

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

One Hundred and Seventh Legislature

AT THE

1ST SPECIAL SESSION

JANUARY 19, 1976 TO APRIL 29, 1976

AND

2ND SPECIAL SESSION

JUNE 14, 1976

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LEGISLATIVE ADDRESS

January 19, 1976

and

LEGISLATIVE PROGRAM MESSAGE

January 21, 1976

of

Governor James B. Longley

to the

SPECIAL SESSION

One Hundred and Seventh Legislature

PART I.**LEGISLATIVE ADDRESS; STATE OF THE STATE OF MAINE**by **GOVERNOR JAMES B. LONGLEY****JANUARY 19, 1976**

Mr. President, Mr. Speaker and Members of the 107th Maine Legislature. Because of the importance of the issues facing us and the need for us to come together for the good of the people of Maine, I think it would be appropriate to share with you a brief prayer which was a favorite of my parents:

A PRAYER FOR TODAY

This is the beginning of a new day.
 God has given us this day to use as we will;
We Can Waste It or Use It For Good.
 What we do today is important, because we're exchanging
 A day of our lives for it.
 When tomorrow comes, this day will be gone forever,
 Leaving in its place something that we have traded for it.
 May it be **Gain**, not loss;
Good, not evil;
Success, not failure;
 In order that we shall not regret the price
 We have paid for it.

I wanted to share this Prayer with you because I wanted this to be a pledge to the Legislature to do everything possible to make its days here as meaningful and as productive as possible because thanks to many Members of this Legislature, I hope I am a more mature, wiser Governor than when I assumed office a year ago. I pledge to help make this year and the years that follow all that you want for Maine as well as what I want, hope and dream for Maine. By the same token, I hope you recognize that as an Independent Governor without a party and because of what was in effect a Tri-Party Government in this State, I frequently stood alone and what could easily have been interpreted as conflict and controversy were what I believe history will show as a Democratic House, a Republican Senate and an Independent Governor feeling their way and not a compromise on anyone's part.

Once again, I pledge you my cooperation. . . . Yet I am sure you would never want that cooperation to be capitulation.

I. TAXES AND THE ECONOMY OF MAINE

I have asked the Members of this Honorable body to convene in an extraordinary session because it is clear to one and all that we are faced with urgent and grave problems that cannot wait until the next Regular Session to be addressed. For the good of all the people of Maine, it is imperative that we act immediately on correcting deficiencies in our School Funding law which has given this State multi-million dollar deficits and which has threatened to shatter the confidence of our citizens in public education.

If this Governor and this Legislature can come to grips with and resolve this and other pressing problems, we will have justified this extraordinary call.

More important, however, we have an opportunity to make this an historic session of this distinguished Legislature. If we can come together collectively and adopt a philosophy of fiscal responsibility and accountability for the State Government of Maine, we will have made a lasting contribution.

We must make a firm resolve at this moment in our history to stop deceiving ourselves and the taxpayers of this State. We must be candid, no matter how painful it might be. We simply must acknowledge what government can and cannot be. We must stop holding out false hopes and stop building dreams that turn into further nightmares. We must stop misleading people into believing that government can give more than it takes.

In the end, we must establish for the people of Maine a simple, understandable balance sheet which will tell them how much money is coming in, how much money is going out and what services are being provided on that important bottom line.

In balancing this ledger, we each have a compelling moral obligation to examine every dollar spent, every new and existing program and every single request by a special interest to make certain that our actions take into consideration our need to insure that our priority is all the people of Maine.

The answer is a simple one. State Government must become a "Corporation of the People." As Members of the Executive and Legislative branches, we serve in positions of trust with the ultimate responsibility to make certain the people who elected us are given the full measure of service for the dollars entrusted to us.

I would be less than candid if I stood here and tried to tell you and the people of Maine that we do not have economic problems. The working men and women of Maine have economic problems and the State Government has economic problems. The most promising thing I have to report is what I feel strongly is an awareness by the majority of the people of Maine that State Government has out-grown itself. I firmly believe if we are willing to make the hard decisions necessary to define what government can and cannot be, that the people of Maine are even more willing to accept them. In addition, I think they expect them and will accept nothing less.

I believe that for many years Maine people were given the impression that their tax burden was not so great when compared to other states. It is not accurate to compare taxes in Maine to taxes in urban, affluent states like California without making the essential per capita income comparisons or other specific economic comparisons. In the 1974 fiscal year, the last for which national figures are available, state and local per capita taxes were more than 14 per cent of our per capita income here in Maine. This was the fourth highest level of state and local taxation in the entire nation. Not only that, but our rate of increase over the previous years was one of the highest in the nation. Our taxes headed upward at more than twice the national average of tax increase.

The Wall Street Journal recently reported a more recent study of the tax structures of the individual states which computed the tax rate on the basis of "tax capacity" or the maximum amount the people of a given state could be expected to pay.

This study showed that Maine was one of eight states where actual revenues already being taken in exceed the ability of the people to pay them. It made it clear that Maine is a state which is already overtaxed.

Not only should we be concerned with the levels of local and state per capita taxation, but we also should be deeply concerned with the level of business taxation. We have one of the highest business tax indexes in the nation. Our level of business taxation is more than a third higher than the national average and is higher than every New England state except Massachusetts, higher than all but one of the industrial states and is twice the average level of business taxation in southern states the major competitors for industrial and economic development.

Our Economic Advisory Committee reported recently that our gross state product and our per capita income must be used to set the limitation of government spending. In simple language, we have to go to the same people and the same businesses every time we want more tax money. I would ask this Legislature to adopt a legal posture to the effect that our total tax effort could not exceed the limits dictated by our gross state product and our per capita income. We cannot afford to have our total taxes go any higher and we should work toward the goal of lowering them.

I am submitting legislation to accomplish this because I am convinced that our success in attracting new industry to Maine is going to be far more dependent upon placing limitations on tax impact than on any "out of pocket" tax break we might give.

The economic status of Maine people and their government dictates only one thing. . . . We have gone as far as we can go in taxation unless we want history to record that this Legislative Session made Maine's level of taxation, based on ability to pay, the highest in the nation.

Because of my deep, personal conviction that the people of Maine cannot shoulder any additional tax burden, I will not advocate or support any legislation that will increase our present percentage of taxation. If this Legislature should choose to establish new priorities and shift tax burdens which would benefit the people, then I would certainly listen and be receptive to such an effort, so long as it does not place an additional burden on the backs of the people of Maine.

I also do not accept the proposition put forth by some that a refusal to increase taxes at the state level will only force an increase in local taxation. I do not believe that will be the case if local and county governments adopt the same philosophy of fiscal responsibility that we are adopting on the state level.

I believe the people of Maine mean what they say when they plead for more local control over decisions which affect their children and their own lives. I also believe if we stop trying to make decisions for them in Augusta and Washington, that we will see programs run more economically and efficiently on the local level than has been done for them in Augusta and Washington.

I am not saying that we can hold the line on taxes and still have government be all things to all people. This cannot be.

We are not arguing needs and we are not saying we would not like to do more for a lot of groups. We are trying to state realities and these realities are that Maine people cannot pay more. We in government have the duty to do the best we can with what we have.

I realize that by taking a firm position against a tax increase, I have a duty to say why I believe that necessary functions and services of State Government can continue without one.

Because of our cost savings and spending reductions and an improved state revenue picture in recent weeks, I believe the general fund budget can be balanced for the remainder of the current fiscal year and the second year of the biennium.

I believe there is now general agreement that the executive branch was completely within its authority in moving ahead with the implementation of 90 per cent of our spending reduction program. We have acknowledged from the beginning that there was a question concerning the remaining 10 per cent . . . or about \$700,000 of our estimated \$7 million in savings. These primarily concern programs approved in the supplemental budget over my veto without proper funding for the biennium.

In reference to the 10 per cent, we have decided to address that matter to this Legislature. We would ask this body to:

- (1) Endorse this portion of our plan,
- (2) Repeal the supplemental programs in question,
- (3) Or, defer the start-up of the programs until such time as we have more accurate revenue figures for the remainder of this fiscal year and until we can examine the revenue outlook for the second year.

I would also say to this Legislature that any effort to analyze and curtail or cut programs which are not providing full service to the people of Maine on a cost-benefit ratio will have my full support.

Since this Legislature, with the exception of a supplemental budget, accepted our general fund budget in the regular session, we in the executive branch assume the responsibility of keeping it balanced without a tax increase.

II. EDUCATIONAL FUNDING

As I said at the outset, one of the reasons for this special session was to give us an opportunity to address our education funding problem. To date, this Legislature and this Governor have inherited approximately \$30 million dollars in known and potential deficits from L. D. 1994. L. D. 1452, approved in the regular session, tried but failed to resolve the problems and inequities in the funding law. We have been able to absorb all but about \$6 million of the known deficits.

The Governor and the Legislature must now again come together and decide for the good of the people of Maine how to deal with the remain-

ing deficit and make absolutely certain that in the future everyone will know what education is costing and how much money is available to spend.

We must not waste any more time laying blame for the deficits and the inequities. We could easily blame the previous legislature, the previous administration and the towns and cities which rushed in to spend what they thought were additional dollars from Augusta. It is too late to lay blame. We must find solutions.

First of all, I propose the following steps be taken to take care of the known \$6 million deficit for the current fiscal year, and the \$2.6 million projected deficit which could be brought on by local action during the current fiscal year.

- (1) Use the \$1.34 million remaining proceeds of the \$25 million school construction bond issue to apply toward increased debt service costs which are contained within the known \$6 million deficit.

- (2) Defer payment of the remaining \$4.7 million known deficit by authorizing such payments be made early in fiscal 1977.

- (3) Immediately repeal present local leeway statutes to prevent the possibility of the anticipated \$2.6 million deficit which could occur through actions taken at the local level during the remaining months of the current fiscal year.

In order to minimize the impact of this action on local units currently planning to adopt conversion year budgets to comply with uniform school year taxes, I will be supporting legislation to defer the requirement for adoption of uniform fiscal school year budgets by one additional year.

If we act quickly and approve this three-part approach to resolve the known and anticipated deficits in the current fiscal year, we can accomplish two very important tasks:

- (1) We eliminate the need to raise \$8.6 million in new revenues in the few remaining months of the fiscal year, a need which would require a substantial tax increase.

- (2) This would give us time to enact a new school finance law which can be tailored to the amount of funding presently available in the second year of the biennium.

The deferral of the remaining \$4.7 million payment into the second year of the biennium still would leave us with an operating budget of approximately \$260.6 million for the second year. Bear in mind that that would still be an increase in education funding of \$17 million over the present year appropriations. Of course we would like to do everything possible for education, but we also would like to do more for the elderly, the retarded and the poor. However, we have reached the point where we must take the dollars which are available and divide them as equitably as possible.

I am very mindful of the fact that the Education Finance Commission, chaired by Senator Huber, has been addressing this problem for several months. This committee is to be commended for its efforts on behalf of the people.

I had hoped to be able to embrace the recommendations of this committee, but due to the delivery date of the report and my decision to call this session earlier than I had previously considered, I have not had an opportunity to completely evaluate the proposals. I feel certain I will be able to embrace many of the concepts and proposals of the committee.

Since I have taken a hard line on funding, I feel I have a duty and obligation to submit legislation which I feel can be enacted within our present revenue capabilities. In addition, I am pleased to say that our approach will allow for a reduction in the rate of the uniform property tax, a reduction which would benefit every Maine community and still meet the test of equality of education. This is a beginning in the right direction and even though the bill I will submit will not lower mill rates by a large percentage, I would support any approach where we could reasonably lower the rate even more in the future. Maine, unlike some other states, has many poor people who are property owners. These are the people who have been hurt by continued increases in the property taxes. This is an area of inequity we must continue to address. We will not hold out our bill as the only answer and I certainly would consider any combination of proposals so long as they contain the following basic elements which will be included in the bill I present:

(1) Repeal in fact or in form and substance of the existing education funding law.

(2) A price-tag not to exceed \$260.6 million for the second year of the biennium.

(3) Enactment of a statute which:

(a) Is written in simple language that citizens of Maine can understand.

(b) Contains the necessary controls which insure that the level of funding cannot be exceeded by local action.

(c) Maintains an equitable approach for raising and distributing dollars for the public schools.

(d) Is responsive to the feelings of the majority of Maine people who have expressed dissatisfaction with the present law.

(e) Gives local systems the option of spending more for education at their own expense.

In addition, should additional revenues become available, we would commit to helping those towns disadvantaged as well as in the area of construction, but only providing that our commitment of state dollars has a maximum ceiling and a known funding level. Also, while I support the elimination of dedicated and special revenue accounts, I feel a much more careful study of this area of financing should be made before we try to decide whether these funds should be used for present education deficits.

We will work closely with the Education Committee in the preparation of legislation in this vital area, but I feel strongly the people of Maine want a funding bill to include the basic ingredients I have outlined.

III. STATE EMPLOYEE COMPENSATION

While I believe strongly that the people of this State cannot afford a tax increase, I realize that some of our State employees are underpaid.

I think it is important to point out that many states are experiencing financial problems similar to those we have in Maine. Other states have found it necessary to make across-the-board cutbacks. We have avoided that approach even though there are still some areas of overstaffing, particularly in light of our tight finances. Those cuts we have made have primarily been made through attrition.

The regular session of this Legislature authorized a comprehensive review of the classification and compensation system for State employees. That report is being finalized and should be available for distribution soon. I am sure you will agree with me that this study should be received and evaluated before the legislature considers any pay raise legislation. It is important to keep in mind that this study was not designed to address the question of overstaffing. The study primarily concerned itself with salary scales in certain employee classifications. Furthermore, it has been pointed out to me that when legislators, in Maine or in any state, dictate the number of State employees in any given department of government, the taxpayers end up paying for maximums instead of minimums. This is an area in which I ask the legislature to delegate this management responsibility in the future in fairness to both those necessary, dedicated and able State employees as well as the taxpayers of Maine. I continue to be hopeful that we can implement an adequate and effective classification and compensation plan for State employees without increasing the tax burden. In my previous dialogue with legislative leadership, we have agreed to defer the initiation of matters of budget and financial impact until later in this session when we will have more accurate revenue data. For this reason, and because I called this session earlier than I had originally planned so we could deal with the education funding problem, I will be making a specific recommendation in regard to employee salary adjustments in the next few weeks. My staff and department heads are pursuing alternatives for funding an increase.

We have tried in every way to keep our word with legislative leadership and our legislative package for this session will not be a lengthy one. In addition to asking this Legislature to address appropriations matters at a later date, I also would ask to present my full legislative program in a written message within the next few days.

In the end, I would ask this Legislature to join with me to do four things for the people of Maine in this special session:

(1) Help establish a firm philosophy of fiscal responsibility for all branches of government and thereby create a "Corporation of Maine People" that will administer government in the most economical manner possible.

(2) Help avoid imposing an additional tax on the already overburdened people of Maine.

(3) Act immediately to correct the inequities and close the loopholes in our present school funding law, resolve our current deficits and prevent future deficits.

(4) If at all possible, help us find within our existing resources funds to help underpaid State employees.

If we work together, I am confident we can attain those goals and I am confident that the people of Maine will be the grateful beneficiaries.

Finally, I would hope that you would agree with me that it is deceitful to lead people to believe government can be all things to all people because when we try to be all things to all people, we end up being less things to most people.

Thank you very much.

PART II.

LEGISLATIVE PROGRAM MESSAGE

By GOVERNOR JAMES B. LONGLEY

JANUARY 21, 1976

I. INTRODUCTION

I appreciate this opportunity to present these other measures that are included in my "Call" for this 107th Special Legislative Session. I have made every effort to keep the number of bills being presented to a minimum and have deferred until the next Regular Session many proposals of less urgency.

On the following pages are listed in some detail the proposals submitted for your review. It is my hope that you will give these measures your full consideration.

II. EXECUTIVE COUNCIL

At the November, 1975 referendum, Maine citizens voted overwhelmingly to abolish the Executive Council. The compelling arguments against the Council had long been recognized by incumbent Governors and management analysts. It is to the credit of this 107th Legislature and the Maine people that a consensus was reached that the Council has out lived its original purpose. Three criticisms of the Council were:

(1) That administrative accountability in a modern State government requires the Chief Executive to have more authority to appoint and remove his subordinate administrators;

(2) That Maine's Governor has professional financial and management advisors to manage State budgeting, purchasing and accounting systems;

(3) That the Legislative powers of lawmaking, appropriations and investigation, provide sufficient constitutional checks on administrative judgment and that the process of Legislative impeachment or legal action through the court system are sufficient checks on improper or illegal behavior of Executive Officials;

In my judgment, the Bill finally enacted at this Special Session to re-distribute the statutory and constitutional powers of the Executive Council should be based on the three criticisms of the existing Council System. In creating the new system that must necessarily follow the Executive Council's termination, we must avoid re-creating the present management problems. I look forward to continued dialogue and cooperation with the Legislature on this landmark legislation.

III. REORGANIZATION AND EFFICIENCY

Personnel System Revisions

One emergency proposal will correct a short term problem now hampering the efforts of the Personnel Board to find a new Director for the Department of Personnel. This proposal will remove the statutory restriction that requires the director to have experience in "Public" personnel administration. I am asking that the statute be changed to require experience in personnel administration but not necessarily restricted to experience in a public position.

I am also recommending long term changes in the area of personnel administration. I am submitting legislation to implement the recommendations of the Management Improvement Advisory Committee on Personnel. This Committee, comprised of representatives of State government, the public and business community, and members of the Legislature, has worked very hard to develop proposals which will modernize and render more effective and efficient the administration of the State's civil service system. Recommendations include the restructuring of responsibility placing the administrative authority in a Director of Personnel. This Director would be appointed by the Governor, after consultation with the Personnel Board and with approval by the confirming body designated by the Legislature to replace the Executive Council. The Director of Personnel would serve a term coterminous with the Governor and exercise executive control in all areas of the State's civil service system, with the Personnel Board assuming an advisory role as well as hearing formal appeals on matters of classification.

Additional recommendations include that the present procedure of requiring reclassifications and reallocations to be approved by the Legislature ought to be abolished and said authority ought to be placed in the Director and Personnel Board with appropriate financial safeguards placed in the State Budget Officer. These recommendations conform with the current trend in reorganization of public personnel systems. Because the Personnel Director is such a key officer, I am asking authorization to pay the Director a salary equal to the highest paid classified and unclassified state employee.

Business Regulation

A major function of State government is the regulation of business organizations, professions and trades whose activities are related to the public interest. Our responsibility is to safeguard vital industries as well as protect consumers without unduly restricting or harrasing the freedom of the individual to preserve and or compete in a free market atmosphere. As I believe competition in the market place is usually the best for the consumer as well as for the preservation of a free enterprise society. This function is exercised by numerous State agencies, boards and commissions.

To consolidate the administration of regulatory activities, the Department of Business Regulation was created in 1973 which brought banking, insurance, real estate and boxing and the Land Damage Board under a single administrative office.

In 1975, at the Regular Session, this Legislature authorized a Central Licensing Bureau to include 23 professional and occupational licensing

boards within the Department of Business Regulation to further eliminate duplication and to achieve more effective coordination and management oversight of their operations. I am submitting legislation to implement the administration of the newly created Central Licensing Bureau.

I am also including legislation to incorporate the Public Utilities Commission and the Industrial Accident Commission within the Department of Business Regulation. The Public Utilities Commission's regulatory actions affect the livelihood of almost every Maine citizen and every Maine industry. The Commission currently is the only major regulatory agency not attached to a department and under the administrative coordination of the Governor's office. The public interest and consumer protection interests suggest that telephone, electric and railroad regulations be more closely coordinated with the overall development and public service activities of the State.

The Industrial Accident Commission is too small to operate efficiently as an independent agency. As a part of Business Regulation, the Commission will have access to the staffing and administrative assistance of the Department.

The Public Utilities Commission, the Industrial Accident Commission and the licensing boards incorporated into the Department of Business Regulation will retain their regulatory decision-making and licensing authorities and retain their independence and autonomy in this important capacity while simultaneously acquiring important consumer capability support services. However, the Department of Business Regulation will have administrative responsibility for improving their coordination, their performance and achieving economies that are not now possible with these as separate entities.

I am also submitting legislation to incorporate "housekeeping" revisions in the comprehensive new banking code which was enacted during the Regular Legislative Session. We are pleased with the operation of the new code and believe that it has greatly increased the availability of banking services to the public.

Maine Labor Relations Board

The purpose of this legislation is to remove any ambiguities or inconsistencies which exist concerning the procedures set forth in the Municipal Public Employees Labor Relations Act, the State Employees Labor Relations Act and the University of Maine Labor Relations Act. This legislation authorizes a unit clarification procedure and extends the right of subpoena to hearings concerning the appropriateness of a bargaining unit.

This legislation also provides for an accelerated appeals period for questions involving union elections or challenged ballots, thus allowing the parties to ascertain their status and to proceed according to the statutory requirements of the labor relations laws in a more expeditious manner.

Other Reorganization, Cost Savings and Efficiency Measures

I am presenting bills that include several additional reorganization and efficiency measures to improve the management of State government.

I am recommending that the Fraud Unit of the Department of Audit be transferred and made available to the Department of Human Services. The new organization will be designed to improve the efficiency of Maine's welfare program and to effect substantial cost savings to all levels of government. This proposal results from the examination of Maine's welfare programs conducted at my request by the United States Commissioner of Welfare.

As practiced by the Federal Government, I propose that State agencies would be authorized to sell selected publications to the public and to credit the sales income to an account established expressly for that purpose. Under the supervision of the Commissioner of Finance and Administration, funds in the account could then be used toward the cost of publications and documents of wide-spread public interest. Establishment of this revolving fund would facilitate more effective document management; promote improved public awareness; hopefully reduce printing costs; and therefore does not require an appropriation.

Another proposal I am submitting would authorize the use of a facsimile signature on selected Commission certificates. Presently, dozens of hours are spent signing these documents by hand.

I am calling for a revision in the collection of the Sales-Use Tax on motor vehicles purchased through casual sales as well as purchases from out-of-state dealers. This proposal will require the individual in the process of registering a motor vehicle to show proof of the Sales-Use Tax payment at the municipal level at the time of registration and payment of the excise tax is made. Municipalities will be reimbursed for their administrative costs. This method of Sales-Use Tax collection will greatly reduce the cost of tax collection and undoubtedly increase the amount collected.

The legislation enacted at the Regular Session requiring the employer to submit separation information is inconsistent with Federal requirements. Under the Employment Security Law, it is the responsibility of the agency to take the initiative in the discovery of information to determine an individual's rights to benefits. This responsibility may not be passed on to the claimant or the employer. Changing this legislation will make Maine law consistent with Federal requirements.

I propose legislation to ensure that no one profits from the illegal cutting of public timber and to allow the Bureau of Public Lands to sell buildings and other surplus property within its jurisdiction. We also need enabling legislation in order to convey 4.7 acres of surplus property in Bangor desired for a large private economic development project. This transfer will be subject to the approval of the Governor and the Executive Council.

Another provision would clarify the law by allowing the Bureau of Geology to enter into contracts and agreements to provide unique geological service to organizations outside the agency and to receive money for providing these services.

I support the request of the Land Use Regulation Commission to extend from March, 1976 to December, 1976 the Interim Zoning deadline for Upper Franklin and Somerset Counties. This extension will give the Commissioner adequate time to develop required revisions to its Policies Plan, and to adopt permanent standards.

Another proposal will allow employees of State institutions and visitors to those institutions to purchase meals at these facilities. This will help friends and parents of people in our State institutions and provide an additional convenience to the public and to those employees who are not otherwise receiving meals as a part of their jobs. Revenues would be returned to the food account of the facility serving the meal. This is not intended to expand government and I am also asking for constant monitoring of the costs of private catering vis a vis the costs of the institutional food service program.

I am including an amendment to alleviate the difficulty some small towns in Maine encounter in finding people eligible to serve on a board of appeals. This bill will allow municipalities with a population of less than 400 residents to form a board consisting of three members rather than the previously required 5 or 7 members.

I am also proposing to repeal several advisory boards and commissions that are not operating and are not necessary to the operations of State government. As part of my reorganization program to be presented to the Legislature next year, I am beginning a comprehensive evaluation of every board and commission in State government to determine its effectiveness.

I am also proceeding with an evaluation of the Bureau of Civil Emergency Preparedness and will be making recommendations regarding the redistribution of those few necessary functions that now exist in that Bureau.

IV. DEPARTMENTAL CONSIDERATIONS

Unemployment Compensation Fund

Because of the present economic conditions and the fact that these relatively same conditions have existed for sixteen months, a change in the employer tax rate formula or the wage base is not desirable at this time.

There is presently, established within the Employment Security Commission, a contingency account under the Federal Department of Labor that provides a sufficient amount of money needed to pay benefits under the Employment Security Laws and there is a likelihood that the present two-year penalty free period granted the individual State will be extended to five years.

If the present grace period is extended from two years to five years it will be more advantageous to Maine for the business and industrial communities to use these dollars for some badly needed capital improvement. This will also improve the State of Maine economy and from the standpoint of new industrial development this is exceedingly important, and is preferable to paying an additional tax to the Employment Security Trust Fund at this time.

Mental Health and Corrections

In continuing the efforts to modernize our correctional services, and to do so in a cost effective manner, I am introducing legislation to allow the Department of Mental Health and Corrections to determine which institution can best serve the needs of both society and the offender, to facilitate the transfer of offenders among correctional institutions, other residential facilities, and programs.

I will submit legislation to permit pre-trial observation for mental illness or mental defect at county jails rather than solely within mental health institutes as presently required by statute. This will eliminate pre-trial commitment procedures in many instances, allowing a more efficient and economical method of determining competency to stand trial in criminal cases.

Also included are measures concerning mental health and mental retardation services to protect the rights of individuals served. One proposal would remove potential constitutional infirmities from statutes relating to persons found innocent of a crime by reason of mental disease or defect; another proposal clarifies statutes protecting the confidentiality of certain client records while still allowing statistical compilation and research based on these records. Another section of the bill would remove a current requirement that the Department of Mental Health and Corrections provide psychiatric care for children at Pineland Center and allow the Department discretion to provide services to the child by the most satisfactory method and location beneficial to the child.

Environmental Protection

In 1973, the Maine Legislature following the advice of the Department of Environmental Protection enacted a low sulfur fuel strategy for the Metropolitan Portland Air Quality Region, requiring that fossil fuels contain no more than 1.5 percent sulfur by weight. Additional data gathered by the Department has revealed that only a small part, of the Portland Peninsula area, of the original Metropolitan Portland Air Quality Region needed to utilize 1.5 percent sulfur fuel. The rest of the Region can burn 2.5 percent sulfur fuel while still maintaining the Air Quality goals of the State of Maine.

Also, in 1973, when the Legislature required wood incinerators to comply with Air Quality standards by June 1975, everyone believed that the technology to achieve these standards would be available. As it turned out, the technology for clean operation of wood burner teepees is not readily available at a reasonable cost; and the failure to relax this requirement for a number of years would result in financial setbacks for their owners. The Department of Environmental Protection has recognized this problem and urges the Legislature to revise the emission standards in this area.

Many of us are concerned with the growth of government — Federal, State and local. Whenever the opportunity presents itself to lessen the burden of government upon our citizens it should be approached without hesitation. The Department of Environmental Protection has such an opportunity to reduce, by one, the layers of government which must be dealt with by owners of facilities that have air emissions and hazardous air pollutants.

We can promote this reduction in agency control by expressly authorizing the Department of Environmental Protection to control new stationary sources of air emissions and hazardous air pollutants as delineated in the Federal Clear Air Act and related regulations. By this step, we can thus eliminate the need for applicants to contact the U. S. Environmental Protection Agency.

In another area that would eliminate a layer of governmental control which we are exploring would authorize the Maine Department of Environmental Protection to accept administration of the National Pollution Discharge Elimination System not enforced by the U. S. Environmental Protection Agency. This will not require any changes in existing statutes, but we must ensure that any changes we make, especially in the Criminal Code, will not place obstacles in the path of this objective. I am advised that this is important to existing industries and their employees to the extent of several million dollars of potential savings while still protecting our environmental considerations.

In summary, the environmental program will revise the Air Quality laws of Maine, but will not hinder the achievement and maintenance of the Air Quality we all need and are proud to have in the State of Maine. In addition, it will reduce the burden of our citizens by having them deal with our State agency and not with an absentee Federal Bureaucracy.

V. CONSTITUTIONAL AMENDMENTS

To strengthen our budgetary and legislative process in Maine government, I propose two changes in the Constitution. The first amendment would increase from five to ten days the time allowed the Governor to consider a bill passed by the Legislature. More than one-third of our States now give the Chief Executive more than five days for his review. These extra days provide needed time for an extended continued review of enacted legislation and would reduce errors in fact or judgment that our present process encourages. I also propose a Constitutional amendment giving the Governor an item veto on appropriation bills. Forty-four states now give their governors this authority. Experience shows that the item veto helps prevent funds from being spent for unplanned or special interest grants that may divert financial resources from more important programs as well as help avoid committing the State beyond its ability to pay.

I believe the present five day restriction and absence of an item veto hinders both the Governor and the Legislature to the extent it potentially increases veto utilization to the extent a Governor attempts to fulfill his or her constitutional responsibility by only endorsing that legislation which after prudent and judicious study he or she supports in full.

VI. CONSUMER AFFAIRS

Amendment to Lobby Disclosure Law

As elected representatives, all of us assembled here are acutely aware of the increasing desire on the part of our constituency to have our governmental institutions open to public view. Because of an oversight that repealed much of the protection of the public, we must again enact a measure regulating this important part of the legislative process. In the area of lobbying we must walk a tightrope. On the one hand we must insure the free and uninhibited access of the people to their elected representatives and on the other we must assure that the content of these contacts be open to public scrutiny. As part of our desire to open government, the law passed should require that communications by elected public officials regarding projects or cases before sensitive regulatory and loan granting bodies be made available for public scrutiny. This in turn can be helpful in assuring the most favorable credit rating for the state.

Charitable Solicitations

In my program last year, I included legislation regarding Charitable Solicitations. I commend the Business Legislation Committee for its study of this important subject and hope this legislation will be enacted this year.

This bill calls for charitable organizations which solicit contributions in this State, with certain limited exemptions, to register with the Secretary of State. The registration statement would include certain basic information, such as the purpose of the organization; the names and addresses of the officers responsible for funds; the salaries and expenses paid; the total of all contributions in this State in the previous year; and whether or not the organization contracts with professional fund-raisers and if so the amount paid. Independent professional fund-raisers are required to register separately and must file copies of their agreements with charitable organizations. There are no detailed or burdensome financial reporting requirements.

The exemptions are limited to organizations, including religious organizations, which solicit only from members, to solicitations on behalf of a named individual who receives all contributions without deduction, and to organizations which solicit less than \$2,000 or from ten or fewer persons or which do not have any paid personnel.

The bill would be funded by fees which would be dedicated to administration by the Secretary of State.

VII. CONCLUSION

Thank you for considering my non-budgetary legislative proposals. Later in this session, in accordance with our mutual agreement, I will be transmitting for your consideration and review my recommendations for meeting our financial obligations. In that message, following the recommendations of the Economic Advisory Committee, I will ask that you establish a statutory policy to limit State expenditures, and taxes, to a fixed percentage of our gross State product and/or personal income. I pledge and seek mutual cooperation for it is only through continued cooperation between the Executive and Legislative Branches of government that we can enact legislation to serve the best interests of the People of Maine.



Governor of Maine