

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD
OF THE
One Hundred And Thirteenth Legislature
OF THE
State Of Maine

VOLUME III

FIRST CONFIRMATION SESSION

August 21, 1987
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FIRST SPECIAL SESSION

October 9, 1987 to October 10, 1987
Index

SECOND SPECIAL SESSION

October 21, 1987 to November 20, 1987
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SECOND REGULAR SESSION

January 6, 1988 to March 24, 1988

Senator WHITMORE for the Committee on BUSINESS LEGISLATION on Bill "An Act to Reform the Pharmacy Laws"

S.P. 529 L.D. 1581

Reported that the same Ought to Pass in New Draft under same title (Emergency).

S.P. 963 L.D. 2555

Which Report was READ and ACCEPTED.

The Bill in NEW DRAFT READ ONCE.

The Bill in NEW DRAFT TOMORROW ASSIGNED FOR SECOND READING.

Senate at Ease

Senate called to order by the President.

On motion by Senator GILL of Cumberland, ADJOURNED until Tuesday, March 22, 1988, at 9:00 in the morning.

ONE HUNDRED AND THIRTEENTH MAINE LEGISLATURE

SECOND REGULAR SESSION

49th Legislative Day

Tuesday, March 22, 1988

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

Prayer by Reverend James Lufkin, First Baptist Church, Woodland.

The Journal of Monday, March 21, 1988, was read and approved.

Quorum call was held.

SENATE PAPERS

Bill "An Act to Authorize the Maine Self-Insurance Guaranty Association to Act as a Statistical Advisory Organization" (Emergency) (S.P. 964) (L.D. 2556)

Came from the Senate, referred to the Committee on Banking and Insurance and Ordered Printed.

Was referred to the Committee on Banking and Insurance in concurrence.

Unanimous Leave to Withdraw

Report of the Committee on Energy and Natural Resources reporting "Leave to Withdraw" on Bill "An Act to Clarify the Rights of a Municipality Concerning Ordinances on Radon" (S.P. 934) (L.D. 2454)

Was placed in the Legislative Files without further action pursuant to Joint Rule 15 in concurrence.

Divided Report

Majority Report of the Committee on Agriculture reporting "Ought Not to Pass" on RESOLVE, to Study a Program to Promote the Purchase of State-Grown Produce by Needy Persons (S.P. 933) (L.D. 2453)

Signed:

Senator: MATTHEWS of Kennebec
Representatives: TARDY of Palmyra
PARENT of Benton
BRAGG of Sidney
SHERBURNE of Dexter
HUSSEY of Milo
PINES of Limestone
ALIBERTI of Lewiston
GLIDDEN of Houlton
MAHANY of Easton

Minority Report of the same Committee reporting "Ought to Pass" on same Bill.

Signed:

Senators: TWITCHELL of Oxford
BLACK of Cumberland
Representative: NUTTING of Leeds

Came from the Senate with the Minority "Ought to Pass" Report read and accepted and the Bill passed to be engrossed.

Reports were read.

On motion of Representative Tardy of Palmyra, the Majority "Ought Not to Pass" Report was accepted in non-concurrence and sent up for concurrence.

Non-Concurrent Matter

Bill "An Act to Ensure Family Medical Leave in the State" (H.P. 1851) (L.D. 2534) which was passed to be engrossed in the House on March 18, 1988.

Came from the Senate passed to be engrossed as amended by Senate Amendment "A" (S-347) in non-concurrence.

Representative McHenry of Madawaska moved that the House recede and concur.

The SPEAKER: The Chair recognizes the Representative from Brunswick, Representative Clark.

Representative CLARK: Mr. Speaker, Men and Women of the House: I rise to support the gentleman from Madawaska's motion.

I would like to read this into the Record. I would like to make clear that this amendment is intended to provide for those small to medium-sized companies whose extra geographic distance from one another would prevent easy shifting of worker's on a temporary basis. This amendment is not intended to provide a loophole for employees with many sites in a relatively concentrated geographic location.

Subsequently, the House voted to recede and concur.

COMMUNICATIONS

The following Communication:
113th Maine Legislature

March 17, 1988
Hon. Edwin H. Pert
Station #2
Augusta, ME 04333
Dear Clerk Pert:

Pursuant to our authority under Chapter 56 of the Resolves of Maine, 1987, we have appointed Leila Batten to serve on the Maine Commission to Review Overcrowding at the Augusta Mental Health Institute. She will replace Marion McCue, who has resigned. Please let us know if you have any questions about this appointment.

S/Charles P. Pray. S/John L. Martin
President of the Senate Speaker of the House
Was read and ordered placed on file.

PETITIONS, BILLS AND RESOLVES
REQUIRING REFERENCE

The following Bill was received and, upon the recommendation of the Committee on Reference of Bills, was referred to the following Committee, Ordered Printed and Sent up for Concurrence:

Reported Pursuant to Statutes

Representative ROLDE from the Committee on Audit and Program Review, pursuant to Maine Revised Statutes Annotated, Title 3, Chapter 23 ask leave to submit its findings and report that the accompanying Bill "An Act to Fund the Office of Child Welfare Services Ombudsman" (Emergency) (H.P. 1861) (L.D. 2559) be referred to the Joint Standing Committee on Appropriations and Financial Affairs for Public Hearing and printed pursuant to Joint Rule 18.

Report was read and accepted, and the bill referred to the Committee on Appropriations and Financial Affairs, ordered printed and sent up for concurrence.

ORDERS
REPORTS OF COMMITTEES

Unanimous Leave to Withdraw

Representative PARADIS from the Committee on Judiciary on Bill "An Act to Revise the Procedures for Enforcing Money Judgments" (H.P. 1667) (L.D. 2285) reporting "Leave to Withdraw"

Was placed in the Legislative Files without further action pursuant to Joint Rule 15 and sent up for concurrence.

Ought to Pass in New Draft

Representative MELENDY from the Committee on Economic Development on Bill "An Act to Ensure that a

Certain Percentage of Public Housing is Handicapped Accessible" (H.P. 1498) (L.D. 2048) reporting "Ought to Pass" in New Draft (H.P. 1869) (L.D. 2558)

Report was read and accepted, the New Draft read once and assigned for second reading later in today's session.

Divided Report

Majority Report of the Committee on Taxation on Bill "An Act to Change the Sales Tax Status of Snow-Making Equipment used by Commercial Ski Areas" (H.P. 1691) (L.D. 2320) reporting "Ought to Pass" in New Draft under New Title Bill "An Act to Change the Sales Tax Status of Equipment, Fuel and Electricity Used in Snow-making by Commercial Ski Areas" (H.P. 1867) (L.D. 2554)

Signed:

Senators: SEWALL of Lincoln
TWITCHELL of Oxford

Representatives: DUFFY of Bangor
NADEAU of Saco
MAYO of Thomaston
ZIRNKILTON of Mount Desert
JACKSON of Harrison
WHITCOMB of Waldo

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

Signed:

Senator: DOW of Kennebec
Representatives: CASHMAN of Old Town
SWAZEY of Bucksport
DORE of Auburn
SEAVEY of Kennebunkport

Reports were read.

The SPEAKER: The Chair recognizes the Representative from Old Town, Representative Cushman.

Representative CASHMAN: Mr. Speaker, Men and Women of the House: I move that the House accept the Minority "Ought Not to Pass" Report.

This bill deals with granting an exemption on the sales tax to machinery used in snow-making for ski resorts. It would also exempt from sales tax the energy used in producing the snow by the snow-making equipment.

Like all bills that we have that request sales tax, income tax or property tax exemptions, I think that the primary reason that one would vote for or against this bill is whether or not it is justified. I don't think that this particular request is justified. The members of the Minority Report feel that there is no more justification for this sales tax exemption than for a similar sales tax exemption for lawnmowers that are used to groom golf courses or energy that is used to reset bowling pins or any other energy deduction, sales tax deduction, or equipment deduction that you want to bring in for recreational activities in the State of Maine. This one is no more justified than any other that could be and will be brought in, if you pass this one.

It carries a \$204,000 fiscal note. I think the question is, given the lack of justification, how do we want to spend state resources? The signers of the Minority Report don't feel it is a prudent thing for us to do because we can't afford it and because it will open the floodgate to a host of other requests for sales tax exemptions that will be equally unjustified in the next session.

I urge this House to go along with the motion and vote for the Minority "Ought Not to Pass" Report.

The SPEAKER: The Chair recognizes the Representative from Bethel, Representative Mills.

Representative MILLS: Mr. Speaker, Men and Women of the House: I rise today to speak for the bill

that I sponsored, "An Act to Exempt Snow-Making from Sales Tax and Electricity Use."

In our area of western Maine, snow-making has become a must for ski areas and I would hope today that you would vote against the motion from the chairman so we can accept the Majority Report from the Committee on Taxation.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Manning.

Representative MANNING: Mr. Speaker, Ladies and Gentlemen of the House: Not very often do I get involved in a Taxation Committee fight. I did last year when it came to Bar Harbor Airlines because I thought we were giving them a break that they really didn't deserve.

I wish some of the members of this body had sat in front of our committee the last couple of weeks and heard some of the problems that we heard. For instance, the mentally retarded in this state are having troubles that we are trying to deal with. We are trying to get the mentally retarded out into the community and funding for those people. \$280,000 could go a long way to fund an awfully lot for the mentally retarded.

That is just one example of some of the things that we are dealing with in our committee. To think that we are going to give people who come from all over the state and probably all over the northeast to go up and have fun for a weekend -- I don't think things are too bad -- and I don't ski -- but I have heard a lot of friends of mine who ski and say, you can go to Sugarloaf and spend two hours in a line. I don't think they are hurting if you have got to spend two hours in a line. There are a lot of people up there. I had the opportunity about a week and a half ago to go to Sugarloaf -- I am just using Sugarloaf because that's the only place I've been. I saw the number of condominiums that are going up up there. I don't think anybody is hurting up there if they are building condominiums as fast as they are.

\$280,000, when we are looking for monies in my committee to service such things as mentally retarded people, such things as AIDS education, and hosts of other things can go a long way to help some of the people in this state rather than to help people on weekends who want to go up and ski.

The SPEAKER: The Chair recognizes the Representative from Harrison, Representative Jackson.

Representative JACKSON: Mr. Speaker, Ladies and Gentlemen of the House: First, I would like to correct the fiscal note the gentleman from Portland mentioned, it is \$204,000.

The gentleman from Old Town, Representative Cashman spoke of policy or alluded to the question of policy -- whether this was the right direction to go or not go.

A session ago, this legislature addressed an issue on sales tax exemption of electricity and that was the sales tax exemption of electricity used in the manufacturing of products. Previous to that, several legislatures ago, they addressed a problem which existed out there addressing new and used equipment used in manufacturing. Both times this legislature saw fit to exempt the equipment and then again the sales tax in order to create and encourage economic activity in this state. That is exactly what this bill does.

This bill is no different than those two bills that previous legislature's passed and enacted into law for those industries and businesses as beneficiaries to that exemption. We are talking about an industry in this state that relies purely on mother nature. If they didn't have snow-making equipment, didn't have that energy to manufacture

snow, we wouldn't have the economic activity that the gentleman from Portland spoke of.

I have got some statistics and figures here that were given to me by various ski areas throughout the state at my request. It is interesting to note the economic activity prior to snow-making and the economic activity after snow-making. Prior to snow-making, one ski area had 40 employees, today that ski area has 500. 500 employees folks contributing to the economic good will of this state through sales taxes, property taxes, income taxes and many others.

Another ski area had 11 employees, 11. Today that ski area has 40. It installed snow-making equipment last year. I am sure as they expand their snow-making capabilities, employees will continue to be hired and they will continue to contribute to the state coffers.

Let's talk about ski visits, the number of people visiting the ski areas. One area prior to snow-making had 40,000 in one year. This last year, 1987-88 figure, they estimate they will have 350,000 people journeying to their location to use their facilities.

Snow-making is a manufacturing process, folks. In order to compete with New Hampshire and the other surrounding states, which have a recreational base in the ski industry, these areas need snow-making. If we didn't have snow-making, we wouldn't be skiing at Thanksgiving and we wouldn't be skiing in May. We wouldn't be attracting those people to these areas who enjoy skiing and, again, spending their hard earned money for a little recreation.

Snow -- if we have a bad year and we have to rely totally on the manufacturing of snow, it puts the ski areas into a deficit position. They can't manufacture snow as cheaply as mother nature can deliver it. The electricity that is used is an important part of their business and all we are asking is that the electricity used in the snow-manufacturing be exempt from the sales tax as well as the equipment. I think that it makes sense, it is consistent tax policy and it will encourage continued economic activity in that area.

I would hope this morning that you would vote against the pending motion so we can give this an "Ought to Pass."

The SPEAKER: The Chair recognizes the Representative from Auburn, Representative Dore.

Representative DORE: Mr. Speaker, I would like to pose a question through the Chair.

I would like to ask Representative Jackson if this bill is not passed, will the ski resorts in the state continue to use snow-making equipment? Will they be allowed to continue to use snow-making equipment?

The SPEAKER: Representative Dore of Auburn has posed a question through the Chair to Representative Jackson of Harrison, who may respond if he so desires.

The Chair recognizes that Representative.

Representative JACKSON: Mr. Speaker, Men and Women of the House: I can't speak to the financial health of the ski industry in this state but I am assuming they are going to continue to manufacture snow. Although some of those areas will not expand, some of those areas might have difficult times meeting their commitment, I know of one particular ski area where this exemption would mean live or die.

The SPEAKER: The Chair recognizes the Representative from Mt. Desert, Representative Zirkilton.

Representative ZIRNKILTON: Mr. Speaker, Men and Women of the House: I rise to echo the remarks of my colleague from Harrison, Representative Jackson, and

to just to remind the House briefly that, when we consider giving \$204,000 to any line of business, we do so not to be charitable to the profit margins of that business but rather look at it from the standpoint of, is it an investment on the part of the State of Maine? Is it something that we will see a healthy return on?

The Representative from Old Town and I were proud to be sponsor and cosponsor of the bill which exempted the energy used in the manufacturing process because he and I both, and fortunately the legislature in its wisdom agreed, that this was a good economic development bill, something that was going to be in the best interest of Maine's economy, not just the businesses themselves.

This situation, I view as the same. Ski areas, contrary to what some have asserted today, I don't believe have always been exceedingly profitable. As I recall during my time here when Sugarloaf went through a reorganization process, I recall Greenville being in some trouble and I am sure that not every ski area has a very high profit line. If they do, that is great, because that means they are contributing funding to the state coffers.

We have never had too much trouble drawing tourists into the State of Maine during the summer time but it has always been in our best interest to try to draw them here during the rest of our season's which we know offer a lot but not everyone on the outside has always known that. If we can draw more tourists into the state during the winter time, that is better for Maine's economy, that is better for people who want to work year-round and not just on a seasonal basis.

It means more money coming in through sales tax revenues, that means more money coming into the pockets of business which will, of course, contribute to the income tax revenues for the state. We have the seven percent lodging tax which will, hopefully, keep the hotels busier during the winter time than they have been in the past. We have the tax on rental cars and, of course, the standard five percent on meals. It all means more money for the General Fund for the State of Maine.

So, the question is, do you think that an investment of \$204,000 is going to yield a higher return? This is the question that you have to ask yourself, is it going to yield a higher return to the General Fund and keep more Maine people employed? I think it will in the long run and that is why I am just as proud to go along with supporting this bill as I was to be a cosponsor of the bill which exempted the tax on electricity used in the manufacturing process because it is good economic development. It has the chance to bring in more money so that people like Representative Manning from Portland, will have more money to put toward the causes that he realizes is so very important, and so do we.

The SPEAKER: The Chair recognizes the Representative from Kennebunkport, Representative Seavey.

Representative SEAVEY: Mr. Speaker, Men and Women of the House: To answer Representative Zirnkilton's questions, I believe the answer is no, it will not provide the yield.

As a freshman on the Taxation Committee, I generally have looked with great emulation at Representative Jackson and Representative Zirnkilton for their philosophy and judgment on taxation issues. So, this time I am a little sorry that I have to be the only Republican on the committee that is going against them. No one has said it to this point and I think it deserves to be said, that the proponents of this bill -- it really is a snow-job.

I think this bill, as Representative Cashman has said, is the first of its kind that we have seen of this particular nature. I think if this bill is passed, you are going to see in the 114th Legislature an avalanche of bills that would exempt sales taxes for commercial businesses. I don't think we need to see that.

At the public hearing, I don't think that the proponents presented a very good case for themselves. I don't think they presented us with the financial information as to the impact -- and a \$204,000 fiscal note spread over all the ski industries, I just don't think per establishment it is much of an impact.

I hope you support the motion.

The SPEAKER: The Chair recognizes the Representative from Auburn, Representative Dore.

Representative DORE: Mr. Speaker, Men and Women of the House: I just want to briefly address this issue. I think there are a couple of important things to remember. One, although the good Representative from Mt. Desert Island, Representative Zirnkilton, spoke about it in terms of an investment, I think we cannot think of tax policy in terms of investments. What we do as individuals or as a state in investments is not the same as our tax policy. Our tax policy has to be based on fairness. The return is not always the important issue.

The important issue is it is an appropriate method of taxing businesses and is an appropriate method of taxing individuals. I think if we start to do it for this business, and we have done it for one or two other businesses in the past, I don't think that is necessarily good policy. I think we should look at each individual case and say, is this worth it? I think we should be careful not to do this very often. I am very reluctant to pass an exemption for somebody because I think that exemption falls on to the primary taxpayers and that is mine and your constituents. Most people do not own businesses and, although they work for businesses, those businesses will continue to exist without continuous tax breaks. If we constantly supply tax breaks to the businesses, all taxes will soon fall on individual taxpayers.

In this country and in this state, the margin between individual and corporate taxpayers has been growing. That is to say, our corporate taxpayers are paying less of their share and our individuals, your constituents and my constituents, are paying a greater share of the taxes. I think that is important to look at when we look at this issue. This is not about an investment. That is something that has to do with stocks. This is not stocks, this is taxes.

The SPEAKER: The Chair recognizes the Representative from Greenville, Representative Gould.

Representative GOULD: Mr. Speaker, Ladies and Gentlemen of the House: I would just like to relate to you one problem in my area that we have faced. At one time, we had 25 percent unemployment in the Greenville/Moosehead Lake area. The ski area which is in business as Big Squaw Ski Area has helped our unemployment get down to approximately two percent, one of the lowest in the state. I believe it is the second lowest in the state now.

Now, will this bill guarantee that the Moosehead area will continue to prosper? Of course not. But it will be one facet to help the economics of our region. If you stop and think of what it costs the State of Maine to take care of 25 percent unemployment, I think you would agree that this would be a good investment.

I urge you to support the Majority position on this bill.

The SPEAKER: The Chair recognizes the Representative from Eliot, Representative McPherson.

Representative MCPHERSON: Mr. Speaker, Ladies and Gentlemen of the House: I have no problem with exempting electricity but I do have with the machinery. The gentleman from Harrison mentioned about the number of people employed. You know, the largest employer in this state is the small business person. What have we done really -- every time they have asked for any exemption, it has fallen on deaf ears. The small contractors have been in here two or three sessions running looking for just a trade-in credit on some of their equipment and we haven't given it to them. But, a big outfit comes in and wants their equipment exempt, and we are ready to give it to them.

I would ask you to support the pending motion. If it were to come back and exempt just the electricity, I could buy that.

The SPEAKER: The Chair recognizes the Representative from Kittery, Representative Soucy.

Representative SOUCY: Mr. Speaker, Ladies and Gentlemen of the House: I would just remind you that a few weeks ago we received this book and if you look into it, we now offer exemptions that would be equal to \$20 million in our treasury.

The SPEAKER: The Chair recognizes the Representative from Harrison, Representative Jackson.

Representative JACKSON: Mr. Speaker, Ladies and Gentlemen of the House: Again, I would just like to reiterate how important snow manufacturing is to the ski industry. It is an integral part of their business. Without that, their economic activity is very, very low. Those figures that I cited were just from two ski areas and I had one that goes a little bit more in depth about their contributions or their payments to the state through tax revenues. I would just like to quote one: state income taxes with no snow-making were \$8,700 per year; currently it is \$76,000 a year. State unemployment taxes paid prior, \$6,300; state unemployment taxes paid \$55,000. You can go all the way down through the whole schedule. The contribution with no snow-making was about \$86,000 and, with snow-making, it is about a million dollars to the state coffer's. So, there is a tremendous amount of money that is derived from this industry and that is just one of the members of this industry.

The good lady from Auburn talked about tax policy and tax policy shouldn't determine investment policy. I would like to ask how many of you members of this body make any purchase without considering the tax ramifications even if it might be an automobile, a television set, it might be anything. Tax policy does determine investment policy in this state because we do have a tax policy here and that tax policy has been fair previously, I believe, to business. This legislature and previous legislature's have been fair and equitable. They have encouraged economic activity. Without those exemptions we have given them, I don't believe that we would be in the condition that we are in today. In fairness, all we are asking you to do is extend that same policy to the ski industry.

The SPEAKER: The Chair recognizes the Representative from Bethel, Representative Mills.

Representative MILLS: Mr. Speaker, Men and Women of the House: As far as my support for this bill goes, it has been pretty much an economic issue for me in my area. I guess I would like to debate some of the points that have been made against this bill today.

It has been mentioned here today about Sugarloaf and that is one of the favorite mountains. Whenever I talk about snow-making Sugarloaf and Sunday River are brought up. There are a lot of other small ski areas in this state, a lot of ski areas that have had to close in the past and are trying to reopen. They are currently in production but are very close to going bankrupt and need to go out of business. I think it is very important to remember that.

In my own back yard area, Mt. Abram Ski Area, has closed twice in the last eight years because there was not enough snow for them to be open. If anybody here who has ever skied or knows anything about the ski areas knows how important it is to these small businessmen, in order to make any money, they have to have season passes. In order to sell season passes, you have to be able to guarantee to that person that you are going to have snow. If you can't guarantee that you are going to have snow, they are going to go somewhere else. They are going to go to the bigger mountains and other areas out-of-state in order to get that snow. I think that is important to realize.

As far as where the electricity part of this bill came from and the fact that people have gotten up and spoken against it, including the chairman of the committee whom I respect very much, I got the idea for exemption on electricity from his smokestack exemption bill here in the last session. You can argue that there is a difference between a snow-making product and the smokestack industry product but to me it seems that they do produce a product, they have a business that is in this state needing help and I think it is very important that we look at it in that way. As was mentioned before, look at it on a first-come, first-serve basis as far as who comes in and whether it has merit or not. I think it does if you look at the other mountains besides just the large mountains.

Now, if you do look at the large mountains, you will know that Sugarloaf filed for bankruptcy just within the last year or year and a half. The major reason they filed for bankruptcy and what they said when they came before the Committee on Taxation was the fact that they got away from snow-making. They weren't making a good product, they weren't able to guarantee a good product of snow and, therefore, they went into other industries that they shouldn't have. Snow-making was the area that they fell short on and no matter what else they did, if they didn't have snow, they lost money.

It is true that there are ski areas throughout the state but I guess probably, if we are honest about it, this bill mostly affects western Maine. They have the most mountains and it is my area. I don't think that anybody in this room hasn't heard of the problems that we have had in western Maine in the last few years. Our biggest industry has always been forestry. We have always had forestry in our area, it has been a very good business. I happen to be in that business. I don't think anybody here can doubt the fact that we are in very serious difficulty over there with our mills. We have been for the past few years. It has been a very difficult process to be in the logging business and it looks like, in the near future, a lot of those problems aren't going to go away.

Our second biggest industry in western Maine used to be the shoe industry. I don't think I have to tell anybody here what has happened to the shoe industry in our area of the state. It certainly has gone down, it is almost non-existent in this state. We used to be number one in the country, now it is almost non-existent.

Last year when Senator Pray put in his bill for the east/west highway, a lot of people jokingly said to me (and I can understand where the joke came from), "Oh yes, that is the bill that goes from nowhere to nowhere." I think a lot of people have come to think of that of western Maine. I think there is one industry that has caught on in this state and throughout New England and that is the ski areas. We have some very beautiful areas in western Maine and our ski areas are what have been able to draw people to our area. It is an industry that is growing but they cannot guarantee snow with mother nature. It has been proven in the past that our mountains are closing down. I hope that people would be able to support this bill and be able to try to guarantee that business staying in our area.

The SPEAKER: The Chair recognizes the Representative from Bucksport, Representative Swazey.

Representative SWAZEY: Mr. Speaker, Men and Women of the House: I think we have to look at where this bill is going to lead us. The Representative from Old Town, Representative Cashman, made mention of golf courses and bowling alleys -- where could it lead from there? The Maine Guide's will be here because they, too, grow grass. The Maine Mariner's produce ice, they manufacture ice, and they will be here.

We talk about businesses who need help. There is a bakery in my town. It is tough running a bakery in a small town because people's weight goes up and down, sometime they gain a little too much weight and they slack off on their doughnut intake. I am sure she is watching this bill and I suspect that, when she gets up in the morning, she says to herself, "time to manufacture the doughnuts" and that is where it will lead because she is manufacturing doughnuts, just as people are manufacturing snow.

Men and women of the House, we are here to draw lines. and this is where it should be drawn.

The SPEAKER: The Chair recognizes the Representative from South Portland, Representative Nicholson.

Representative NICHOLSON: Mr. Speaker, Members of the House: We certainly have a beautiful state. I do go along very strongly with the previous speaker. I think there is not a man or woman in this House that is not for the small business and the small business development.

Representative Soucy brought up the fact that we now have people being exempted by record up to \$20 million a year. We cannot continue to think, I don't believe, in this kind of light. We must consider if we are going to consider this further, the small businessman, and it must be done and studied through the Taxation Committee for all of our businesses.

In the ski areas where the snow is manufactured for skiing, you can bet in the cost of operation, people are being charged for the snow-making. It is an operational cost, they are not making snow and not charging. I really and firmly believe that.

In any business, when it comes to profits, profits are determined after all taxes are paid.

The SPEAKER: The Chair recognizes the Representative from Waterville, Representative Joseph.

Representative JOSEPH: Mr. Speaker, Men and Women of the House: We do not have a mountain in Waterville but we do have snow. What we do have in Waterville is Keyes Fibre. Several years ago, we, the Waterville Area Delegation, came to the Taxation Committee and asked for an exemption to save 800 jobs. I can empathize with Representative Mills' position and the people who wish this bill to pass because they are talking about approximately 5,000 jobs in the snow-making business.

This is an election year, most of us are going to be talking about jobs, we are going to be talking about economic development, and we are going to be talking about the quality of Maine life. I believe this bill's price tag of \$204,600 is a reasonable amount and it is a good exemption.

You talk about Bar Harbor Airlines, \$5 million exemption. You talk about energy in manufacturing, \$25 million exemption. This, my friends, is a drop in the bucket but it will preserve some jobs. It is energy in manufacturing and I believe that this bill should pass. So, I ask you to defeat this motion "Ought Not to Pass."

As to precedent, when anybody wants to spread some doubt about a piece of legislation, they talk about this will be setting precedent. The reason that you and I are here each year is to deal with situations as they arise. We, most of us, will be here again and, therefore, we can deal with those situations as they arise and we can deal with those emergencies and those serious situations that we are talking about today -- 5,000 jobs, energy in manufacturing. I ask you to defeat this motion so that we can pass this bill.

The SPEAKER: The Chair recognizes the Representative from Old Town, Representative Cashman.

Representative CASHMAN: Mr. Speaker, I would like to pose a question through the Chair.

To anyone who would like to answer, do you currently pay a sales tax on a ski lift ticket?

The SPEAKER: Representative Cashman has posed a question through the Chair to any member who may respond if they so desire.

The Chair recognizes the Representative from Harrison, Representative Jackson.

Representative JACKSON: Mr. Speaker, Men and Women of the House: I am sure the good gentleman from Old Town knows that answer, that is no.

The SPEAKER: The Chair recognizes the Representative from Old Town, Representative Cashman.

Representative CASHMAN: Mr. Speaker, Men and Women of the House: I asked that question to make a point. The point is that Representative Zirnkilton and others who have mentioned it are absolutely correct that we did exempt from sales tax last session the energy used in the manufacturing process. The people who are manufacturing in this state and are now enjoying that exemption do not enjoy an exemption on the product that they manufacture.

Here we are talking about manufacturing snow that is not resold, it is used by the ski industry as part of their business. There is no sales tax on a ski lift ticket which is the major source of their revenue. If you want to put them in the same position as manufacturer's, I would be glad to put a sales tax on ski lift tickets and then grant this exemption.

The basic point here is that these things need to be decided by degree and by how well they have been justified. I said that when we started and nothing has changed.

Representative Joseph just said that we deal with these situations as they arise. Well, let's deal with this one. This request for an exemption has not been justified. Representative Jackson himself pointed out to all the members of this House the figures of the ski areas in this state and how well they are doing. The last one he quoted paid \$76,000 in income taxes in Maine last year. With our corporate income tax structure, if they paid that much in taxes, they made a lot of money. I am not against that, I am glad they are making money. I am

glad they are doing well but they don't need this exemption.

Representative Mills talks about Sugarloaf, I think every member of this House knows that Sugarloaf filed bankruptcy because they made a series of poor investments in real estate. I am very sorry to see that as a real estate investor, I hate to see anybody make bad investments and go under. That is what happened and we wouldn't correct that situation by passing this bill.

This bill has not been justified and if you closed your eyes and listened to the arguments just imagine the same arguments being made for golf, bowling, penny arcades, go-carts, recreational boating, anything in this state that attracts people to a recreational sport that pays money, you can make the same argument. They weren't justified today, they won't be justified then. Let's draw the line on this bill. I urge you to support the motion.

The SPEAKER: The Chair recognizes the Representative from Dexter, Representative Sherburne.

Representative SHERBURNE: Mr. Speaker, I would like to pose a question to anybody.

How much of the actual snow-making process is done by electricity? I wonder if they drag cables up and down the mountain to make this snow?

The SPEAKER: Representative Sherburne of Dexter has posed a question through the Chair to any member who may respond if they so desire.

The Chair recognizes the Representative from Harrison, Representative Jackson.

Representative JACKSON: Mr. Speaker, Ladies and Gentlemen of the House: If I understood the question, the question was how much electricity used by a ski area was used in manufacturing of snow -- was that the question? Some ski areas use diesel for manufacturing snow, other ski areas use electricity and they estimate that, where they use electricity, about 50 percent of that electricity is used for the manufacture of snow. That would be the only portion that would be exempt from the sales tax.

The SPEAKER: The Chair recognizes the Representative from Island Falls, Representative Smith.

Representative SMITH: Mr. Speaker, Ladies and Gentlemen of the House: I wasn't going to speak on this issue but they talked about the large ski areas. Well, we have a small one in my area, it has been closed down for a number of years because of lack of snow. We are in the northern part of the state but we seem to get more snow down this way than they get up there. This ski area opened again this year and they are operating with a lot of volunteers. We have what they call or hope to have a four season area for recreation. It is growing, but this ski area will need a snow-making machine if they are going to continue. That has been debated and the cost for the equipment is great.

So, today I am going to vote against the pending motion because every cent that those people can get up there might make a difference if they stay in business or go under.

Representative Zirnkilton of Mt. Desert requested a roll call vote.

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

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

The SPEAKER: The pending question before the House is the motion of Representative Cashman of Old Town that the House accept the Minority "Ought Not to Pass" Report.

The Chair recognizes the Representative from Bangor, Representative Stevens.

Representative STEVENS: Mr. Speaker, I request to be excused under Joint Rule 10 and House Rule 18.

The SPEAKER: The Chair will grant the request to Representative Stevens of Bangor to be excused from voting on this issue.

The pending question before the House is the motion of Representative Cashman of Old Town that the House accept the Minority "Ought Not to Pass" Report. Those in favor will vote yes; those opposed will vote no.

ROLL CALL NO. 213

YEA - Aliberti, Anderson, Anthony, Baker, Bost, Brown, Callahan, Carroll, Carter, Cashman, Chonko, Clark, M.; Coles, Conley, Crowley, Curran, Daggett, Davis, Dore, Dutremble, L.; Farnum, Foster, Garland, Glidden, Gwadosky, Hale, Handy, Harper, Hichborn, Hickey, Higgins, Holloway, Holt, Hussey, Jacques, Ketover, Kilkelly, Kimball, Lisnik, Look, Lord, Macomber, Mahany, Manning, Martin, H.; Matthews, K.; McGowan, McHenry, McPherson, McSweeney, Michaud, Mitchell, Murphy, E.; Nicholson, Oliver, Paradis, P.; Parent, Paul, Priest, Racine, Rand, Reeves, Rice, Richard, Ridley, Rolde, Rotondi, Rydell, Seavey, Sherburne, Soucy, Stevens, A.; Strout, D.; Swazey, Tardy, Taylor, Telow, Thistle, Tupper, Wentworth, Willey.

NAY - Allen, Armstrong, Bailey, Begley, Bickford, Bott, Boutilier, Bragg, Clark, H.; Cote, Dellert, Dexter, Diamond, Farren, Foss, Gould, R. A.; Greenlaw, Hepburn, Hoglund, Jackson, Jalbert, Joseph, Lacroix, Lapointe, Lawrence, Lebowitz, MacBride, Mayo, Melendy, Mills, Moholland, Murphy, T.; Nadeau, G. G.; Nadeau, G. R.; Norton, Nutting, O'Gara, Paradis, E.; Paradis, J.; Perry, Reed, Salsbury, Scarpino, Sheltra, Simpson, Small, Smith, Strout, B.; Tamaro, Tracy, Vose, Walker, Warren, Webster, M.; Weymouth, Zirnkilton.

ABSENT - Duffy, Erwin, P.; Gurney, Hanley, Hillock, Marsano, Pines, Pouliot, Ruhlin, Stanley, Whitcomb, The Speaker.

EXCUSED - Stevens, P.

Yes, 81; No, 56; Absent, 12; Vacant, 1; Paired, 0; Excused, 1.

81 having voted in the affirmative, 56 in the negative, with 12 being absent, 1 vacant and 1 excused, the motion did prevail. Sent up for concurrence.

Divided Report

Majority Report of the Committee on Energy and Natural Resources reporting "Ought to Pass" on Bill "An Act to Revise the Solid Waste Law" (H.P. 1725) (L.D. 2368)

Signed:

Senators:

USHER of Cumberland

LUDWIG of Aroostook

MATTHEWS of Kennebec

Representatives:

MICHAUD of East Millinocket

JACQUES of Waterville

HOGLUND of Portland

GOULD of Greenville

DEXTER of Kingfield

HOLLOWAY of Edgecomb

ANDERSON of Woodland

COLES of Harpswell

LORD of Waterboro

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

Signed:
Representative: MITCHELL of Freeport
Reports were read.

On motion of Representative Michaud of East Millinocket, the House accepted the Majority "Ought to Pass" Report, the Bill read once and assigned for second reading later in today's session.

CONSENT CALENDAR

First Day

In accordance with House Rule 49, the following item appeared on the Consent Calendar for the First Day:

(S.P. 907) (L.D. 2362) Bill "An Act to Require Testing for Dioxin and Toxic Metals at Energy Recovery Facilities" Committee on Energy and Natural Resources reporting "Ought to Pass"

There being no objections, the above item was ordered to appear on the Consent Calendar of later in today's session under the listing of Second Day.

CONSENT CALENDAR

Second Day

In accordance with House Rule 49, the following items appeared on the Consent Calendar for the Second Day:

(H.P. 1742) (L.D. 2388) Bill "An Act to Provide a Sales Tax Exemption to Nonprofit Organizations which Fulfill the Last Wishes of Terminally Ill Children" (Emergency) (C. "A" H-500)

(H.P. 1774) (L.D. 2427) Bill "An Act to Increase the Debt Limit for the South Berwick Sewer District" (C. "A" H-501)

(H.P. 1692) (L.D. 2321) Bill "An Act to Clarify the Reporting Mechanism of the Student Assessment Program"

No objections having been noted at the end of the Second Legislative Day, the House Papers were Passed to be Engrossed or Passed to be Engrossed as Amended and sent up for concurrence.

PASSED TO BE ENGROSSED

Bill "An Act Relating to Employment of Minors" (Emergency) (H.P. 1868) (L.D. 2557)

Was reported by the Committee on Bills in the Second Reading, read the second time, the House Paper was Passed to be Engrossed and sent up for concurrence.

SECOND READER

Later Today Assigned

Bill "An Act to Change the Definition of Wine Coolers" (Emergency) (S.P. 959) (L.D. 2544)

Was reported by the Committee on Bills in the Second Reading and read a second time.

On motion of Representative Diamond of Bangor, tabled pending passage to be engrossed and later today assigned.

PASSED TO BE ENGROSSED

As Amended

Bill "An Act to Capture Sales Tax Revenues on Manufactured Housing Purchased Outside the State" (S.P. 888) (L.D. 2300) (C. "A" S-344)

Was reported by the Committee on Bills in the Second Reading, read the second time and Passed to be Engrossed as Amended in concurrence.

PASSED TO BE ENACTED

Emergency Measure

An Act to Implement Uniform Federal Lien Registration (H.P. 1524) (L.D. 2077) (C. "A" H-482)

Was 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. 113 voted in favor of the same and none against and accordingly the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

PASSED TO BE ENACTED

Emergency Measure

An Act to Amend the Animal Control Laws (H.P. 1819) (L.D. 2493) (H. "A" H-490)

Was 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. 118 voted in favor of the same and none against and accordingly the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

PASSED TO BE ENGROSSED

An Act to Develop a Plan to Minimize and Dispose of Household Hazardous Waste (H.P. 1850) (L.D. 2532) (Emergency)

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed.

On motion of Representative Michaud of East Millinocket, under suspension of the rules, the House reconsidered its action whereby L.D. 2532 was passed to be engrossed.

The same Representative offered House Amendment "A" (H-508) and moved its adoption.

House Amendment "A" (H-508) was read by the Clerk and adopted.

The Bill passed to be engrossed as amended by House Amendment "A" (H-508) in non-concurrence and sent up for concurrence.

PASSED TO BE ENACTED

Emergency Measure

An Act to Provide for Effective and Timely Public Notice of Hearings Conducted by State Boards and Agencies (H.P. 1854) (L.D. 2537)

Was 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. 112 voted in favor of the same and none against and accordingly the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

PASSED TO BE ENACTED

Emergency Measure

RESOLVE, to Change the Reporting Date of the Commission on Sport Fisheries (H.P. 1663) (L.D. 2275) (H. "A" H-486)

Was 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. 113 voted in favor of the same and none against and accordingly the Resolve was finally passed, signed by the Speaker and sent to the Senate.

PASSED TO BE ENACTED

An Act to Appropriate Funds for Structural Repairs to the Woodbury Pond Dam (S.P. 771) (L.D. 2028) (C. "A" S-337)

An Act to Provide Additional Appropriations to Continue the Dioxin Study (S.P. 818) (L.D. 2138)

An Act to Reform Provisions of the Civil Justice System (S.P. 952) (L.D. 2520)

An Act to Include Certain Prisoners Within the Provisions of the Workers' Compensation Act (S.P. 953) (L.D. 2525)

An Act to Appropriate Funds to Conduct a Marine Pollution Monitoring Program (H.P. 1728) (L.D. 2371)

An Act to Ensure the Complete Payment of Health Insurance Premiums for Teachers over a Certain Age (H.P. 1852) (L.D. 2535)

An Act to Recodify the Laws on Municipalities and Counties (H.P. 1855) (L.D. 2538)

Were reported by the Committee on Engrossed Bills as truly and strictly engrossed, passed to be enacted, signed by the Speaker and sent to the Senate.

ORDERS OF THE DAY
TABLED AND TODAY ASSIGNED

By unanimous consent, under suspension of the rules, the Chair laid before the House the second tabled and today assigned matter:

Bill "An Act to Expand and Clarify the Jurisdiction of the Maine State Pilotage Commission" (S.P. 821) (L.D. 2143) (C. "A" S-339)

TABLED - March 21, 1988 by Representative SOUCY of Kittery.

PENDING - Passage to be Engrossed.

On motion of Representative Allen of Washington, L.D. 2143 was recommitted to the Committee on Business Legislation in non-concurrence and sent up for concurrence.

(Off Record Remarks)

By unanimous consent, all matters having been acted upon requiring Senate concurrence were ordered sent forthwith to the Senate.

On motion of Representative Crowley of Stockton Springs,
Recessed until five o'clock in the afternoon.

(After Recess)

The House was called to order by the Speaker.

The following item appearing on Supplement No. 1 was taken up out of order by unanimous consent:

SENATE PAPER

Non-Concurrent Matter

Bill "An Act Concerning the Volunteer Marine Patrol Program" (H.P. 1465) (L.D. 1976) on which the Majority "Ought Not to Pass" Report of the Committee on Marine Resources was read and accepted in the House on March 21, 1988.

Came from the Senate with the Minority "Ought to Pass" Report of the Committee on Marine Resources read and accepted and the Bill passed to be engrossed in non-concurrence.

On motion of Representative Mitchell of Freeport, the House voted to adhere.

The following items appearing on Supplement No. 2 were taken up out of order by unanimous consent:

SENATE PAPERS

Ought to Pass in New Draft

Report of the Committee on Business Legislation on Bill "An Act to Reform the Pharmacy Laws" (S.P. 529) (L.D. 1581) reporting "Ought to Pass" in New Draft (Emergency) (S.P. 963) (L.D. 2555)

Came from the Senate, with the report read and accepted and the New Draft Passed to be Engrossed as amended by Senate Amendment "A" (S-349).

Report was read and accepted. The bill read once. Senate Amendment "A" read by the Clerk and adopted and the New Draft assigned for second reading Wednesday, March 23, 1988.

Non-Concurrent Matter

Bill "An Act to Amend the Maine Business Corporation Act to Define the Liability of Directors and to Modernize Indemnification Provisions" (H.P. 1863) (L.D. 2549) which was Passed to be Engrossed in the House on March 21, 1988.

Came from the Senate Passed to be Engrossed as amended by Senate Amendment "A" (S-348) in non-concurrence.

The House voted to recede and concur.

Non-Concurrent Matter

Bill "An Act Concerning the Display of Dealer Markup Stickers by New Car Dealers" (H.P. 1708) (L.D. 2345) on which the Minority "Ought to Pass" Report of the Committee on Business Legislation was read and accepted and the Bill passed to be engrossed in the House on March 21, 1988.

Came from the Senate with the Majority "Ought Not to Pass" Report of the Committee on Business Legislation read and accepted in non-concurrence.

Representative Smith of Island Falls, moved the House adhere.

The SPEAKER: The Chair recognizes the Representative from Falmouth, Representative Reed.

Representative REED: Mr. Speaker, Ladies and Gentlemen of the House: When this matter came before the House last evening the signers of the Majority Report were so enthralled as the prospect of the continuation of the debate concerning the insulation police that we were momentarily mesmerized by the minority motion. This evening we are prepared to support the wisdom of the other body and urge that this House do the same.

The majority of the Business Legislation Committee feels that this bill should not be enacted for three reasons. First, it is ineffective. It will have absolutely no effect on the way that automobiles dealers do business. New car sales are already one of the most highly regulated consumer sales transactions and this bill will not change that situation in any way.

Secondly, this bill is inequitable in its application. Ladies and gentlemen of the House, it simply isn't fair. No other vender of commodities is required to warn potential buyers that there is an element of proposed transaction called profit. Do we require those who sell clothing, food, hardware or gasoline or in fact anything else to affix a special label to tell us that they hope to make a profit? The answer of course is no we don't.

This bill seems to assume that Maine people who visit a new car dealer do not understand that those businesses expect to make a profit on the sale of a vehicle. I do not share that belief and I expect that you don't either.

It is troubling that today some seem compelled to warn us of profit as if it might be dangerous. The logical progression of this line of reasoning leads to a time when we will compel Maine businesses to open up their chart of accounts to us so we can verify that their profit numbers are correct. And, eventually to a time when the state might well make the determination of how much profit would be deemed acceptable.

The final reason for our opposition is that this bill simply isn't necessary. I would like to cite for you just two of a number of existing rules promulgated by the Attorney General's Office which have already addressed the concerns that appear to have sparked this bill.

Rule 105.2 - Titled "Misrepresentation of Charges it is prima facie evidence of an unfair trade practice for a dealer to misrepresent directly or indirectly the service, product or extra charge for which payment is requested or listed. The comment that follows reads, "dealer misrepresentation which could violate this rule occurs when a dealer asks or lists an extra charge for preparation services that the franchiser already reimburses him for. A dealer who simply wishes to simply ask for more than the Monroni sticker price, the manufacturer's suggested retail price, but is not charging for a specific service or product can label this higher price with a phrase such as 'dealers asking price.' Rule 105.2 would be violated if, when questioned on what the dealer's asking price meant, the dealer told a customer it was for preparation services. The dealer must disclose the truth, that is the charge represents additional dealer profit."

Rule 105.3 -- Disclosure of Extra Charges: "It is prima facie evidence of an unfair trade practice for a dealer to fail to disclose the reason for and the amount of each service, product, or extra charge. For a dealer to accurately disclose an extra charge, it must post on the vehicle or give in writing to the prospective customer before any sales document is signed a clear description of each separate service, product or extra charge. If an extra charge is for services, then each specific service and its price must be disclosed.

Ladies and gentlemen, we hope that you will support the motion to recede and concur. This bill is ineffective, it is inequitable, and is unnecessary.

Mr. Speaker, I move that the House recede and concur.

The SPEAKER: The Chair recognizes the Representative from Island Falls, Representative Smith.

Representative SMITH: Mr. Speaker, Ladies and Gentlemen of the House: This bill was heard last week. I presented the bill to make it clear what the auto dealers were charging on the dealer sticker price. As you know, a new car has a manufacturer's sticker listing all the options and the cost for each and every option. They also add the shipping cost and then suggested selling price is given. The new car dealer now places another sticker beside that manufacturer's list but does not spell out properly what he has added to arrive at a higher price. One dealer used the term "dealer markup" on his added sticker. That suggests to me that is what he is making on the car. That is not the case. He has a profit in the manufacturer's sticker as well -- and I am not concerned with how much he makes.

My concern is to suggest on his sticker that he puts on that the markup is \$500 which should be additional dealer markup, not simply dealer markup. To me, dealer markup suggests just that, dealer markup. All items on the dealer sticker should be the same as on the manufacturer's, listing all options offered and the price for each, not misleading information. I don't care what he makes but I do not believe the public should be deceived.

The lobbyist for the auto dealers spoke against the bill saying this was not needed, it is already covered. Then why aren't they complying? The person from the A. G. Office stated, this would no doubt make it clear.

I noticed the lobbyist arrived early this morning, working the other body. It passed here without debate last evening and I hope we can keep our position.

I don't believe we are changing the law. We are simply clarifying the existing law. I hope you would vote against the pending motion.

I ask for a roll call.

The SPEAKER: The Chair recognizes the Representative from Lewiston, Representative Aliberti.

Representative ALIBERTI: Mr. Speaker, Ladies and Gentlemen of the House: Again, I would like to assume my role as your Representative on a committee and trying to make you as knowledgeable as I possibly can about what took place on this bill. I was torn right up until the last minute. I tried to utilize the philosophy that I utilized before another committee in which I felt that, if the industry itself could take care of a problem, then we should not legislate it.

I asked the representative of the automobile industry if he would address the issue of compliance and disclosure and give us some kind of assurance that the 200 dealers would address this problem, then perhaps we would not have to legislate it. He would not and did not make a commitment of any kind of assurance. That immediately enlisted my complete support against his position and in favor of this bill. I ask you as your Representative to this committee to vote along with us.

The SPEAKER: The Chair recognizes the Representative from Biddeford, Representative Racine.

Representative RACINE: Mr. Speaker, Ladies and Gentlemen of the House: I, too, am a member of the Business Legislation Committee and, when this bill was brought before our committee, I was very much in favor of its passage from its inception. Last year, I went through the mill of buying a new car. I know exactly what process that you have to go through when you buy a new car. You cannot compare buying a new car to buying a suit or a refrigerator or some other commodity that may be for sale. When you go through a car dealer, you are going through a well orchestrated group of people that have been highly trained to make you sign on the dotted line before you leave. If you have bought a car recently, you know exactly what I am talking about.

What I object to under the current practice is the fact that some dealers (I am not saying all of them) will add on additional costs. They are required by law, I believe it is the Monroni Act that requires that the suggested retail prices be included on the windshield of the vehicle. In addition to that, any other additional costs that may be added by the dealer, an additional sticker must be added along with the manufacturer's suggested retail price.

Let me give you an example. There is one dealer, and I won't mention names, you see him on TV just about every night, he owns about five different franchises in the Saco area, what he does is add an

additional cost which is known as the adjusted market value and that is \$399.

I stopped by there Saturday morning just to verify a few facts. I made believe that I was looking at a new car with the possibility of purchasing such a car. When we reached the adjusted market value of \$399, the question that I posed was, "What is this?" "Oh, it is the adjusted market value." I said, "Fine, what is it?" "This is an additional cost that it costs the dealer to put the car on the lot." I said, "What do you mean, this is what it costs the dealer, such as what?" "Well, you know, the usual things, insurance, dealer repair, we have to clean the car and all that." Well, I didn't pursue that too far because I didn't want to get involved in possibly signing on the dotted line though I had no intention of buying the automobile.

I went to another dealer and that dealer shows as an additional cost, a "lot charge" of \$250. This was on Sunday so I cannot explain to you what a "lot charge" is. However, I did speak to the automobile representative a year ago when I was pricing cars and, at that time, he informed me that he didn't think this was proper or right.

What they are doing, ladies and gentlemen, is misrepresenting their costs, that is all they are doing. This is deceptive advertising when you come right down to it. What the bill does that the good gentleman, Representative Smith presented, and which is on the floor today, is to have the dealer tell us exactly what they are trying to do and that is to indicate if it is a dealer markup.

Incidentally, there were other dealers in the Saco/Biddeford area that increased their prices and so showed that it was a dealer markup. So there are some dealers out there that are a little bit more honest than others.

All this bill does is to have those individuals that are trying to deceive the public to show exactly what the charge is.

Naturally, if you go to a clothing store, you are not going to be encountered by the good/bad guy tactics that is so widespread. You know what that is, you go in, you make an offer and the salesman says, "Gee, I wish we could do that, let me talk to the sales manager." Then the sales manager comes in and you are confronted by him and then he give you the good/bad guy approach and then he goes and talks to the general manager. When you go buy a suit, you are not confronted with that. You try the suit on, and sometimes they will go in the back and pull on it to make you feel it fits good in the front but that is as far as they go. So you are talking of a different product. You cannot compare a car with a suit or with a refrigerator or a stove.

I hope that you will not vote to recede and concur and vote to adhere.

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

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

The SPEAKER: The pending question before the House is the motion of Representative Reed of Falmouth that the House recede and concur. Those in favor will vote yes; those opposed will vote no.

ROLL CALL NO. 214

YEA - Anderson, Armstrong, Bailey, Bickford, Bott, Boutilier, Bragg, Callahan, Cashman, Cote, Curran, Dellert, Farren, Foss, Foster, Garland,

Glidden, Greenlaw, Hanley, Harper, Hepburn, Higgins, Holloway, Jackson, Ketover, Lapointe, Lawrence, Lebowitz, Look, MacBride, Marsano, McPherson, Murphy, T.; Nicholson, Norton, Paradis, E.; Paradis, J.; Paradis, P.; Rand, Reed, Rotondi, Salisbury, Scarpino, Sheltra, Sherburne, Small, Stevens, A.; Strout, B.; Tamaro, Taylor, Telow, Tupper, Vose, Walker, Warren, Webster, M.; Weymouth, Whitcomb, Willey, Zirkilton.

NAY - Aliberti, Anthony, Bost, Brown, Carroll, Carter, Chonko, Clark, H.; Clark, M.; Coles, Crowley, Daggett, Davis, Dexter, Dore, Duffy, Dutremble, L.; Erwin, P.; Gould, R. A.; Gwadosky, Hale, Handy, Hichborn, Hickey, Hoglund, Holt, Hussey, Jalbert, Joseph, Kilkelly, Lacroix, Lisnik, Lord, Macomber, Mahany, Manning, Martin, H.; Matthews, K.; Mayo, McGowan, McHenry, McSweeney, Melendy, Michaud, Mills, Mitchell, Moholland, Murphy, E.; Nadeau, G. R.; Nutting, Oliver, Parent, Paul, Perry, Priest, Racine, Reeves, Richard, Ridley, Rolde, Ruhlin, Rydell, Seavey, Smith, Soucy, Stevens, P.; Strout, D.; Swazey, Thistle, Tracy, Wentworth, The Speaker.

ABSENT - Allen, Baker, Begley, Conley, Diamond, Farnum, Gurney, Hillock, Jacques, Kimball, Nadeau, G. G.; O'Gara, Pines, Pouliot, Rice, Simpson, Stanley, Tardy.

Yes, 60; No, 72; Absent, 18; Vacant, 1; Paired, 0; Excused, 0.

60 having voted in the affirmative, 72 in the negative, with 18 being absent and one vacant, the motion to recede and concur did not prevail.

Subsequently, the House voted to adhere. Sent up for concurrence.

PETITIONS, BILLS AND RESOLVES REQUIRING REFERENCE

The following Bills were received and, upon the recommendation of the Committee on Reference of Bills, were referred to the following Committees, Ordered Printed and Sent up for Concurrence:

Appropriations and Financial Affairs

Bill "An Act Making Additional Allocations for the Expenditure of Funds Received by the State as a Result of a Federal Court Order in the Stripper Well Overcharge Case" (Emergency) (H.P. 1872) (L.D. 2564) (Presented by Representative FOSS of Yarmouth) (Cosponsors: Representative MCGOWAN of Canaan and Senator EMERSON of Penobscot)

Ordered Printed.

Sent up for Concurrence.

By unanimous consent, was ordered sent forthwith to the Senate.

Business Legislation

Bill "An Act to Clarify Reporting Requirements Regarding Competency of Health Care Practitioners" (H.P. 1873) (L.D. 2565) (Presented by Representative STEVENS of Sabattus) (Cosponsor: Senator BRANNIGAN of Cumberland)

Ordered Printed.

Sent up for Concurrence.

By unanimous consent, was ordered sent forthwith to the Senate.

Reported Pursuant to the Statutes

Representative ROLDE from the Committee on Audit and Program Review, pursuant to Maine Revised Statutes Annotated, Title 3, chapter 23 ask leave to submit its findings and report that the accompanying Bill "An Act Relating to the Justification of the Alcohol and Drug Abuse Planning Committee Under the Maine Sunset Laws" (Emergency) (H.P. 1870) (L.D.

2561) be referred to the Joint Standing Committee on Appropriations and Financial Affairs for Public Hearing and printed pursuant to Joint Rule 18.

Report was read and accepted, and the bill referred to the Committee on Appropriations and Financial Affairs, ordered printed and sent up for concurrence.

REPORTS OF COMMITTEES

Unanimous Ought Not to Pass

Representative JACQUES from the Committee on Energy and Natural Resources on Bill "An Act to Clarify the Hazardous Waste Lien Law" (H.P. 1478) (L.D. 2013) reporting "Ought Not to Pass"

Representative HOLLOWAY from the Committee on Energy and Natural Resources on Bill "An Act Relating to the Direct Initiative Process" (H.P. 1616) (L.D. 2209) reporting "Ought Not to Pass"

Were placed in the Legislative Files without further action pursuant to Joint Rule 15 and sent up for concurrence.

Unanimous Leave to Withdraw

Representative LACROIX from the Committee on State and Local Government on Bill "An Act to Amend the Charter of the Eastport Port Authority" (Emergency) (H.P. 1684) (L.D. 2313) reporting "Leave to Withdraw"

Was placed in the Legislative Files without further action pursuant to Joint Rule 15 and sent up for concurrence.

(At Ease)

The House was called to order by the Speaker.

Ought to Pass in New Draft/New Title

Representative GOULD from the Committee on Energy and Natural Resources on Bill "An Act Concerning Storage of Radioactive Material" (H.P. 1634) (L.D. 2229) reporting "Ought to Pass" in New Draft under New Title RESOLVE, to Establish a Training Program on the Subject of Radiation Safety for the Employees of the Department of Educational and Cultural Services (H.P. 1871) (L.D. 2562)

The SPEAKER: The Chair would rule that this matter is improperly before the body, the matter is dead.

CONSENT CALENDAR

First Day

In accordance with House Rule 49, the following items appeared on the Consent Calendar for the First Day:

(H.P. 1763) (L.D. 2416) Bill "An Act to Improve the Services Provided to the Members and Retirees of the Maine State Retirement System" (Emergency) Committee on Appropriations and Financial Affairs reporting "Ought to Pass"

(H.P. 1845) (L.D. 2527) Bill "An Act to Fund and Implement Collective Bargaining Agreements with Certain Maine Vocational-Technical Institute System Employees Represented by the Maine State Employees Association" (Emergency) Committee on Appropriations and Financial Affairs reporting "Ought to Pass"

(S.P. 809) (L.D. 2118) Bill "An Act to Clarify the Experience Requirement for Licensed Dietitians"

(Emergency) Committee on Business Legislation reporting "Ought to Pass" as amended by Committee Amendment "A" (S-346)

(H.P. 1755) (L.D. 2404) RESOLVE, to Authorize a Transfer of Surplus Funds within the Franklin County Budget (Emergency) Committee on State and Local Government reporting "Ought to Pass"

(H.P. 1846) (L.D. 2528) Bill "An Act Relating to Exceptions to Prevent Escapes and Other Offenses under the Interception of Wire and Oral Communications Law" Committee on Judiciary reporting "Ought to Pass"

There being no objections, the above items were ordered to appear on the Consent Calendar of Wednesday, March 23, 1988, under the listing of Second Day.

CONSENT CALENDAR

Second Day

In accordance with House Rule 49, the following items appeared on the Consent Calendar for the Second Day:

(S.P. 907) (L.D. 2362) Bill "An Act to Require Testing for Dioxin and Toxic Metals at Energy Recovery Facilities"

No objections having been noted at the end of the Second Legislative Day, the Senate Paper was Passed to be Engrossed in concurrence.

PASSED TO BE ENGROSSED

Bill "An Act to Ensure that a Certain Percentage of Public Housing is Handicapped Accessible" (H.P. 1869) (L.D. 2558)

Bill "An Act to Revise the Solid Waste Law" (H.P. 1725) (L.D. 2368)

Were reported by the Committee on Bills in the Second Reading, read the second time, Passed to be Engrossed, and sent up for concurrence.

PASSED TO BE ENACTED

Emergency Measure

An Act to Amend the Charter of the Portland Water District (H.P. 1724) (L.D. 2367) (C. "A" H-487)

Was 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. 110 voted in favor of the same and 1 against and accordingly the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

PASSED TO BE ENACTED

Emergency Measure

An Act to Clarify the Authority of Harbor Masters (H.P. 1853) (L.D. 2536) (H. "A" H-489)

Was 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. 111 voted in favor of the same and 2 against and accordingly the Bill was passed to be enacted, signed by the Speaker and sent to the Senate.

PASSED TO BE ENACTED

An Act to Amend the Waldoboro Sewer District Charter (H.P. 1713) (L.D. 2352) (C. "A" H-493)

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed, passed to be enacted, signed by the Speaker and sent to the Senate.

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

REPORTS OF COMMITTEES

Unanimous Ought Not to Pass

Representative DEXTER from the Committee on Energy and Natural Resources on Bill "An Act to Establish a Moratorium on Land Leases Affecting Tree Growth Classification" (Emergency) (H.P. 743) (L.D. 1006) reporting "Ought Not to Pass"

Representative BICKFORD from the Committee on State and Local Government on Bill "An Act to Deorganize the Town of Sherman" (H.P. 1522) (L.D. 2075) reporting "Ought Not to Pass"

Were placed in the Legislative Files without further action pursuant to Joint Rule 15 and sent up for concurrence.

Unanimous Leave to Withdraw

Representative STROUT from the Committee on Transportation on RESOLVE, to Create a Commission to Study the Feasibility of a Toll-Based Highway in Mid-Coast Maine (H.P. 1836) (L.D. 2513) reporting "Leave to Withdraw"

Representative HARPER from the Committee on Legal Affairs on Bill "An Act to Clarify the State's Antidiscrimination Laws to Include Families with Children in Mobile Home Parks" (H.P. 1577) (L.D. 2152) reporting "Leave to Withdraw"

Were placed in the Legislative Files without further action pursuant to Joint Rule 15 and sent up for concurrence.

CONSENT CALENDAR

First Day

In accordance with House Rule 49, the following items appeared on the Consent Calendar for the First Day:

(H.P. 1674) (L.D. 2293) Bill "An Act to Determine the Extent and Impact of Unemployed Persons No Longer Eligible for Unemployment Insurance Upon the State of Maine" (Emergency) Committee on Economic Development reporting "Ought to Pass" as amended by Committee Amendment "A" (H-511)

(H.P. 1604) (L.D. 2195) Bill "An Act to Amend the Law Allowing the Town of York to Repair Certain Private Roads" Committee on State and Local Government reporting "Ought to Pass" as amended by Committee Amendment "A" (H-512)

There being no objections, the above items were ordered to appear on the Consent Calendar of Wednesday, March 23, 1988, under the listing of Second Day.

ORDERS OF THE DAY
UNFINISHED BUSINESS

The following matter, in the consideration of which the House was engaged at the time of adjournment yesterday, has preference in the Orders of the Day and continues with such preference until disposed of as provided by Rule 24.

The Chair laid before the House the first item of unfinished business:

1. HOUSE DIVIDED REPORT - Majority (12) "Ought Not to Pass" - Minority (1) "Ought to Pass" - Committee on Taxation on Bill "An Act to Impose a Tax on Capital Gains from Speculative Land Sales" (H.P. 1689) (L.D. 2318)

TABLED - March 21, 1988 (Till Later Today) by Representative NADEAU of Saco.

PENDING - Motion of same Representative to accept the Majority "Ought Not to Pass" Report.

The SPEAKER: The Chair recognizes the Representative from Old Town, Representative Cashman.

Representative CASHMAN: Mr. Speaker, Ladies and Gentlemen of the House: What this bill proposes to do is impose a capital gains tax on the profits of the sale of real estate.

As most members know, this is not a new idea, we always had a capital gains tax imposed on the sale or the profits made in the sale of real estate, the difference is that the federal government, when they passed the Tax Reform Act in the last year, did away with the capital gains tax. Now all of these transactions are subject to a personal income tax or a corporate income tax, as the case may be.

This particular proposal would not be in lieu of that income tax, it would be on top of the income tax that you are already subjected to by the federal and state government.

The bill stems from a study committee which worked over the summer and fall on the issue of land conservation and economic development. That committee reported this particular recommendation out. This was a seven to two Minority Report that this bill be considered. It appears before you today as a twelve to one "Ought Not to Pass" Report.

While the majority of both of those committee's objections to this proposal are many and varied, they generally fall into two categories. First of all, I think that the signers of the Majority Report would say that the bill does not accomplish its objectives. All the members of the study committee that worked this past year on land conservation are in agreement that the state needs to better direct growth, it needs to better manage growth and, to that end, we have made a series of recommendations which will be brought before this body later in the session dealing with closing loopholes to development that avoid site plan review dealing with mandatory comprehensive planning, dealing with additional state resources being dedicated to accomplish those ends. All the members of the study committee are in agreement that those things need to be done.

The problem with this proposal is that it really doesn't do anything to manage growth, it doesn't do anything to direct growth. It doesn't address some of the issues that it purports to address such as affordable housing. For proof of that, one needs look no further than the State of Vermont which is the only state in the union that has this particular tax. They have had it for 15 years and, in spite of its existence, the Governor of the State of Vermont, when the most recent session of the legislature of Vermont was convened, declared that it should be their top priority to address growth control in that state.

To the matter of affordable housing, the average increase in the cost of land and housing in Vermont in the last two years has been 48 percent which is in excess of the increase in this state.

I guess our first objection is that it doesn't address the objectives to which it was intended.

Secondly, while the proposal has attempted to address speculative activities in general, and more specifically the speculative activities of certain companies doing business in this state who are involved in buying and selling land, its shotgun approach to the problem is going to hit a lot of people other than the speculators or companies involved in speculative activities that it was intended to address.

Again, for proof of that, one needs look no further than the State of Vermont where last year

upwards to 7,000 tax filings were made under their speculation tax. The highest percentage paid by any one concern in the State of Vermont was less than 10 percent. That tells you that a lot of people are filing under the Vermont Speculation Tax and it isn't just a matter of hitting a couple of companies that are involved in speculative activities.

Because of these objections and many more that I expect will be brought out by others who will get up on this issue, I urge the House to support the Majority "Ought Not to Pass" Report.

The SPEAKER: The Chair recognizes the Representative from Thomaston, Representative Mayo.

Representative MAYO: Mr. Speaker, Men and Women of the House: Before I begin my remarks, I want to thank the members of my committee, the Joint Standing Committee on Taxation and specifically the Chairman of that committee for their gracious patience with the lone signer of the Minority Report.

I do not bring that Minority Report to this floor lightly. I bring it because I care very deeply about the State of Maine and specifically about my own home area.

I bring this bill to the floor because I believe that it is part, not all, but part of a response that we face in rapid development of Maine's natural undeveloped land. There are people and companies operating in this state who are treating land like a commodity, just as if it was pork belly or wheat. They are buying and selling land rapidly, driving up property values, increasing people's property taxes because the areas they affect, lose state funding. I saw this bill as part of a response to that problem and that is why I brought it to you.

Let me tell you from the outset that there are a lot of people who support this legislation. I have here in my desk petitions signed by over 2100 Maine residents who took the time to sign and send in a petition on this issue. 2100 Maine residents.

There are several major newspapers in this state who have had editorials in favor of this land speculation tax. We heard testimony at the public hearing on this bill from members of planning boards, from selectmen and selectwomen throughout Maine, from farmers who are concerned about property values being driven up. The Sportsman's Alliance of Maine testified in favor of this bill. The Natural Resources Council of Maine and the Maine Audubon Society, a broad coalition of interested Maine citizens who are very concerned about the land speculators, they want to do something about it.

Let me explain briefly what this tax will do and what it is crafted to do. First and foremost, it is tax on land gains and land gains only. Any appreciation in the value of approval upon that land, buildings and such, will not be touched by the tax. Also, the tax is only in place if the property is transferred or sold within the first five years of ownership. After five years, there is no tax. That tells me that most of the people living around here for a long time aren't going to be touched by this tax at all.

Secondly and most importantly, in my opinion, is an exemption for personal residences. If that land has a gain on it when it is sold and it is underneath the personal residence of a Maine citizen, there is no tax. None.

Third, agricultural land that is transferred and used for agricultural purposes will be exempt from the tax.

I have prepared an amendment which is on your desk that will provide an additional exception targeted towards commercial and industrial properties so that, they too, will not face a tax on any gain on

the land. But importantly, remember this is a tax on land gains and land gains only. This tax is crafted to go after the land speculators, the people who are buying Maine land and reselling rapidly for high profits to out-of-stater's, people looking for second homes.

If I could take liberty, I would like to read from two documents that I have here on my desk, the 1987 annual report of Patten Corporation and Patten Corporation's 1987 10K filing with the Securities and Exchange Commission.

Patten Corporation's own financial annual report points out that their gross margin for operations in 1987 was 52.4 percent. In other words, their gross margin, what they bought land for and then resold it for, their margin was 52.4 percent.

Turning to the 10K Report -- I would like to read a section that describes how the company operates in the State of Maine. These are the company's own words: "The company's most important technique is placing classified advertisements in major newspapers in the metropolitan areas located within a two to five hour drive of the property. The advertisements which describe a specific piece of property are designed to cause prospective customers to call for more information." They are a mass marketing outfit that mass markets Maine land - "Buy it while you can, folks" to people in New York City.

Let me read from their Securities and Exchange filing again. Let me read what their fiscal activity in 1987 was. During 1987, the average sales price of all parcels sold by the company was \$24,735, representing an average price of \$1546 per acre as compared to an average acquisition cost for the company of \$741.

The company is very much afraid that this tax will pass. In fact, they go on to say "The company's ability to expand its operations into additional states may be limited by the nature of legislation and regulations in such states with respect to acquisition and sale of land." They are speaking specifically of the Vermont tax and the prospects of it coming here to Maine.

This company, by its own admission, does not make any improvements to the land, they don't provide any economic benefit to the State of Maine. In fact, reading from their report again -- "The company turns over its inventory of property, rapidly. Within the period of acquisition of acreage to the sale generally being between one week and six months." They hold land for one week to six months. In fact, they admit in here that sometimes they even sell the land before they own it.

Again, ladies and gentlemen of the House, they buy up large tracts of land, draw up a map that shows pretty lots, mass market it via all kinds of advertising out of state, to individuals coming into Maine to buy up a piece of land, then they leave. They do nothing for Maine's economy, they do nothing to help local communities plan for growth.

I would urge this House not to adopt the pending motion but to go on to accept the Minority "Ought to Pass" Report.

Mr. Speaker, when the vote is taken, I would request the yeas and nays.

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

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

The SPEAKER: The Chair recognizes the Representative from St. George, Representative Scarpino.

Representative SCARPINO: Mr. Speaker, Men and Women of the House: Those of you who have seen me around here for awhile and know me know that I, generally speaking, don't support tax increases. In fact, this one would be the second tax increase that I have supported in the six years that I have been here. Oddly enough, my good friend from Thomaston, Representative Mayo, is also supporting this bill and I think those are the only two bills we have ever been on the same side.

I think we have to look at growth and leave the numbers to Joe. We have to look at the effect that that unbridled, uncontrolled growth has on the people of this state.

I would also disagree with Representative Mayo that these companies don't do anything for the Maine economy, they do a tremendous amount for the Maine economy, all of it negative.

If you look at what happens with one of these major developing corporations, and I personally don't care if it is Patten Corporation or a Maine corporation, when they come into an area, buy large tracts of land, subdivide it, market it outside of the area, selling it at an inflated price, look at what it does to your local community. It raises your property valuation and increases your school taxes. When you have more people coming in, it increases your town's cost. It increases the services that are necessary. It takes away the access to the land of the general public, if the current owner is willing to allow that access and, in many cases, they are.

What we are getting, quite simply, is some big companies making a lot of money and passing all of the responsibility and the load back down to the municipality in which they happen to be fortunate enough to buy that tract.

I also agree with Representative Mayo and with Representative Cashman that this sole issue will not resolve the problem and that we have other things coming down the road, things such as comprehensive plans and those kinds of things, but they take time.

If you will look at the rapidity of the transactions of these companies and the time that it takes to come up with accepted comprehensive plans and all the rest of it, in many areas, the coastal areas in particular, by the time the comprehensive planning is done, it may darn well be too late.

This bill will slow that process down, it says to the developer, fine you are perfectly willing to come in and develop but if you are not willing to make commitment to the local community, you are going to have to pay for it. If you are willing to spend the time and make some commitments addressing local issues, then you won't pay for it.

My only argument with this bill is that the money goes into the General Fund instead of directly back to the communities immediately affected. I can live with that or attempt to come up with an amendment to change that after the accept the "Ought to Pass" on this and would fully intend to come up with an amendment.

I would urge you, for the sake of your own communities, for the sake of the state as a whole, and for the ability for us to get a handle on this uncontrolled growth, to support this measure.

The SPEAKER: The Chair recognizes the Representative from Lewiston, Representative Aliberti.

Representative ALIBERTI: Mr. Speaker, Men and Women of the House: The Boulas Company, a Portland based brokerage and development firm, just acquired a 58 acre industrial park owned by the City of

Lewiston, which had been vacated for two years. The Boulas Company was brought in to develop the park in order to help provide jobs and tax dollars for the City of Lewiston. Under their agreement with the city, the Boulas Company has guaranteed that they will construct a minimum of one building per year for seven years upon completion. These building will either be sold or leased.

In addition to this, they will develop the rest of the park as well. In order to fill the park, the Boulas Company needs the flexibility to sell or lease the land as they see fit. For example, they may sell one or several parcels to a buyer who will then construct their own building on the property. Significantly, some land sales may take place within six months and, hopefully, from the company's and the city's point of view, will take place as soon as possible. Hopefully too, most of the sales will take place well within five years of the date the Boulas Company acquired the property.

Under the proposed tax, all of these transactions would be subject to heavy speculation taxes, perhaps as high as 80 percent. The proposed tax would either just make it more expensive to move into the park as the cost would be passed on. Or to avoid the tax, the Boulas Company would have to lease all the parcels. This would severely limit their marketability because many businesses would rather own than lease and would go somewhere else.

I intended to make these statement in the context because of my good friend, Mr. Mayo, under the title of "Speak tenderly."

The SPEAKER: The Chair recognizes the Representative from Harpswell, Representative Coles.

Representative COLES: Mr. Speaker, Men and Women of the House: I urge you vote with Representative Mayo on this bill. I agree that this is not a growth management measure. What it means is a dampening of the fast rise in land prices, which is a disservice to all Maine people.

As you may have noticed in the amendment that will be proposed when it reaches the Second Reading, one redirects the money from this bill into the Land for Maine's Future Acquisition Fund, the \$35 million dollar bond issue that people of the state approved last Fall. Some of this money in this acquisition fund, some of the money in the \$5 million dollar Wildlife Bond Acquisition Fund (we did two years ago) is going to purchase land from the Patten Corporation on the Narraguagus River. If my recollection is correct, we paid off four times what Patten paid for that land. Patten is directly profiting from tax dollars in the State of Maine. They are forcing the State of Maine into a position to buy land from them, very valuable land, at very inflated rates.

Donnell Pond up in the Mt. Desert Island area, Ellsworth area, is another example -- bought it for \$1.5 million and they refused to sell it to Maine for \$4 million. We should stop this exportation of Maine people, of Maine land, of Maine tax dollars. We should stop the companies from coming and ripping off our state. It is costing us a lot of money.

Please vote against the pending motion.

The SPEAKER: The Chair recognizes the Representative from Saco, Representative Nadeau.

Representative NADEAU: Mr. Speaker, Men and Women of the House: The bottom line that this bill tried to address is orderly growth management. Quite simply, it doesn't do that. This bill simply derails the process of a company doing business in this state to hold onto the land a little longer than they might ordinarily want to do. Or if they do turn it around quickly, yes, you and I, end up paying that cost. These companies in the State of Maine or from

elsewhere and doing business here are not in the position to take a loss. Basically what happens is they will reap their profits and the bottom line is, the costs will get passed on to the consumers. All of us in this House are very sympathetic to property tax relief, affordable housing, farm and open space land and things of that nature. This bill will not address either one of those. As a matter of fact, it will probably increase affordable housing and the word "affordable" will very definitely be debatable.

Men and Women of this House, you have got to consider that what you are trying to do is not being reached by this bill.

I wish you would stick with my motion on this.

The SPEAKER: The Chair recognizes the Representative from Kennebunkport, Representative Seavey.

Representative SEAVEY: Mr. Speaker, Men and Women of the House: Just a couple of quick points. I think it is important to remember that 12 out of the 13 committee members are on one side here. Although I have seen 12 to 1 committee reports and unanimous committee reports overturned, generally that tells you that the bill is unworkable and not a good bill. I think, except for the relentless efforts by the good Representative from Thomaston, you would have seen a unanimous "Ought Not to Pass" Report on this bill.

The point really is that state and local planning is what is needed for managing our growth problems. This is purely and simply a tax and a tax is not proper planning. A tax cannot take the place of proper zoning.

This tax tries to limit the supply of land, when perhaps really our problem with uncontrolled growth is a result of demand, not of supply. I think we are trying to impose a sin tax on certain land transactions and I don't think it should be a sin to buy or sell land. Trying to punish the Patten Corporation is all well and good but I think what this bill will do is be injurious to the native Mainer, either buying or selling his land.

The SPEAKER: The Chair recognizes the Representative from Brunswick, Representative Clark.

Representative CLARK: Mr. Speaker, Men and Women of the House: I am going to vote with Representative Mayo on this bill and I would like to share with you part of a letter which has influenced me to do that.

It comes from a constituent who, in fact, recently lived in Vermont and he says: "Having owned a home in southern Vermont, we saw land speculators in action. They sold lots which they jokingly referred to as "snow lots" meaning that they were to be sold when they were under the cover of snow so the buyers couldn't see what they were buying. They sold lots on a road near our home indicating that the town had plans to make a year-round road, which was not true. People bought these lots to build ski chalets and were stuck.

Vermont hillsides are filled with 10 acre lots, the minimum size allowed by the state to speculators, but these lots are 200 feet by 2000 feet long. Just as today's newspaper indicated that most Maine legislators are against the tax, so too were Vermonters and their legislators. Finally, they had no choice."

I urge you to vote with Representative Mayo on this bill.

The SPEAKER: The Chair recognizes the Representative from Auburn, Representative Dore.

Representative DORE: Mr. Speaker, Men and Women of the House: I am going to be brief. The thing with this report and that I found true on the Taxation Committee in general is that it is

relatively simple to write a bill that will help one company or one industry. In fact, we debated just such a bill this morning. But there are times when you want to help one company or one industry because of location, because of what it can do for our constituents as a whole, and we think and weigh out very carefully whether or not we should do that. That is always true in the case of helping a company or industry.

In the case of doing harm to a particular company and in this case I think it isn't just Patten but maybe three or four other companies that were mentioned to us during the hearings that do particular damage to town's in Maine. I do mean wholesale damage. I think it is nearly impossible to write a bill that will hurt those companies without also hurting other developers in the State of Maine and I think it is confiscatory to hurt developers who do good projects and good land development that adds to our economic strength in Maine and that, as a whole, contributes to the community at large.

I was in a development that is maybe 25 years old and the lots were sold, houses were not developed on them before the lots were sold, and they were sold pretty soon after the road was built and I would like to say that it is a good development. I like my neighborhood and I want to encourage good development in all areas of the state and, for some people, that is a large lot and to some people that is a small lot but I don't think we ought to tax development of large lots on the assumption that they are all being done by evil companies.

The SPEAKER: The pending question before the House is the motion of the Representative from Saco, Representative Nadeau, that the House accept the Majority "Ought Not to Pass" Report.

The Chair recognizes the Representative from Dover-Foxcroft, Representative Thistle.

Representative THISTLE: Mr. Speaker, I request permission to pair my vote with the Representative from Portland, Representative Baker. If he were present and voting, he would be voting nay; I would be voting yea.

The Chair recognizes the Representative from Scarborough, Representative Higgins.

Representative HIGGINS: I request permission to be excused from voting under Joint Rule 10 and House Rule 19.

The SPEAKER: The Chair will grant that request. The Chair will also grant that same request to the Speaker.

The Chair recognizes the Representative from Saco, Representative Nadeau.

Representative NADEAU: Mr. Speaker, I request permission to pair my vote with the Representative from Washington, Representative Allen. If she were present and voting, she would be voting nay; I would be voting yea.

The SPEAKER: The pending question before the House is the motion of the Representative from Saco, Representative Nadeau, that the House accept the Majority "Ought Not to Pass" Report. Those in favor will vote yes; those opposed will vote no.

ROLL CALL NO. 215

YEA - Aliberti, Anderson, Armstrong, Bailey, Bickford, Bott, Boutillier, Bragg, Carroll, Carter, Cashman, Cote, Crowley, Curran, Daggett, Dellert, Dore, Duffy, Erwin, P.; Farren, Foss, Foster, Garland, Gould, R. A.; Greenlaw, Gwadosky, Hale, Handy, Hanley, Harper, Hepburn, Hichborn, Hickey, Hoggund, Holloway, Hussey, Jackson, Jalbert, Joseph, Ketover, Lawrence, Lebowitz, Lisnik, Look, Lord, MacBride, Macomber, Marsano, Martin, H.; Matthews, K.; McPherson, McSweeney, Michaud, Mills, Mitchell,

Murphy, E.; Murphy, T.; Nicholson, Paradis, E.; Paradis, J.; Paradis, P.; Parent, Paul, Reed, Richard, Ridley, Rotondi, Ruhlin, Salsbury, Seavey, Sheltra, Sherburne, Small, Soucy, Stevens, A.; Stevens, P.; Strout, B.; Strout, D.; Swazey, Tammaro, Taylor, Telow, Tracy, Vose, Walker, Webster, M.; Wentworth, Weymouth, Whitcomb, Willey, Zirkilton.

NAY - Anthony, Brown, Callahan, Chonko, Clark, H.; Clark, M.; Coles, Conley, Dutremble, L.; Glidden, Holt, Kilkelly, Lacroix, Lapointe, Mahany, Manning, Mayo, McGowan, McHenry, Melendy, Moholland, Norton, Nutting, Oliver, Perry, Priest, Racine, Rand, Reeves, Rolde, Rydell, Scarpino, Smith, Tupper, Warren.

ABSENT - Begley, Bost, Davis, Dexter, Diamond, Farnum, Gurney, Hillock, Jacques, Kimball, Nadeau, G. G.; O'Gara, Pines, Pouliot, Rice, Simpson, Stanley, Tardy.

PAIRED - Allen, Baker, Nadeau, G. R.; Thistle.

EXCUSED - Higgins, The Speaker.

Yes. 91; No. 35; Absent. 18; Vacant, 1; Paired. 4; Excused, 2.

91 having voted in the affirmative and 35 in the negative with 18 being absent, 1 vacant, 4 paired and 2 excused, the Majority "Ought Not to Pass" Report was accepted. Sent up for concurrence.

TABLED AND ASSIGNED

The Chair laid before the House the first tabled and today assigned matter:

Bill "An Act Amending the Workers' Compensation Laws Exempting Design Professionals from General Civil Liability for Injuries on Construction Projects" (S.P. 238) (L.D. 657)

TABLED - March 21, 1988 by Representative GWADOSKY of Fairfield.

PENDING - Passage to be Engrossed.

On motion of Representative Paradis of Augusta, recommitted to the Committee on Judiciary.

The Chair laid before the House the third tabled and today assigned matter:

An Act to Appropriate Funds for Replacement of Real Estate Tax Validation Machines in County Registries of Deeds (H.P. 1638) (L.D. 2237) (C. "A" H-476)

TABLED - March 21, 1988 by Representative GWADOSKY of Fairfield.

PENDING - Passage to be Enacted.

On motion of Representative Gwadosky of Fairfield, retabled pending passage to be enacted and special assigned for Wednesday, March 23, 1988.

The Chair laid before the House the fourth tabled and today assigned matter:

RESOLVE, Concerning a Proposed Supreme Judicial Court Facility (Emergency) (H.P. 130) (L.D. 159)

TABLED - March 21, 1988 by Representative CARTER of Winslow.

PENDING - Adoption of House Amendment "A" (H-485) to Committee Amendment "A" (H-481)

On motion of Representative Carter of Winslow, retabled pending Adoption of House Amendment "A" (H-485) to Committee Amendment "A" (H-481) and specially assigned for Wednesday, March 23, 1988.

(Off Record Remarks)

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

SENATE PAPER

RESOLVE, to Appropriate Funds to the AIDS Lodging House, Inc. (S.P. 965) (L.D. 2560)

Came from the Senate, referred to the Committee on Appropriations and Financial Affairs and Ordered Printed.

Was referred to the Committee on Appropriations and Financial Affairs in concurrence.

The Chair laid before the House the following matter: Bill "An Act to Change the Definition of Wine Coolers" (Emergency) (S.P. 959) (L.D. 2544) which was tabled earlier in the day and later today assigned pending passage to be engrossed.

Representative Anthony of South Portland offered House Amendment "A" (H-513) and moved its adoption.

House Amendment "A" (H-513) was read by the Clerk.

The SPEAKER: The Chair recognizes the Representative from South Portland, Representative Anthony.

Representative ANTHONY: Mr. Speaker, Men and Women of the House: When this bill came before us last evening, I, like I believe a lot of other people, felt quite troubled not finding a good resolution on either side. On the one hand, being concerned about the definition being adopted as perhaps providing a loophole and on the other hand, recognizing the need for some form of definition. As a consequence, I got together with a number of people on both sides of this issue to try to work out something that would meet everybody's concern. A lot of us working together have come up with this proposed House Amendment "A."

It does meet the concerns of the people on both sides of this issue and I would urge its passage.

Subsequently, House Amendment "A" (H-513) was adopted.

The Bill was passed to be engrossed as amended by House Amendment "A" (H-513) and sent up for concurrence.

(Off Record Remarks)

On motion of Representative Coles of Harpswell, Adjourned until Wednesday, March 23, 1988, at nine o'clock in the morning.