spending, and I presume from that that they want limits, but they didn't care whether it was done constitutionally in particular. They just think there is too much spending and they just think that the property taxes are too high, and this bill takes care of both of those problems.

Going to Subsection 1 on state appropriations — we have provided a limit on state spending which is last year's appropriation plus our personal income growth, and whenever the legislature decides to exceed those limits, then they have to stop, go out to public hearing in five areas across the state, tell the voters, that has to be publicized in a particular way so that everybody who looks at a newspaper will be able to see it, go out and tell the voters that that is what the legislature proposes to do. After that hearing, if we come back we can still vote appropriations above the limit, but it will require two thirds of the legislature to do that.

This also applies to taxes. On all the bills I have seen so far, there is nothing about taxes. We could increase taxes, pass new taxes in the same manner we do now, in the last days of the session, ten o'clock at night, everybody is worn out, want to get home, mob psychology takes over and, you know, if you need my vote, if that is the last one you need, you can have it because you are sick and tired. This would provide that whenever the legislature proposes a tax increase we stop, we advertise that. Ten days later there is a public hearing. We all go back home; we reflect on that. We talk to the voters in our district. We hold public hearings, we give the people a chance to come out and it gives us a chance to explain why we think the spending limit needs to be exceeded. That enhances our representative democracy, I believe, it is the intent to. If you have a strict referendum, people are going to sit back, they are not going to look at what goes into that budget under that limit, because they think whenever we exceed it there is going to be a referendum and they will know it, and I think

they will pay less attention to what goes in at the bottom in our state budget.

The second part applies to local government units. Municipalities will only come under this if they vote in a referendum to do so, but if they do, it requires municipalities, whenever there is going to be an increase in taxes, and that means tax dollars not just tax rates, if the valuations increase, they can lower the tax rate and still raise more money from you and me. This would require them to publish that in a newspaper, post a hearing, hold that hearing and the public has ample notification and they can come out and protest if they think that increase is not necessary. It also gives your local government a chance to explain why they think it is, and afterwards they can vote it up or not, depending on how they want to react to the public hearing, but they are held accountable. If there is a lot of objection and they go ahead and make the increase, then they are accountable to the voters when they come up for reelection.

Other governmental units — there are spending limits on counties, there are spending limits on SAD's and the same procedure would follow for both of those. The highway fund is the same. Whenever we propose to increase the spending limit of the highway fund or whenever we propose to increase taxes, the gas tax, we are required to stop, post a public hearing to be held within 10 days in five areas across the state. If, after those public hearings, the legislature, by two thirds of each body, still thinks the gas tax needs to be raised, we can do that.

The only objection I have heard to my bill is that it won't leave enough money for the legislature to spend in the next two years. Are we up here to limit spending or are we not? I have had people tell me, who have voted for the Huber Amendment and 2209, that we can't afford this because it is going to take \$92 million over the next two years to catch up. I find that very ironic. Either you are for limiting spending or you are not for limiting spending, and this will limit spending because it gives us \$29 million less to spend out of the growth and that is a very conservative growth rate — 5 percent. It doesn't touch our surplus. We have got \$17 million in surplus right now.

I haven't always agreed with Governor Longley, but I have learned a thing or two from him, and this is one thing, if the legislature doesn't have the money to spend, we can't spend it.

The people want property tax relief. We should learn from California — this legislature is following the same path as California. We are not giving them property tax relief and we are not limiting spending with all these bills that have been before us. There are loopholes in them, and every time you make an exclusion, you have created a loophole as big as that exclusion.

I can think of ways where under this \$26 million for bonded indebtedness there can be a loophole. You can take five or six million of the bonded indebtedness, expand all our new programs and put the difference out beyond the limit, and we don't have to be accountable and we had increased our spending. You can take the whole amount out, or we could take our below the spending limit things that are popular with the voters like the VIT's, state funds for Medicaid patients in nursing homes, fund our new and expanded programs under the limit, put those out to referendum. How many people do you think would vote that down?

If I am clever enough to think out a few ways where we can get around this spending limit, think what Mr. Jalbert or Jim Tierney or Senator Katz or Senator Merrill can do with that. It is full of loopholes, and I think if we adopt this and take \$29 million of our growth, return it to the property taxpayers as they are demanding, then, next year if you want to really work on this in a more relaxed and less political atmosphere, then the legislature can't pad the base before you put on your strict limits.

That is about all I have to say. I think others will have something to say, but my last thing is this — do you want to limit state spending or do you not? Do you want to reduce property taxes or do you not? Do you just want to make promises about reducing it sometime in the future and do you wish to respond to the voters of Maine? I think your vote on this bill will be a test of that sincerity.

Mr. Speaker, I ask for the yeas and nays.

The SPEAKER: The Chair recognizes the gentleman from Westbrook, Mr. Laffin.

Mr. LAFFIN: Mr. Speaker, Ladies and Gentlemen of the House: It seems to me that it is hard for me to understand how people in this House can get up one day and say the people of Maine need a tax break and that we should be giving the people something and only a few days ago certain people got up and didn't believe in it. I am a great believer that the nicest people in Maine come to the legislature. I have got a little puppy home to prove it, but we are not the smartest.

A few days ago on the floor of this House, Representatives got up and criticized bills, criticized amendments, for mediocre reasons. I am not a perfectionist, I never have been, but sometimes I believe in constructive criticism. I don't mean by not crossing the "T" or dotting the "I," but I mean constructive criticism, and constructive criticism is good for everyone.

I have heard it stated in this body that there weren't enough people at these hearings. Where were the people opposed to it? Well, I will tell you where the people of Westbrook were, the people of Westbrook were working. They were in the paper mills, the shoe shops and all the other mills that we have. Fifty-two percent of the people that work in the industrial city of Westbrook, which is the heart of Cumberland County, 52 percent of those live in Portland, South Portland, Gorham and Scarborough and Windham and all the other places. Four hundred and fifty thousand working people in this state who have to pay the bills that we make the laws for, and the people of Westbrook will have to go by the ruling of whatever the other municipalities in this state do.

For an example, the bottle bill. We didn't want the bottle bill in Westbrook but we have got it because all the people in the State of Maine, the majority of them, that is the law and we live by it.

They talk about local control—what is local control? People in my city don't like it when the federal government spends X-number of dollars, but we have no control over what they spend, but we have a system called the representative part of our government. They make those decisions for us. Money is taken out of their paychecks each and every week before they even take it home. Many people are opposed to building a certain battleship that was in an appropriation bill in Washington; many people wanted it. Many people opposed the new Senate building in Washington for over \$2 million; yet, we had no say about that because we have representatives. All the people of Maine want is a chance to vote; yet, we turn things around up here to suit what we want for the people of Maine.

I will tell you what the people of Westbrook want, I can't speak for the people of Owl's Hill or wherever they come from or different parts of the state, I can't speak for them because I don't live there, but I challenge anyone to tell me that I don't know what is going on in my own city, because I do know what is going on. The working men and women are sick and tired of paying and paying and paying, and I don't have all the answers, as many people here get up and ask questions, but I did a little research on someone that is a little bit smarter than I am. I took this from the U. S. World News and Report dated September 11, 1978—local taxes, property taxes up 49.4 percent; income taxes up 70 percent; fuel up 61.9 percent; alcohol up 77.8 percent—too bad that wasn't 200 percent,

because we don't need that; public utilities up 112.8 percent. The total that was put on local taxes in 1977, compared to earlier reports of five years, list a grand total of 67.8 percent.

Now, you can come up with all the figures and all the amendments and all the things that you people are interested in and you will find fault with them, because I do that myself, I find fault with a lot of bills before this House, but I don't look to see who sponsored it. I try to judge the bill on the merit and the merit alone. I don't care if a Republican supports it or a Democrat supports it. If I like it and it is good for the people of Westbrook in my opinion, I support it, but I don't think we are doing that up here today, I don't think we have been doing that up here in the seven days that I have been here, and it is a sad thing when nice people get together and nice people cannot come up with something that will give tax relief to the people of this state, the people who pay the bills, the 450,000 working men and women. You can be picayune about, well, it will help 100 or 200 or even a thousand rich people, well, I say to you my friends, if it is going to help 10,000 rich people and if it helps the working force of this state of 450,000, I support it.

I ask for your consideration to vote on the merits that are before us. The bills that are gone will never be back but, ladies and gentlemen of this House, we, today, are going to have to answer to ourselves if we leave without anything.

The SPEAKER: The Chair recognizes the gentleman from South Portland, Ms. Benoit.

Ms. BENOIT: Mr. Speaker, Ladies and Gentlemen of the House: I would like to speak in support of Representative Najarian's position, especially the section that deals with any increase in taxes. It is my opinion that amid all the talk about putting limits on spending, we have neglected to deal with one very important problem, and that is taxation at any level of state or local government. It is all well and good for citizens to participate in budget hearings, but what the citizens really want to know is, what effect will expenditures have on their property taxes?

I have heard a lot of talk around here this past week about bottom line. I have a bottom line, too. As I helped develop this proposal you now have before you, my bottom line was taxes, and as far as I am concerned, the bottom line still is taxes. Requiring the state and municipalities to live within a spending limitation will not necessarily put a control on taxation. This is what my constituents want.

I have several news clippings which I would like to share with you in order that I might illustrate my point. In my City of South Portland, there was a land revaluation. Now, the fact that South Portland was revaluing land was written up in the Portland paper. At least one article dealt with the subject. However, in subsequent articles; it was noted that there would also be a drop in the mill rate. A couple of points should be noted here. How many citizens really understand the process of a revaluation and the connection between the mill rate and the revaluation and actual assessment? Even if the process is understood, how is the average citizen supposed to know how expenditures at the local level will affect his or her taxes? This is what my constituents want to know, and this is precisely what Committee Amendment "B" would do.

I have a couple of articles here, the first one, the headlines of the Portland Evening Express say, "South Portland land values stir confusion." One property owner said, "I took last year's tax bill and matched it up with this year's and I really thought it was a mistake." The city assessor of South Portland said, "Most of the callers of South Portland didn't understand the increase from last year."

An editorial from the Portland Press Herald entitled "Revolt in South Portland." The current taxpayer rebellion in South Portland is

still another manifestation of the public's frustrations over both governmental spending and soaring property taxes. To us, it is an indication that property tax relief is just as important as limits on public spending. What is needed as much as anything is recognition by the state that far too heavy a tax burden is being placed on property owners. Until that burden is eased by shifting the tax load to other taxes, the agony as being experienced in South Portland will be shared by other cities and towns across the state."

The proposal offered by Representative Najarian sets forth the procedure whereby we, the citizens, will be alerted or put on notice when your municipality reaches the danger point of a possible increase in taxes. All we want is to have your town or city officials say to its citizens, look folks, we need to spend so much money this year, this is a certain percentage over what we spent last year, we need to do this for whatever reasons; however, if we pass this proposed budget, total tax revenues will increase by a certain percentage and then an example should be given as to what effect this increase would have on an average tax bill, there will be a meeting at a stated date, time and place at which this situation can be explained, discussed and hopefully understood. Citizens do have a responsibility to participate in local government, and this will be their opportunity to react. Only after following this procedure could any municipality increase its tax commitment, and only by a two-thirds vote of the members of a governing body present and voting.

I believe that a citizenry aware of what its government is doing will get involved. I also believe that elected officials who hear from their constituents are responsive to those constituents. Representative government works best and is most responsive to its citizens when those citizens are well informed about the impact that a budget or any legislation will have on them and are given the opportunity to be heard by elected officials. I think this is what the citizens of my city want, and I would urge you to vote for Committee Amendment "B."

The SPEAKER: The Chair recognizes the gentleman from South Portland, Mr. Howe.

Mr. HOWE: Mr. Speaker and Members of the House: I would like to talk briefly myself in terms of this bill and what is happening in my city. For one thing, I think it has got to be brought up again, and that is that from repeal of the property tax to Proposition 13, to the recall of the Gorham town budget, to the tax revolt in South Portland, all those events deal with one issue and one tax, the property tax.

Revaluation in South Portland increased revenues over last year something less than the inflation rate; yet, Mrs. Benoit and I and the rest of us in South Portland are fully aware that the property taxpayers of South Portland are hopping mad.

The Maine Tax Limitation Committee's proposal and all its various faces that have come before us would have done absolutely nothing for the property taxpayers of South Portland, and I am not going to go home having voted for something that constitutionally permits local elected officials to let property taxes in South Portland rise at the rate of 6 or 8 or 10 percent a year, because that is faster than they are rising now, and that is not what people want.

It seems to me that L. D. 2209 and all its many faces is like whipping property taxes with a wet noodle — to use a phrase that has been used earlier here. This is the only proposal we have had before us that combines any aspect of effective government spending limitation and doing something now about the property tax, and those who would equate the Tax Limitation Committee's proposal with Proposition 13 are way off base. This bill answers what people out there are really concerned about and I hope we adopt it today.

The SPEAKER: The Chair recognizes the gentleman from Farmington, Mr. Morton.

Mr. MORTON: Mr. Speaker, I think we should speak to the content of this bill. I would just like to call the attention of the membership of the House to a few points that I discovered as I was studying it last night, as the Speaker suggested. In my opinion, this is not a true limitation bill, if you mean that limitation gives the people an opportunity to vote.

What this says is that we will conduct hearings, but the state can still come back and do what it wants to here in the legislature. It says we will conduct hearings in the cities, but the city council can still do what it wants to, despite whatever the voters might want. In other words, if you vote for this bill, you will not be voting for the people to vote on a limitation.

The increase after the hearing is going to be up to the governing body and not the people. That is the crux of the difference between this bill and the other two. The other two are relatively strong statutory limitation bills which give the people a chance to vote, and I certainly was hoping that people who advocated the statutory position would at least give us that strength. There are other considerations but that is the main one.

There are a couple of places I don't understand in the drafting. On Page 3 we talk about public hearings shall be held in no fewer than five places for one kind of an issue, and in the next paragraph, we name five different cities. I don't see what this distinction, but it is not important. There are other drafting areas which concern me and one of them is on Page 5, in the case of a school administrative district or community school district, the ceiling shall be the amount — what amount? I don't know what amount you are talking about. Anyway, it says the amount increased or decreased by a ratio. I am a little confused as to what that means, so I couldn't vote for it anyway, but the point is that this is not a tax limitation vehicle which gives a vote to the people. All it calls for is hearings and those old bug-a-boos, this legislature and the city council in the City of Portland, if you will, or any other public hearing. It is not a tax limitation bill.

The SPEAKER: The Chair recognizes the gentleman from Stonington, Mr. Greenlaw.

Mr. GREENLAW: Mr. Speaker, Ladies and Gentlemen of the House: I would like to differ with my good friend from Farmington, Mr. Morton, that this is not a spending limitation bill. It, in fact, is a spending limitation bill, it is a tax limitation bill, and I think it clearly articulates some of the differences that people have debated on the floor of the House in the past two weeks.

First of all, I would call your attention to Page 2 of the Committee Amendment. The first paragraph at the top of the page — limit on state appropriations. A state spending ceiling is hereby established. Then it goes on to explain just exactly what the state spending ceiling is. So, in fact, there is a state spending ceiling here.

The gentleman from Farmington, Mr. Morton, is correct when he says that there is no spending ceiling for local communities. That is a position that I have taken during the debate that I am sure that the people in the communities I represent feel strongly about, so he is correct, there is no spending ceiling on local governments.

Another issue that the gentleman has suggested is the issue of public referendum when we go through the ceiling. I have heard a number of my constituents indicate to me in this whole debate that they expect us to come up here and make the decisions. I don't know how much it costs for a statewide referendum, but I would suggest that it would be rather expensive, I would suggest that it would be rather cumbersome, I would suggest that it would bring the legislative process to a grinding halt, I would also admit that the requirement in this

bill to have hearings in five places would slow the legislative process down a little bit, but I think what the attempt here in this bill is, when we are going to exceed the state spending limit or we are going to propose new taxes, that we go out to the people of the State of Maine in public hearing and we have the responsibility to explain to those people the necessity of going through the ceiling or the necessity for raising new taxes and that we get additional input through that process from the people of Maine and we come back and deliberate and make a decision.

When the people of my district elect me to come to Augusta, I have no qualms about making decisions and trying to implement their will, but if we are going out to referendum every time we propose through the ceiling, you begin to wonder what the real need is to have us up here in the legislature to begin with. What representative government is coming here to Augusta, considering issues, debating them, disagreeing, amending, coming to some kind of a reasonable compromise that most parties can live with, or at least that a majority can live with.

I think this is a good, strong bill, as the Representative from Portland, Mrs. Najarian, stated, it is the only bill that places a firm procedure on increasing taxes, and I think that is pretty important, too.

One final point. The gentleman from Farmington, Mr. Morton, talked about a ratio. What is the ratio, he said. Well, if he would just continue on the bottom of Page 5, he would find out exactly what a ratio is. A ratio is the numerator of which is the fiscal year's pupil count and the denominator of which is the prior year's pupil count. So it is an attempt to reflect pupil adjustment and an attempt to reflect in the spending ceiling that adjustment in pupils from one year to the other.

I think that before us is a good report and I would commend it to your consideration and hope that you would vote in support of Committee Report B.

The SPEAKER: The Chair recognizes the gentleman from Kennebunk, Mr. McMahon.

Mr. McMAHON: Mr. Speaker, Ladies and Gentlemen of the House: The proponents of this approach, this bill, have placed a great deal of faith in the public hearing process. Perhaps they are right, but I submit to you that the public hearing process is only as effective as those bodies that are conducting the public hearing wish to make them. If our officials are simply going to allow the public come, have their say, then continue to do what they were going to do anyway, then the whole process is rather meaningless.

The first part of this bill does provide a notification system which I think is good. It is an improvement on the present way of doing things but, as I said a moment ago, it would only be effective to the extent that the body conducting the hearing is going to take note of what is being said.

I agree with Mr. Morton, that the bill only informs the citizens when spending and taxes are likely to go up. It does nothing to give the citizens any say over stopping that increase.

The important part of this bill, however, and the reason I strongly oppose it, is the second part, the part that creates the property tax and renter's relief fund, the total cost of which is estimated to be \$28 million. The statement is made in the Statement of Fact that no tax increase will be necessary to fund this program. That means to me that surplus funds will be used to the extent that they are available. What happens when no surplus is available in another year? I submit that when that happens, we will be forced to raise taxes to continue this new program that we will institute if we vote for this bill, and that would bring us full circle. We will have to raise taxes to bring about tax relief. That sounds sort of foolish to me.

The SPEAKER: The Chair recognizes the

gentlewoman from Portland, Mrs. Najarian.

Mrs. NAJARIAN: Mr. Speaker, Ladies and Gentlemen of the House: I would like to respond to two of the objections made by Representative McMahon.

First of all, the public hearing process is sufficient in my mind, but this provides more adequate notice and we cannot do everything for the people of Maine. They have some responsibility themselves to come out and speak on how they feel about what we are doing. This provides adequate public notice of what we are doing, and it is up to them, then, to get out of their easy chairs and away from their TV sets and come out and say what they think is wrong. Then, if they don't and we do it and they don't like it, they have nobody but themselves to blame.

Secondly, the bills before did not have a referendum for tax increases. We could increase taxes the way we are doing now without any public notice even. This at least provides for public notice when we are about to do that.

It is not funded from surplus, it is funded from 6 percent of the General Fund. Whenever 6 percent of the General Fund is less than \$28 million, my friends, this whole state is in trouble. That money is there. If there is a recession, as the law provides now, you cut back equitably across the board all programs, and maybe that is a good thing to do. If we still think in a recession we need to increase spending because of that recession, we can go out and explain to the voters in a public hearing process why we think that needs to be done. If they agree, fine. I am sure we can easily get two-thirds vote of both Houses, but if there is wide protest about that across the state, I don't think even Johnny Martin could twist enough arms to get a two-thirds vote in this House.

The SPEAKER: The Chair recognizes the gentleman from Scarborough, Mr. Higgins.

Mr. HIGGINS: Mr. Speaker, Ladies and Gentlemen of the House: I would like to follow up a little bit on what the gentleman from Kennebunk, Mr. McMahon, had to say.

If you will recall, this House, about six months ago, was debating an issue of income tax reductions and one section of that bill out of that \$20 million dealt with increasing the personal exemptions from \$1,000 to \$1,200 at a cost of \$5.7 million to the state.

As I recall, there was considerable debate over the issue of whether that money would be here, so in order to compensate some people, including the gentlewoman from Portland, Mrs. Najarian, we had to draft language into that saying that if that money became available, then we could use it. Now she is proposing to spend \$29 million of money that is not even there yet, on a projection of \$43 million that we don't even know is there yet, and I just wonder how this legislature can justify spending that kind of money without some language in there saying that it will be available.

We were all concerned, many people were concerned, six months ago about having adequate funds for state employee raises, having adequate money for surplus, and what happens if there is an economic slowdown? I would just like to pose a question as to why this is different from the issue we faced six months ago. Why isn't anyone concerned about the fact that maybe that money won't become available? If it doesn't become available, then taxes will have to be raised.

I think it is a bit of hypocrisy to me to say that this is different than the other legislation.

Mrs. Najarian of Portland was granted permission to speak a third time.

Mrs. NAJARIAN: Mr. Speaker, Ladies and Gentlemen of the House: We are talking about the growth in revenues this year and we do this kind of thing all the time. When we plan our whole budget for the next two years, it is based on estimates. It is standard procedure. The estimates for this year at a 5 percent inflationary growth are calculated to bring in \$43 million

more than we are spending this year.

I have heard this kind of talk in the last four years, we are going to have deficit, we are going to have a deficit. When I went home after the first session, we left this State House with a five or six million dollar surplus and I didn't get in my door in Portland and turn on the radio until I found out that we had a \$9 million surplus. Then we had income tax reductions, sales tax exemptions, we took off the sales tax for farmers, etc., so that we wouldn't raise these excess revenues and what happens this year? We have \$12 million surplus, and in the month of July we had another \$3 million surplus, so our present surplus is up to \$17 million.

I just want to read, if I can find it, the last page of the Governor's message that he sent up to us, the one he couldn't come and give before us but sent in a letter, and he said, "In addition, the facts already show that our revenue picture in the state this past two years has provided undisputed evidence that now is the ideal time to place a limit on government spending and taxation. Our revenues from existing tax sources have consistently exceeded estimates, even those estimates which have been revised upward." I don't think you people can make a case that that money isn't there when we are taking 6 percent of the General Fund and the growth of our revenues are \$43 million more than they are going to be this year. You are making a case for more state spending, that is what you are doing.

The SPEAKER: A roll call has been requested. For the Chair to order a roll call, it must have the expressed desire of one-fifth of the members present and voting. Those in favor will vote yes; those opposed will vote no.

A vote of the House was taken, and more than one-fifth of the members present having expressed a desire for a roll call, a roll call was ordered.

The SPEAKER: The Chair recognizes the gentleman from Nobleboro, Mr. Palmer.

Mr. PALMER: Mr. Speaker, Ladies and Gentlemen of the House: Very briefly, I want to rise to oppose the passage of Committee Amendment "B" and I might say that I am expressing myself once and for all on three of these just to make my position very, very clear. I have said from the very beginning of this legislative session that the answer to the problem does not rest in a statutory limitation. Any statutory limitation is totally unacceptable to me. I believe very firmly, as I said yesterday, that the statutory limitation we have on the federal debt limit is about the best example one can find as to how effective it is, because you know how very easily we go from session to session of Congress and each time we need to raise the federal debt \$10 billion, we just go in and we do it. I don't think we would be doing it if we couldn't do it because of a constitutional amendment.

What is happening here in the last few days is real living proof of the fact that statutory limitation is not enough. We need a constitutional amendment and we need it now. So, for that reason and that reason alone, I want to oppose this motion.

The SPEAKER: The Chair recognizes the gentleman from South Portland, Mr. Howe.

Mr. HOWE: Mr. Speaker, Ladies and Gentlemen of the House: There is something I think that deserves a little thought. In the first of the second regular session of the 108th legislature, if any one of us had introduced any of these statutory measures, I suspect that they would have been hailed as landmark legislation anywhere in the country. It is only because in the context of six months of beating their chests that the Maine Tax Limitation Committee has been called for a constitutional amendment, that at this particular point in time, the statutory approach is talked about as watered down, but I suspect that at any other point in the history of this legislature, if any of these statutory approaches were offered, they would

have been hailed as landmark legislation by the gentleman from Nobleboro and the rest of us.

The SPEAKER: A roll call has been ordered. The pending question is on the motion of the gentlewoman from Portland, Mrs. Najarian, that the House accept Report B. Those in favor will vote yes; those opposed will vote no.

The Chair recognizes the gentleman from Gorham, Mr. Quinn.

Mr. QUINN: Mr. Speaker, I would like to pair my vote with the gentleman from Wayne, Mr. Ault. If he were voting, he would be voting no; if I were voting, I would be voting yes.

ROLL CALL

YEAS — Bachrach, Beaulieu, Benoit, Blodgett, Boudreau, A.; Brenerman, Brown, K.C.; Bustin, Carroll, Chonko, Clark, Connolly, Cox, Curran, Davies, Diamond, Dow, Dutremble, Flanagan, Fowle, Greenlaw, Hall, Henderson, Hickey, Hobbins, Howe, Hughes, Jensen, Kany, Kelleher, Kilcoyne, LaPlante, Martin, A.; Maxwell, McKean, Mitchell, Najarian, Nelson, M.; Nelson, N.; Plourde, Prescott, Spencer, Talbot, Theriault, Tierney, Tozier, Trafton, Twitchell, Violette, Wyman, The Speaker

NAYS — Aloupis, Austin, Bagley, Berube, Boudreau, P.; Brown, K. L.; Bunker, Burns, Carey, Carrier, Carter, D.; Carter, F.; Churchill, Conners, Cote, Cunningham, Devoe, Dexter, Drinkwater, Durgin, Fenlason, Garsoe, Gill, Gillis, Gould, Gray, green, Higgins, Huber, Hunter, Hutchings, Immonen, Jackson, Jalbert, Joyce, Laffin, Lewis, Littlefield, Lizotte, Locke, Lougee, Lunt, Mackel, Mahany, Marshall, Masterman, Masterton, McBreairty, McHenry, McMahon, McPherson, Morton, Palmer, Paul, Pearson, Peltier, Perkins, Peterson, Post, Raymond, Rideout, Rollins, Sewall, Shute, Silsby, Smith, Sprowl, Stover, Strout, Stubbs, Tarbell, Teague, Torrey, Valentine, Whittemore, Wood.

ABSENT — Berry, Biron, Birt, Devoe, Dudley, Elias, Garsoe, Goodwin, H.; Jacques, Kane, Kerry, Lunch, MacEachern, Moody, Nadeau, Norris, Peakes, Truman, Tyndale, Wilfong.

PAIRED — Ault, Quinn

Yes, 51; No 75; Absent, 19; Paired 2;

The SPEAKER: Fifty-one having voted in the affirmative and seventy-five in the negative, with nineteen absent, two paired and four vacant, the motion does not prevail.

The Chair recognizes the gentlewoman from Owls Head, Mrs. Post.

Mrs. POST: Mr. Speaker, Men and Women of the House: I move that we accept Committee Report A.

Essentially, what Report "A" is, it is a spending limitation in statute but it is meant to go out in tandem with the constitutional amendment that this House passed yesterday — so it would go out to referendum. It would then become the statute on spending limitation that could only be changed by two-thirds vote of both branches.

This is a real spending limitation bill. It uses the same indices that we have been talking about consistently, I think, in terms of either cost of living or the personal income, whichever is less. It applies to state government. It applies to county government, school districts and school administrative districts.

I think that everyone here knows that I am a strong believer in local control and municipal home rule, and this particular bill does not apply to municipalities unless they choose to come under its guidance. Of course, any municipality has the right, if they so wish, to adopt any kind of spending limitation, and I think that it is the way it should be, because as we tried to work out how some of these spending limitations might actually work on the town meeting level, it just seemed as though there was no way for them to apply either with or without the referendum clause without disrupting town meetings.

The bill does include the gas tax revenues

and it includes limiting it the same way we have been talking about it again for the last couple of weeks in that they are a separate unit of government, they are included under spending limitations.

There is a phrase in the amendment, in the event that there are excess revenues over the spending limitation on the state level, these revenues would be used for property tax reduction, I think we all know there are various ways that can be done and it would be up to the next legislature to decide what mechanisms to use.

It is a strong spending limitation bill, but it has the kinds of details that should be in statute and not in the Constitution. It would go out, again, with the constitutional amendment so the people would have a chance to vote on the principle of whether or not we want spending limitation and the Maine Legislature would tell them what we meant by that and they would have a chance to either support or reject the bill.

I think at this point, because it has been a long morning, I will sit down and would be glad to answer any questions that I might be able to.

The SPEAKER: The Chair recognizes the gentleman from Old Town, Mr. Pearson.

Mr. PEARSON: Mr. Speaker, Ladies and Gentlemen of the House: I would like to pose a question through the Chair to the gentlewoman from Owl's Head, Mrs. Post.

Would this bill affect schools that are operated by individual towns but not members of the community school districts, not members of school administrative districts and not members of unions?

The SPEAKER: The gentleman from Old Town, Mr. Pearson, has posed a question through the Chair to the gentlewoman from Owl's Head, Mrs. Post, who may respond if she so desires.

The Chair recognizes that gentlewoman.

Mrs. POST: Mr. Speaker, Ladies and Gentlemen of the House: No, it would not. Since they are operated by the municipalities; those kinds of schools would come under whatever kind of guidance the municipalities chose to have as far as their own spending limitation. It is not intended that this particular bill would apply to those types of school units.

The SPEAKER: The Chair recognizes the gentleman from Kennebunk, Mr. McMahon.

Mr. McMAHON: Mr. Speaker, I would like to pose a question through the Chair to the gentlewoman from Owl's Head, Mrs. Post.

I studied this draft with a lot of interest last night. The question is this: Would you explain to this body how counties would be handled and, if, in fact, every time a county estimate was increased by this body and by the other body and passed as law each year, there would have to a county-wide referendum and would we have to set up the procedure in the law to carry out such a referendum?

The SPEAKER: The gentleman from Kennebunk, Mr. McMahon, has posed a question through the Chair to the gentlewoman from Owl's Head, Mrs. Post, who may respond if she so desires.

The Chair recognizes that gentlewoman.

Mrs. POST: Mr. Speaker, Members of the House: Of course, the issue of counties exists, either in the statutory or the constitutional amendment, and I think that that kind of a question is the real reason why we are talking about statutory amendments rather than constitutional, because those are the kinds of details that are going to have to be worked out in the next legislature, and we can only do that if we are dealing with statutory law, as this one does. Either with this bill or the constitutional amendment, there are going to be various mechanisms that are going to have to be worked out, particularly in relationship with state government and county government and the municipalities or the school districts. The way this reads now, as did the constitutional

amendment which had been proposed earlier, is that if the spending limit for the counties would be exceeded more than the limitation, then there would have to be a countywide referendum.

Mr. Carey of Waterville requested a roll call vote.

The SPEAKER: For the Chair to order a roll call, it must have the expressed desire of one fifth of the members present and voting. All those desiring a roll call vote will vote yes; those opposed will vote no.

A vote of the House was taken, and more than one fifth of the members present having expressed a desire for a roll call, a roll call was ordered.

The SPEAKER: The pending question is on the motion of Mrs. Post of Owl's Head that the House accept Report A. All those in favor will vote yes; those opposed will vote no.

The Chair recognizes the gentleman from Gorham, Mr. Quinn.

Mr. QUINN: Mr. Speaker, I would like to pair my vote with the gentleman from Wayne, Mr. Ault. If he were voting, he would be voting no; if I were voting, I would be voting yes.

ROLL CALL

YEAS—Bachrach, Beaulieu, Benoit, Berry, Berube, Boudreau, A.; Brennerman, Brown, K. L.; Brown, K. C.; Burns, Carrier, Carroll, Carter, D.; Chonko, Clark, Cote, Cox, Curran, Davies, Diamond, Dow, Dutremble, Flanagan, Fowle, Green, Greenlaw, Hall, Hendersen, Hickey, Hobbs, Howe, Hughes, Jalbert, Jensen, Joyce, Kany, Kilcoyne, LaPlante, Locke, Mahany, Martin, A.; Maxwell, McKean, McMahon, Mitchell, Nelson, M.; Nelson, N.; Norris, Paul, Pearson, Plourde, Post, Prescott, Raymond, Rideout, Spencer, Talbot, Theriault, Tierney, Tozier, Trafton, Violette, Wood, Wyman, The Speaker.

NAY—Aloupis, Austin, Bagley, Blodgett, Boudreau, P.; Bunker, Bustin, Carey, Carter, F.; Churchill, Conners, Connolly, Cunningham, Devoe, Dexter, Drinkwater, Durgin, Fenlason, Gill, Gillis, Gould, Gray, Higgins, Huber, Hunter, Hutchings, Immonen, Jackson, Kelleher, Laffin, Lewis, Littlefield, Lizotte, Lougee, Lunt, Mackel, Marshall, Masterman, Master-ton; McBrearty, McHenry, McPherson, Morton, Palmer, Peltier, Perkins, Peterson, Rollins, Sewall, Shute, Silsby, Smith, Sprowl, Stover, Strout, Stubbs, Tarbell, Teague, Torrey, Twitchell, Valentine, Whittemore.

ABSENT — Biron, Birt, Dudley, Elias, Garsoe, Goodwin, H.; Jacques, Kane, Kerry, Lynch, MacEachern, Moody, Nadeau, Najarian, Peakes, Truman, Tyndale, Wilfong.

PAIRED—Ault, Quinn
Yes, 65; No, 62; Paired, 2; Absent, 18; Vacant, 4.

The SPEAKER: Sixty-five having voted in the affirmative and sixty-two in the negative, with two paired, eighteen absent and four vacant, the motion does prevail.

Thereupon, the Resolution was read once. Committee Amendment "A" (H-1266) was read by the Clerk.

The SPEAKER: The Chair would ask the gentleman from Stonington, Mr. Greenlaw, to approach the rostrum for the purpose of acting as Speaker pro tem.

Thereupon, Mr. Greenlaw of Stonington assumed the Chair as Speaker pro tem and Speaker Martin occupied his seat on the floor of the House.

Mr. Martin of Eagle Lake offered House Amendment "F" to Committee Amendment "A" and moved its adoption.

House Amendment "F" to Committee Amendment "A" (H-1281) was read by the Clerk.

The SPEAKER pro tem: The Chair recognizes the gentleman from Eagle Lake, Mr. Martin.

Mr. MARTIN: Mr. Speaker, Ladies and Gen-

tlemen of the House: We have been called to a special session to handle what some of us, and I agree there appears to be disagreement, what some of us believe to be tax limitation and also tax relief.

Tax relief is an important issue for the people of Maine. I present my amendment today, the only amendment I have presented in this session, to emphasize a point which needs to be made, a point that for some reason the issues have not been adequately discussed among the citizens of this state. It is a problem for those of us who represent unorganized territories, people who live in those areas, those of us who represent small plantations where very few people live, where most of the land is covered by the tree growth law. I know something about tree growth law; I was here when it was enacted and I presented it on behalf of the committee and it became law, and I would like first to begin by giving you a little bit of information about what it is, secondly to tell you what has happened and, finally, perhaps to offer a solution.

Some people are going to suggest to you that this is not the time to do it, that it has not been adequately debated, but if you talk to any municipal officer in this state, you will find that the debate has been going on in every town and municipality affected by tree growth.

The Maine Constitution requires valuation of property for tax purposes according to just value, and the court of this state has considered market value, true value and real value to be the same as just value. Market value is the price negotiated between a willing seller and a person who is the willing buyer. It is clearly the simplest way to approach it. Not all property, however, in this state is assessed on that basis.

The Maine Constitution permits the legislature to establish standards for assessing in three different areas on a different basis—first, farms and agricultural lands, timberlands and woodlands. Secondly, open space lands which are used for recreation or the enjoyment of scenic natural beauty; and third, lands used for game management or wildlife sanctuaries. This provision was added to our Constitution in 1970. When the tree growth law was enacted pursuant to that constitutional amendment in 1972, it was not intended that taxing timberlands would occur in the way it did, and I would like to tell you why.

When the law was enacted, we were basing state valuation at 50 percent, and you may remember that all of a sudden it changed to 100 percent, automatically having a tremendous impact in cutting in half the taxes of those people affected by the tree growth law—one half, automatically, overnight, when we switched from 50 to 100—what a break for those covered by the tree growth law.

The second thing that happened was that it said that it shall be determined that that valuation, or we change the law based on what some of us call the Emery Bill, in which we passed this law in which we said every municipality had to be assessed at a fair market value and we required municipalities, to be revaluated, and that is starting to hit us in good shape and we shortly will have to be at 70 percent next year in every municipality in this state. It was fine when we were at 10 percent in some of our small towns, but you know what has happened for those of you who represent these areas, whether you come from Hancock County, Washington, Aroostook, Piscataquis, Somerset or any other area in which larger ownerships of your municipality is owned and placed under the tree growth law.

The existing law contains a computation system which is a rather complicated one. It was intended, however, to provide some basis to establish the value of annual wood production of land. This computation which was used last year now says, based on the only figures which the Bureau of Taxation had, that the value of land used for timber production is

based at \$38 per acre—I repeat—\$38 per acre.

I know that to me, anyway, and I think everyone in this body and anyone in this state would love to buy that type of land for \$38 an acre, because you know what you can sell it for tomorrow morning, especially when that piece of land next door, if it is not under tree growth, is being evaluated by the assessors in excess of \$100 in some municipalities to \$1,000 an acre in this state—\$38 an acre is what the bureau finally determined. And you know what? That was only after we got an emergency bill through this session to be effective April 1 of this past year.

If we had not done that, it would have been \$20 per acre. I say, we passed that bill to make it effective. We then ran into an individual who knows very little about governmental process, one of those citizens out among us, who became very active in the Tax Limitation Committee as its chairman. He thought that \$38 was excessive, so on the 14th day of June, 1978, in Superior Court in Kennebec County an action was brought by Timberlands, Inc., the Chairman of the Taxation Committee, versus the State Tax Assessor, and that suit is extremely critical to the issue before us today and I will tell you why, because if this suit is successful and there are those — you know, those attorneys that some people refer to — there are those who say that he will be, and at that point it will be \$20 an acre.

Municipalities have, thus far, based on an amendment that was put on by the chairman of the Taxation Committee in this body, the gentleman from Waterville, Mr. Carey, municipalities, on April 1, were able to tax based on the \$38. They think they are secure; they think they are all set. Little do they know that if this suit is successful, they have to reimburse the very people who have received an unbelievable tax break in this state.

For those of us who come from where I come from, we want equality. We are looking for that in our method of taxation. We don't want someone who happens to have a hundred acres next door in tree growth and the other one a hundred not in it and the one hundred in tree growth is paying 25 cents an acre and the one that is out of tree growth is paying \$2. Now, you may say, how does this all relate? Well, I would like to just use a couple of examples to illustrate the point.

What is going to happen, unless this legislature today or in the future solves this problem, in a very short time we will shift unto the homes, the business and property not under tree growth \$38 million of state valuation. That means that that shift will cause everyone who is not covered by this law to have to pick up that amount of taxes that would be incurred in the municipalities in this state to the tune of \$38 million, give or take a few thousand. At that point I suspect it doesn't make too much difference.

The problem is an unbelievable one. Let's take for example towns that have it and towns that don't, and because this was done for the gentleman from Stow, Mr. Wilfong, I have to use his figures by the Bureau of Taxation, and I will use as comparisons the town of Bethel and the town of Brownfield. In the town of Bethel, because they have a large amount of tree growth, 10,000 acres, their mill rate is 19.6 percent. In Brownfield, because they only have 1,000 acres, it is 11.7, a difference of roughly 8 mills. The Bureau of Taxation says that that is entirely caused — entirely caused — by the fact that the shift is off the trees and on the houses or land not under tree growth.

I am not suggesting nor will I ever, unless we solve our problem with this law, I am not suggesting that we repeal tree growth, because there is a basis as to why it is in law and ought to continue. It is an attempt to prevent development, it is an attempt to keep trees for production of fiber. That is critical to this state and that is why the law was put into effect, but

it was not created to transfer that burden from those people to those who don't have it, and that is exactly what has happened since this law has been effected, when we went to 100 percent.

This particular amendment is not perfect. The gentleman from Nobleboro, Mr. Palmer, says I really don't have to worry whether it is perfect or not because it is not going anywhere anyway at the other end of the hall, or maybe even in this body, but I want this body, this House that represents the people, to make the point today that we know the problem exists and know it can be resolved.

Now, someone else said to me, gee, you know, it is not a problem because we ought to be reimbursing. Oh sure — my city friends are going to vote to appropriate \$5 million to \$7 million to reimburse the rural areas. The City of Portland has 12 acres in tree growth. The cities of Lewiston and Auburn have none. Put that up for votes! So we have to deal with it another way.

What this amendment does and what it basically would do is to change the method and it would increase the value to about \$100 per acre. That is not to say that is what they are going to be paying for taxes — of course not. Then you would simply multiply it by the tax rate in the municipality. It would be roughly, depending on what type of wood you are talking, mixed, softwood or hardwood, an increase of taxes of roughly 2 to 2.4 times what they are paying now, so that in some municipalities they would go from 25 cents per acre that they pay for taxes to 80 cents; in others, they would go from 80 cents to \$1.20 or \$1.40.

I have one town that I represent where, caused by this law and caused by nothing else, no increase in local appropriation, caused by a shift in valuation because of tree growth, municipal taxes on their homes increased three times.

The gentleman from Milo, Mr. Masterman, has a town in this district, and he may correct me if I am wrong, I believe it is five times, and for no other reason at all, so what we are asking of you and of this body is for equality.

Mr. Speaker, when the vote is taken, I request to be taken by the yeas and nays.

The SPEAKER pro tem: The Chair recognizes the gentleman from Sangerville, Mr. Hall.

Mr. HALL: Mr. Speaker, Ladies and Gentlemen of the House: This is one avenue that I have been very strong in pursuing now for quite some time. When I saw that in the little town I represent, not only one but none of the thirteen towns that I represent, but this one in particular, 262 people were assessed, only because of this inequity that exists in the tree growth, \$63 more for each one.

I just got a telephone call, and the person I talked with said, did you see today's paper. I said, I sure have, I saw it before you did. They said, is it so what I read in there about the head of this tax policy committee and the position he takes? I said, you can decide that for yourself, my friend, because this is what I have a great deal of reservation about. We can't put anything in the Constitution until we have gone into the details of this bill.

I will tell you another little thing that hurts very much. Two years ago in my district, the people were told at meetings a great deal of things they wanted to hear in regard to if they repealed the uniform property tax they were headed towards Utopia. Well, when they began to get their tax bills, they began to figure another idea. Then when they learned about us coming down here, and I spoke about this with my good friend from Nobleboro, Mr. Palmer, this morning, one of my constituents said, what are you going to give us this time, cancer? You never have given us anything to begin with; for crying out loud, stay home, don't do anything.

There are two things, Mr. Speaker, I would like to refer to. This letter was written by a very good friend of mine from the opposite

party and he relates this very well. He is a taxpayer as well as the town manager in a town not in my district, by the way, but I have known him for a long time and I service that area as well as any of them. "Dear Don: I just can't fill out your questionnaire, I just have to preach a little, also. It is my opinion that all this tax limitation talk by the government leaders is just so much balony. Everyone is jumping on the bandwagon. The answer to the whole problem is to get the idea through people's heads that there is no free lunch. We do not need to change the Constitution, Don, it would be a big mistake." I can't agree with him more.

One other thing on this tree growth tax. I would like to tell you what would happen in the little town of Sangerville that I live in if Don Hall put his land into it. I am not going to, even though it costs me dollars and cents, until I see the inequities changed. This was worked up by the town manager in my town, so it must be pretty near right because I have paid taxes on it now for pretty near 50 years. The valuation of my land, 462 acres, if it were all in tree growth, would be \$14,599, or \$31.60 an acre. But the actual value by the town as it is valued would be \$125 an acre, or \$57,750. Now, here is the kicker! Under the tree growth, which I can do, I could get by for \$218.98, and you know who would be picking up the tab, the people, and there are a great deal of them, that work in the woolen mills and textile and wood turning mills for minimum wage for a long time. And I am telling you folks that they don't get a very big Social Security as it is. So I would be costing my people up there \$647.73. Do you think that is fair? I am not advocating getting rid of the tax to begin with, because I think it has good merit, but this isn't good merit, and that is one of my biggest obstacles of wanting to do anything as hurriedly as we have been down here in putting it in the Constitution.

The SPEAKER pro tem: The Chair recognizes the gentleman from Nobleboro, Mr. Palmer.

Mr. PALMER: Mr. Speaker, Ladies and Gentlemen of the House: I really didn't intend to rise on this, I really didn't, but I guess because the Speaker quoted me on a personal phone call that I made to him, I think I have to respond. Normally, when I am speaking to someone in a personal way over the phone and I express an idea, I really don't think perhaps it should be publicized without being explained, so I want to explain why I told the Speaker that it wouldn't go anywhere anyway or why I think it shouldn't go anywhere anyway, and I want to explain it right now.

I believe that only because I agree with the Speaker that something has to be done with the tree growth law. I agree with the Speaker that this is impacting terribly on a lot of communities in this state and that something must be done. I agree with the Speaker in practically everything he said; there is just one area where I disagree, and that is, even if we act right now, it is not going to change anybody's tax bill this year—absolutely no change if we vote this now. The tax bills for this year are out. Whatever has happened in Greenville and Brownville and all the other towns, periphrasis action as this moment with this very important piece of legislation could be bad.

I am saying here that I will fight down the line to have it revised, it should be. As a matter of fact, there are study committees studying it right now, but to act now on the basis of one amendment which I even doubt is germane, but of course I am sure I would be overruled on that, but I doubt that it is, to act now on an amendment which I believe is not germane, without a public hearing, without any input from those who even want to make changes but may disagree with the Speaker, is, to me, a little ridiculous, and that is why I said it isn't going to go anywhere, because I don't think people, men and women, whether they believe in tree growth or not, are going to want to put on the statutes a change like this without a

public hearing, without the opportunity of many people on both sides of this issue to discuss it. That is my only reason.

I have travelled the length and breadth of this state in the last few months, and I can tell you, I know how this is impacting. I agree with what the good gentleman from Sangerville said and the Speaker said, and we do have to do something about it, but I would much prefer to see a public hearing or numbers of public hearings to see it debated, both sides, and have a piece of legislation come in here all by its own to be discussed. I think at this hour, in a special session, to take up the tree growth tax law with all of its ramifications is a little bit too much.

I know the Speaker feels strongly about it. As a matter of fact, I think this is his way of getting the bill in, because if I recall correctly at the legislative council meeting, he had a bill there for this session, or someone did, to deal with the tree growth in this session, and we rejected it saying that we didn't have the time, plus the fact that there would be no impact made as far as helping these people concerned with this burden and there wouldn't be, because the 109th Legislature, in regular session, with public hearings on this bill, can certainly report out a bill and do something about the tax impacting next year, which is all this would do but it would be, in all due respect to the Speaker, it would have the input of many people in this state, and though I do respect the abilities of the Speaker, I do think that perhaps a unilateral decision on his part as not quite is good as having the input of many, many people in this very important piece of legislation.

I agree with him in everything he said. I believe that this tree growth concept must be protected. We are talking about a resource in this state which covers 90 percent of this state and that we do have a commitment as a state not only in the tree growth tax law but in other statutes that we believe this to be a state policy, that we do everything we can to prevent development on it and that we try to do the best we can with silver cultural practices to make our forestry renewable at a greater speed than it is at the present time. Down the road in 10 or 20 or 30 years, according to what we are told, there will be a wood fiber shortage in this world and we will be in a very fine position to take advantage of it with our port facilities and with our forests.

I just did want to make it very clear that my private telephone conversation with the Speaker saying that this would die, I meant it only as a point of view, that I believe it is ill considered and I think it is wrong for one man, be he the Speaker or anyone else, to give us an amendment of this magnitude to a piece of legislation as strong as that is and expect us to act upon it in the closing — I hope it is the closing hours — of a special session called here to deal with spending limitation of government.

Once again, just so it will be totally clear, in case ten mikes go up, I agree with what he said but this is not the forum, this is not giving us the opportunity to get the input from many, many in this state who are truly interested and who have been working on this problem for months and months right now and expect to come before the 109th with a sensible piece of legislation. That is my only objection and that is why I spoke the words I did to the Speaker.

The SPEAKER pro tem: The Chair recognizes the gentleman from Waterville, Mr. Carey.

Mr. CAREY: Mr. Speaker, Ladies and Gentlemen of the House: The gentleman from Nobleboro, Mr. Palmer, mentioned that there was a committee study going on on this matter and I know that the legislative council has authorized the Taxation Committee to study the problem, and I would point out to him that the on-going studying has not even started at this point. We still have so much data to accumulate, and I, as chairman of the Taxation Committee, would feel much safer if this amendment that the Speaker has put on would

be on while we continue our study.

The SPEAKER pro tem: The Chair recognizes the gentleman from Eagle Lake, Mr. Martin.

Mr. MARTIN: Mr. Speaker and Members of the House: I first must comment to the gentleman from Nobleboro, Mr. Palmer. I, among others, including the gentleman from Nobleboro, Mr. Palmer, have always used the technique of — if we don't want something, let's see if we can't delay it long enough so that perhaps it will just go away. I also believe that the problem has to be resolved before April 1 of next year. I have grave concerns as to whether or not that is going to be done, because we are at that point talking of receiving 101 votes in this body and 22 at the end of the hall, and let's not kid ourselves, that isn't going to happen.

Third, this amendment is very, very simple. It has a lot of words to it, because you know what lawyers do, Mr. Palmer, to some of these things, but they are taken from existing statute and basically what it does is to increase the valuation of individuals under tree growth.

Finally, I would simply say, I also made the point, not because of the conversation with the gentleman from Nobleboro but because of political realities, and I have been here a few years, that I knew what the results would be at the other end of the hall but that I wanted this body to go solidly on record to tell the people of this state that the time had come to deal with this question to provide equality and equity among the property owners of this state.

The SPEAKER pro tem: The Chair recognizes the gentleman from Orono, Mr. Devoe.

Mr. DEVOE: Mr. Speaker, I note that Committee Amendment "A" that we are now discussing is under the subtitle of Title 5 of our Maine Revised Statutes. I have examined fairly closely House Amendment "F," which has just been addressed by Mr. Martin, and I noticed that all of the proposed sections of the statutes that are going to be amended rest in Title 36, which seems to be the taxation title. I would like to ask the Chair for a ruling that the proposed House Amendment "F" is germane to Committee Amendment "A."

The SPEAKER pro tem: The Chair would be glad to answer the gentleman from Orono, Mr. Devoe, pertaining to the germaneness of this amendment. The question of certain sections going into different parts of the title has no bearing on the germaneness. The question is whether the content matter is germane to the subject matter of the bill. The Chair would answer that the title of the bill, Resolution Proposing an Amendment to the Constitution to limit the Maximum Property Tax which can be Levied, deals with property taxes and thereby the Chair would rule that where the tree growth tax affects property taxes, the amendment is germane to the bill.

The SPEAKER pro tem: The Chair recognizes the gentleman from Limerick, Mr. Carroll.

Mr. CARROLL: Mr. Speaker, Ladies and Gentlemen of the House: It troubles me a great deal to hear the statement, "We do not have the time to address the subject of the tree growth tax." Yet, we have the time to change the Constitution of the State of Maine. That troubles me a great deal when I hear a statement like that. I noticed that we have got a footpath from this corner to the other corner of this building here, and I can almost walk with my eyes closed behind a certain party, and I am troubled to no end when I hear that we do not have the time to address the tree growth tax and yet we have time to change the Constitution of the State of Maine.

You know, there is a man — I can't recall who it is but I know everybody knows him — he said, you know, you can fool some of the people some of the time but you can't fool all the people all the time. I would urge that man, who is campaigning for Governor, to carry that in his back pocket as he goes throughout the state, because I don't think he is fooling anybody.

This spring chicken right here isn't being fooled, because I have been around 59 springs.

The SPEAKER pro tem: The Chair recognizes the gentleman from Ellsworth, Mr. Silsby.

Mr. SILSBY: Mr. Speaker, Ladies and Gentlemen of the House: I intend to support Mr. Martin's amendment. We have a lot of problems in Hancock County, serious problems. This is a statutory mechanism and I don't see that much problem with it myself.

I do have some problems with some of the remarks being made about lawyers. I am a lawyer and I have been in the practice close to 25 years, and I also have a problem with this innuendo about the member of the Tax Limitation Committee who is under tree growth and is following the legal process to appeal that.

I don't have any problem with tree growth. I have a small piece of land under tree growth. It is the law, I am allowed to do it, there is no skulduggery, no behind-the-scenes stuff. If a member of the Tax Limitation Committee chooses to appeal his valuation through the court system, I don't have any problem with that; that is the law, he is entitled to do it. So I don't really feel there is any need to tying one of these people with the Tax Limitation Committee into some skulduggery or any innuendo to that effect. I might say that I don't know any of these members of the committee personally, I have never met them, I wouldn't know them if I saw them, but I don't think it is fair to try and tie them into some sort of thing that there is something wrong with the tree growth.

That is about all I have to say at this point. Perhaps the Speaker's amendment isn't the perfect document, but I feel that something has to be done right off.

The SPEAKER pro tem: The Chair recognizes the gentleman from Brewer, Mr. Cox.

Mr. COX: Mr. Speaker, Ladies and Gentlemen of the House: I would like to address the question of whether we need to do this at this time or not.

I might preface my remarks by saying that I own a small amount of woodland on which I do intensive management, so I understand all of the problems that are involved in owning and holding woodland. I also own property in a town which is not woodland, and has three quarters of its land in tree growth, and I realize the problems that they are having in that town, which, by the way, is one of the towns in Hancock County which is involved in this movement.

Also, as a member of the Taxation Committee, I have heard considerable testimony, especially in the previous session, of the problems that towns have with this and my assessment of the whole situation and the way things are moving is that if we do not do something about the tree growth tax and do it rather soon, what we will have will be a petition for a bill to completely repeal the tree growth tax, if possible.

I might further say, as a member of the Taxation Committee, that I don't think, even if we hold a lot of hearings and no doubt we will, that too much more is going to come out in the testimony than what we have already heard and I honestly think that the proposal we have before us is probably as good a proposal as would come out of the Taxation Committee with further study. Therefore, I would support the adoption of this amendment.

The SPEAKER pro tem: The Chair recognizes the gentleman from Brewer, Mr. Norris.

Mr. NORRIS: Mr. Speaker, Ladies and Gentlemen of the House: I hate to follow my good colleague from Brewer, but to answer a couple of the points raised by Mr. Carroll, I don't think there is going to be length enough in the special session to amend the Constitution timewise, neither do I think there is going to be time enough to address this tree growth law.

I appreciate his problem and I am sure that along with spending limitations in the Constitution, it can be taken care of in the upcoming session. This session can also handle the tree

growth law, so I would move for indefinite postponement of this amendment, request a roll call, and I would implore you all to remember that we came here and we have invested the taxpayers' money to address the spending limitation. It looks like it is going to be statutory, and I would hate to see this go along with any statutory thing that came out of this House to the other body, because I guess it is pretty much the consensus of opinion that if this tree growth question is on it, that will be its automatic demise and I would ask for the yeas and nays.

The SPEAKER pro tem: The Chair recognizes the gentleman from Milo, Mr. Masterman.

Mr. MASTERMAN: Mr. Speaker, Ladies and Gentlemen of the House: I think this morning some of us are seeing the frustrations that we have had over the past two years here on the floor, and since I do represent some unorganized territory and some organized territory that has tree growth—we have heard mentioned that we should go to hearings. For the past two years, I have attended all the Taxation hearings, tree growth has been brought up and I say frustration, because that seems to me what happens, we have people from the larger areas who do not seem to be concerned with our problem. I share with Mr. Martin the frustration of having such a few votes that we don't seem to be able to do anything.

I wanted to ask Mr. Martin a question. On the bottom of Page 3, in our anxiety to do something and I think we share the same feelings on the matter—I believe in tree growth, incidentally, but since it was written in 1972 and now we are in the economy of 1978, it doesn't seem to be working out right. We have shifted the burden, unintentionally I would say.

Mr. Martin, it is my understanding that generally we are supposed to be at a 60 percent valuation at the present time. A lot of communities, my little town of Brownville has gone to 100 percent valuation and they compounded their situation, of course, because of tree growth, shifting the burden to the household, the property owners, I am wondering where we have different percentage levels all across the state, on the bottom of page 3 in Section 5, are we going to get ourselves in trouble maybe shifting the burden of taxation to other segments of society that we don't recognize at the moment? Has this been well researched?

The SPEAKER pro tem: The gentleman from Milo, Mr. Masterman, poses a question through the Chair to the gentleman from Eagle Lake, Mr. Martin, who may respond if he so desires.

Mr. MARTIN: Mr. Speaker, Ladies and Gentlemen of the House: In response to the question posed by the gentleman from Milo, Mr. Masterman, I would respond in the affirmative. It has been researched and, in effect, what happens is that there was an adjustment of the ratio based on the local ratio that is used in the municipalities.

The SPEAKER pro tem: The Chair recognizes the gentleman from Nobleboro, Mr. Palmer.

Mr. PALMER: Mr. Speaker, Ladies and Gentlemen of the House: I guess perhaps I had better make my position clear here. When I spoke before, I did not speak as the minority leader of this House; therefore I am only expressing my personal opinion. I agree with everything that the Speaker said in terms of problems we have with the tree growth tax, and regardless of what the well-intentioned gentleman from Limerick, Mr. Carroll, wants to say, I am sure that he gets very heated and very evangelical — in fact, I almost thought I was at a revival service, I did mean what I said. As an individual, I am simply saying that I don't believe that it is germane to the bill. We were called here for one purpose, which was to address the subject of spending limitation, not tree growth.

I do agree with the Speaker. I want to be perfectly clear that I am going to vote against this

myself, because I believe it has not been properly researched. We had this amendment put on our desks, I might say, at a very very late hour. Everything else was here, everything else had been here for some time, and this was sent to us with just moments of notice. There is not a soul in this House that has had a chance to look this thing over, and I probably would say that if there was a vote taken here today to do something about tree growth, that probably most everybody in this House would vote to do something and I would too — I would too, because I believe it has to be done, but my objection is, this kind of legislation by one person, who happens to be a good friend of mine, we disagree politically from time to time, but I just don't think that one person should rewrite the tree growth law in the last moments of a debate on the spending limitation in government without some kind of a public hearing. It is only for that reason that I shall oppose it and I am speaking as the Representative from District 61.

Mr. Martin of Eagle Lake was granted permission to speak a third time.

Mr. MARTIN: Mr. Speaker, Ladies and Gentlemen of the House: I just have to comment in reference to the remarks made by the gentleman from Nobleboro.

I only wish I could say that I was singularly responsible for this amendment. I did not draft it; that was done by Legislative Research. The research that was done was done at my request and the request of the gentleman from Stow, Mr. Wilfong, by the legislative staff upstairs, the Bureau of Taxation, even an attorney for the Maine Forest Products Council, which I won't name but a close friend of the gentleman from Nobleboro, and a number of other people, including municipal officers all over the state. I would love to take credit for it singularly but, unfortunately, I cannot.

The SPEAKER pro tem: The Chair recognizes the gentlewoman from Bethel, Miss Brown.

Miss BROWN: Mr. Speaker, I would like to pose a question through the Chair. This is quite a complex tax issue and I would like to know, if this goes into effect and increases the valuation of my town, how is that going to affect their state aid dealing in education and all those things?

The SPEAKER pro tem: The gentlewoman from Bethel, Miss Brown, has posed a question through the Chair to anyone who may care to answer.

The Chair recognizes the gentleman from Eagle Lake, Mr. Martin.

Mr. MARTIN: Mr. Speaker, Ladies and Gentlemen of the House: In response to the question of the gentlewoman from Bethel, Miss Brown, based on the present law, the state has not been deducting very sufficiently for the amount of land in tree growth. That valuation has stayed pretty steady within the municipalities, that has been one of the problems. If they had been deducting that valuation from the total town valuation, we would not be in half the mess we are now. That is one of the reasons why it is worse off than it would be normally. That adjustment is one that has to take place and has yet to be done.

The SPEAKER pro tem: A roll call has been requested. For the Chair to order a roll call, it must have the expressed desire of one fifth of the members present and voting. Those in favor will vote yes; those opposed will vote no.

A vote of the House was taken and, more than one fifth of the members present having expressed a desire for a roll call, a roll call was ordered.

The SPEAKER pro tem: The Chair recognizes the gentleman from Nobleboro, Mr. Palmer.

Mr. PALMER: Mr. Speaker, Ladies and Gentlemen of the House: I would like to make one more statement that has just been brought to my attention the fact that I am a tree farmer, which I am, and that I grow Christmas trees, I have been properly researched by some

people as to whether I had any acreage under the tree growth tax. I understand that I have been checked out very thoroughly but just for the benefit of those who are in this House, I want you to know, I have no acreage under tree growth tax.

At this point, Speaker Martin returned to the rostrum.

Speaker MARTIN: The Chair would thank the gentleman from Stonington, Mr. Greenlaw, for presiding as Speaker pro tem.

Thereupon, the Sargeant-at-Arms escorted Mr. Greenlaw to his seat on the floor, and Speaker Martin resumed the Chair.

The SPEAKER: The Chair recognizes the gentleman from Ellsworth, Mr. Silsby.

Mr. SILSBY: Mr. Speaker, Ladies and Gentlemen of the House: Just a question of procedure of having admitted a small piece of land under tree growth, should I be excused from voting?

The SPEAKER: The Chair would answer in the negative because the Chair has ruled before in the past and would rule in this instance that you are one of a class, a class of people who happens to own land. If you were singularly affected by it, then it would be a different matter. Based on that ruling, the Chair would continue in the same fashion.

The SPEAKER: The Chair recognizes the gentleman from Lewiston, Mr. Jalbert.

Mr. JALBERT: Mr. Speaker, Ladies and Gentlemen of the House: I don't quite understand singularly. For instance, if I were involved in the same position as the good gentleman from Ellsworth, Mr. Silsby, what is the story?

The SPEAKER: The Chair would answer in the negative. If this bill dealt only with land owned by the gentleman from Lewiston, Mr. Jalbert, if he were to have any, then it would in fact be a conflict. The gentleman does not singularly own that.

Mr. JALBERT: Mr. Speaker, you can say that again, because I am just a silent partner.

The SPEAKER: The pending question before the House is on the motion of the gentleman from Brewer, Mr. Norris, that House Amendment "F" to Committee Amendment "A" be indefinitely postponed. Those in favor will vote yes; those opposed will vote no, a roll call having been ordered.

ROLL CALL

YEAS — Aloupis, Blodgett, Carter, F.; Conners, Drinkwater, Durgin, Gill, Gillis, Gould, Hunter, Jackson, Laffin, Littlefield, Mackel, Masterton, McPherson, Norris, Palmer, Peterson, Rollins, Stover, Stubbs, Tarbell, Torrey, Whittemore.

NAYS — Austin, Bachrach, Beaulieu, Benoit, Berry, Berube, Boudreau, A.; Boudreau, P.; Brenerman, Brown, K. L.; Brown, K. C.; Bunker, Burns, Bustin, Carey, Carrier, Carroll, Carter, D.; Chonko, Churchill, Clark, Connolly, Cote, Cox, Cunningham, Curran, Davies, Dexter, Diamond, Dow, Dutremble, Fenlason, Flanagan, Fowlie, Gray, Green, Greenlaw, Hall, Henderson, Hickey, Hobbins, Howe, Hughes, Hutchings, Immonen, Jalbert, Joyce, Kany, Kelleher, Kilcoyne, LaPlante, Lewis, Lixotte, Lunt, Mahany, Marshall, Martin, A.; Masterman, Maxwell, McBreairty, McHenry, McKean, McMahon, Mitchell, Najarian, Nelson, M.; Nelson, N.; Paul, Peakes, Pearson, Peltier, Perkins, Plourde, Post, Prescott, Quinn, Raymond, Rideout, Sewall, Shute, Silsby, Spencer, Sprowl, Strout, Talbot, Teague, Theriault, Tierney, Tozier, Trafton, Twitchell, Violette, Wood, Wyman, The Speaker

ABSENT — Ault, Bagley, Biron, Birt, Devoe, Dudley, Elias, Garsoe, Goodwin, H.; Higgins, Huber, Jacques, Jensen, Kane, Kerry, Locke, Louge, Lynch, MacEachern, Moody, Morton, Nadeau, Smith, Truman, Tyndale, Valentine, Wilfong.

Yes; 26, No, 95; Absent, 26; Vacant, 4.

The SPEAKER: Twenty-six having voted in

the affirmative and ninety-five in the negative with twenty-six being absent and four resigned, the motion does prevail.

Since the gentleman from Eagle Lake had requested a roll call on adoption, the Chair would withdraw since there is no need to have a second roll call.

The Chair recognizes the gentleman from Sangerville, Mr. Hall.

Mr. HALL: Mr. Speaker, Ladies and Gentlemen of the House: I ask the forgiveness of the House because I am in a bind, I guess. Mr. Bagley asked me to pair whenever Representative Palmer voted. — I hate to, but I have to vote on the opposite side.

The SPEAKER: The gentleman from Nobleboro, Mr. Palmer, advises the gentleman from Sangerville, Mr. Hall, that it is not necessary so we will leave the vote as it stands. The Chair thanks the gentleman from Nobleboro.

Whereupon, House Amendment "F" to Committee Amendment "A" was adopted.

The SPEAKER: The Chair recognizes the gentleman from Standish, Mr. Spencer.

Mr. SPENCER: Mr. Speaker, Ladies and Gentlemen of the House: I have a nit that needs to be picked with Committee Amendment "A". I present this with the intent of showing that nit picking can be bipartisan and also can apply to democratic proposals.

I offer House Amendment "G" to Committee Amendment "A" and move its adoption.

House Amendment "G" to Committee Amendment "A" (H-1284) was read by the Clerk.

The SPEAKER: The Chair recognizes the gentleman from Standish, Mr. Spencer.

Mr. SPENCER: Mr. Speaker, Ladies and Gentlemen of the House: Section 1524 of the Committee Amendment provides that all revenues accruing to the state in excess of the limit shall be used to refund reduction in taxes. The limit that is established in Section 1522 is far below all the revenues that come in because there are a whole series of categories that are accepted. My amendment simply makes reference to those exceptions so that Section 1524 is actually talking about excess revenues and not revenues that are excepted from the limit under the previous section. It is purely a technical change.

Thereupon, House Amendment "G" to Committee Amendment "A" was adopted.

Committee Amendment "A" as amended by House Amendment "F" and "G" thereto was adopted.

On motion of Mrs. Post of Owl's Head, the House voted to reconsider its action whereby Committee Amendment "A" as amended was adopted.

The same gentlewoman offered House Amendment "E" to Committee Amendment "A" and moved its adoption;

House Amendment "E" to Committee Amendment "A" (H-1278) was read by the Clerk.

Mrs. POST: Mr. Speaker, Members of the House: At this point I guess I am picking my own nit, or whatever. This particular amendment is a technical amendment, also, to clarify the language of emergency procedures so if we happen to have a huge fire in the State of Maine and spend money and then need to come in and be able to raise some funds for that, that kind of procedure can take place. So, it is simply a technical amendment which I understand was to be presented to whatever bill is passed this afternoon.

Whereupon, House Amendment "E" to Committee Amendment "A" was adopted.

Mr. Spencer of Standish offered House Amendment "H" to Committee Amendment "A" and move its adoption.

House Amendment "H" to Committee Amendment "A" (H-1286) was read by the Clerk.

The SPEAKER: The Chair recognizes the gentleman from Standish, Mr. Spencer.

people have asked me what the estimated loss of revenue would be and it would be to the tune of \$28 million. I move for its adoption.

Thereupon, House Amendment "D" was adopted.

The Bill was passed to be engrossed as amended by Committee Amendment "A" and House Amendment "D".

By unanimous consent, ordered sent forth with to the Senate.

(Off Record Remarks)

The following Communication:

The Senate of Maine

Augusta

September 15, 1978

The Honorable Edwin H. Pert

Clerk of the House

108th Legislature

Augusta, Maine 04333

Dear Clerk Pert:

The Senate today voted to Adhere to its former action on Resolution, Proposing an Amendment to the Constitution to Limit the Amount of Revenues which may be Raised by Taxes in any Fiscal Year, (HP 2345) (LD 2212).

Respectfully,

(Signed)

MAY M. ROSS

Secretary of the Senate

The Communication was read and ordered placed on file.

The following Communication:

The Senate of Maine

Augusta

September 15, 1978

The Honorable Edwin H. Pert

Clerk of the House

First Special Session

108th Legislature

Augusta, Maine 04333

Dear Clerk Pert:

The Senate today voted to Adhere to its action whereby it Indefinitely Postponed, Resolution, Proposing an Amendment to the Constitution to Limit the Maximum Property Tax which can be Levied, (HP 2346) (LD 2213).

Respectfully,

(Signed)

MAY M. ROSS

Secretary of the Senate

The Communication was read and ordered placed on file.

The following paper appearing on Supplement No. 3 was taken up out of order by unanimous consent:

The following Joint Order: (S. P. 778)

WHEREAS, The Maine Tree Growth Tax Law, Title 36, chapter 105, subchapter II-A, may result in inequitable taxation among property owners in the State of Maine; and

WHEREAS, the State is presently being sued in a challenge of the Tree Growth Tax Law; and

WHEREAS, the State Bureau of Taxation now has methods for accurately determining the average current value of land under the Tree Growth Tax Law; and

WHEREAS, the average market value of land is not now utilized to determine valuation under the Tree Growth Tax Law; and

WHEREAS, the 109th Legislature should have current information available to it in order to review the equity of real property tax law; now, therefore, be it

ORDERED, the House concurring, that there is created a special select committee of the Legislature, to consist of 5 Senators to be appointed by the President of the Senate, and 5 Representatives to be appointed by the Speaker of the House, to review the tree growth tax laws of this State.

The committee shall be appointed and notified of the time and place of the first meeting promptly upon adoption of this Order. At that

time the committee shall organize, elect a chairman and secretary-treasurer, and shall adopt rules as to the administration of the committee and its affairs.

The committee shall have the necessary authority to carry out this order and to secure reports, documents and other information concerning the proposed study; to hold hearings if necessary, to employ clerical staff assistance; to contact, select or engage professional consultant or consultants; to confer when and if deemed appropriate with staff members of the Bureau of Taxation and other state departments; with staff and members of appropriate federal commissions, departments and agencies and nongovernmental research sources, for specific information; and be it further

ORDERED, that the members of the committee shall be compensated in the same manner as members of the Joint Standing Committees for the performance of their duties under this order; and be it further

ORDERED, that there is appropriated to the committee from the Legislative Account the sum of \$5,000 to carry out the purposes of this order; and be it further

ORDERED, that the committee report its findings and recommendations no later than February 1, 1979, to the First Regular Session of the 109th Legislature.

Came from the Senate, Read and Passed.

In the House, the Order was read.

The SPEAKER: The Chair recognizes the gentleman from Waterville, Mr. Carey.

Mr. CAREY: Mr. Speaker, Ladies and Gentlemen of the House: I move that we indefinitely postpone the Joint Order, S. P. 778.

The last session of the legislature directed the Taxation Committee to study tree growth. We have been awarded by the Legislative Council the sum of \$1,000 to take care of our study. Maine Municipal is working with the committee and Maine Municipal has about completed the work that they are doing in this to supply us with the information that the committee needs to further its study.

Therefore, I hope that you will support the motion to indefinitely postpone.

The SPEAKER: The Chair recognizes the gentleman from Nobleboro, Mr. Palmer.

Mr. PALMER: Mr. Speaker, I would like to pose a question through the Chair to the gentleman from Waterville, Mr. Carey.

At this time, what has been done in this regard as far as taxation is concerned? I think that we are very sincere, we had debate here in the House this afternoon and I think everybody, regardless of how they voted, feels that this is a major issue and that we have to do something about it. If nothing is being done, if we are not making suitable progress, I would hesitate to oppose the order.

The SPEAKER: The gentleman from Nobleboro, Mr. Palmer, has posed a question through the Chair to the gentleman from Waterville, Mr. Carey, who may respond if he so desires.

The Chair recognizes that gentleman.

Mr. CAREY: Mr. Speaker, Ladies and Gentlemen of the House: In answer to the gentleman from Nobleboro, Mr. Palmer, I would point out that the committee is very sincere in its efforts to find a solution to the problem. We have, in fact, passed legislation which takes care of our problem, supposedly, in the unorganized territories and the real heart of the problem lies in the administration of the tree growth tax in the organized territories. This is why Maine Municipal is so interested in the problem and we have delegated them as a committee to give us the information needed.

How many acres are there in each one of these municipalities that we are talking about? How does it affect the tax rate in each one of these municipalities? In fact, it is a serious enough problem that we should consider doing away with the minimum 10-acre limitation,

which, if you will recall, was originally intended to keep land from getting subdivided and cannot really support a tree farm, since trees only grow at the rate of a third of a cord per acre so that a 10 acre lot would only have three and a third cord per acre and I can't see a very productive tree farmer working off three and a third cord of wood per acre. We are looking at possibly increasing that to 25 acres, but do we grandfather those people in who, in fact, had the 10 acres to begin with or do we stop at 25 acres and go to 50 acres?

Then there is the ceiling at the top. How much of the tax can the municipality stand? Do we limit the top level to 1,000 acres in any one community or do we let them have whatever they happen to have for land? These are extremely important questions, not only to municipalities but the landowners themselves, and this is why we are getting a study going through Maine Municipal, which is very relevant to our work, and the have about completed their work, Mr. Palmer.

The SPEAKER: The Chair recognizes the gentleman from Nobleboro, Mr. Palmer.

Mr. PALMER: Mr. Speaker, Ladies and Gentlemen of the House: In other words, you are telling me, Representative Carey, that Maine Municipal Association is doing this work?

The SPEAKER: The gentleman from Nobleboro, Mr. Palmer, has posed another question through the Chair to anyone who may respond if they so desire.

The Chair recognizes the gentleman from Waterville, Mr. Carey.

Mr. CAREY: Mr. Speaker, Ladies and Gentlemen of the House: Mr. Palmer, I would say to you that Maine Municipal Association is working in conjunction with the committee but the committee has not relinquished its powers. It will have the final determination of the legislation that will be presented to the 109th Legislature.

Mr. Palmer of Nobleboro requested a roll call.

The SPEAKER: For the Chair to order a roll call, it must have the expressed desire of one-fifth of the members present and voting. Those in favor will vote yes; those opposed will vote no.

A vote of the House was taken, and more than one-fifth of the members present having expressed a desire for a roll call, a roll call was ordered.

The SPEAKER: The pending question in on the motion of the gentleman from Waterville, Mr. Carey, that the Joint Order be indefinitely postponed in non-concurrence. Those in favor will vote yes; those opposed will vote no.

ROLL CALL

YEAS — Beaulieu, Benoit, Berube, Blodgett, Boudreau, A.; Brennerman, Brown, K. C.; Burns, Bustin, Carey, Carrier, Carroll, Carter, D.; Carter, F.; Chonko, Clark, Connolly, Cote, Cox, Cunningham, Curran, Davies, Dexter, Diamond, Dow, Elias, Fenlason, Flanagan, Fowlie, Green, Greenlaw, Hall Henderson, Hickey, Hobbins, Howe, Hughes, Hunter, Immonen, Jalbert, Jensen, Joyce, Kany, Kelleher, Kerry, Kilcoyne, LaPlante, Locke, Lynch, Mackel, Mahany Marshall, Masterton, Maxwell, McBreairty, McHenry, McKean, Mitchell, Moody, Nadeau, Najarian, Nelson, M.; Norris, Paul, Peakes, Pearson, Plourde, Post, Prescott, Quinn, Rollins, Spencer, Sprawl, Strout, Stubbs, Talbot, Teague, Theriault, Torrey, Tozier, Trafton, Twitchell, Valentine, Violette, Wood, Wyman, The Speaker.

NAYS — Aloupis, Austin, Bagley, Boudreau, P.; Brown, K. L.; Churchill, Connors, Devoe, Drinkwater, Durgin, Gill, Gillis, Gray, Higgins, Huber, Hutchings, Laffin, Lewis, Littlefield, Lougee, Lunt, Masterman, McPherson, Morton, Palmer, Peltier, Perkins, Peterson, Raymond, Sewall, Shute, Silsby, Smith, Stover, Tarbell, Whittemore.

ABSENT — Ault, Bachrach, Berry, Biron,

Birt, Bunker, Dudley, Dutremble, Garsœ, Goodwin, H.; Gould, Jackson, Jacques, Kane, Lizotte, MacEachern, Martin, A.; McMahon, Nelson, N.; Rideout, Tierney, Truman, Tyn-dale, Wilfong.

RESIGNED — Bennett, Goodwin, K; Martin, J.; Mills, Tarr.

Yes, 87; No, 36; Absent, 24, Resigned, 4.

The SPEAKER: Eighty-seven having voted in the affirmative and thirty-six in the negative, with twenty-four being absent and four resigned, the motion does prevail.

By unanimous consent, ordered sent forth-with to the Senate.

The following paper appearing on Supplement No. 4 was taken up out of order by unanimous consent:

Non-Concurrent Matter

RESOLUTION: Proposing an Amendment to the Constitution to Establish Property Tax Exemptions for Maine Homesteads (H. P. 2336) (L. D. 2210) on which the House accepted the Minority "Ought to Pass" as amended by Committee Amendment "A" (H-1232) Report of the Committee on Appropriations and Financial Affairs and Passed the Resolution to be Engrossed as Amended by Committee Amendment "A" (H-1232) and House Amendment "D" (H-1252) on September 15, 1978.

Came from the Senate with the Majority "Ought Not to Pass" Report of the Committee on Appropriations and Financial Affairs accepted in non-concurrence.

In the House: The House voted to Adhere.

By unanimous consent, ordered sent forth-with to the Senate.

Mr. Palmer of Nobleboro was granted unanimous consent to address the House.

Mr. PALMER: Mr. Speaker, Ladies and Gentlemen of the House: I promise you that I will not get angry. I promise you that I will try to be slightly humorous in the midst of a serious situation; but I do feel that I have a few things I want to say on the record before we leave this session. These are things which mean a very great deal to me.

We were called here for one simple thing to do, which was to give to the people of the State of Maine the opportunity to vote on whether or not they wanted a constitutional limit on the power of government at all levels to spend. There have been times in my 12 years in this legislature when the legislature has failed when it tried. This disappoints me that we have failed, because I do not believe that we really did try.

I remember several debates in the last few years concerning a tax called the Uniform Property Tax, and I can remember how over and over again this legislature denied what people said they wanted, and they finally decided that they would take things into their own hands. They did it and they won — we did not listen.

Once again I believe the people have said what they want. They have come to us with the request. We have done the same thing with this as we did with the Uniform Property Tax, we shoved it under the rug and I believe they will once again, tell us what they want in no uncertain terms and I assure you that I believe that I shall help them.

There seems to be in this State House what I have always called 'dome fever!' We have come here from our constituencies and we know exactly what they want. We have been told many, many times what they want. We come here, and after we have been here for a day or two, all the ideas we had that came from the folks back home, under the dome we lose the. I have almost thought that this fever, to avoid it we ought to require that everyone go home every two days at least so they could get back in touch with the world of reality, because this fever, if it carries on for more than two or three days, renders the patient helpless, list-

less and unresponsive. I believe we got the fever; I believe we failed. I believe that the special interests have won, I believe the big spenders have won, and I believe that big government has won and I believe the taxpayers lost.

Mr. Carey of Waterville was granted unanimous consent to address the House.

Mr. CAREY: Mr. Speaker, Ladies and Gentlemen of the House: Just as the minority leader has been here for 12 years, so have I. Unlike the minority leader, I have not been in the position where I could influence legislation to the degree that he has been able to. So if we have failed, I have failed and he has failed; therefore, he must be more responsible for our failure having been in the position of some leadership, while I a common member on the floor.

I would like to quote a few things that have been said. Yesterday, the minority leader used the caucus of his party for a press conference, and while that is his business, I do take exception to some of his remarks. I, too, like the minority leader, as I said, have been here for 12 years, but unlike that person, having served in an individual capacity and not in leadership, whether a greater influence can be made on our affairs.

His blanket condemnation yesterday in his press conference, regardless of party, by his remarks and I quote, it is an affront, I think, to all of us—he said yesterday, "There has never been a time when I have been more disgusted with the behavior of my colleagues." That was carried over the wires. However, I feel, having served here as long as he has, that that remark is both undeserved and goes a long way towards increasing the supposed distrust that the people of Maine have of this legislature. This is the same minority leader who, in the early morning hours of March 24 and 25 of this year, said, and I quote, "I have been in politics a long time. I have always learned, as Harry Truman once said, 'If you can't stand the heat, get out of the kitchen.'" And, he continued his quote, "I see nothing wrong either when you are dealing with legislation of pitting one against another as to how you handle yourself—it is done every day. This is no different from any other night or any other day."

I would add in my own words that I say there is a difference, at the time of that statement he was running as the minority leader in a struggle for his party's nomination and was looking for support from Republicans. Now that he is the standard bearer of his party and I, like everyone else, wish him well, not too well, obviously, he is trying to impress the people of Maine.

With that little political speech aside, let me just say that I leave this House to return to the private sector, and it may very well be that the minority leader will also return to the private sector, or Joe Brennan may return to the private sector, or we may keep Buddy Frankland in the private sector, but whichever way it goes, I have enjoyed my 12 years of service. I feel I belong to an extremely exclusive club as far as the State of Maine is concerned, and while it may have 184 members, I discard the other 33 and I cherish my association with the 151 at this end of the hall. I would hope that somewhere along the line, the members of this House, especially the minority leader, and certainly by his remarks of the other day, or yesterday, would do more to have the people put more faith and trust in this legislature, because I, having served in here and now returning to the private sector, feel extremely confident in the next legislature and in the way they will handle the business that governs my private life. (Applause)

(Off Record Remarks)

Mr. Davies of Orono was granted unanimous consent to address the House.

Mr. DAVIES: Mr. Speaker, Ladies and Gentlemen of the House: I will try not to be as funny as Mr. Palmer and Mr. Carey and a little bit funnier than my good colleague from Westbrook, Mr. Laffin.

It is obvious tonight that the legislature is not going to take any action on a proposal to limit spending in the state, at least not at this time. There are two individuals somewhere in the state tonight who I am sure are feeling quite dejected and feel like the government has not been responsive to them, that they haven't had a chance to influence the decisions that this body makes. Those people are Mr. Stowell and Mr. Robinson.

I think I understand a little bit about how they probably feel, feeling like the system just doesn't work for them, because 10 years ago I felt very much like they probably do tonight. I was involved in fighting a war in Southeast Asia, and despite many attempts to petition my government to stop their actions there, it seemed apparent that they were not about to change their course, and many of my friends and neighbors at that time, parts of the university community, said the system doesn't work, I am not going to have any part to do with it, and they left it and many of them have never returned to it. But I rejected that idea; I believed in the system. Though it might be wrong, I believed that it ultimately worked properly, so I stayed with it. I stayed in Orono after I graduated from college, I got involved in community activities, I decided to run for the legislature. I took my ideas and went to the people and they felt that they were suitable for representing them and they sent me down here, and here I stand among 150 other people with the same responsibility and I participate in making those decisions that affect all our lives.

So I say to Mr. Robinson and Mr. Stowell tonight, don't give up, don't despair, go back to your home communities, take your ideas to the people, and if the people find them as meritorious, then they can send you down here as well, where you can stand in this body and you can speak those ideas and you can work with your colleagues and try and bring these ideas about. So, tonight, while you might feel particularly low, despairing for any hope that your ideas will someday go to the people for their approval or disapproval, they should not give up. This is the time that they must dedicate themselves to continue their efforts through the proper procedures, through the channels that our government has established and someday they may join me down here to try and work on these very serious problems that face the state, and I hope that they will do so.

(Off Record Remarks)

Mrs. Nelson of Portland was granted unanimous consent to address the House.

Mrs. NELSON: Mr. Speaker, Men and Women of the House I just thought I would keep you apprised of what is happening in my district. As you know, I went out and went door to door asking for information. I had a questionnaire and walked around with 800 questionnaires, and I think I told you the results of those that I got back, and there were less than 100 that I got back, and last night I had a public hearing in my district. There were notices in the newspaper and every radio station, supposedly, and mentioned that there would be a meeting in my district for all people who were interested in the process and explaining exactly what was going on here. It was publicized four days ago and every day for three days. Last night I went to my public hearing and one man showed up. This gentleman was a Republican and he and I had a long conversation. I asked him, what should I remember most when I got back, and he said, "Please, don't put it in the Constitution."

One last thing that I would like to share with you is a book that I am reading, or have read,

called "The Dance of Legislation." I would like to share with you the opening quote—it is very short. "Once begin the dance of legislation and once you begin the dance of legislation, you must struggle through its maze as best you can to the breathless end, if any end there be," and until we meet again—shall we dance?"

(Off Record Remarks)

The following Communication from the Senate was taken up out of order by unanimous consent:

The Senate of Maine
Augusta
September 15, 1978

The Honorable Edwin H. Pert
Clerk of the House
108th Legislature
Augusta, Maine 04333

Dear Clerk Pert:

The Senate today voted to Adhere to its former action on Resolution, Proposing an Amendment to the Constitution to Establish Property Tax Exemptions for Maine Homesteads, (HP 2336) (LD 2210).

Respectfully,

(Signed)

MAY M. ROSS
Secretary of the Senate

The Communication was read and ordered placed on file.

At this point, a message came from the Senate, borne by Senator Speers of Kennebec, informing the House that the Senate had transacted all business before it and was ready to adjourn without day.

The Speaker appointed Mr. Devoe of Orono on the part of the House to inform the Senate that the House had transacted all business before it and was ready to adjourn without day.

Subsequently, Mr. Devoe of Orono reported that he had delivered the message with which he was charged.

Mr. Quinn of Gorham moved that a message be sent to His Excellency, the Governor, to inform him that the House of Representatives had acted on all matters before it and was ready to adjourn without day.

Whereupon, the Speaker appointed Mr. Quinn of Gorham, who subsequently reported that he had delivered the message with which he was charged.

The SPEAKER: If the House would please offer me the opportunity to say a few words as we depart, first I must thank all of you who have served with me for the last two years and for those who have served longer than that and will not be coming back either by your own choice or by a choice that the voters will be making in November. It is a choice which they have the right and the duty to do and one that we should encourage. I would take this opportunity to thank the staff, both the Clerk's Office and the various offices within the State House, The Minority, Majority, Speaker's Office, Legislative Research and Finance and our own staff upstairs; without their help, we certainly would not have done as well as we did.

We came at a very difficult time. Most of us came not because we really wanted to but because we followed our responsibility as elected representatives of the people, pursuant to the Constitution at the call of the Governor. All of us, I think, tried to do what was right. Time will tell, history will tell, and the people will be the final judges of our action.

I feel that there is but one message above all, one thought above all, that I must leave with you. In part I have to quote a professor that I had at the University of Maine at Orono who used to say to us that there was very little fear from outside forces in this country but the greatest danger we had was an internal force,

and that was apathy. That, to me, is an accurate assessment of the situation when we see how few people participate in the democratic process at all levels of government, and perhaps our message to the people of this state is that we encourage them to participate, to be involved, to become active and to stay active in the process, even though very often we get discouraged by the actions that take place by those who were elected by them.

As the next legislature comes, of course no one knows whether we will be back, because you have heard, I am sure, the same rumors that I have, but as the next legislature comes, some of the same issues that have faced this legislature will face the next one and it is imperative that the people of the state realize that legislators do their job for them and without their advice and assistance, the legislators will do nothing.

As you run for election, those of you who are returning, I wish you the best. I may be routing for someone else, but I can assure you, I do wish you the best. To all of you, thank you.

The SPEAKER: The Chair recognizes the gentleman from Easton, Mr. Mahany.

Mr. MAHANY: Mr. Speaker and Members of the House: I now move that the House stand adjourned sine die.

Whereupon, the motion prevailed and at 6:50 P.M., Eastern Daylight Saving Time, Friday, September 15, 1978, the Speaker declared the House adjourned without day.