## MAINE STATE LEGISLATURE

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#### LAWS

OF THE

#### STATE OF MAINE

AS PASSED BY THE

# ONE HUNDRED AND EIGHTH LEGISLATURE

SECOND REGULAR SESSION January 4, 1978 to April 6, 1978

FIRST SPECIAL SESSION
(No laws enacted)
September 6, 1978 to September 15, 1978

SECOND SPECIAL SESSION
October 18, 1978

THIRD SPECIAL SESSION
December 6, 1978

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### LEGISLATIVE MESSAGE

September 2, 1978

by

GOVERNOR JAMES B. LONGLEY

to the

FIRST SPECIAL SESSION

One Hundred and Eighth Legislature

To the Honorable Members of the Senate and House of Representatives, 108th Maine Legislature:

Because of the importance of the task facing you in this Special Session and because of our mutual desire to keep the session as brief as possible, I have decided to place some thoughts on the issue facing us in writing in lieu of an address to this body.

First of all, I have asked you, as representatives of the people of the State of Maine, to assemble in Special Session to consider the issue of limiting government spending and taxation.

We assemble, as people elected by the people, representing the corporation of the people of Maine, with a rare opportunity to accomplish two major goals and objectives which are desperately needed to restore faith in government and, in particular, faith and confidence in elected officials of government such as you and me.

- (1) We have an opportunity to show the working men and women and the tax-payers and citizens in Maine that we do care. . .that we do believe their ability to pay should be given a top consideration before we make spending and taxing decisions in government. We have an opportunity. . .as a necessary first step toward property and total tax reform. . .to place a reasonable overall limit on what government can spend and how much it can tax. This must be the first step and we must not allow tax shifts that usually become tax increases, unintentionally, to deceive or mislead the people of Maine we mutually represent.
- (2) Secondly...and equally important...we have a rare opportunity to demonstrate to the people of this State that we trust them as well as their wisdom and ability to make key decisions which affect their lives and their pocketbooks.

The people of the State of Maine have been given the impression. . . and rightfully so. . . that we are meeting in this Special Session to consider and provide them the right to vote on a constitutional limit on government's ability to spend or tax. I believe we have a grave responsibility to keep faith with the people of Maine and to demonstrate to them that we trust their judgment and will give them this opportunity to vote on this major issue facing not only Maine but already over one-third of the states in America already this year. In addition, we must not allow any special interest or one or more individuals that have almost consistently tried to lobby for more and more spending and more and more taxes to sabotage or defeat a good faith effort by volunteer citizens and fiscally responsible legislators to limit future spending and taxation.

(3) Third, we cannot afford, from an economic development standpoint, to risk not acting to limit government spending and taxation when it is our information that as many as 18 other states are considering placing a constitutional ceiling on their ability to spend and tax. I submit that if we fail to act and other states act that we will be cutting the legs from under the working men and women and our

children and grandchildren of this State who presently need and will deserve more and better job opportunities in the future.

I submit to you that we must be very careful and make sure that any proposal which we do submit to the people is in fact a constitutional amendment which would place an overall limitation on government's ability to spend and tax.

I have no quarrel with anyone who wants to reform a specific tax or shift the burden from one tax to the other and I do not question their motives or intent. However, I believe we must take this first step to limit spending and taxation and then we will be better able to address property and other tax reform. There is no better time to take this first step and we must not delay if we want to be fair in allowing the citizens of Maine their right to vote on this approach this year. Once again, I commit to welcoming suggestions for further tax reductions, which I feel is also tax reform which might still be possible this year. This would and could write another outstanding chapter in Maine's history to the extent I am advised this, your 108th Legislature, has enacted the first major tax reduction in the history of Maine.

I feel strongly that the first step we must take in the State of Maine is to achieve an overall constitutional limit on spending and taxation. Then we can work toward a mutual goal of making our individual tax sources as fair and as equitable as possible.

In that regard, I believe that the constitutional amendment which has been proposed by the Maine Tax Limitation Committee and which I have submitted in my call of this Special Session, is a fair and reasonable approach to attain this first, necessary step. The very nature of this volunteer, citizens committee should cause us, as elected officials, to give serious consideration to its recommendations. This committee has made every attempt to keep its effort non-partisan and non-political. As Governor, I have kept faith with the citizens of Maine and attempted in every way to carry forward this volunteer citizenship effort by making certain we attained bi-partisan sponsorship of the resolution which this Legislature will consider. The issue we are facing today is too important to the present and future generations of Maine people to allow it to become a political football or tax deception with more rather than less taxation for the already overburdened people of Maine.

In the final analysis, we are facing a win-lose situation for the people of Maine. . yet, a winning situation for government and hopefully both political parties if we display our confidence in the people of this state by allowing them their right to vote on a constitutional amendment that would limit government spending and taxation. I submit that all political parties, all elected officials and all of government will then be the winners because we will have taken a giant step towards restoring faith and confidence in government by allowing our citizens to participate in the solution rather than have the Legislature tie their hands with the problem.

By the same token, if we fail to demonstrate this confidence in the people or if

we confuse the issue and present them with a less than full proposal to limit government spending and taxation on a statewide basis. . .there will be no winners among the political parties or among those of us in government and further unhappiness and unnecessary loss of confidence in government in Maine and America by the very people we would be denying either their right to vote or their right to vote on a resolution that is conceived as right and fair by these volunteer citizens and the citizens of Maine.

I also feel strongly that if we fail to act or if we only give the working men and women of Maine only half a loaf that the people themselves will act and petition on their own for a statutory change that will make an across-the-board cut of taxes.

I have said repeatedly that this constitutional amendment is not mine and that if I had submitted my own amendment I would have presented a plan that would cut present spending and taxes by at least fifty million dollars. I would take this action because of my deep conviction that government can further limit its spending without denying people necessary services. I have tried to keep faith with the people of this State in that regard by calling this Special Session and by asking that the people be given an opportunity to vote on a reasonable limitation that does not make across-the-board cuts in spending or taxation.

In addition, the facts already show that our revenue picture in this State the past two years has provided undisputed evidence that now is the ideal time to place a limitation on government spending and taxation. Our revenues from existing tax sources have consistent exceeded estimates, even those estimates which have been revised upward.

Also. . Thanks in large part to the 108th Maine Legislature which has tried to demonstrate fiscal responsibility. . .we have shown that the needs of the people of Maine can be met and continue to be met through our existing revenue sources and our existing tax levels.

So, we not only have a rare opportunity to accomplish something meaningful and long-lasting for the people of Maine but we have an opportunity to do it at an ideal time. We cannot put this time in a bottle and send it out to sea or save it for a later date. We must act now.

I want to thank this Legislature for its past efforts to help give the people of Maine a fiscally responsible government. I now ask it to take this additional step which will place this sense of fiscal responsibility in our Constitution. I can think of no finer or more appropriate legacy for this Legislature to leave for the people of Maine than to have the history of Maine show that you and other members of the 108th Legislature were the first to provide specific protection for the overburdened taxpayers of Maine in our Constitution in addition to being a member of the first Legislature to provide a major tax reduction for the people of Maine which you have already accomplished.

Let's now take this next important step.

Thank you very much.