

MAINE STATE LEGISLATURE

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House of Representatives
One Hundred and Twenty-Fourth Legislature
State of Maine

Volume II

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May 28, 2009 – June 12, 2009

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ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE
SECOND REGULAR SESSION
8th Legislative Day
Thursday, January 28, 2010

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

Prayer by Reverend Gina M. Finocchiaro, Williston-West Church, United Church of Christ, Portland,.

National Anthem by Freeport Middle School Band.

Pledge of Allegiance.

Doctor of the day, William Atlee, MD, Augusta.

The Journal of Tuesday, January 26, 2010 was read and approved.

COMMUNICATIONS

The Following Communication: (H.C. 264)

**MAINE STATE PLANNING OFFICE
EXECUTIVE DEPARTMENT
38 STATE HOUSE STATION
AUGUSTA, MAINE 04333**

January 26, 2010

President Elizabeth H. Mitchell, Vice Chair

Speaker Hannah M. Pingree, Chair

Members, Legislative Council of the 124th Legislature

Maine Legislature

Augusta, Maine 04333

Dear President Mitchell and Speaker Pingree:

The State Planning Office is pleased to provide executive summaries of its report, titled 2010 Report on Poverty, in response to Resolve 1997, Chapter 36 to Implement the Recommendations of the Commission to Study Poverty Among Working Parents with Regard to an Annual Report Card on Poverty. The full report is available for download at: <http://www.maine.gov/spo/economics>.

We are most willing to present the report to you and happy to answer any questions that you may have.

Sincerely,

S/Martha E. Freeman

Director

READ and with accompanying papers ORDERED PLACED ON FILE.

The Following Communication: (H.C. 265)

**STATE OF MAINE
CLERK'S OFFICE
2 STATE HOUSE STATION
AUGUSTA, MAINE 04333**

January 28, 2010

Honorable Hannah M. Pingree

Speaker of the House

2 State House Station

Augusta, Maine 04333

Dear Speaker Pingree:

Pursuant to Joint Rule 310, the Committee on Labor has approved the request by the sponsor, Senator Jackson of Aroostook, to report the following "Leave to Withdraw":

L.D. 1681 An Act To Implement a Maine Unemployment Insurance Work-sharing Program

Pursuant to Joint Rule 310, the Committee on Legal and Veterans Affairs has approved the request by the sponsor, Representative Martin of Orono, to report the following "Leave to Withdraw":

L.D. 1712

An Act To Exempt Certain Mobile Homes from the Radon Testing Requirement

Sincerely,

S/Millicent M. MacFarland

Clerk of the House

READ and with accompanying papers ORDERED PLACED ON FILE.

The Following Communication: (H.C. 266)

**STATE OF MAINE
ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE
COMMITTEE ON TRANSPORTATION**

January 26, 2010

The Honorable Hannah M. Pingree

Speaker of the House of Representatives

The Honorable Elizabeth H. Mitchell

President of the Senate

124th Legislature

State House

Augusta, ME 04333

Dear Madam Speaker and Madam President:

Pursuant to Title 3 Maine Revised Statutes, chapter 35, we are pleased to submit the findings of the Joint Standing Committee on Transportation from the review and evaluation of the Maine Pilotage Commission under the State Government Evaluation Act. In its review, the committee found that the Maine Pilotage Commission is operating within its statutory authority.

Sincerely,

S/Senator Dennis S. Damon

Chair

S/Representative Edward J. Mazurek

Chair

READ and with accompanying papers ORDERED PLACED ON FILE.

The Following Communication: (S.C. 591)

**MAINE SENATE
124TH MAINE LEGISLATURE
OFFICE OF THE SECRETARY**

January 26, 2010

Honorable Hannah M. Pingree

Speaker of the House

2 State House Station

Augusta, ME 04333-0002

Dear Speaker Pingree:

In accordance with 3 M.R.S.A. §158 and Joint Rule 506 of the 124th Maine Legislature, please be advised that the Senate today confirmed the following nominations:

Upon the recommendation of the Committee on Legal and Veterans Affairs, the nomination of Margaret E. Matheson of Augusta for appointment to the Commission on Governmental Ethics and Election Practices.

Upon the recommendation of the Committee on Legal and Veterans Affairs, the nomination of Joseph P. LaLiberte of Lewiston for appointment to the Gambling Control Board.

Upon the recommendation of the Committee on Legal and Veterans Affairs, the nomination of Harry J. Stickney of Augusta for appointment to the Gambling Control Board.

Sincerely,

S/Joy J. O'Brien

Secretary of the Senate

READ and ORDERED PLACED ON FILE.

PETITIONS, BILLS AND RESOLVES REQUIRING REFERENCE

Bill "An Act To Create Fair Education Funding for Regional School Units"

(H.P. 1251) (L.D. 1757)

Sponsored by Representative WEBSTER of Freeport.
Cosponsored by Senator HOBBS of York and Representatives: AUSTIN of Gray, CONNOR of Kennebunk, MILLER of Somerville, Senators: GERZOFKY of Cumberland, MARRACHÉ of Kennebec, SIMPSON of Androscoggin.
Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Committee on **EDUCATION AND CULTURAL AFFAIRS** suggested and ordered printed.

REFERRED to the Committee on **EDUCATION AND CULTURAL AFFAIRS** and ordered printed.

Sent for concurrence.

Resolve, Naming the Bridge over Pattagumpus Stream the Nicatou Bridge (EMERGENCY)

(H.P. 1248) (L.D. 1754)

Sponsored by Representative CLARK of Millinocket.
Cosponsored by Senator SMITH of Piscataquis.
Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Committee on **TRANSPORTATION** suggested and ordered printed.

REFERRED to the Committee on **TRANSPORTATION** and ordered printed.

Sent for concurrence.

Bill "An Act To Amend the Charter of the Gardiner Water District"

(H.P. 1250) (L.D. 1756)

Sponsored by Representative HANLEY of Gardiner.
Cosponsored by Senator McCORMICK of Kennebec and Representative: TREAT of Hallowell.
Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Committee on **UTILITIES AND ENERGY** suggested and ordered printed.

REFERRED to the Committee on **UTILITIES AND ENERGY** and ordered printed.

Sent for concurrence.

By unanimous consent, all matters having been acted upon were **ORDERED SENT FORTHWITH**.

ORDERS

On motion of Representative WHEELER of Kittery, the following House Order: (H.O. 35)

ORDERED, that Representative Dawn Hill of York be excused January 19 and 21 for health reasons.

AND BE IT FURTHER ORDERED, that Representative Leila J. Percy of Phippsburg be excused January 14 for legislative business.

AND BE IT FURTHER ORDERED, that Representative Windol C. Weaver of York be excused January 21 for legislative business.

READ and PASSED.

REPORTS OF COMMITTEE

Ought to Pass Pursuant to Public Law

Representative PIEH for the **Joint Standing Committee on Agriculture, Conservation and Forestry** on Bill "An Act To Implement the Recommendations of the Task Force on the Sustainability of the Dairy Industry in Maine" (EMERGENCY)

(H.P. 1252) (L.D. 1758)

Reporting **Ought to Pass** pursuant to Public Law 2009, chapter 213, Part TTT, section 9.

Report was **READ** and **ACCEPTED**.

The Bill was **READ ONCE**.

Under suspension of the rules, the Bill was given its **SECOND READING WITHOUT REFERENCE** to the Committee on **Bills in the Second Reading**.

Under further suspension of the rules, the Bill was **PASSED TO BE ENGROSSED** and sent for concurrence. **ORDERED SENT FORTHWITH**.

Refer to the Committee on Agriculture, Conservation and Forestry

Pursuant to Public Law

Representative PIEH for the **Joint Standing Committee on Agriculture, Conservation and Forestry** on Resolve, To Review Sales of Dairy Products

(H.P. 1249) (L.D. 1755)

Reporting that it be **REFERRED** to the Committee on **AGRICULTURE, CONSERVATION AND FORESTRY** pursuant to Public Law 2009, chapter 213, Part TTT, section 9.

Report was **READ** and **ACCEPTED** and the Resolve **REFERRED** to the Committee on **AGRICULTURE, CONSERVATION AND FORESTRY**.

Sent for concurrence.

Ought to Pass as Amended - Orders

Representative TRINWARD from the Committee on **LEGAL AND VETERANS AFFAIRS** on Joint Order, To Amend the Joint Rules To Require Agreement with the Legislative Code of Ethics

(H.P. 107)

Reporting **Ought to Pass as Amended by Committee Amendment "A" (H-591)**.

Report was **READ**.

On motion of Representative TRINWARD of Waterville, **TABLED** pending **ACCEPTANCE** of the Committee Report and later today assigned.

Divided Report

Majority Report of the Committee on **EDUCATION AND CULTURAL AFFAIRS** reporting **Refer to the Committee on Education and Cultural Affairs and the Committee on Health and Human Services** on Bill "An Act To Improve the Availability, Efficiency and Cost of Services for Infants, Young Children and Their Families"

(S.P. 619) (L.D. 1654)

Signed:

Senators:

ALFOND of Cumberland
SCHNEIDER of Penobscot
WESTON of Waldo

Representatives:

SUTHERLAND of Chapman
 WAGNER of Lewiston
 LOVEJOY of Portland
 NELSON of Falmouth
 RANKIN of Hiram
 RICHARDSON of Carmel

Minority Report of the same Committee reporting **Ought Not to Pass** on same Bill.

Signed:

Representatives:

FINCH of Fairfield
 CASAVANT of Biddeford
 McFADDEN of Dennysville
 JOHNSON of Greenville

Came from the Senate with the Majority **REFER TO COMMITTEE** Report **READ** and **ACCEPTED** and the Bill **REFERRED** to the Committee on **EDUCATION AND CULTURAL AFFAIRS** and the Committee on **HEALTH AND HUMAN SERVICES**.

READ.

On motion of Representative SUTHERLAND of Chapman, the Majority **Refer to the Committee on Education and Cultural Affairs and the Committee on Health and Human Services** Report was **ACCEPTED**.

The Bill was **REFERRED** to the **Committee on EDUCATION AND CULTURAL AFFAIRS** and the **Committee on HEALTH AND HUMAN SERVICES** in concurrence. **ORDERED SENT FORTHWITH.**

CONSENT CALENDAR

First Day

In accordance with House Rule 519, the following items appeared on the Consent Calendar for the First Day:

(H.P. 1069) (L.D. 1520) Bill "An Act To Allow the Board of Dental Examiners To Grant Permits to Qualified Individuals To Practice as Dental Residents" Committee on **BUSINESS, RESEARCH AND ECONOMIC DEVELOPMENT** reporting **Ought to Pass**

(H.P. 1099) (L.D. 1557) Bill "An Act To Raise the Indebtedness Limit of the Eagle Lake Water and Sewer District" Committee on **UTILITIES AND ENERGY** reporting **Ought to Pass**

(H.P. 1110) (L.D. 1572) Bill "An Act To Correct Errors in the Laws Relating to Unlicensed Practice and Other Provisions of the Professional and Occupational Licensing Laws" Committee on **BUSINESS, RESEARCH AND ECONOMIC DEVELOPMENT** reporting **Ought to Pass**

(H.P. 438) (L.D. 624) Resolve, To Implement Certain Recommendations of the Report of the Governor's Task Force on Expanding Access to Oral Health Care for Maine People Committee on **HEALTH AND HUMAN SERVICES** reporting **Ought to Pass as Amended by Committee Amendment "B" (H-590)**

(H.P. 1019) (L.D. 1464) Bill "An Act To Amend Licensing, Certification and Registration Requirements for Health Care Providers and Other Facilities" Committee on **HEALTH AND HUMAN SERVICES** reporting **Ought to Pass as Amended by Committee Amendment "B" (H-593)**

There being no objections, the above items were ordered to appear on the Consent Calendar tomorrow under the listing of Second Day.

CONSENT CALENDAR

Second Day

In accordance with House Rule 519, the following items appeared on the Consent Calendar for the Second Day:

(S.P. 580) (L.D. 1502) Resolve, To Name Route 16/27 in the Town of Stratton the Caleb Dalton Stevens Memorial Highway

(H.P. 1076) (L.D. 1526) Resolve, Regarding Legislative Review of Portions of Chapter 700: Wellhead Protection: Siting of Facilities That Pose a Significant Threat to Drinking Water, a Major Substantive Rule of the Department of Environmental Protection (EMERGENCY)

(H.P. 1077) (L.D. 1527) Resolve, Regarding Legislative Review of Portions of Chapter 692: Siting of Oil Storage Facilities, a Major Substantive Rule of the Department of Environmental Protection (EMERGENCY)

(H.P. 1087) (L.D. 1543) Bill "An Act To Make Maine Laws Consistent with Recent Amendments to the United States Trade Act of 1974"

No objections having been noted at the end of the Second Legislative Day, the Senate Paper was **PASSED TO BE ENGROSSED** in concurrence and the House Papers were **PASSED TO BE ENGROSSED** and sent for concurrence.

ENACTORS

Resolves

Resolve, To Transfer the Ownership of the Bath Armory to the City of Bath

(S.P. 621) (L.D. 1656)
 (C. "A" S-351)

Reported by the Committee on **Engrossed Bills** as truly and strictly engrossed, **FINALLY PASSED**, signed by the Speaker and sent to the Senate.

The following items were taken up out of order by unanimous consent:

UNFINISHED BUSINESS

The following matter, in the consideration of which the House was engaged at the time of adjournment Tuesday, January 26, 2010, had preference in the Orders of the Day and continued with such preference until disposed of as provided by House Rule 502.

HOUSE DIVIDED REPORT - Majority (7) **Ought Not to Pass** - Minority (5) **Ought to Pass as Amended by Committee Amendment "A" (H-584)** - Committee on **TAXATION** on Bill "An Act To Aid Municipalities and the Unorganized Territory in the Reduction of Property Taxes"

(H.P. 539) (L.D. 788)

TABLED - January 14, 2010 (Till Later Today) by Representative WATSON of Bath.

PENDING - ACCEPTANCE OF EITHER REPORT.

Subsequently, Representative WATSON of Bath moved to **ACCEPT** the Majority **Ought Not to Pass** Report.

Representative CHASE of Wells **REQUESTED** a roll call on the motion to **ACCEPT** the Majority **Ought Not to Pass** Report.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The **SPEAKER**: The Chair recognizes the Representative from Wells, Representative Chase.

Representative **CHASE**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. I rise in opposition to the motion on the floor. LD 788 "An Act To Aid

Municipalities and the Unorganized Territory in the Reduction of Property Taxes" provides a means for all towns to potentially receive sales tax revenues generated within their towns and mandates that those revenues must be used to reduce property taxes. And this provision is done without raising or adding any new taxes.

How? LD 788 sets a year—the Minority Report establishes it at 2012 and 2013—in which all sales tax revenues generated in each town is calculated for that year. That amount in each town becomes the baseline amount. From that year forward any new growth in sales tax revenues generated above that baseline amount within a town, will be calculated by Maine Revenue Services and 10 percent of that growth and only the growth will be returned to the municipality that raised it. The total amount that is returned to a town from this program must be used to reduce property taxes.

So LD 788 establishes a means for municipalities to reduce property taxes without adding a new layer of taxes or expanding existing tax; it allows municipalities to keep a portion of future sales tax growth generated within their town; and it ensures through law that the portion of future sales tax growth retained by any municipality must be used to reduce property taxes.

It only involves sales tax revenues—not meals and lodging, not income, not use tax or any other tax except sales tax. It only creates a benefit if there is a growth—if there is no growth, the town receives nothing. It does not ever affect what is already being raised now and up to and including the baseline year. It only allows the money retained from the growth by the town to be used to reduce property taxes.

And the benefits? It is an incentive for towns to encourage sales tax generating businesses which will benefit everyone because for every new growth dollar in sales tax that a town keeps, \$9 of their growth will come back to the state. It will encourage more people to shop within their own towns. And it will provide a means to help reduce property taxes in our towns that have been affected by all the cuts from state aid and program reimbursements that have impacted their budgets, and will continue to impact their budgets in our supplemental budget.

LD 788 is simple, small, sustainable and something to help our towns and townspeople. Please follow my light and vote against the Majority Report and then for the Minority Report. Thank you, Madam Speaker.

The SPEAKER: The Chair recognizes the Representative from Ripley, Representative Thomas.

Representative **THOMAS**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. I'd like to tell you how much I dislike this bill, but I don't think it would be proper to talk like that on the floor of the House. Did you have milk with your breakfast this morning? If you did that probably came from a small rural community and it probably was hauled to the dairy in a truck. If the trucker needed to buy a new truck and a new trailer, he probably would pay close to \$10,000 in sales tax on that truck. The community where the truck was purchased would get \$2,000 of that, but the community where the milk was produced would get nothing. Do communities that have dairy farms not need property tax relief as well? Thank you.

The SPEAKER: The Chair recognizes the Representative from Turner, Representative Sirois.

Representative **SIROIS**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. I'm the only Democrat that favored this bill in the House. I did so for several reasons.

In the current budgets we are taking money away from local communities and I think this is a way for most communities and I say most because, as the economy picks up, I think every

community is going to gain in their sales tax receipts. I live in a community fairly close to Lewiston/Auburn and I know we're going to get some of that.

We also had this in our bill three years ago, the tax reform package, and I believe most people wanted that in that bill. I believe it's a better alternative than having an optional sales tax for communities because I think that puts one community against another, where this doesn't. I feel that your service communities do have more bills and so forth. This will help them. I think we get several bills every year trying to fix the excise tax in Maine on vehicles, which I'd love to do, but what's the argument against it? We always hear, well, the communities only have two options for raising money, property tax and excise tax. Well this now would give them a third opportunity. I think its business friendly and I just think it will help the communities of Maine.

We also hear the argument, well, that 10 percent will be reducing the smaller communities. But let's face it, that 10 percent and, first of all, that's 10 percent of the increase, okay? We're all talking increases here not the present. That money is going into the General Fund and we know how that works. We don't know where that 10 percent is going to end up, okay? So I don't really think it's going to hurt the smaller communities. Again, if it did, I've got a couple; I wouldn't be standing up here supporting it. So I urge you to vote against this motion. Thank you.

The SPEAKER: The Chair recognizes the Representative from Bath, Representative Watson.

Representative **WATSON**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. This bill was considered, it's been considered many times in the past in the essence. What it does, however, is saddle us with an ongoing commitment to reduce sales tax increase, the rate of the sales tax increase by 10 percent in every year following 2013. If we did this in 2014, Maine Revenue Services estimates that the payback would be about \$4.6 million. In other words, the General Fund would be decreased \$4.6 million. That money would be then funneled back to those communities lucky enough to have land and capital and power to expand their retail, and we're primarily looking at retail because that's primarily where sales tax revenues are generated. So if your town is one that is anticipating a major retail development, maybe a TIF is underway, this is the kind of thing that will be attractive to you. If your town is not, if your town is like the 490 other towns in the state that simply depends on revenue sharing, Rev 1 or Rev 2, for a share of that income, a share of that growth, you're out to luck because the first \$4 million will be siphoned out of that stream and focused on the areas that were lucky enough to bring an expansion of a retail establishment to their confines.

I asked a member of Appropriations the other day to consider what would happen had this bill been passed two years ago. So the baseline was last year. This year if there's any growth at all in sales tax revenue, 10 percent is already committed to other uses and out of the hands of Appropriations, two things could happen. One, the law would be ignored and that money would be kept in the General Fund, or two, it throws forecasting and projections off considerably. It saddles future legislatures with an obligation that we feel really good about, but we're not paying anything for, and we're shoving that problem off to the 125th or the 126th or the 127th.

This is a nice idea; it's a nice idea for municipalities that are on the verge of really expanding their retail growth, their retail development. But for the rest of the state, it's a loser. While I welcome today as an opportunity to agree with the good Representative from Ripley, which doesn't happen very often, he put his finger directly on it. This is a bill that would favor South

Portland, it will favor Freeport, it might favor my own town of Bath, and other towns that have the land and the development and the potential capital to expand their retail growth. Following the Majority Report and rejecting this bill will not diminish that urge for retail growth. If that development is going to take place, its going to take place regardless of whether or not this bill is on the books or not. All we're doing here is passing something that feels good, putting the responsibility off on a legislature two years down the road and then going home, and I don't think that's a good policy. Therefore, I encourage you to Accept the Majority Ought Not to Pass Report. Thank you very much, Madam Speaker.

The SPEAKER: The Chair recognizes the Representative from Ellsworth, Representative Langley.

Representative **LANGLEY**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. I rise to support my colleague on the Taxation Committee. When I was first elected one of the first things I went to was a Hancock County Planning Commission meeting, when my eyes were kind of opened when they used the term sacrifice city. I'd never heard that term before. A sacrifice city is one of those cities that, for the surrounding towns, has sacrificed itself, in a sense, to have the big box stores, to have the traffic congestion, to have the increased fire, increased police, increased water and sewer, and they've taken it on in their community. These same cities have to, whenever they are doing any planning at all, have to bring in the other regionality aspects to whatever plans they make and consider those other towns. So for those towns lucky enough to have increased fire costs, police costs, water and sewer, this would be a little bit of a benefit for those taxpayers in those towns, their property taxes, because think of it. You know, you do enjoy the benefits of driving five to six miles to that center for your retail instead of maybe 50 or 60 miles. So I would urge you to support the passage of this.

The SPEAKER: The Chair recognizes the Representative from Vassalboro, Representative Browne.

Representative **BROWNE**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. Again, these service center communities like Augusta, which I represent, double in size during the day putting more pressure on the local property tax owners. These municipalities have to provide fire and police protection, waste removal plus other costly services, yet the rule craftsmen, who apply their trade in these service center communities, take their earnings back home. I think that these service center communities do need some relief, as much as you can give them, so I urge you to vote against this pending bill. Thank you.

The SPEAKER: A roll call has been ordered. The pending question before the House is Acceptance of the Majority Ought Not to Pass Report. All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 254

YEA - Adams, Beaudette, Beaudoin, Beck, Berry, Blanchard, Blodgett, Boland, Bolduc, Briggs, Bryant, Butterfield, Cain, Carey, Cebra, Clark H, Cleary, Crafts, Cray, Crockett J, Crockett P, Curtis, Davis, Driscoll, Duchesne, Eaton, Eberle, Eves, Finch, Fitts, Flemings, Flood, Gifford, Gilbert, Goode, Hamper, Hanley, Harlow, Hinck, Hogan, Hunt, Innes Walsh, Jones, Kruger, Lajoie, Lovejoy, MacDonald, Magnan, Martin JR, Martin JL, McCabe, McLeod, Miller, Morrison, Nelson, Nutting, O'Brien, Pendleton, Peoples, Perry, Peterson, Pieh, Pinkham, Piotti, Pratt, Priest, Rankin, Richardson W, Robinson, Rotundo, Russell, Sanborn, Sarty, Schatz, Shaw, Stevens, Stuckey, Sutherland, Thibodeau, Thomas, Treat, Trinward, Tuttle, Van Wie, Wagner R, Watson, Welsh, Wheeler, Wright, Madam Speaker.

NAY - Austin, Ayotte, Beaulieu, Bickford, Browne W, Burns, Campbell, Casavant, Chase, Clark T, Cohen, Cotta, Cushing, Edgecomb, Flaherty, Fletcher, Fossel, Harvell, Haskell, Hill, Johnson, Joy, Kaenrath, Knapp, Knight, Langley, Legg, Lewin, McFadden, McKane, Millett, Nass, Pilon, Plummer, Prescott, Richardson D, Rosen, Saviello, Sirois, Strang Burgess, Sykes, Theriault, Tilton, Valentino, Wagner J, Weaver, Willette.

ABSENT - Celli, Connor, Cornell du Houx, Dill, Dostie, Giles, Greeley, Hayes, Kent, Mazurek, Percy, Smith, Tardy, Webster.
Yes, 90; No, 47; Absent, 14; Excused, 0.

90 having voted in the affirmative and 47 voted in the negative, with 14 being absent, and accordingly the Majority **Ought Not to Pass** Report was **ACCEPTED** and sent for concurrence. **ORDERED SENT FORTHWITH.**

SENATE PAPERS

The following Joint Order: (S.P. 673)

ORDERED, the House concurring, that when the House and Senate adjourn, they do so until Tuesday, February 2, 2010 at 10:00 in the morning.

Came from the Senate, **READ** and **PASSED**.
READ and **PASSED** in concurrence.

REPORTS OF COMMITTEE

Divided Report

Majority Report of the Committee on **TAXATION** reporting **Ought Not to Pass** on Bill "An Act To Base the Excise Tax on Vehicles on a Percentage of the Manufacturer's Suggested Retail Price"

(H.P. 160) (L.D. 195)

Signed:

Senators:

PERRY of Penobscot
BLISS of Cumberland

Representatives:

WATSON of Bath
BRYANT of Windham
FLEMINGS of Bar Harbor
CROCKETT of Augusta
PILON of Saco
VALENTINO of Saco
SIROIS of Turner

Minority Report of the same Committee reporting **Ought to Pass as Amended by Committee Amendment "A" (H-592)** on same Bill.

Signed:

Senator:

NASS of York

Representatives:

LANGLEY of Ellsworth
CHASE of Wells
KNIGHT of Livermore Falls

READ.

Representative WATSON of Bath moved that the House **ACCEPT** the Majority **Ought Not to Pass** Report.

The SPEAKER: The Chair recognizes the Representative from Livermore Falls, Representative Knight.

Representative **KNIGHT**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. I rise in

opposition to the pending motion. LD 195 is a bill to bring back equity, honesty and fairness to the system. This isn't about raising taxes or lowering taxes, it's about setting a standard that is fair to the people of the State of Maine.

I need to go back and give you a little background. This was my bill, I put it in three years ago and because it was a competing measure this past year with a referendum question on the ballot, it was carried over. At the time I put my bill in I was not aware that the competing measure was coming. I opposed the competing measure; I thought it was a bit draconian. This bill is not draconian. It does, as I say, it brings fairness. No one, no one, I believe, goes to the car dealer and buys an automobile and pays the sticker price unless they are absolute fools. You negotiate, and the average price that one pays is approximately 90 percent of that sticker price.

We've all said, and I know as you've gone door to door you've all heard, this is probably the most hated tax in the State of Maine. We've been told over and over again do something about the excise tax. We heard that earlier this morning with another Representative speaking on another bill. Do something about the excise tax. Why can't it be based on what I paid for my automobile? Well, let me tell you why it can't be. Those of us who are old enough to remember this and I have to confess I'm one of those people that remember the olden days, you'd go in to register your automobile and they would ask you very simple questions. Do you have a radio in your automobile? The answer, of course, is no. Do you have air conditioning? No. You know, do you have four tires? No, I dragged it in. I mean, it's that ridiculous. People were not, frankly, very honest and candid with their responses. So we go to the manufactured suggested retail price to bring equity to the system, so that someone who buys a 1995 Chevrolet and someone else buys one, they are being assessed on the same basis. That does not reflect what they paid.

The biggest argument against this bill and I will be right up front and tell you, Maine Municipal Association opposes the bill. They oppose it because they claim its going to take \$22 million from cash strapped communities across this state. That's an accurate statement. It's going to take \$22 million and the communities in this state are cash strapped and they need \$22 million. I recognize that. But let's put it in perspective. The entire budgets of these communities, small and large, across this state exceed \$3 billion. That's \$3 billion with a "b". This bill represents less than 1 percent of that—less than 1 percent. I believe the communities can find that 1 percent, even if it does mean perhaps a transfer of the property tax, everybody in this state, for the most part, drives an automobile. Not everybody owns a home, but everybody drives this vehicle. This is a progressive tax in the sense that if you want to go out and buy a Cadillac versus a Ford, you're going to pay more. That's fair, it's progressive. It's not favoring the wealthy; it's not favoring the other side of the aisle. It's really treating everybody based on what they've purchased for their vehicle.

This bill, there's a red herring I need to mention and that is the people have spoken. Have they not? We saw that in the referendum question. Two-thirds of the people said no, but they said no to the draconian 55 percent attack on the excise tax. This is not the same issue. This is bringing the tax level and the assessment, more appropriately, down to a level of what people pay for their vehicle. This should not be an R versus D bill. I'm afraid it might be, but it should not be. You should really, those of you who feel that you need to support the motion on the floor because of where the motion came from should really reflect on who you represent. You don't represent your party, you represent the people of the State of Maine, and the people of the

State of Maine need to have an assessment that reflects what they paid for their motor vehicle. This bill will do it.

I would ask that when the vote is taken, Madam Speaker, that we record the yeas and the nays. Thank you very much.

Representative KNIGHT of Livermore Falls **REQUESTED** a roll call on the motion to **ACCEPT** the Majority **Ought Not to Pass** Report.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The SPEAKER: The Chair recognizes the Representative from Newfield, Representative Campbell.

Representative **CAMPBELL**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. I rise to vote against this bill. The people of the State of Maine have already rejected a bill like this, the same as they have rejected TABOR a number of times. So I'm going to be very brief and I say to my colleagues to reject this too. Thank you.

The SPEAKER: The Chair recognizes the Representative from Bath, Representative Watson.

Representative **WATSON**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. This bill perpetuates a myth in Maine tax law and it should be brought out and you should understand it, please. The automobile excise tax is not a sales tax. It is not based on the price of your automobile. That basic misunderstanding extends from the people standing in front of the Clerk's Office arguing about their excise tax to this very floor. The automobile excise tax is a payment that people make for the privilege of operating their vehicle on state and local roads, and it is assessed based on the value of that vehicle. Now if you negotiated a wonderful deal on a \$20,000 vehicle and got it for \$10,000, good for you, but your neighbor who paid \$20,000 for that same \$20,000 vehicle is operating it on the road just like you are and everybody pays the same.

Representative Campbell is exactly right. The people spoke to the automobile excise tax in November and said that that kind of cut is too draconian. We had two bills in Taxation that we carried over because we knew that vote would be taken. One is the bill presently before you, another was one brought by Representative Pilon who, quite properly, I think, saw that that bill was killed in committee, and this one came forward too. There are still ways to fix automobile excise tax but this is not it.

So let me leave you with two things. First of all, the automobile excise tax is not a sales tax, it wasn't structured that way. If you'd like it to be a sales tax, then bring a bill forward and we'll try and do that. Secondly, municipalities maintain about 13,000 miles of roads in our local cities, in our municipalities, over 800 bridges. We're talking about taking \$20 million a year out of their budget to do that. If someone brought a bill in here that would require DOT to lose \$20 million in revenue, I don't think it would pass. I don't think it would have any more chance than this should have passing. In this day and age, with this particular budget, with the hits we're giving municipalities on revenue sharing, Circuit Breaker, Homestead, all the other things we've brought home to the municipalities and asked them to share in terms of pain in this budget, we cannot add another \$20 million to that. We simply can't do it. Please Accept the Majority Ought Not to Pass Report. Thank you, Madam Speaker.

The SPEAKER: The Chair recognizes the Representative from Ripley, Representative Thomas.

Representative **THOMAS**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. I guess all these years I've misunderstood what the excise tax was. I thought the excise tax was a property tax on your vehicle, like personal property tax is a tax on personal property that you own, and on all other property taxes it's based on the sale price.

When you assess the value of your real estate, one of the ways that it's done is you look at comparable sales. It's based on the sale price. If this is really a property tax, then it also should be based on the sales tax, on the sale price. There is no more hated tax in my district and no tax that's hated more by the people that I represent than the excise tax based on the window price. If this had been on the ballot instead of that thing that was on there last fall, I'm convinced it would pass. I would like to see the excise tax based on the sales price, and if you need to go up on it, then go up on it but be honest about it. Don't charge tax on an imaginary figure. Thank you.

The SPEAKER: The Chair recognizes the Representative from Newfield, Representative Campbell.

Representative **CAMPBELL**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. This is going to hurt the small towns. People are complaining about their roads being plowed and the potholes and everything else, if this thing passes the same as it was on the ballot when the people rejected it, it is going to hurt the small towns with their plowing, their road fixing, and everything else. It's just plain and simple.

The SPEAKER: The Chair recognizes the Representative from Farmington, Representative Harvell.

Representative **HARVELL**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. I used to think this was the most hated tax going door to door, but in November, the people of the State of Maine, across the state, did not find it that way. While I am apparently one of the only politicians that will publicly admit he looks at polls or election results, you know, it's funny to listen to the debate here that on an earlier vote we have people that want not to have municipalities lose money and on this one they do. Well, in November the people spoke pretty clearly on this that, though they hate it, they recognize its necessity. Thank you.

The SPEAKER: A roll call has been ordered. The pending question before the House is Acceptance of the Majority Ought Not to Pass Report. All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 255

YEA - Adams, Beaudette, Beaudoin, Beaulieu, Berry, Bickford, Blanchard, Blodgett, Boland, Bolduc, Briggs, Bryant, Butterfield, Cain, Campbell, Carey, Casavant, Clark H, Cleary, Cohen, Crockett P, Driscoll, Duchesne, Eaton, Eberle, Eves, Finch, Flaherty, Flemings, Flood, Gilbert, Goode, Hanley, Harlow, Harvell, Haskell, Hill, Hinck, Hogan, Hunt, Innes Walsh, Jones, Kaenrath, Kruger, Lajoie, Legg, Lovejoy, MacDonald, Magnan, Martin JR, Martin JL, McCabe, Miller, Morrison, Nelson, O'Brien, Peoples, Perry, Peterson, Pieh, Pilon, Piotti, Pratt, Priest, Rankin, Richardson D, Rotundo, Russell, Sanborn, Shaw, Sirois, Stevens, Stuckey, Sutherland, Theriault, Treat, Trinward, Tuttle, Valentino, Van Wie, Wagner J, Wagner R, Watson, Welsh, Willette, Wright, Madam Speaker.

NAY - Austin, Ayotte, Browne W, Burns, Cebra, Chase, Clark T, Cotta, Crafts, Cray, Crockett J, Curtis, Cushing, Davis, Edgecomb, Fitts, Fletcher, Fossel, Gifford, Hamper, Johnson, Joy, Knapp, Knight, Langley, Lewin, McFadden, McKane, McLeod, Millett, Nass, Nutting, Pendleton, Pinkham, Plummer, Prescott, Richardson W, Robinson, Rosen, Sarty, Saviello, Schatz, Strang Burgess, Sykes, Thibodeau, Thomas, Tilton, Weaver, Wheeler.

ABSENT - Beck, Celli, Connor, Cornell du Houx, Dill, Dostie, Giles, Greeley, Hayes, Kent, Mazurek, Percy, Smith, Tardy, Webster.

Yes, 87; No, 49; Absent, 15; Excused, 0.

87 having voted in the affirmative and 49 voted in the negative, with 15 being absent, and accordingly the Majority

Ought Not to Pass Report was **ACCEPTED** and sent for concurrence. **ORDERED SENT FORTHWITH.**

Majority Report of the Committee on **TAXATION** reporting **Ought to Pass** on Bill "An Act To Authorize an Alternative Calculation of the Property Growth Factor for Municipalities with Exempt Personal Property"

(H.P. 575) (L.D. 839)

Signed:

Senators:

PERRY of Penobscot
BLISS of Cumberland

Representatives:

WATSON of Bath
BRYANT of Windham
FLEMINGS of Bar Harbor
CROCKETT of Augusta
PILON of Saco
CHASE of Wells
VALENTINO of Saco
KNIGHT of Livermore Falls
SIROIS of Turner

Minority Report of the same Committee reporting **Ought Not to Pass** on same Bill.

Signed:

Senator:

NASS of York

READ.

On motion of Representative WATSON of Bath, the Majority **Ought to Pass** Report was **ACCEPTED.**

The Bill was **READ ONCE** and was assigned for **SECOND READING** Tuesday, February 2, 2010.

ENACTORS

Emergency Measure

An Act To Implement the Recommendations of the Task Force on the Sustainability of the Dairy Industry in Maine

(H.P. 1252) (L.D. 1758)

Reported by the Committee on **Engrossed Bills** as truly and strictly engrossed. This being an emergency measure, a two-thirds vote of all the members elected to the House being necessary, a total was taken. 134 voted in favor of the same and 0 against, and accordingly the Bill was **PASSED TO BE ENACTED**, signed by the Speaker and sent to the Senate. **ORDERED SENT FORTHWITH**

By unanimous consent, all matters having been acted upon were **ORDERED SENT FORTHWITH.**

On motion of Representative PIEH of Bremen, the House adjourned at 11:15 a.m., until 10:00 a.m., Tuesday, February 2, 2010 pursuant to the Joint Order (S.P. 673).