

MAINE STATE LEGISLATURE

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LEGISLATIVE COUNCIL

AUGUST 25, 1978

CALL TO ORDER

The meeting was held in Room 334 and called to order by Rep. John L. Martin, Chairman, at 10:30 a.m.

ROLL CALL

Senators: Sen. Conley, Sen. Danton, Sen. Huber, Sen. Sewall,
Sen. Speers

Representatives: Rep. Martin, Rep. Palmer, Rep. Quinn,
Rep. Tierney

Staff: William Garside - Legislative Admin. Director
Bent Schlosser - Assistant Leg. Finance Officer
Helen Ginder - Legislative Assistants Coordinator
David Silsby - Legislative Research Director

Guest David B. Turner - Representative of an Eastport
Food Herring Company

SECRETARY'S REPORT

Sen. Huber questioned the wording of the minutes, referring to "proposals on taxation and spending...be referred to the Appropriations Committee..." Sen. Huber stated that he felt that in terms of familiarity with Maine's tax structure the Taxation Committee should get purely taxation bills, unless they entail a spending limitation. Rep. Martin reminded Sen. Huber that members from that committee will meet with the Appropriations Committee.

Rep. Palmer addressed the Council on this matter stating that when the Council met last, the members had in mind that the Governor would have at least 3 or more items to introduce, one of which dealt with taxation decreases. The Governor reviewed the whole matter and anything that took away from the reason for calling the special session (limitation spending), Rep. Palmer advised, he did away with and only introduced a bill on taxation limitation. Rep. Palmer advised that the Council has seen here one bill on property taxation, one on sales taxation and one on income taxation. He stated that if the Legislature is to have taxation reform for the State, it will take more than 3 or 4 days. He added that the Council should go along with the one issue, limitation spending.

Sen. Conley replied that when the members talked about what the Governor might introduce, it was about the figures in the daily press relating to the surplus which was being accumulated.

Sen. Conley advised that at that time it was discussed as to how that money was going to be funneled back to the taxpayers. He added that when the Council addressed the spending limitation bill it was also stated that at that time companion measures dealing with homestead exemptions or circuit breakers in a constitutional amendment would be addressed.

Rep. Martin related that a motion was made at the last meeting which said that the Council would let in the items relating to the "Wyman Proposal" and to constitutional limit and that these matters would be referred to one committee to avoid any confusion.

MOTION

Sen. Sewall moved to recess for the purpose of a Republican caucus.

The motion was seconded by Rep. Palmer and carried.

The Council recessed at 10:50 a.m. and reconvened at 11:45 a.m.

Rep. Palmer stated that he believed that the Governor used restraint in making this call by limiting the call to one thing (limitation). He advised that the Council should use the same restraint, adding that there are only 28 items and that only 6 deal with limitations of any kind. He advised that those other matters should be held until the January session.

MOTION

Rep. Palmer moved that the only bill that be entertained for the special session be that one introduced by the Governor.

The motion was seconded by Sen. Huber, with 4 votes in favor, 5 against and 1 absentee, the motion was defeated.

The Chairman advised the Council that the motion now before it is that of Sen. Huber's earlier motion that the bills not all be referred to Appropriations. Sen. Huber stated that he didn't believe that he had made a motion, but just questioned the minutes. He added that if the Council was considering the subject of limitation of State Government whether it be taxation or expenditures, he agreed with the minutes; but if there were purely taxation matters which have nothing to do with limitations, he would still have objection to the minutes. Rep. Martin stated that his understanding was the same.

Further discussion followed. Sen. Huber explained that his objection to accepting the minutes of the last meeting was that the minutes read "...taxation and spending..." and the Chairman's memo to the legislators read "...taxation and spending limit..." Sen. Sewall suggested that the Council vote on each bill submitted.

MOTION

Rep. Tierney moved that the Council stand in recess.

(The Council recessed at 12:15 a.m. - reconvened at 12:45 p.m.)

MOTION

Sen. Sewall moved that the Council go through each item submitted one by one.

The motion was seconded by Sen. Conley and carried with a vote of 7 to 2 (Rep. Martin and Rep. Quinn voting against).

The Council voted on the 28 bills submitted. (See attached.)

The Chairman informed the Council that another bill request was before them which pertained to a food herring company in Eastport and introduced a representative from that firm, David B. Turner. Mr. Turner enlightened the Council regarding problems his company was encountering, stating that his company had been buying raw material from Canadian fishermen and that the Canadian Government has in the past 4 or 5 years expanded their food herring operations by three-fold. Mr. Turner advised that on August 24th the herring management club, which is not a government agency, shut off all exports of raw material to plants on the American side. He explained that this would have a serious effect on the Eastport area, stating that his company employs over 230 people in Washington County. He added that the bill would have a tremendous impact on Eastport.

Mr. Turner further stated that he realized that it was quite irregular to appear before the Council. He informed the Council that the legislator for the area had resigned. Mr. Turner related that he had been in contact with Commissioner Look, of the Department of Marine Resources, and that the bill would be to repeal the Washington County purse seine law, with some restrictions for the lobster fishermen and for the weir fishermen there would be more restrictions added. He stated that Commissioner Look felt that it was not an unreasonable request and that the bill could be presented shortly.

Mr. Turner advised that this bill would be controversial within a very small area of Washington County. He related that there would probably be 15 people in the herring industry totally op-

posed and that within the measures mentioned, probably 75% of the lobster people should not be hurt too drastically by this bill. He explained that most of this impact would come out in the hearing. Mr. Turner further advised that Washington County has had a purse seine ban law against it for around 10 years, which they have tried to have changed in a couple of different sessions. He explained that the bill would allow purse seining with restrictions on length of seines to discourage large boats from coming down into this small area.

MOTION

Rep. Tierney moved that the matter on food herring be referred to the two chairpersons on the Joint Standing Committee on Marine Resources and that they get together prior to the Special Session to submit recommendations to the Council for consideration on this matter.

The motion was seconded by Sen. Sewall and carried.

MOTION

Sen. Huber moved to accept the minutes of the meeting of August 8th.

The motion was duly seconded and carried.

COMMUNICATIONS

MOTION

Sen. Conley moved to place communications on file.

The motion was seconded by Sen. Sewall and carried.

OLD BUSINESS

The Council agreed to the items relating to Alcoholic Abuse Prevention and Study of the Personnel System remaining on the Table.

NEW BUSINESS

Item #1 - Merit Increase for Legislative Assistants: William Garside, Legislative Administrative Director, recommended the Council approve a one-step merit increase, to be effective September 13, 1978, for 6 members of the Legislative Assistants Staff.

Those recommended for salary increases are:

<u>EMPLOYEE</u>	<u>FROM</u>	<u>TO</u>
William Brown	\$346.15	\$362.23
Robert Clark	346.15	362.23
Jonathan Hull	314.00	330.07
James McKenna	314.00	330.07
Ted Potter	314.00	330.07
Helen Ginder	360.07	376.15

MOTION

Sen. Sewall moved that the merit increases for the Legislative Assistants Office be approved as recommended by the Legislative Administrative Director.

The motion was seconded by Sen. Huber and carried.

Item #2 - Salary Review for Barbara Gottschalk: Mr. Garside requested a salary review for a one-step merit increase for Barbara Gottschalk, Program Analyst, as recommended by the Legislative Finance Officer. The increase would be from \$265.76 to \$281.84 and would be retroactive to June 28, 1978.

MOTION

Sen. Sewall moved that a one-step increase be granted for Barbara Gottschalk as recommended.

The motion was seconded by Rep. Quinn and carried.

Item #3 - Request by the Committee on State Government for additional funds:

MOTION

Rep. Quinn moved that the Council approve the request from the Committee on State Government for an additional \$500 to continue the study of HP 2004.

The motion was seconded by Rep. Tierney and carried.

Item #4 - Draft on Economic Indicators: It was brought to the Council's attention that Bill Brown had prepared a draft comparing economic indicators.

MOTION

Sen. Huber moved that a copy of this report be referred to the Committee on Appropriations and Financial Affairs.

The motion was seconded by Sen. Danton and carried.

ADJOURNMENT

The Council adjourned at 1:30 p.m.

PROPOSED LEGISLATION FOR INTRODUCTION AT THE FIRST SPECIAL SESSION OF THE 108TH LEGISLATURE

- | | ACC. | REJ. |
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| 1. RESOLUTION, Proposing an Amendment to the Constitution to Require State and Local Governments to Advertise Tax Increases. | | |
| (Sponsor: Rep. Sharon B. Benoit
Cosponsors: Rep. Mary Najarian
Rep. Robert Howe
Rep. Judy Kany) | | |
| 2. RESOLUTION, Proposing an Amendment to the Constitution to Limit the Amount of Revenues which may be Raised by Taxes in any Fiscal Year. | | |
| (Sponsor: Rep. Gordon F. Cunningham) | | |
| 3. RESOLUTION, Proposing an Amendment to the Constitution to Authorize the State Legislature to Establish Reasonable Expenditure Limits for State and Local Government; to Provide Property Tax Relief by Requiring Property Tax Exemption on the First \$10,000 on an Owner's Principal Place of Residence; and to Finance Property Tax Relief by Returning to Municipal Governments the Revenues Collected from 20% of the State Sales and Use Tax. | | |
| (Sponsor: Rep. Richard S. Davies) | | |
| 4. RESOLUTION, Proposing an Amendment to the Constitution by Repealing the English Literacy Test for Voting and for Holding Office. | | |
| (Sponsor: Rep. Robert S. Howe) | | |
| 5. RESOLUTION, Proposing an Amendment to the Constitution to Limit the Amount of State General Fund Expenditures which may be made from Undedicated Revenues without Voter Approval. | | |
| (Sponsor: Sen. David G. Huber) | | |

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| 6. | RESOLUTION, Proposing an Amendment to the Constitution to Limit the Annual Expenditures of the State to the Amount of Anticipated Revenues as Determined by the Legislature and to Provide for Refund of any Excess in the Form of a Direct Credit Against Individual Income Tax Liability. | ACC. | REJ. |
| | (Sponsor: Rep. Joyce E. Lewis) | | |
| 7. | RESOLUTION, Proposing an Amendment to the Constitution to Require Homeowners and Tenants Property Tax Relief. | ACC. | REJ. |
| | (Sponsor: Rep. Mary Najarian) | | |
| 8. | RESOLUTION, Proposing an Amendment to the Constitution to Limit Tax Increases to a One-year Period to Require Futher Legislation and Economic Impact Analysis for the Further Continuation of any Tax Increase and to Require a Two-thirds Vote of Each House to Extend the Tax. | ACC. | REJ. |
| | (Sponsor: Sen. Donald R. O'Leary) | | |
| 9. | RESOLUTION, Proposing an Amendment to the Constitution to Limit the Maximum Property Tax which can be Levied. | ACC. | REJ. |
| | (Sponsor: Rep. James F. Wilfong) | | |
| 10. | RESOLUTION, Proposing an Amendment to the Constitution to Repeal the Tree Growth Tax Law. | ACC. | REJ. |
| | (Sponsor: Rep. James F. Wilfong) | | |
| 11. | RESOLUTION, Proposing an Amendment to the Constitution to Limit Property Tax Valuation. | ACC. | REJ. |
| | (Sponsor: Rep. Frank P. Wood) | | |

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| 12. RESOLUTION, Proposing an Amendment to the Constitution to Establish Property Tax Exemptions for Maine Homesteads.

(Sponsor: Rep. Jasper S. Wyman) | ACC. | REJ. |
| 13. AN ACT to Require Advertising of Tax Increases.

(Sponsor: Rep. Sharon B. Benoit, Cosponsors: Rep. Mary Najarian, Rep. Robert S. Howe, Rep. Judy C. Kany) | ACC. | REJ. |
| 14. AN ACT to Provide for the Issuance of a Warning for Operating an Unregistered Motor Vehicle within One Month of the Expiration of the Registration.

(Sponsor: Sen. Theodore S. Curtis, Jr.) | ACC. | REJ. |
| 15. AN ACT to Regulate the Importation and Sale of Dogs and Cats.

(Sponsor: Sen. Theodore S. Curtis, Jr.) | ACC. | REJ. |
| 16. AN ACT to Assess an Excise Tax in Lieu of Local Property Taxes on Electric Generation and Transmission Equipment.

(Sponsor: Rep. Richard S. Davies) | ACC. | REJ. |
| 17. AN ACT to Provide an Increase in the Exemption on Estates of Veterans.

(Sponsor: Rep. William J. Garsoe) | ACC. | REJ. |
| 18. AN ACT to Require State Level Assessment of Industrial Real Property with a Value in Excess of \$1,000,000.

(Sponsor: Rep. Donald M. Hall
Cosponsor: Rep. James F. Wilfong) | ACC. | REJ. |
| 19. AN ACT to Authorize Androscoggin County to Raise \$150,000 for Construction of New Heating Facilities in the Androscoggin County Building.

(Sponsor: Rep. Stephen T. Hughes
Cosponsors: Rep. Glen W. Torrey
Rep. Joyce E. Lewis
Rep. Albert E. Cote) | ACC. | REJ. |

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| 20. AN ACT to Establish the Maine Homeowners and Tenants Tax Relief Program. | ACC. | REJ. |
| (Sponsor: Rep. Mary Najarian
Cosponsors: Rep. Sharon B. Benoit
Rep. Robert S. Howe) | | |
| 21. AN ACT to Facilitate the Setting of State Financial and Tax Policy by the Legislature. | ACC. | REJ. |
| (Sponsor: Rep. James F. Wilfong) | | |
| 22. AN ACT to Insure Local Appropriation of Local Tax Revenue. | ACC. | REJ. |
| (Sponsor: Rep. James F. Wilfong
Cosponsor: Rep. Harland C. Goodwin, Jr.) | | |
| 23. AN ACT to Amend the Tree Growth Tax Law. | ACC. | REJ. |
| (Sponsor: Rep. James F. Wilfong) | | |
| 24. AN ACT Appropriating \$10,000 for the Maine Food and Farmland Study Commission. | ACC. | REJ. |
| (Sponsor: Rep. Frank P. Wood) | | |
| 25. AN ACT to Relieve Homeowners and Renters from the Burden of the Property Tax. | ACC. | REJ. |
| (Sponsor: Rep. Jasper S. Wyman) | | |

JOINT RESOLUTION TO RATIFY AN AMENDMENT TO THE FEDERAL CONSTITUTION TO PROVIDE FOR REPRESENTATION OF THE DISTRICT OF COLUMBIA IN THE CONGRESS.

	ACC.	REJ.
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(Sponsor: Sen. Philip L. Merrill)

26. AN ACT Relating to Appropriating Funds for Certain
Municipal Governments.

(Sponsor: Rep. Frank Wood)

ACC.

REJ.

27. AN ACT to Allocate Additional Expenditures for
Antirecessional Fiscal Assistance for
Somerset County.

(Sponsor: Rep. Donald Burns)

ACC.

REJ.

28. AN ACT Relating to the Income Tax, and Providing that the
Rates of Tax, Percentage Standard Deduction or Low Income
Allowance and Personal Exemption may Vary According to an
Annual Inflation Factor.

(Sponsor: O'Leary)

ACC.

REJ.