

# MAINE STATE LEGISLATURE

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**Senate Legislative Record**  
**One Hundred and Eighteenth Legislature**  
**State of Maine**

**Volume 2**

**First Special Session (Continued)**  
**May 20, 1997 to June 20, 1997**

**First Confirmation Session**  
**October 6, 1997**

**Second Regular Session**  
**January 7, 1998 to March 24, 1998**

**Pages 981 - 1977**

**STATE OF MAINE  
ONE HUNDRED AND EIGHTEENTH LEGISLATURE  
FIRST SPECIAL SESSION  
JOURNAL OF THE SENATE**

In Senate Chamber  
Saturday  
May 31, 1997

Senate Called to Order by the President, Mark W. Lawrence of York.

Prayer by the Honorable Judy A. Paradis of Aroostook.

**HONORABLE JUDY A. PARADIS:** Let us pray. Nous vous remercions pour une bonne session ou nous vous honorons en soyant prudent, sage et attentif au besoin des gens du Maine.

God our Father we thank You for a great Session. We honored You by being prudent, discerning and attentive to the concerns of the citizens of Maine. Father, be with us as we return to our families and constituents for healing, recuperation, nurturing and further service to the people of our districts. Amen. Have a great summer everybody.

Reading of the Journal of Friday, May 30, 1997.

Senate at Ease

Senate called to order by the President.

**PAPERS FROM THE HOUSE**

**Non-concurrent Matter**

Bill "An Act to Regulate the Use of Personal Watercraft"  
S.P. 137 L.D. 416  
(H "A" H-689; S "A"  
S-338 to C "A"  
S-311)

In House, May 27, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-311) AS AMENDED BY HOUSE AMENDMENT "A" (H-689)** thereto, in **NON-CONCURRENCE**.

In Senate, May 30, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-311) AS AMENDED BY SENATE AMENDMENT "A" (S-338) AND HOUSE AMENDMENT "A" (H-689)** thereto, in **NON-CONCURRENCE**.

Comes from the House, that Body **INSISTED** and **ASKED FOR A COMMITTEE OF CONFERENCE**.

On motion by Senator **PINGREE** of Knox, the Senate **INSISTED** and **JOINED IN A COMMITTEE OF CONFERENCE**.

(See action later today.)

**Non-concurrent Matter**

Bill "An Act to Allow Agricultural Workers to Bargain Collectively"  
H.P. 1177 L.D. 1654  
(C "A" H-550)

In Senate, May 22, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-550)**, in concurrence.

Comes from the House, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-550) AS AMENDED BY HOUSE AMENDMENT "B" (H-740)** thereto, in **NON-CONCURRENCE**.

On motion by Senator **PINGREE** of Knox, **TABLED** until Later in Today's Session, pending **FURTHER CONSIDERATION**.

**Non-concurrent Matter**

**SENATE REPORTS** - from the Committee on **LEGAL AND VETERANS AFFAIRS** on Bill "An Act to Amend the Off-track Betting Laws as They Pertain to Reduced Payments for Small Market Licensees"  
S.P. 188 L.D. 606  
(S "A" S-348)

Majority - **Ought Not to Pass** (9 members)

Minority - **Ought to Pass as Amended by Committee Amendment "A" (S-258)** (4 members)

In Senate, May 30, 1997, the Minority **OUGHT TO PASS AS AMENDED** Report **READ** and **ACCEPTED**. Committee Amendment "A" (S-258) **READ** and **INDEFINITELY POSTPONED**. On motion by Senator **DAGGETT** of Kennebec, Senate Amendment "A" (S-348) **READ**. Motion by Senator **SMALL** of Sagadahoc to **INDEFINITELY POSTPONE** Senate Amendment "A" (S-348) **FAILED**. Subsequently, Senate Amendment "A" (S-348) **ADOPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY SENATE AMENDMENT "A" (S-348)**.

Comes from the House, Bill and Accompanying Papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

On motion by Senator **PINGREE** of Knox, **TABLED** until Later in Today's Session, pending **FURTHER CONSIDERATION**.

**Joint Order**

The following Joint Order: H.P. 1348

**ORDERED**, the Senate concurring, that the Joint Select Committee on Research and Development meet with a representative of The Maine Maritime Academy.

Comes from the House **READ** and **PASSED**.

Which was **READ** and **PASSED**, in concurrence.

**ORDERS**

**Joint Resolution**

On motion by Senator **PARADIS** of Aroostook, under unanimous consent on behalf of President **LAWRENCE** of York (Cosponsored by: Speaker **MITCHELL** of Vassalboro and Senators: **PARADIS** of Aroostook, **LONGLEY** of Waldo, **RAND** of Cumberland, **PINGREE** of Knox and Representatives: **MITCHELL** of Portland, **KONTOS** of Windham, **SAXL** of Portland and **BOUFFARD** of Lewiston.) S.P. 673

**JOINT RESOLUTION NAMING JUNE 1997 AS CHILDREN'S HEALTH AWARENESS MONTH**

WHEREAS, 38% of the children of this State in grades 9 to 12 smoke and 50% of the children report having used alcohol in the past month and 28% of the children report having used marijuana in the past month; and

WHEREAS, 1/3 of individuals who begin smoking as children will die of smoking-related illnesses and over 36,000 children of this State do not have health insurance coverage and this State has the highest rate of uninsured children in New England and 18% of the children live in families with incomes at or below the poverty line; and

WHEREAS, the infant mortality rate in this State is 6.1 per 1,000 live births and 11.1% of women do not receive prenatal care in the first trimester of pregnancy and the rate of low birth weight babies in the State is 5.7% and 8.3% of total live births are to single teenage mothers and 16% of 2-year-olds are not appropriately immunized; and

WHEREAS, uninsured children are more likely to require avoidable hospitalization and from 1990 to 1995 the percentage of the State's children requiring referral to child protective services rose from 3.0% to 4.2% and 8% of high school students report they have seriously considered committing suicide in the past year; and

WHEREAS, in Maine from 1985 to 1994 the percentage of low birth weight babies rose from 5.1% to 5.7%, the rate of teen deaths by accident, homicide or suicide rose from 51 per 100,000 to 54 per 100,000, the juvenile violent crime arrest rate rose from 81 per 100,000 to 126 per 100,000, the percent of children in poverty rose from 15% to 17% and the percentage of children in single-parent households rose from 18% to 25%; and

WHEREAS, 74% of the voters agree that "our political leaders are not doing enough to help solve the problems facing children today"; now, therefore, be it

**RESOLVED:** That We, the Members of the One Hundred and Eighteenth Legislature, now assembled in this First Special Session, take this opportunity to declare that June 1997 is Children's Health Awareness month; and be it further

**RESOLVED:** That suitable copies of this resolution, duly authenticated by the Secretary of State, be transmitted to the Governor, the Attorney General, the Maine Department of Human Services, the Children's Defense Fund, the Maine Children's Alliance and Save the Children/U.S.

Which was **READ** and **ADOPTED**.

Sent down for concurrence.

**COMMITTEE REPORTS**

**Senate**

**Ought to Pass As Amended**

Senator **RUHLIN** for the Committee on **TAXATION** on Bill "An Act to Encourage Major Investments in Shipbuilding Facilities and to Encourage the Preservation of Jobs"

S.P. 641 L.D. 1863

Reported that the same **Ought to Pass as Amended by Committee Amendment "A" (S-422)**.

Which Report was **READ**.

On motion by Senator **PINGREE** of Knox, **TABLED** until Later in Today's Session, pending **ACCEPTANCE OF THE REPORT**.

**ENACTORS**

The Committee on **Engrossed Bills** reported as truly and strictly engrossed the following:

An Act Regarding Health and the Prevention of Smoking  
H.P. 1338 L.D. 1887  
(S "B" S-412 to H "C" H-723)

On motion by Senator **PINGREE** of Knox, **TABLED** until Later in Today's Session, pending **PASSAGE TO BE ENACTED**.

**Bond Issue**

An Act to Authorize a General Fund Bond Issue in the Amount of \$10,000,000 to Address Federal and State Accessibility and Public Safety Issues  
S.P. 612 L.D. 1813  
(C "A" S-329)

On motion by Senator **MICHAUD** of Penobscot, **TABLED** until Later in Today's Session, pending **PASSAGE TO BE ENACTED**.

**Bond Issue**

An Act to Authorize Department of Transportation Bond Issues in the Amount of \$56,850,000 to Match Available Federal Funds for Improvements to Municipal and State Roads, State and Local Bridges, Airports, State Ferry Vessels and Terminals and Rail and Marine Facilities  
H.P. 1299 L.D. 1842  
(C "A" H-709)

On motion by Senator **MICHAUD** of Penobscot, **TABLED** until Later in Today's Session, pending **PASSAGE TO BE ENACTED**.

**THE PRESIDENT:** The Chair recognizes the Senator from Knox, Senator Pingree.

Senator **PINGREE:** Thank you Mr. President. Is the Senate in possession of L.D. 174?

**THE PRESIDENT:** The Chair would answer in the affirmative.

**HELD BILL**

On motion by Senator **PINGREE** of Knox, the Senate **RECONSIDERED** whereby the Senate **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**:

An Act to Increase Health Insurance Benefits for Retired Educators  
H.P. 132 L.D. 174  
(C "A" H-154)

(In Senate, April 14, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-154)**, in concurrence.)

(In House, April 17, 1997, **PASSED TO BE ENACTED**.)

(In Senate, May 30, 1997, Bill and Accompanying Papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.)

On motion by Senator **PINGREE** of Knox, Bill and Accompanying Papers **COMMITTED** to the Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS**, in **NON-CONCURRENCE**.

Sent down for concurrence.

**THE PRESIDENT:** The Chair recognizes the Senator from Knox, Senator Pingree.

Senator **PINGREE:** Thank you Mr. President. Is the Senate in possession of L.D. 607?

**THE PRESIDENT:** The Chair would answer in the affirmative.

**HELD BILL**

On motion by Senator **PINGREE** of Knox, the Senate **RECONSIDERED** whereby the Senate **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**:

An Act to Exempt Nonprofit Ambulance and Fire Emergency Services from the State's Sales Tax  
S.P. 189 L.D. 607  
(C "A" S-260)

(In Senate, May 20, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-260)**.)

(In House, May 27, 1997, **PASSED TO BE ENACTED**.)

(In Senate, May 30, 1997, Bill and Accompanying Papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.)

On motion by Senator **PINGREE** of Knox, Bill and Accompanying Papers **COMMITTED** to the Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS**, in **NON-CONCURRENCE**.

Sent down for concurrence.

**THE PRESIDENT:** The Chair recognizes the Senator from Knox, Senator Pingree.

Senator **PINGREE:** Thank you Mr. President. Is the Senate in possession of L.D. 10?

**THE PRESIDENT:** The Chair would answer in the affirmative.

**HELD BILL**

Senator **PINGREE** of Knox moved to **RECONSIDER** whereby the Senate **PASSED TO BE ENGROSSED AS AMENDED**:

Bill "An Act to Correct Errors and Inconsistencies in the Laws of Maine"  
S.P. 12 L.D. 10  
(S "A" S-418 to  
C "A" S-411)

(In Senate, May 30, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-411) AS AMENDED BY SENATE AMENDMENT "A" (S-418)** thereto.)

On motion by Senator **PINGREE** of Knox, **TABLED** until Later in Today's Session, pending motion by same Senator to **RECONSIDER PASSAGE TO BE ENGROSSED AS AMENDED**.

Under suspension of the Rules, all matters thus acted upon, with exception of those matters being held, were ordered sent down forthwith for concurrence.

Out of order and under suspension of the Rules, the Senate considered the following:

**ENACTORS**

The Committee on **Engrossed Bills** reported as truly and strictly engrossed the following:

An Act to Require Legislative Review of Revisions to the State's Clean Air Strategy  
S.P. 318 L.D. 1058  
(S "A" S-393 to  
C "A" S-189)

An Act to Increase Access to Education, Training and Employment for Displaced Homemakers  
S.P. 328 L.D. 1106  
(S "A" S-373 to  
C "A" S-142)

An Act to Amend the Membership of the Maine Land Use Regulation Commission  
S.P. 347 L.D. 1166  
(C "A" S-244)

An Act Concerning Authorization of Educational Technicians  
H.P. 890 L.D. 1207  
(C "A" H-688; S "A" S-380)

An Act to Reestablish the State Compensation Commission  
H.P. 999 L.D. 1391  
(H "A" H-440; S "A" S-383 to C "A" H-309)

An Act to Provide for Removal of a State Auditor Who Fails to Meet the Statutory Qualifications for the Office  
S.P. 440 L.D. 1414  
(C "A" S-279)

Which were **PASSED TO BE ENACTED** and having been signed by the President, were presented by the Secretary to the Governor for his approval.

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**Resolve**

Resolve, to Create a Task Force to Develop a Single Payment System for State and Federal Taxes for Small Businesses  
H.P. 988 L.D. 1368  
(S "A" S-399 to C "A" H-240)

Which was **FINALLY PASSED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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**Bond Issue**

An Act to Authorize a General Fund Bond Issue in the Amount of \$5,000,000 to Fund Capital Expenses for Vocational High Schools  
H.P. 413 L.D. 558  
(C "A" H-697)

On motion by Senator **MICHAUD** of Penobscot, **TABLED** until Later in Today's Session, pending **PASSAGE TO BE ENACTED**.

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**Mandate**

An Act to Redistrict Knox County and Provide for 5 County Commissioners  
H.P. 1016 L.D. 1408  
(S "A" S-356 to C "A" H-475)

This being a Mandate, in accordance with the provisions of Section 21 of Article IX of the Constitution, having received the affirmative vote of 31 Members of the Senate, with no Senators having voted in the negative, and 31 being more than two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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**ORDERS OF THE DAY**

**Unfinished Business**

The following matters in the consideration of which the Senate was engaged at the time of Adjournment had preference in the Orders of the Day and continued with such preference until disposed of as provided by Senate Rule 516.

The Chair laid before the Senate the following Tabled and Later (5/30/97) Assigned matter:

Resolve, Compensating Robert O'Malley for Claims against the State  
H.P. 201 L.D. 254  
(C "A" H-337)

Tabled - May 30, 1997, by Senator **MICHAUD** of Penobscot.

Pending - **FINAL PASSAGE**

(In Senate, May 15, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-337)**, in concurrence.)

(In House, May 20, 1997, **FINALLY PASSED**.)

On motion by Senator **LAFOUNTAIN** of York, supported by a Division of at least one-fifth of the members present and voting, a Roll Call was ordered.

The Doorkeepers secured the Chamber.

The Secretary called the Roll with the following result:

**ROLL CALL**

YEAS: Senators: ABROMSON, AMERO, BENNETT, BENOIT, BUTLAND, CAREY, CASSIDY, CATHCART, CLEVELAND, FERGUSON, GOLDTHWAIT, HALL, HARRIMAN, JENKINS, KIEFFER, KILKELLY, MACKINNON, MICHAUD, MILLS, MITCHELL, MURRAY, NUTTING, O'GARA, PARADIS, PENDLETON, PINGREE, RAND, RUHLIN, SMALL

NAYS: Senators: DAGGETT, LAFOUNTAIN, LIBBY, LONGLEY, TREAT, THE PRESIDENT - MARK W. LAWRENCE

29 Senators having voted in the affirmative and 6 Senators having voted in the negative, the Resolve was **FINALLY PASSED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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The Chair laid before the Senate the following Tabled and Later (5/30/97) Assigned matter:

An Act Regarding Potato Bin Pilers and Refund of Sales Tax  
H.P. 342 L.D. 464  
(C "A" H-116)

Tabled - May 30, 1997, by Senator **MICHAUD** of Penobscot.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, April 2, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-116)**, in concurrence.)

(In House, April 7, 1997, **PASSED TO BE ENACTED**.)

Which was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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The Chair laid before the Senate the following Tabled and Later Today Assigned matter:

Bill "An Act to Allow Agricultural Workers to Bargain Collectively"  
H.P. 1177 L.D. 1654  
(C "A" H-550)

Tabled - May 31, 1997, by Senator **PINGREE** of Knox.

Pending - **FURTHER CONSIDERATION**

(In Senate, May 22, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-550)**, in concurrence.)

(In House, May 30, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-550) AS AMENDED BY HOUSE AMENDMENT "B" (H-740)** thereto, in **NON-CONCURRENCE**.)

Senator **PINGREE** of Knox moved the Senate **RECEDE** and **CONCUR**.

On motion by Senator **MITCHELL** of Penobscot, the Senate **RECEDED**.

Senator **MITCHELL** of Penobscot moved to **INDEFINITELY POSTPONE** the Bill and Accompanying Papers in **NON-CONCURRENCE**.

**THE PRESIDENT:** The Chair recognizes the Senator from Penobscot, Senator Mitchell.

Senator **MITCHELL:** Thank you Mr. President, and good morning ladies and gentlemen of the Senate. I was greatly shocked yesterday when I read this amendment "B" that we're talking about this morning and was really amazed that this amendment is targeting a single employer. I'm not defending that

employer. I'm just questioning whether this type of action is a policy that we can be proud of? How is 500,000 chickens threshold any different from 1,000 cows or 1,000 acres of blueberries or 1,000 acres of potatoes? This type of action would send the wrong message to Maine's farmers and give the wrong message to our agricultural business looking to locate here in Maine.

The no-strike amendment addresses strikes but not other work actions. For a farmer trying to get his crop in, a slow-down is just as devastating as it would be a failure to harvest a crop or make a treatment at just the right time. I think we really need to be careful at what we're doing here. This bill would be a major change in the agricultural policy in this state, and I think it sends a wrong message to make a singular entity of 500,000 chickens. If this farmer kept his chickens less at 400,000 or 495,000 he's going to avoid this. This is not going to resolve the situation because you can work with it. And I don't think we're going to actually accomplish what we want to accomplish here. And I don't think it's really as business or professional and what the type of law we want to enact. So I would ask you to please support my vote to indefinitely postpone this to really take away an embarrassment and put this behind us. And I'd appreciate your support in this motion.

**THE PRESIDENT:** The Chair recognizes the Senator from Penobscot, Senator Cathcart.

Senator **CATHCART:** Thank you Mr. President, men and women of the Senate. I urge you to reject the motion to indefinitely postpone this bill. This is a very important matter. Perhaps today this amendment does only cover one large industrial agricultural employer in the State of Maine, but I would submit to you that this body has several pieces of legislation before it which deal with one and only one company, so I see nothing wrong with that. The amendment changes the title of the bill. The new title is "An Act to Extend Collective Bargaining Rights to Employees of Large Industrial Agricultural Operations" and it does indeed limit the right to strike. There is no mandate, there is no, not the right to strike, but even the right to form a union is what it does, and there is no mandate saying any workers of any company should do that. It simply allows them the same rights as other industrial workers in the State of Maine have to decide if and when they need to form a union and vote and go through the process to do that. It's for companies with 500,000 or more laying hens. The reason for limiting it in this way was our concerns which we expressed before about this bill and we held very important that this might somehow affect the fledgling cranberry growing business, the blueberries, the broccoli, and others and they were not even subject to the numbers that were laid out in the original legislation. But, in order to be sure that those agricultural firms were not going to be damaged by this, we eliminated them simply. And we feel that this is a very good way to go about it.

I had the experience, chairing the Labor Committee, of hearing from workers at a very large agricultural, industrial company in this state, and it took me back to the late 60's and early 70's when many of us felt that it was important to boycott such products as Gallo wine and California grapes because of the problems of the workers in those vineyards in California, and the conditions that those people had to live under just in order to try to put food on the table for their families. Well, if you were not privileged as I was, to hear the testimony about the conditions that these workers suffer in our own beautiful State of Maine,

then you should be able to do that because I was appalled and outraged to find out that we have at least one company in our state that treats workers in that manner, and I cannot condone that kind of treatment of people who are just trying to work for a living. I urge you to vote against this motion so that we can just give these people the right to bargain and to organize and form a union if they should wish to do so, and please vote against the motion. Thank you very much.

**THE PRESIDENT:** The Chair recognizes the Senator from Piscataquis, Senator Hall.

Senator **HALL:** Thank you Mr. President, ladies and gentlemen. I promised myself early this morning that I wouldn't say a word today because I would like to go home, but this just begs a question or a comment, I guess I should say. And one, we all have our little quirks when we look at different legislation. And one, my quirk is, can we enforce this law that we're about to pass? I don't know, maybe I didn't get enough sleep last night or whatever, but has anybody in here ever tried to count chickens? Think about that just a moment now. If you took the weeks that it might take to count a half a million chickens, and you found that one individual had one chicken or two chickens over a half a million, I can guarantee you his family would be eating chicken for Sunday dinner. I don't see how we ever could enforce this, or we'd have to employ a few more people as state employees to go count chickens. I'm going to urge you to support the pending motion of indefinite postponement.

**THE PRESIDENT:** The Chair recognizes the Senator from Kennebec, Senator Treat.

Senator **TREAT:** Thank you Mr. President and men and women of the Senate. Certainly on this bill, I for one would not want to count my chickens before they were hatched. It is taking a long time to hatch this particular bill. I do support this measure and I would just like to clarify one thing. This bill as amended does apply to more than one facility. Indeed, it applies to at least three facilities that are large industrial-type agricultural facilities, one of which is in my District. Nevertheless, I do support this because I believe that this bill simply protects the rights of workers to sit down across the table from their employers and to bargain about such issues as their working conditions and their pay without fear of being fired by those employers. And to me that is just a fair thing. It has been amended in such a way that the concerns about striking have been addressed. I think it's a very reasonable measure. It's an appropriate measure and I do urge your support of it.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Rand.

Senator **RAND:** Thank you Mr. President and men and women of the Senate. I would hope that you would reject the pending motion to indefinitely postpone this bill so that we can go on to pass the amended version. We have been asked repeatedly over the past several sessions actually, to make sure that we don't send negative signals to the business community. This is one small bill that we can enact that would send a positive message to a very important part of our business community, the workers, and to let them know that we believe they have dignity, they have rights, rights that they should be allowed to exercise. There's nothing evil, nothing wrong with organizing, in joining a

union. Some of the rhetoric that I've heard in relation to this particular bill has been actually pretty upsetting. On one hand, we talk about the work ethics and the high quality of workers that we have in Maine, and yet we seem petrified, literally petrified, to give them the right to sit down and bargain in good faith with their employers. When do they turn evil? When do they become the bad guys in this business arrangement? I think it's appalling that all workers are not allowed to organize, to sit down as equals and discuss the matters of employment that consume a huge part of their lives, to sit down with their employers and discuss and negotiate and try to come to reasonable agreements on how large portions of their lives will be lived. Again, I urge you to reject the pending motion. Let's send this little message of support to the working people of Maine that their Representatives will not bar them from negotiating in good faith with their employer.

**THE PRESIDENT:** The Chair recognizes the Senator from Penobscot, Senator Mitchell.

Senator **MITCHELL:** Thank you Mr. President. The intent of this particular bill that we're focusing on is not taking away from the opportunity for bargaining. This particular bill we're focusing on is addressing our farming, our agriculture, and the people that are very proud, that have excellent high work ethics. They've worked well with the farmers over the years and they take great pride in their workmanship and the work ethics. This is Maine not California, and many people come to us and warn our people and encourage our people to leave this great state because of their great work ethics. But if this was not planting season, this room would be filled with farmers who would be here to protest what we're trying to do to their industry today. We're infringing on what they're all about, their credibility and their ability to farm and harvest and enjoy the wonders of this great State of Maine. This is not about a labor bill. This is about people working together without having government interfere and also to count chickens rather than cows or blueberries. I think we need to address a separate situation in a different mode. But to focus on this bill, all we're saying is that 500,000 chickens can be utilized in different ways. We need to address what we're doing and vote for this bill and I would request a roll call.

On further motion by same Senator, supported by a Division of at least one-fifth of the members present and voting, a Roll Call was ordered.

The Doorkeepers secured the Chamber.

The Secretary called the Roll with the following result:

**ROLL CALL**

**YEAS:** Senators: ABROMSON, AMERO, BENNETT, BENOIT, BUTLAND, CASSIDY, FERGUSON, GOLDTHWAIT, HALL, KIEFFER, LIBBY, MACKINNON, MILLS, MITCHELL, SMALL

**NAYS:** Senators: CAREY, CATHCART, CLEVELAND, DAGGETT, HARRIMAN, JENKINS, KILKELLY, LAFOUNTAIN, LONGLEY, MICHAUD, MURRAY, O'GARA, PARADIS, PENDLETON, PINGREE, RAND, RUHLIN, TREAT, THE PRESIDENT - MARK W. LAWRENCE



ABSENT: Senator: NUTTING

15 Senators having voted in the affirmative and 19 Senators having voted in the negative, with 1 Senator being absent, the motion by Senator MITCHELL of Penobscot to **INDEFINITELY POSTPONE** the Bill and Accompanying Papers in **NON-CONCURRENCE, FAILED.**

On motion by Senator PINGREE of Knox, the Senate **CONCURRED.**

Under suspension of the Rules, all matters thus acted upon were ordered sent down forthwith for concurrence.

**THE PRESIDENT:** In reference to the action of the Senate on May 31, 1997, whereby it **INSISTED** and **JOINED IN A COMMITTEE OF CONFERENCE** on Bill "An Act to Regulate the Use of Personal Watercraft" S.P. 137 L.D. 416 (H "A" H-689; S "A" S-338 to C "A" S-311)

The Chair appointed as conferees on the part of the Senate:

- Senator TREAT of Kennebec.
- Senator NUTTING of Androscoggin.
- Senator PENDLETON of Cumberland.

**ORDERS OF THE DAY**

The Chair laid before the Senate the following Tabled and Later Today Assigned matter:

An Act Regarding Health and the Prevention of Smoking H.P. 1338 L.D. 1887 (S "B" S-412 to H "C" H-723)

Tabled - May 31, 1997, by Senator PINGREE of Knox.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, May 29, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY HOUSE AMENDMENT "C" (H-723) AS AMENDED BY SENATE AMENDMENT "B" (S-412)** thereto.)

(In House, May 30, 1997, **PASSED TO BE ENACTED.**)

On motion by Senator AMERO of Cumberland, supported by a Division of at least one-fifth of the members present and voting, a Roll Call was ordered.

The Doorkeepers secured the Chamber.

The Secretary called the Roll with the following result:

**ROLL CALL**

YEAS: Senators: CATHCART, CLEVELAND, DAGGETT, GOLDTHWAIT, JENKINS, KILKELLY, LAFOUNTAIN, LONGLEY, MILLS, MURRAY, NUTTING, O'GARA, PARADIS, PENDLETON, PINGREE, RAND, RUHLIN, TREAT, THE PRESIDENT - MARK W. LAWRENCE

NAYS: Senators: ABROMSON, AMERO, BENNETT, BENOIT, BUTLAND, CAREY, CASSIDY, FERGUSON, HALL, HARRIMAN, KIEFFER, LIBBY, MACKINNON, MICHAUD, MITCHELL, SMALL

19 Senators having voted in the affirmative and 16 Senators having voted in the negative, the Bill was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

Senate at Ease

Senate called to order by the President.

Senator PINGREE of Knox was granted unanimous consent to address the Senate off the Record.

Off Record Remarks

On motion by Senator PINGREE of Knox, **RECESSED** until the sound of the bell.

After Recess

Senate called to order by the President.

**ORDERS OF THE DAY**

The Chair laid before the Senate the following Tabled and Later Today Assigned matter:

SENATE REPORT - from the Committee on TAXATION on Bill "An Act to Encourage Major Investments in Shipbuilding Facilities and to Encourage the Preservation of Jobs" S.P. 641 L.D. 1863

Report - **Ought to Pass as Amended by Committee Amendment "A" (S-422).**

Tabled - May 31, 1997, by Senator PINGREE of Knox.

Pending - **ACCEPTANCE OF THE REPORT**

(In Senate, May 31, 1997, Report **READ.**)

**THE PRESIDENT:** The Chair recognizes the Senator from Penobscot, Senator Ruhlin.

Senator **RUHLIN:** Thank you Mr. President, Senators of Maine. I'd like to speak to you this morning about that Ought to Pass report. I also want to mention to you this morning an opportunity that is before us, an opportunity to enter into a partnership which will bring us successfully into the 21st century, a partnership that will establish Maine as the premier shipbuilder, I hope, in the world. A partnership based upon the resources of corporate America and the well-known, famous work ethic of the Maine people. It's a partnership that will be successful. To bring this partnership to fruition there are certain things we must recognize. We must recognize the need to keep our core industries in this state viable. To do that takes a commitment of the citizens through their Legislature. In that commitment we propose to abate back to the corporation that presently pays about 10% of the corporate income tax in the State of Maine. We intend to abate back to them some of the withholding monies that they would be paying their employees. That would come to about \$3 million a year. It could vary a little bit, depending upon certain circumstances from time to time, but it would come to about \$3 million a year for a period of 20 years or, and I really hope the "or" becomes operative, they are so successful that they build 30 ships sooner than that. It will be one of the two, 20 years or 30 ships. It is a \$3 million annual investment by the people of the State of Maine that has strings to it, fortunately. If certain conditions are not met, there's a certification process the applicant must go through. And they are going to be reviewed annually in that certification process. That certification process involves the quality of jobs and the quantity of the jobs. It involves environmental protection. It involves investment by the company. If they do not remain certified, they do not get the abatement. That's the key. Unlike a bond that many states use where you go to a bond and you get your money and you just hand it to the people you're doing business with and hope that they fulfill their agreements or you go to court. When you go to court in this type of thing, both sides lose, so you just hope that they do it. Here we have the annual string. They either do it or they don't get their abatement, period. There's also something else, I think, in here quite unique and that is they pledge to invest certain amounts of money, \$150 million in the first 5 years. If they don't invest that, there's a term I've become familiar with in the last month and I really like it, "the claw," they call it. "The claw" comes out and it's called the "clawback" and it takes that money back. If in the next 5 years they don't invest another agreed upon amount, out comes the "claw" again and takes that money back. So with these protections, I feel the state and its people's hard earned money are well protected.

Not having a crystal ball, I am sure we've not encountered every single thing that can come up in the future but, I think we have covered every aspect that a reasonable person could reasonably be expected to cover. We have looked at the history of the performance. We've looked especially, that I found noteworthy, at the history of Bath Iron Works, a well-known company, highly respected in its field, highly leveraged in buy-outs, cash-poor, in danger of losing even more jobs, in danger of not being able to compete in this increasingly competitive age. It wants a new buyer who obviously has some interest in the long-term results that came in and put some cash in, some cash infusion to the company and changed around a debt-ridden, debt-ridden company to one that now pays and makes a healthy profit. They've done that in a couple of years. I look forward to

them doing it for many, many years to come. I hope you will join with me and the 13 members of the Taxation Committee who unanimously have signed this report that we go forward now in the 21st century. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Sagadahoc, Senator Small.

Senator **SMALL:** Thank you Mr. President, men and women of the Senate. It is with a great deal of pride today that I address this body on this momentous piece of legislation that's before us right now. But first I'd like to thank the three Senators serving on the Taxation Committee, the Senator from Kennebec, Senator Daggett, the Senator from Somerset, Senator Mills, and the Senator and Chair from Penobscot, Senator Ruhlin, for the long hours and the hard work that they put into making this a 13 to 0 report, a unanimous Committee report out of the Committee on Taxation. I'd also like to take an opportunity to thank all the employers and supporters of BIW for their tireless efforts to educate the Legislature and the public about BIW's modernization plans. I now know more about the BIW facility than I did 20 years ago when I actually worked there. And I think the example of management and labor working together shows the success that we can have when everyone works together for a common purpose. The same spirit of cooperation took place when the Taxation Committee and BIW negotiated the unanimous Committee report that resolved many of the concerns that Legislators presented at the hearing and yet still assured BIW of the State of Maine's commitment to help modernize the facility and keep shipbuilding jobs here in Maine where they belong.

This legislation is critical to preserving BIW's ability to compete with their rival in Passcagoula, Mississippi, Ingalls Shipyard. This bill is also necessary to preserve thousands of high-paying jobs across the State of Maine. When I read the list of hometowns where BIW's employees live, I was astounded at not only the large number of communities, but also the distance that individuals will travel to work at BIW. A quick sampling of the towns and cities where the workers live includes Wells, Kennebunk, Sanford, Saco, Biddeford, Westbrook, Tenants Harbor, Harrison, Naples, Bremen, Bristol, Warren, Washington, Rockland, Mechanic Falls, Norway, Buckfield, Hebron, Turner, Jay, Vienna, Dryden, Farmington, Winthrop, Norridgewock, Litchfield, Sabbathus, Belfast, Albion, Hartland, Palmyra, Lincolnville, Morrell, Searsmont, Dover-Foxcroft, Brewer, Dexter and Passadumkeag. And when I looked at some of these towns and wondered how these people could possibly commute to BIW every day from their hometowns, I was informed that many of these people actually take a room in Bath and spend the week in Bath so that they can work there and earn the high wages that Bath Iron Works pays, and then return home to their communities for the weekend, because the jobs just aren't available there to support their families. So it's not just a bill that's of particular concern to my area, but it's of particular concern to most everyone in this body's areas as well. Not only are the jobs provided at Bath Iron Works, but more than 1,100 vendors across the state receive contracts from Bath Iron Works to provide services. The contract vendors range from a few hundred dollars up to a million. There are small businesses in each and every district here that rely on BIW to buy the \$23 million worth of goods and services and many more businesses are helped when they come into their towns and spend their paychecks. Or they come into their towns and spend their money on recreational

activities. Even if you don't have any employees from your county that work at Bath Iron Works, I can assure you that at some point in time, Bath Iron Works employees are up in your county and in your towns spending their paychecks. This is a jobs bill, make no mistake about it. We have passed Bond Issues in the past to provide jobs to stimulate Maine's economy, but the return was nowhere as significant and as far-reaching as this legislation. A quick look at what the return for this investment will be was provided on a sheet which was labeled "The BIW Modernization Returns to State" and if you'll look at just the new modernization construction component of that, which will be ongoing from 1998 to 2001, the payroll created from that project will be \$50 million to the State of Maine. The payroll tax from those jobs will be \$3 million. The corporate income tax paid from those jobs will be \$2 million. The sales and use tax will be \$4 million for a net return of \$9 million just for the modernization component. But the continuing operation of the shipyard from 1999 to 2018 for the duration of the State's assistance, the payroll paid in the State of Maine will be \$4 billion, that's more than twice the state's budget for each year. The payroll tax will be \$189 million. The corporate income tax will be \$149 million. The sales tax will be \$20 million, for that we will pay a reimbursement of \$60 million over the course of that time. The net return will be \$298 million to the State of Maine in monies that they receive. We have a sign at the Bath facility. It's a great big sign as you enter the shipyard and it says, "Through these gates walk the finest shipbuilders in the world." Please help us keep those gates open and continue the proud heritage that "Bath-built is Best-built." Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Butland.

Senator **BUTLAND:** Thank you Mr. President, ladies and gentlemen of the Senate. Let me state from the outset that I am a supporter of Bath Iron Works and I understand the concept of teamwork spoken of by the good Senator from Penobscot, Senator Ruhlin. Having spent four years on active duty in the Marine Corps, in close proximity to the Gator Navy, and 18 years in Reserve duty, I have planned for and executed more amphibious landings than I would like to realize. I understand the concept of teamwork. I am sympathetic to the national defense needs of our country and I am sympathetic to the vendors that provide those defense goods and services to our country, and as I said in the opening sentence, I am supportive of Bath Iron Works. But for me, quite frankly, this particular proposal goes beyond the pale. I am concerned for several reasons. I am concerned that we are setting a precedent here that we may not be able to live with or that we may not be able to afford. I don't know how we, in the 119th and 120th Legislature, look other companies in the eye and say that they are not qualified for this particular type of treatment. I also fear that when the historians write the history of the 1st session and the 1st special session of the 118th Legislature and when the pundits analyze our actions, they're going to note, at least in my opinion, an uneven treatment of the business communities here in the State of Maine. They will note the favorable treatment of big business and once again, in my opinion, the unfavorable treatment of the small businesses, small businesses that make the backbone of this state and this nation. We've increased fees and regulations and startup costs for all small businesses during this session. And I guess the disparity comes from because of the degree of attention that we are given by business in the Legislature. In this particular

instance, the Bath Iron Works instance, we have been the recipients of multi-colored brochures, several. We've even been the recipients of video tapes talking about this particular issue. And if you had the opportunity of attending the most recent launching, as I did, of the USS Cook, you even had your own private tour guide, an employee of Bath Iron Works who lived in your district. It's unfortunate that small business can't compete for the attention of the Legislature on that level. Small businesses can't take the time to come to Augusta to defend their interests. They depend on us. I would certainly support this legislation if it pertained to all businesses in the State of Maine, if small businesses were the recipients and my good friend from Sagadahoc, Senator Small, has said, "Well, we're going to have 1,100 vendors who are going to be prospering from this." Eleven hundred vendors is a small proportion of the entire small business community here in the State of Maine. I'm not going to hold my breath until this Legislature extends this type of generosity to the small businesses. And you need to ask yourself, "Who needs the preferential treatment from the Legislature? Who needs it most? Is it General Dynamics from Falls Church, Virginia, or is it the Bob Vail Construction Company from Cumberland Center, Maine?"

When I first became aware of this issue, I looked into the finances of General Dynamics. They were the subject of a recent article in "Business Week" magazine. I'd just like to read into the record a few of the paragraphs from this article. It talks about General Dynamics and it says, "All the divestitures have left the Falls Church, Virginia, company with its coffers full of cash. Even after a string of recent acquisitions, General Dynamics has \$700 million in cash and securities, \$340 million in annual cash flow and a microscopic debt to equity ratio of 2.2%." It talks about the backlog that General Dynamics has over the next 4 years of \$10.6 billion in contracts from the federal government. And then it goes on and says, "But those operating successes aren't enough to achieve real growth. General Dynamics needs to put its cash to work by making more acquisitions." And it asks the question, "What's on the radar screen? Analysts say picking up Newport News or Litton/Ingalls Shipyard would make sense." Wouldn't that be interesting if General Dynamics bought the Litton yard in Passcagoula? Towards the end of the article it says, "When the company bought Bath in 1995, the company being General Dynamics, it paid half what the shipyard brought in a private transaction in 1986 during a market peak. At a time when many industry deals are priced at roughly \$1, for \$1 of sales, General Dynamics paid \$300 million for \$850 million in yearly sales." In a recent newspaper article it talked about, "Bath Iron Works' owner is the number 5 contractor, the number 5 defense contractor in America." And it quotes, "One big gainer was General Dynamics Corporation, Falls Church, Virginia, owner of Bath Iron Works. It makes the Abrams tanks, Seawolf Attack Submarines, Aegis Destroyers, Stinger and Tomahawk missiles. It rose from the 11th place to 5th place with sales of, or contracts of \$2.7 billion." There was an article in the Brunswick paper today that says, "The economy surges at 5.8% rate. Corporate profits hit all-time high. In the "Portland Press Herald" on April 8th, there was another article talking about big business and the headline was, "Biggest Businesses Keep Getting Bigger. Profits of the Fortune 500 Companies shot up 23.3% in 1996, the fourth straight year of strong profit gains."

I wish this rosy picture were the same picture for government here in the State of Maine. I believe that it probably is with tax relief. But the tax relief has to be much more broad-based than what we are considering here today. It sounds like to me that

Bath Iron Works's parent company, General Dynamics, is indeed on the move. I feel that it's well within General Dynamics' resources to absorb the entire cost of the construction project. I have to believe that 2 years ago, when they were negotiating to buy Bath Iron Works, that they weren't made aware of the long-term plans, well into the next century. And I can't assume, or I guess we shouldn't assume, that they assumed that the Legislature was going to make available this kind of a deal. I would far more respect General Dynamics if they came to this situation by saying, "We bought the company at a fire sale price. We respect the ability of our workers. We want to be a positive part of the community. We want to contribute to the community so that Bath-built ships are made well into the future. We appreciate all that state and local governments have done in the past." And I must say it has been significant, what state and local government has done in the past for Bath Iron Works and taking all of these things into consideration, the BETR Program recently, the TIFs, the bonds that we've floated for Bath Iron Works, the tax credits. I wish they had come to us and said, "We appreciate all that and we're going to do it on our own," but they didn't. They came to us and said, "Show me the money." And I have to tell you that I view this type of attitude as somewhat akin to the highwaymen of recent past, where they demand that you stand and deliver. And I guess their attitude that is prevalent amongst business in this country is probably our fault. It's probably a response to the action of Legislatures in this state and Legislatures throughout the country, as we lavish program upon program in order to convince the companies that we are indeed a business friendly environment.

I wonder if there will ever come a time when companies are truly concerned about the workers in the communities that they live in, and I look forward to the time when the Aaron Feuersteins of the world are not the anomalies. I believe this is poor public policy. Once again, I'm concerned about the precedent that we set and I can't, in good conscience, sign on to this agreement, knowing that every small business, and most of the individual taxpayers here in the State of Maine are taxed to the max and are in dire need of tax relief. It appears to me that Bath Iron Works is looking for a sugar daddy in this deal and I don't blame them. I'm sure that if I was involved with a company that I would be looking for the best deal, and I do want them to succeed but, I suggest to them that they knock on the door of General Dynamics down in Falls Church, Virginia, and not the state government in Augusta, Maine, in their search for that sugar daddy. Thank you very much.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Harriman.

**Senator HARRIMAN:** Thank you very much Mr. President and good morning, ladies and gentlemen of the Senate. It was in 1884 that the first ship went down the ways at what is now known as Bath Iron Works. It was a wooden ship built on the Kennebec River. Why? Because it was in a strategic location where the timber, the finest timber necessary to build these ships could be floated down the Kennebec River. Today on that very same site, the finest surface combatant ships in the entire world are built. Much has changed since 1884, not only the way ships are built but the way businesses are run. And I remember, as a young man growing up in Yarmouth, just a few miles down the shoreline from Bath, a flooring company owning this company. Imagine if you will, a flooring company running a shipyard to defend our country. Later the insurance industry decided that they were

pretty good at shipbuilding and they leveraged this company to the point where it may not have survived if not for the company that now owns it, General Dynamics. And what did they do when they bought it? They eliminated the debt on this shipyard enabling it, when it competes for contracts, to reduce its interest costs, its costs of doing business. It made a commitment to the community, to the employees, to the industry and, you know what? It became a corporate taxpayer. For the first time BIW paid corporate income taxes under General Dynamics. It's my understanding they paid almost \$6 million in Maine corporate income taxes last year.

The bill that we are being asked to support today is at virtually no risk to the State of Maine. It creates, as my good friend from Penobscot, Senator Ruhlin, pointed out, a number of safeguards and protections to assure that the income tax relief that this bill provides will do the very best we can to help this company and its employees compete for the jobs of the future. I was privileged back in January to be invited by Mr. Kevin Gildart, spokesperson for BIW and Assistant to the President, to come to his office so he could share with me a plan they were working on to enable Bath Iron Works to compete for the jobs of the future. And about an hour later, after they had unfolded their plan, I said, "Gee, I hope you won't be offended if I am candid with you." And Mr. Gildart's response was, "I want your feedback. I invited you here so you could give us just that." I said, "Well, I agree with your goal but I'm concerned about how we're going to get there." I'm concerned that the perception may be that this wealthy, multinational company that my good friend from Cumberland, Senator Butland, alluded to is not committed to Bath Iron Works. I'm concerned that in the environment that you're now in, regardless of whether this bill passes or not, and please understand this, regardless of whether this bill passes or not, primarily through attrition about 1,200 or more people will no longer be working at BIW. And I said, "I think the funding mechanism that you're trying to propose needs to be put back on the shoulders of BIW to perform." And that was back in January. To their credit, to BIW's credit, the bill you have before you today is significantly different than the one I was shown back in January. Most importantly, they assumed responsibility for performance. If they perform, they can use the income tax relief that this bill provides. If they don't, they don't receive the income tax relief.

What is BIW committed to? They're committed to making major substantial investments, over \$400 million in their facility in Bath. They are committed to an employment level of at least 5,000 people in the near term and at least 3,500 people in the long term and, you know what? Their parent company, General Dynamics, had other options. They have other facilities. They own other dry docks. They could have taken the contracts that were mentioned and taken those contracts to another location that they owned and build those ships elsewhere. But they chose to make a commitment, a long-term commitment to the mid-coast region, to the State of Maine, to make sure that this premier employer is here for the long run. Then by unanimous vote, by unanimous vote, the city of Bath said, "We want to help you. You're a good corporate citizen. You're the heart and soul of our community and our economy and we will join with you enabling you to compete for the jobs ahead."

But you know what I think is most remarkable, the most unheralded part of this whole discussion? The support of the workers. The people who, day in and day out, build the finest ships in the world. It's their families that this bill's about. It's your neighbor, our communities that this bill is about. It's remarkable

to me that the people who first knew that the industry was changing so fast, that in order for them to compete, they needed to change. They needed to get on board with the team. In 1994, BIW Local 7 adopted a landmark labor agreement. Its goal? "We will work together to develop a simplified, flexible contract that promotes equal partnership for the continuing success of Bath Iron Works." Local 6, their goal, "A true commitment to team work to produce a labor agreement that promotes maximum efficiency and preservation of jobs." The purpose, it says in their booklet, "We recognize that significant changes to our present manner of producing ships are required for us to become globally competitive and ensure jobs for our people at BIW. Together we must seek out new technology in order to change and improve our processes, tools, equipment, and methods." The men and women who build these ships, they signed on, to make this team approach work, 3 years ago. Indeed, the world is changing rapidly and the race for this industry for survival has already begun. The employees of this company have suited up for this race of survival. The city of Bath has demonstrated its commitment to support this team. BIW and its parent company has made a significant commitment to support this team. So who's missing? We are. We, the collective we, the Democrats, the Republicans, the Independents, those of us who support labor, support business, support our economy, support our environment, the collective Maine family, that's who's missing. If we pass this bill, we're sending a clear and strong message to the men and women that we're on their team, that we're committed to supporting them and that we're going to give them the very best chance to win in this race of survival. And if they don't succeed, it won't be because we didn't give them the very best chance to succeed, and the cost to the citizens of Maine to give them this opportunity is practically nothing. So I hope you'll join me this morning in standing up and speaking up in support of the men and women who simply just want the very best chance to compete in this fast changing world. Thank you Mr. President.

**THE PRESIDENT:** The Chair recognizes the Senator from Androscoggin, Senator Jenkins.

Senator **JENKINS:** Thank you Mr. President, good afternoon, or good morning still, to the fellow Legislators here today and visitors. I do agree with the idea that "Bath-built is best-built" for the people, the men and women, the workers. They are our relatives. They're our neighbors. Our children go to school together and they're our fellow parishioners. Therefore, I say within reason, we must do all we can to support BIW in their efforts to remain competitive. And in a sentimental way, this is our shipyard. Just from Androscoggin County alone, there are about 1,500 employees that work at Bath Iron Works, \$58 million in annual payroll, 105 small business vendors, \$3.5 million in sales to vendors, 5 vendors doing over \$.5 million in sales to BIW and over \$50,000 in contributions to United Way and other organizations from the employees. Yes, it is truly a team effort as was pointed out earlier. Why I use the word "team" as an acronym? TEAM, Together Everyone Achieves More. So it does take a team effort to achieve great things and that's what we're talking about today. So I will say unequivocally, I will support this legislation, this effort today of Bath Iron Works. But in my own mind, this begs for a larger question to be answered in terms of this seems to be a precedent setting change in state policy perhaps, in how we do business as the State of Maine. Yes, I do support Bath Iron Works and this initiative as they are our largest employer. But are we, as Legislators, prepared to sit down with

the second largest through the tenth largest employer in the State of Maine who will step up to the plate at some point perhaps, and say, "Hey, I need help as well, just like you helped Bath Iron Works." So I say, I'm looking forward to having some dialogue with fellow Legislators to look at how we do business in the State of Maine. Yes, I say we should support Bath Iron Works but I say at the same time, we should develop a policy that's very clear that we support all businesses. You don't have to be the largest to get our support.

I know from various communities that I've lived and worked in, and when you have a community, whether the community be the great city of Lewiston, which is so dependent upon the mills, or whether it be the community of the State of Maine, if we have one industry that is the backbone, literally the backbone, of your economic destiny, I say your backbone is in trouble. You perhaps may need some chiropractic help down the road because if that backbone should have difficulties, your community starts unraveling fast. That's happened in every industrial community on the eastern seaboard. It's happened in our State of Maine and I do not want to see that happen here throughout the state in terms of Bath. I say this is truly part of the spinal cord that really holds us together.

That brings up the idea of the \$60 million over a 20 year period of time, or sooner perhaps, and I guess I look at the larger picture again and say, "Well, with that \$60 million, gee," talking to my seat mate, Senator Nutting, I said, "that buys a lot of feed, doesn't it for the farm animals?" He said, "I think we could get by with that." But, I know that that can help us diversify, that \$60 million can help diversify Maine's economy. As I look around, I see the military industrial complex shrinking, not expanding, shrinking. Which says we should look around as the State of Maine at other ways of building other strong, potential, economic engines that help drive Maine's economy and not keep resting solely on Bath Iron Works. I say we can possibly create, perhaps in the northeast, a Silicon Valley to attract different businesses in the high-tech industry. A lot of money can go towards Health and Human Services, education, research and development. We can go on and on and on, the laundry list is quite long.

I just want to close by saying that I do support Bath Iron Works, as I said before, they're our neighbors, they're our relatives and they go to work every day and it's true that the saying is and I do believe, it's well known that "Bath-built is best-built." And I say they need our support to continue that tradition. But I say it also calls for a larger discussion of how do we do business in the State of Maine, not just for Bath, for all businesses in the State of Maine. I know some of my colleagues say, "We can't afford it." I say, we can't afford not to do it. And I look forward to developing that policy that I mentioned earlier that does help diversify the engines that do run Maine's economy. So with that I say, I join my other fellow Legislators and implore them to support them to support this initiative but, also let us not stop there because it demands that we start being more creative than reactive and start looking at ways that we can diversify Maine's economy so that all businesses, all citizens that stick their neck out every day in the small shops to the large industries, they work hard every day creating quality products. They also need our help. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Kennebec, Senator Carey.

Senator **CAREY:** Thank you Mr. President. Mr. President, members of the Senate. A little earlier the good Senator from

Cumberland, Senator Butland, spoke of this being a precedent. Yes, the precedent is for a company with 5,000 employees, a company that has 1,100 plus vendors that are working with their particular employees. If another company in Maine were to come forward with that number of employees, even half of those vendors, then I think that we would look kindly towards that company as well. The help that we would be giving would only make a dent in the difference between what Maine would be doing for its shipyard and what Mississippi has done for its shipyard. There have been precedents in the past. Many decades ago, while it may not have been monetary, the state allowed L.L. Bean to open on Sunday when every other store in the state had to be closed and the gain was a competitive edge. In fact, and we are battling the U.S. Senate Majority Leader, Senator Lott, who happens to come from Mississippi, who is trying his damndest, very politely, trying his damndest to take away ships from Bath Iron Works to a yard that has a competitive edge currently. And this is what we're trying to do is to narrow down that competitive edge that they have. I would hope that we can enact this bill to really cut into that competitive edge. The good Senator from Cumberland, Senator Butland, spoke about the profits that General Dynamics has, and again I would turn to L.L. Bean. L. L. Bean had double digit profits in the last year and they rewarded their employees by getting rid of over 250 of them because their profit wasn't large enough.

**THE PRESIDENT:** The Chair recognizes the Senator from Lincoln, Senator Kilkelly.

Senator **KILKELLY:** Thank you Mr. President, men and women of the Senate. I think, I believe that there are 2 ways of looking at this bill and one is that we can look at Bath Iron Works as the final recipient of the funds we're talking about or we can look at Bath Iron Works as the conduit. We've all heard of the "Trickle-Down Theory of Economics" and I suggest that this is the "Ripple-Out Theory." This is a small business bill whether it's a small business bill for folks that require lodging or meals or the contractors and suppliers that actually provide services to Bath Iron Works, or the auto dealers, the entertainment folks, the clothing folks, the shoe salespeople, the grocery stores, the doctors, the pharmacies, the home building contractors, the real estate agents, the general retailers and everyone else, who depends on the money that's spent by Bath Iron Works employees and their families. It's a business bill in general. It's an employment bill in general. It's also a community bill. These folks, these workers, contractors and all the folks that I've previously mentioned and so many others have, pay taxes in their local towns, and that's a long list of towns that's already been outlined by the good Senator from Sagadahoc, Senator Small. This is a regional bill, to help sustain regional economic health which in this critical time is absolutely essential. It's also a state bill which preserves a diverse economy and helps us, as a state, to compete on a national and global level. We must maintain a diverse economy if we are going to be successful in the future. We are losing agriculture. We are losing a number of other kinds of activities that we've depended on. We have an opportunity today to make sure we don't lose shipbuilding. And it's really important that that be maintained.

I think it's important for all of us to look at our support for this bill as support for Bath Iron Works, which is appropriate. My father worked there for a number of years and many people that I know work there today and have worked there in the past but, it's also important to support this bill for my towns and for your

towns, for my small businesses and for your small businesses and for our state as a whole. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Somerset, Senator Mills.

Senator **MILLS:** Thank you Mr. President and men and women of the Senate. Senator Harriman from Cumberland gave the first half of my speech and Senator Carey from Kennebec gave the last half, so I will simply give you the footnotes, and very few at that. One of the first things that we were concerned about in the Tax Committee was whether this bill is some expression of tax policy. In a more specific vein, does this bill set a precedent by which we are inviting still other businesses to come in and to deal with us on the same basis, on the same terms that BIW has done? And, as I've said to so many of you already, I think I passed through that looking glass a couple of weeks ago and made the decision that this is not what we are doing. We are not setting tax policy with this bill. This is not about tax policy. It is also not setting a precedent. This is about a highly unique set of circumstances involving a 110 year-old company that has one competitor, one customer, and we as a state are competing against one other state. And we are taking certain measures, not as an act of aggression, economic aggression against another company or against another state, but entirely as a defensive move to things that were done and have been done over the past decades by the State of Mississippi in supporting the shipyard that they have down there. Acting against all odds, the people at BIW have somehow managed to survive against extraordinary facts of economic aggression and I don't know how else to characterize it. We are smaller than they are. Our shipyard is much smaller. It's a quarter of the size or so, our ships are built on inclined ways. You've all seen the graphic demonstrations of what an impediment that is to doing business in a cost-effective way. It takes a whole lot more labor to build a ship on an incline than it does on level ground. So this is an extraordinary situation. It is Maine's largest employer. It is an entirely unique situation and we, by means of this bill, are taking a measure that is, in my view, entirely defensive and protective. And as the good Senator from Kennebec has pointed out, it won't even come close to matching the economic measures that have been taken over the years by the people from Mississippi.

One of the other ways in which BIW has been operating under a tremendous burden or impediment over the last couple of decades is that they have been owned, as the good Senator from Cumberland pointed out, by a flooring company and by an insurance company. And owned in a way that was highly detrimental to their bidding posture. Because the acquisitions in each case were accomplished by means of the infamous leveraged buy-out mechanism in which the entire, all of the assets, and indeed the contracts that were being purchased were leveraged to the hilt. So that when you're operating, when you're preparing a bid at BIW to compete against your only world-wide competitor and you're preparing spread-sheets to see what your cost per ship is going to be, one of the early elements in your spread sheets is interest at whatever rate you're wholly owned, your parent, the company that owns all of your stock, at whatever rate that parent is charging you or burdening you with. Now in September of 1995, the entire debt burden of BIW evaporated. With the \$300 million purchase from a cash-rich company, a company that is even richer than what Senator Butland from Cumberland referred to, they are sitting on, even after purchasing BIW, General Dynamics has a problem about how to invest \$1.1

billion in cash or its equivalent. It is impossible to exaggerate the wealth of this parent.

I hope everybody appreciates the bill that you have before you and all of the preparation that went into it. Not once has any member of the Committee on Taxation, or any member of this Legislature, as far as I know, received any communication that could even remotely be construed as a threat or as something heavy handed. In all of our discussion there has been the very open, very candid presentation that there's an opportunity to turn an outmoded, and in many ways inadequate, physical facility into a profitable entity that can compete head to head with Mississippi. But that there is a world of other opportunities for investments of this capital. There's Newport News that can build these ships with minor adjustments. They could build our ships down in Groton, Connecticut with some minor adjustments and with the investment of much less cash than is called for by the provisions of this bill. We have 6 shipyards left in this country and we had, I don't know, something like 20 or more just a few years ago. How many idle pieces of real estate are there around the United States that could be picked up for a song? So what did General Dynamics buy in the fall of 1995 when they spent \$300 million for this corporate entity? They weren't buying an interesting piece of real estate on the Kennebec River with some funny cranes that loom over it. They were buying a cash flow of \$880 million a year in sales. They were buying contracts, commitments by the world's largest government to spend \$2 billion on ships where the ink was dry on the agreements and the commitments. They bought paper that sometimes is called, what they bought had nothing to do with the physical assets that you see when you drive through Bath. Ask yourself how transferable are those paper commitments. Could those same ships, even with perhaps moving some people around, be built somewhere else? Of course they can. Now the question is, in my mind as a matter of policy, are we creating a tax bill that could possibly be construed as escalating or elevating this little war between the states that we all so regrettably have been engaged in? And my answer is "no" and for these highly concrete reasons. BIW will be able, you've got to look at 2 taxes, one is property tax and the other is income tax policy. In the property tax arena, it is my assessment that what BIW will gain through TIF and BETR is not even close to the property-type favoritism that has been granted over the many years since 1967 when Mississippi essentially built a shipyard for the entity that exists down there. So what we are doing in the property tax arena, as I understand it, isn't nearly what Mississippi did for its own entity. So I have no qualms about it. In any case, that's not before us. Those tax breaks are set as a matter of policy for all businesses of all sizes. I have friends in the legal business who are taking their new Xerox photocopiers and writing them off under the BETR program, so small businesses and big businesses alike take advantage of those existing policies. TIFs tend to be used mostly by larger entities, of course. So let's turn our attention, just briefly, to the income tax situation. In Mississippi the personal income tax rate, the marginal income tax rate is 5%. In Maine it's 8.5%. So if most of these employees who work at Bath Iron Works are paying, maybe not twice as much but nearly twice as much in income taxes perhaps, than the employees do down in Mississippi. If you look at this bill that's before you in its most simplistic terms, we are, by granting a credit against withholding taxes, we are doing nothing more than reducing the marginal income tax rate on withholding taxes to about the level that exists in Mississippi. We have in essence made an effort to match what Mississippi does by way of tax and employment in that state. So

for that reason, I see this as a purely defensive, unique response to an extraordinary situation, and I want the record of this Chamber to reflect the view of this member that it is not setting a precedent of any kind, that it is not an expression of general tax policy of this state, but a specific response to a highly concrete and specific problem that we, as a state, have confronted. Thank you very much.

**THE PRESIDENT:** The Chair recognizes the Senator from Waldo, Senator Longley.

**Senator LONGLEY:** Mr. President, colleagues of the Senate. I, too, will be interested in how the historians describe the, what I'll call, the "general dynamics" of our situation, these last few days in this session. And if it's this historian or another historian, I hope they'll be looking time and again for where there's a healthy private and public teamwork. And maybe they'll look at the \$60 million that we did not give to small businesses versus the \$60 million that we're willing to give to this big business, allegedly, or possibly a new program for big business. Maybe they'll flip back a few pages in the legislative record or they'll read the newspaper articles, if they're a thorough historian, I hope they do and they'll notice that we're coming out of a debate. This debate is couched in a debate of whether or not we have \$10 million for kids and elderly health care versus \$60 million for new business. And I wonder how they'll analyze each of our votes and I'd like to, for the record, state that I think what is before us today, as what is before us in other forms with kids and elderly health care, it's sensible. It's healthy public private team work that both helps tens of thousands of Maine's citizens and I want to go down in history as one who is willing to stand up for the kids and the elderly and the business interests in our state as often as I can. Wherever we can, wherever the public sector can work with the private sector and help Maine kids, elderly and businesses.

There's been mention of what is our focus? Are we setting a precedent when we support this new program? I turn to where we put our theories on where we wanted to go, the Economic Growth Council. Some members in Senate seats before me and other members in back seats behind me, they put a lot of time into this document to basically say, "Where are we going? What do we want to prioritize?" And the teacher in me, whenever students couldn't follow me this past month, I sent them to the Law Library for an exciting half-hour of researching, reading this, researching and coming back and telling me, given this being our mission statement, does a Bath Iron Works subsidy of sorts promote our vision? And every single student has come back and said, "You should vote for this. It promotes our vision." So that makes me feel comfortable that, in theory, we've come up with the theory and our practice today will say that we can merge theory and practice, that there is some compass reading that we're following. And just quickly, I'll say the issues came back from the students as, "it's high paying jobs, it's high skills jobs, it's pay equity for males and females, it's building on our heritage of shipbuilding, excellent labor management, teamwork." I loved reading and hearing when we discussed BIW that there's a provision for, what else but, healthcare, including dental healthcare, where employers are required to offer healthcare in the contract as part of our, if we're going to help you from the private sector, you've got a standard to hold in the private sector and so healthcare's in here. I will close by simply saying that I want to go down in history in strong support of healthy teamwork between the public and private sector that ensures the fiscal and

physical health of as many Mainers as we possibly can. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Knox, Senator Pingree.

**Senator PINGREE:** Thank you Mr. President, women and men of the Senate. We've heard a lot of very good things in today's debate and, I guess I need to repeat a few of them for my own sake and also give you a few of my own thoughts on the issue that's before us today which of course is large. We've heard a lot of the good things about Bath Iron Works and I certainly am in concurrence with the body that this is part of our economic heritage that goes back a long ways, certainly part of our cultural and sentimental heritage in the State of Maine. This is Maine and, in fact, we build boats. We build ships and we've done it for a very long time. We know that these are good jobs and we're very proud of the kinds of jobs and the kind of workforce at this facility and as we've heard, we do anything we can in the State of Maine, particularly now in this economy, to save manufacturing jobs. It's the part of the economy we've lost a lot of ground in and here we're doing anything we can today to save a manufacturing job.

I also want to say, as I've thought through public policy over the last few years, I'm one Legislator who believes in a public investment in the economy. I think we do it in many ways that we often don't think about, roads and bridges to move goods as part of commerce, many tax credits that we already offer and don't even think about every day. Certainly the TIF Program was started for this, worker training, even our investment in education. I believe in that and I think it's an important part of government's partnership with a healthy economy. I also want to say, having had the opportunity to see the slide show on Bath Iron Works, having many conversations with representatives of the company, to hear a lot about this industry and have learned a lot about it over the years that I've been here. I believe that the investment that General Dynamics and Bath Iron Works are talking about making is absolutely necessary. There's no question in my mind this is a necessary investment. They needed to compete. They needed to have the potential to be a surviving shipyard. We know the number of shipyards has declined. We know the Navy will continue to build ships and we know that we want the State of Maine to have one of the surviving shipyards. And I believe a land level facility is something they have to do, absolutely have to do, technologically-wise and also politically.

We've all read the stories. We know we're now at a political disadvantage. The other Senate Majority Leader is not necessarily looking favorably on the State of Maine right now. The United States Senate Majority Leader does not look favorably on us. And in fact, our political balance has changed tremendously. We now have two Senators that are of the same party as the Senate Majority Leader who probably would not like to see us building ships in the future, since he is from Mississippi and has good reasons to want ships to be built somewhere else. So politically we're in a bad position. It's harder and harder for us to compete and there is no question, in my mind, that we have to have this facility if at all possible. People have talked a lot about the questions before us, the amount of money we're investing in this, the dilemmas that we're facing in this, the tremendous amount of investment that we're being asked to make as a state, the community of Bath is being asked to make and the question of whether or not we're setting some precedents that will be different. We've often looked at these investments when we're

looking at job creation and we all know, even though sometimes people talk about the number 5,000, in fact, this is a company now employing over 7,000 workers and potentially under this agreement could employ as few as 3,500. No one likes those numbers and everyone has to understand that is a tremendous change.

I don't think the question about the precedent is the biggest one in my mind, although I think it's one I've really labored over during the last few weeks that we've looked at this. But the hard question for me is knowing we have to make this investment. Why is it us? Why is it the State of Maine and not the company? I think that is the question before us every time we look at one of these issues and certainly the one that we're thinking about and I'm thinking about today. Secondly, if in fact we make that investment, what do we ask of the company that isn't spending their dollars? We've heard enough about General Dynamics today to understand that it is a very healthy company, tremendous amount of cash in the bank. They've sold off a lot of their interests. We're one of the few that they've bought, but they have cash available to them. We know that their CEO is paid highly. We know all these things about them. We also know the other side of the story, that they've invested a tremendous amount of money in the State of Maine. They've made this a healthier entity. They've gotten rid of the leverage debt that was crippling this company. So we've had a chance to think about that and still have to ask ourselves, "Why is it us spending the money?" In the 10 or so days since May 20th when this bill was first presented to the Legislature and the Committee, I think the Committee needs to be deeply appreciated and applauded for the hard work that they've done as well as other members of leadership, and just the Legislators in general who've spent a lot of time looking at what could be done with the questions of, "Should we pay and also, what should be the considerations that we're given in return if we do allow state tax dollars to be used for this?" The Committee looked at, members looked at, leadership looked at many, many conditions that could be written into this bill. Some of them you see in front of you in the bill that have made this a better bill, that have changed some of the provisions, and we've talked about those, but many of them don't appear there, and the fact was the company was unwilling to look at some of the things that we presented them with about a lot of different areas and said, "No, they wouldn't consider those." And in fact they said to us, "If we do not invest the money from the State of Maine, they would not build the land level facility." That was the bottom line and that was the question we were faced with when we said, "Well, why don't you spend your money instead of us spending ours?" And I think that is the dilemma we're faced with right now. We know this is an important investment for this shipyard. We know it's tremendously important to the workers of this state and, in fact, we've had a company come to us and say, "Here's what needs to be done but we're not going to do it without you." It's hard to feel good about that. While I feel very excited about the prospects of this expansion, it's hard to feel good about the fact that I know if we don't do this today, it won't get done.

It's a conflict for us as we think about how we invest public dollars. We know that there's no question that they could pay and we know that the reason that they don't want to spend their dollars is they don't feel they will get a good enough return on their investment unless they have our money in that deal, too. And I have to remind myself, this is a company saying to us that they want a better return on their investment and this is federal dollars. We talked earlier about the war between the states and, in fact, we're often reminded about what other states have done



in this kind of arena, certainly what Mississippi has done and I'm thinking about, you know these are my tax dollars that go to the federal government to build ships and this company is now taking them back and saying to a relatively poor state, "We won't do this unless you put in your poor state's money." And they're saying to us again, "that they won't do it because they won't get a good enough return on their investment." The difficult part of the question is how do we assess the best way to spend our tax dollars and how do we get the best return on our investment. For business, that's a very simple question to answer. We've seen all the charts. We've looked at the ways they've assessed this and they know what they expect to get, what they could get, what their opportunity costs are they're losing if they don't invest their money somewhere else. We know the return they have to give to their shareholders to stay a viable company, but it is very complex for a state to know what our return on our investment is. And I find that as one of the very frustrating things we're faced with today as policy makers. People have brought up questions, "What would happen if we spent this same money on small business? What if we spent it on increased research and development, developing other industries in our state? Perhaps high technology industries or industries we think have a sounder future. What if we invested it in education, our workforce, our people, and had well-prepared workers for the future." The good Senator from Lincoln brought up agriculture. What if we were marketing our products better? What if we did something else? It is very hard to know what kind of standards we use as investors of the state dollars to determine the return on our investment and I find that a tremendous liability today.

Well, the fact is, however any of us vote on something that we all know is tremendously important, I think the most important thing we've done here is seeing that, as policy makers, this leaves us with many of those questions that I've started to pose. Certainly in the five years that I've been here, this is the most thorough debate that probably we've ever had about an issue of committing money to a private entity. As I said earlier, I think that the Tax Committee has probably taken the hardest look at a bill like this, word by word, looking for places that they could ask for more accountability, ask for more return on our investment, to analyze what kinds of jobs and other questions that had to be done. Certainly in the public eye, we've had some debate over the last couple of weeks in the press and are continuing to do it today on the floor. I think it leaves us again with a lot of questions that we have to continue to pursue as we take on this process of looking at what our tax relationship and what our investment relationship is with the private sector in the State of Maine.

I think it's critical that states like ours begin to develop ways to assess what our return on our investments are when we invest public dollars. Are there times when we should say no, and are there times when we could say no? How do we know when those are? I think it's important for us, as we think about this in the future, to develop stricter policies and clearer policies in this area without a company sitting in front of us, without the very face of the workers sitting in front of us. I think we have to take on that responsibility, as other Senators have mentioned earlier, and put that in the forefront so that we can develop these policies and understand better as a state how we're going to handle this in the future. I think there are questions about what appropriate sanctions should there be when companies don't meet up to their responsibilities and we haven't answered all those. I think there are questions about how do we report this information to the taxpayers so they can join with us in assessing how we're

spending their money and we don't do that very well. We don't report that very well because we, in fact, don't always know it ourselves, what kind of money we're paying out. I think thirdly, the question that's troubled me the most is, "Are we just giving a tax break or are we, in fact, some kind of investor in a deal like this?" When public money gets involved with private money, are we allowed to ask for a return on our investment? We brought these issues up and found that the company in this position was unwilling to do that, but I think it's something we have to continually ask ourselves. If they do well, should we do well, too? If they sell the company for a tremendous amount of money, should we share in what we've invested in this company? Is there a point when our investment is returned to us? There are other public policy precedents which, as I thought about this, struck me as troubling. The fact is, in the State of Maine, if you collect AFDC, if you're a single mom and you hit some hard times and you collect AFDC from the State of Maine and 5, 10 years down the road some child support payments that you didn't think you'd ever get back come in, the fact is we take that child support money. You get a lump sum settlement, we take it because we say, "You know you got AFDC from us once and we want our money back." It may be \$10,000 or \$5,000 that you were looking forward to having but the fact is, we take that money back. If you receive Medicaid and you live in a nursing home, we pay for your nursing home care and we're happy to pay those costs but the fact is, when you die and you thought perhaps, your family thought perhaps, that your home would go to your children, we have the Estate Recovery Law and we say, "I'm sorry but that home can't go to you because you collected Medicaid from the State of Maine. In your final years when you were in the nursing home, you collected Medicaid from us and now we have to take your home. We have a lien on your home and we're going to take it back and we're going to use that money to pay back what you received from the state. It may be \$20,000, \$50,000, \$60,000, \$100,000, but we want it back." The fact is today we're offering up \$60 million to a company that says to us, "We won't pay it back even if we do extremely well. We're not going to pay it back." And we do that day after day with tax credits, tax breaks, worker retraining, TIFs, E-TIFs, we have a tremendous amount of benefits like this and they're never paid back even if the company does exceptionally well. I think those are questions we have to ask of ourselves. We couldn't address them in this bill but I think they have to be on the front burner for us in the future because, in the end, we are the investors of the taxpayer dollar, and we can listen to what business says to us or anyone says to us and rightly so. They come to us. They ask us for these things. They're advocating for their interests, but it's our job to advocate on the other side and say, "Fair enough. You want a good return on your investment, so do we." I think it's imperative that we find a way in the future to develop these policies so we don't continually find ourselves in this situation, looking the entity in the eye that we feel very strongly about economically, culturally, romantically, looking the workers in the eye whose jobs we want to save, and we're able to say, "Here's our way to assess things just like you have your way to assess things and we know how to say yes and how to say no."

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The President requested the Sergeant-at-Arm escort the Senator from Knox, Senator **PINGREE** to the Rostrum where she assumed the duties as President Pro Tem.

The President retired from the Senate Chamber.

The Senate called to Order by the President Pro Tem.

**THE PRESIDENT PRO TEM:** The Chair recognizes the Senator from Cumberland, Senator O'Gara.

Senator **O'GARA:** Thank you Madam President, ladies and gentlemen of the Senate. I have some remarks I want to make about competitive bidding, but I do want to respond to something that was said earlier by one of the other Senators regarding what would we do if Industry 2 or Industry 4 or 5 or all the way down to through 10 or whatever, would come to us. As I said to him earlier and I would say to all of you now, it has always been my position back in my earlier days in local government in Westbrook, and since I've been here that, in fact, you take each case as it comes. If you think this is the right thing for us to do, you ought not to vote against it because you are concerned about what may happen in the future. As I have said to others and I feel very strongly, that should another industry whether it's labeled 2 or 5 or 11, comes to us and should we be collectively here in the future and the circumstances are the same, the situations the same, everything is the same or similar then that legislative body would have to take aim on that issue, just as we are taking aim on this one.

I want to talk just a little about competitive bidding. A lot of numbers are being thrown around. We've all received all kinds of information about \$60 million and \$370 million and \$3 million a year and \$125,000 if the level, the number of employment doesn't come along. We've talked about "clawback" and a lot of those things, many of which I'm not really ready to be discussing with you because I think so many others have. But as I told some members of the caucus, of my caucus last night, one number has stuck out in my mind each time I see it and that is a number 12.5% and I believe that's a pretty accurate number of how low, how much Bath Iron Works lost in the most recent bidding in competition with their major competitor. Very, very unusual because, if you've been following Bath Iron Works as I have over the years, it's very unusual for Bath Iron Works to be underbid. And there's a reason I think, in my judgment, for all of that. It's not because the men and women who work there are any less qualified, certainly not. It is not because the management and their bidding team are less capable than they were in the past, absolutely not. The main reason, in my judgment from what I've been able to observe, is the physical layout of the plant. I've gone to many of the launchings that were mentioned by one of the Senators earlier and it is quite an exciting, dramatic, beautiful picture to see one of those ships sliding down the ways, all made easy simply by someone breaking a bottle. I've never quite understood how that big ship could be moved down by that bottle of milk or whatever it is being broken against it, or champagne I guess it is. It's a beautiful sight. I've mentioned to the Senator before that, I'd often liked to have been on the other side of the river just one time and watched that ship slide down the ways but the fact of the matter is, the fact of the matter is, that in the new world of the demands on shipbuilders around the world and in this country and in this state, pretty isn't going to do it anymore. That type of physical plant just isn't going to do it. The level landing or horizontal, or whatever it's called, is what's going to be there and if Bath Iron Works is going to compete in the world with shipbuilders of that make and certainly the one in Mississippi, then we have to go

through with this legislation and allow this reconstruction and the plant facility that's being planned to go forward.

The Majority Leader said a few minutes ago that we know that in the future we aren't going to have the number of shipyards we have now. The way the military is going, the changing demands, the changing requirements, the willingness to spend money or not spend money, are going to put a lot of pressure to reduce the number of shipyards. I can stand before you on this Saturday, where I'd rather be someplace else, and say to you that it is very likely that if Bath Iron Works continues with the plant that they have now, Bath Iron Works will not be among the 3 or 4 or 5, whatever number it is, that the Navy finally decides to keep open. And if that's what you want to look back on, on this last day of May in the year of 1997 and say that you were part of that, then that is up to you, but in my judgment the 13 members of the Taxation Committee are convinced that General Dynamics will not build this facility if they do not get the assistance they're asking for today. I am convinced that General Dynamics will not build the facility if we do not take action on this legislation today. I urge you to support the motion before you.

**THE PRESIDENT PRO TEM:** The Chair recognizes the Senator from Franklin, Senator Benoit.

Senator **BENOIT:** Thank you Madam President, may it please the Senate. There's been a lot of serious comment and I will not add to it. What I lack in seriousness in my brief remarks, I'll make up for in brevity. My job in the Senate, as my colleagues know, is that I temper sometimes serious comment but still wish to make a message in doing so. Madam President, I took note of the good Senator from Androscoggin, Senator Jenkins's remark about chiropractic care and my son, Dave, is a Doctor of Chiropractic just out of town in Manchester and I perhaps thought he made that comment thinking that I was wavering on the issue and would bring me around to his thinking. Although I speak, of course in jest, I am not wavering one bit on this matter. I do not see it as a regional issue at all. It's a state-wide issue. I would wager to say that if Bath Iron Works did not succeed, the ripple effect would reach us in Rangeley. Is it a bad precedent? Well, while you're spending your time trying to define that, I'm thinking, what's the right thing to do? And Senator O'Gara, the Senator from Cumberland, is right on when he says, "Let's take this on a case by case basis." And he took the wind right out of my sails, if you will, with that comment but I join him in his remark. I am thinking the same way. I think it's the right thing to do. To conclude my time Madam President, with a rhyme to convey my message:

I'm pleased to walk down a voting path  
 And give support to our shipyard in Bath.  
 Will it create a precedent?  
 I don't know, Madam President.  
 What I do know is there's competition galore  
 And we can't afford to just tie up ashore.  
 Thank you.

**THE PRESIDENT PRO TEM:** The Chair recognizes the Senator from Penobscot, Senator Murray.

Senator **MURRAY:** Thank you Madam President, men and women of the Senate. The issue before us obviously, is very complex and it's riddled with complex subparts that all weave together, that we have to somehow weigh and filter through. But this issue, like many that are sometimes complex, sometimes are

brought to clarity by some of the most simplest presentations of those issues. And that, for me, has been the case with this issue today.

That issue was brought to clarity when I was at my oldest girl's soccer game a couple of weeks ago when this first hit the press and one of my constituents, a business man, John, came up to me, who was a contractor who has 4 employees, and he said to me, "What is this with the BIW tax thing? And I surely hope that when it's my time and my business, I'm going to be able to come and ask you for the same thing." And I didn't know how to respond to that then and I still don't know how to respond to that today, after having read reams of paper, viewed the video tapes, listened to the debate and analyzed the issues. This is one of those times when it comes back to that same question for me and I can't answer my constituent, John, by saying, yes, we will be able to do that for you when it's your turn, because I have no confidence that we will be able to answer that question and therefore, his question to me remains as telling as it was the day he gave it to me on the soccer field. So, what do we do with that dilemma and this issue? To me it comes down to the question, because I have no doubt that Bath Iron Works has to make this kind of modernization and improvement that's been outlined, they've demonstrated that extremely well. I've reviewed that information, I concur. If there is to be a future, this investment does have to be made.

So the question then becomes, how does that investment get made and what is our role in it? I think we need to remember with regard to that issue, the state and local government are a partner and I have no problems with that. We are prepared to be a partner and we will be a partner and we are a partner in real dollars in this particular project, based upon the existing policy of this state. This project, we are told, is going to cost almost \$600 million total. State and local government have already come to the table through prior tax policy and said, "We're prepared to put up \$134 million of that through the efforts of the city of Bath and its TIF, and through the efforts of the State of Maine, through the adoption of its BETR Program." That's almost a quarter of the entire investment. Where we have said, "We're there with you. We want to walk with you. We know you need to make this and we're behind you." The question then becomes, "How much and under what circumstances do we go beyond that in saying we need more?" And quite frankly, men and women of the Senate, I'm not prepared, under these circumstances, to go beyond that one quarter of the entire cost of the investment today under the circumstances that's been presented to us. Those circumstances are that you have 10 days, men and women of the Legislature, here's the deal and here's how we want you to join us even more. I don't begrudge Bath Iron Works, or General Dynamics, or whoever it is who put this forward and made the request. I think they ought to ask for whatever they can get. But the issue becomes, we as the holder of the public trust, do we make that policy leap beyond where we have already committed under the circumstances that receiving that commitment 10 days ago as Madam President referred to a few minutes ago? I'm not prepared to make that leap. I can't justify that leap to my constituent, John, under these circumstances.

I'm more than prepared to make and enter into the policy analysis and debate that Senator Jenkins referred to because I think it's a valid one to do, and I think it's one that would yield us even more benefits in the future. The question is, how much and under what circumstances do we do that? Do we do that in the circumstances of the last 10 days of the Legislative session and hopefully the last day of the Legislative session? I don't think so.

This is tax policy we're discussing, men and women of the Senate, whether it's good tax policy or bad, we can debate that. Make no mistake, this is a policy decision and I suspect it will have ramifications well beyond whatever happens today. It's not a policy decision I'm prepared to make today and that is the reason I will be opposing the pending motion. Thank you.

**THE PRESIDENT PRO TEM:** The Chair recognizes the Senator from York, Senator Lawrence.

Senator **LAWRENCE:** Thank you Madam President, men and women of the Senate. As someone who comes from a shipyard town, I know the sensitivity of this issue and what it means. In my area, we've lost over 4,000 jobs in shipbuilding in the past few years, as I'm sure you're all aware of the base closure process and what we've gone through. And I've come before this Legislature and asked, I think, for a total of \$100,000 to help to protect the future of that shipyard. And I can tell you, when you lose a shipyard, you lose it forever. It's not an infrastructure you can replace. You don't close down a shipyard for a short period of time and then reopen it. You don't find other buyers for it. You don't do something that's going to bring it back in the future. The way shipbuilding operates in this country and especially with defense contractors is if you lose it, you lose it forever. And that's why this is a very important bill we're considering today, because it involves the modernization of Bath Iron Works, so it can compete in the 21st century as one of the viable shipyards.

Before we go on considering on this bill, I think there's something important to be said about the process we've gone through and I think a couple of prior speakers have alluded to it. This bill was brought forward to us 9 days ago. It had a public hearing 9 days ago in the Legislature. And I fear, because the way it was approached in this Legislature, Bath Iron Works has been hurt. The reputation of a company which had a very high reputation in the State of Maine in the Legislature has been hurt. Presenting a bill at the last minute before the Legislature, expecting us to stop all we're doing and consider it within 10 days and go through these massive public policy questions we have to go through has really hurt the legislative process and how we perceive Bath Iron Works. And I think it's unfortunate because I think, in the long run, the people of Maine lose when we don't have the opportunity to deliberate, consider all the issues, because there are numerous issues we've heard mentioned here today. But, I don't think we've done a complete investigation of General Dynamics to look at their financial situation. I don't think we've done a complete investigation of the legal ramifications for the State of Maine. But the reality is, we're told by Bath Iron Works, that the decision needs to be made and it's critical for their future. And we as a Legislature have to make that decision and we have to make it under difficult circumstances.

There's one thing I want to say regarding this bill that I don't think has been said an awful lot and that's what this bill means or what the whole implications of aiding General Dynamics are for all the shipyards in the State of Maine. And I mention the Kittery Shipyard. A lot of people don't know, but our major competitor at the Kittery Shipyard, one of our major competitors, is General Dynamics. General Dynamics owns Electric Boat. Electric Boat is seeking to take work away from the Kittery Shipyard. There's no question about it. I asked the people from BIW about it. They talked about it. They didn't want to have anybody from General Dynamics come up and talk about it. They stated their position through the people from BIW, but I got from that that their

position is not changing. They will seek to change the 60-40 rule which has been talked about in the past, that protects 60% of the work going to public yards which aids the Kittery Shipyard, and they will seek a competitive advantage in seeking the other 40% of the work, part of which goes to public yards, part of which goes to private yards. So that's the reality we have to face and I don't think that's been fully explored in this bill. We may be aiding and helping Bath Iron Works, which is not a competitor of the Kittery Shipyard, but we may in fact in the long run be hurting the Kittery Shipyard. We may be trying to save 3,500 jobs and potentially losing 3,500 jobs in another place. That's another reality. Considering all those things together, it may seem unusual to you that I think we need to pass this bill. And the reason is, and I think it's been well stated by other people, the reason is Bath Iron Works is a major employer in this state. It's infrastructure, if we lose it, we will never get it back. We don't know in the future who's going to be the owner of Bath Iron Works, but we do know that if we don't do this now, Bath Iron Works will not be able to modernize, not be able to compete against the other private yards the way it has. And we know that those jobs will be in jeopardy. So, while I do have strong concerns about a lot of things in this bill, I think it's incumbent upon us to pass this bill here today. Thank you.

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The President Pro Tem requested the Sergeant-at-Arms escort the Senator from York, Senator **LAWRENCE** to the Rostrum where he resumed his duties as President.

The Sergeant-at-Arms escorted the Senator from Knox, Senator **PINGREE** to her seat on the floor.

Senate called to order by the President.

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**THE PRESIDENT:** The Chair recognizes the Senator from Somerset, Senator Mills.

Senator **MILLS:** Thank you Mr. President. Just in brief response to two things that I've heard. One is the concern expressed, I think it's an interesting concern, expressed by Senator Pingree from Knox County, the issue of whether, if we are in some sense making an investment in this project, should we be seeking some sort of return on that? In other words, are we in a position to look upon ourselves structurally as more of a partner with an entity that is seeking these concessions, these tax concessions, from us? That certainly is something that I have ruminated over during the past 9 or 10 days at some length and I think there's a good answer to that question and to that concern that I'd like to address just briefly. What we're really doing is not making an affirmative investment of cash, but we are saying, "You may retain or withhold or keep a credit of tax money, taxation revenue, that you would otherwise be owing to us." So in that sense, it's not really so much an investment as it is a concession of, to reduce an expense that they would otherwise have. And the nice thing about this, or the appropriate thing about this arrangement by which we're doing it is that the eligibility for this credit must be earned every year. Year by year, by year, so in a broader sense we are getting what we're paying for as we pay for it. There are many other public projects that are done throughout the United States and in Maine, by means of a bonding mechanism where someone comes to you and says let's build, for instance, a civic center and then turn it over to

somebody privately to run it. And there will be a bond floated out there and the public will take a great deal of risk and you borrow all the money from bond holders and incur the obligation of absolutely paying those bonds over the next 20 years, let's say. And you have no way of getting out of that deal. You have no way of avoiding that indebtedness that you have, as a state or a town or county, incurred. And then if the public project turns out to be sour, doesn't work, fails, closes, the public entity is at great risk. It still has to pay the bond. But see, it's not so with this proposal that was laid before us. The proponent, the company that comes to us says, "Look, take us year to year. If we fulfill our promises and your expectations within the first 5 years and invest over \$150 million in a land level facility, then the \$3 million per year that you will have invested by that time is invested. It's paid." You have, in essence, received back what you bargained for. And we will be looking at this arrangement every year thereafter in exactly that same way. "Are we continuing," they say, "are we continuing to employ enough people at sufficient wages, with sufficient benefits within your economy to justify this year's credit?" And if the answer is yes, it's theirs and it's theirs to keep, yes. I see this arrangement as being relatively risk-free in comparison with other arrangements that we have seen, and certainly in comparison with the arrangement that Mississippi itself made some 30 years ago.

And I also want to say that even though this bill came in late, and the Taxation Committee was just as occupied as all the rest of you were with all the other business that's been floating through the Legislature, I feel confident that we did our homework. I think all 13 of us thoroughly understand this bill and its implications. I think we worked hard on it. I and all 13 of us in the final analysis came together to vote our approval for this measure, and I think that speaks volumes for the Committee work that we achieved. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Penobscot, Senator Cathcart.

Senator **CATHCART:** Thank you Mr. President, men and women of the Senate. I am glad to see from this excellent debate that there are people, like myself, in this body who are still struggling with this issue. And even now, even though it's been very enlightening and informative, I still am not sure what is the right thing to do in this matter. There's such a philosophical issue here that I just have to address. Of course I support shipbuilding in Maine. We have a grand tradition of shipbuilding and brave sea captains and even braver wives who often had babies and took those babies on the ships to be with their husbands. And we don't want to lose that, that's extremely important to me. And of course I support the employees and I want them to have these good jobs, as I support all the workers and their families of the State of Maine. But I don't see this as just supporting Bath Iron Works. What I see us doing is supplying more profits for a giant national company that makes its profits from defense contracts. And as a CEO who has an annual salary of over \$11 million that is funded by those defense contracts and by the taxpayer dollars, and this is a state, men and women of the Senate, where the median annual income is about \$28,000 for a family and it's very hard for me to overcome that sense that, do the people of Maine really want us to invest this kind of money in this huge defense contractor, General Dynamics? And yet, I don't want to give up those jobs. It's hard for me to see that there's anything tangible that the people of this state are going to get from this investment that we're asked to make here. It seems that the Taxation

Committee has done an excellent job and I commend them so highly for all their work. I think it's unfair to us, the lawmakers and to the people, for us to be forced to make this decision today. If I had even 10 more days to ask the questions and talk with the people that the 13 members of the Taxation Committee have had, I'd probably be much readier to decide than I am today. But it's my understanding, and I may be mistaken, that the people of the State of Mississippi actually own the shipyard. And what are the people of Maine going to own here if this venture does not work out and BIW goes belly-up? What are we going to have for that? I don't think that we have gotten as much as we should for the people that we represent. Three million dollars a year is a lot of money. It may not be a lot to the CEO of General Dynamics, but to a Maine person and to a Maine lawmaker, it's a huge amount of money. It's the amount of money this fiscal, this next fiscal year, that this Legislature has put into a hardship cushion to help our schools who are losing so much money and \$3 million means a lot to the schools and to the taxpayers of Maine. That's what the hole in the budget would be. So if we are doing that next year, would we then have \$3 million for a hardship cushion if we are not able to fund our education adequately? Those are just questions that I am still struggling with. This is not a wealthy state. I want to help BIW and I want to help the workers and I may well vote for this, but I appreciate the debate and the questions that have been raised. Thank you Mr. President.

**THE PRESIDENT:** The Chair recognizes the Senator from Washington, Senator Cassidy.

Senator **CASSIDY:** Thank you Mr. President, men and women of the Senate. I was beginning to feel like a skunk at a church picnic here for a few minutes. I didn't see a whole lot of support that was coming my way on this issue, but you know, this is a real serious issue and as has been mentioned earlier it's a hard decision, but most of the decisions we make here are not easy. If they were, we perhaps wouldn't have to be dealing with them. Certainly this is a real important issue for all of us to make a decision on here today. But the concerns I have with this, listening to the debate, and to some of the explanation from the folks on the Taxation Committee and whatever we could get our hands on for information, it's obvious that this company is not in dire straits like we've dealt with in other situations. Last session for example, on the Hathaway process, we had an opportunity to look at folks who were going to lose their jobs, a company that was going under and with the work of a whole lot of people, you know, we were able to save that. And I look at this as a company. You know, they bought Bath Iron Works at a tremendously low cost. Their debt ratio, as we heard earlier, was less than 3%, 2.2%. All the good things are happening with this company and I sit here wondering why we're doing this. Obviously I'm concerned about every job in the State of Maine. We look at the employees there and the hard work that they do and how the ripple effect, that's been mentioned, effects the entire state and it certainly does. And I support the whole process as well. But when I hear about this deal that we're making is based on the performance of what they do, whether they receive this tax credit or whatever. You've got to understand the bottom line that motivates their performance is their stockholders. That's what motivates performance at any large company. It's not what we can give them. I congratulate the administration, you know, for coming up with this idea. I've just been setting here this afternoon thanking God they didn't ask for \$120 million because I'm quite certain they probably would have

gotten it. And I hope that doesn't give them an idea to come back in January. You know, when I look at this whole situation, I think of the people that work there and the great reputation we have for our citizens of Maine about their honesty, integrity, reliability. We have hard-working people. That's one reason why Bath Iron Works and General Dynamics is located in Maine. It's because of the ethics we have here. There are a lot of states that they wouldn't find the employees that we have.

And just in closing, I know that we've seen many times, even in my short tenure here in the Maine Senate, issues on gambling. You know, we don't seem to want to get into gambling in a big way, we do have scratch tickets and all kinds of things. I'm here to tell you this afternoon that this is a gamble. I mean, what do we do? Do we vote against it and lose this thing? Do we vote for it and lose it anyway? You know, do we vote with it and some people get laid off? It's a gamble no matter what we do. But I think with the assets we have here, mainly our people, with the numbers we've seen on this company and the success they've had, I'm going to throw my gamble vote for not supporting this and I hope you would consider some of the things I mentioned. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Kennebec, Senator Daggett.

Senator **DAGGETT:** Thank you Mr. President and members of the Senate. As a member of the Tax Committee, it may seem somewhat unusual for me to commend the Committee for their incredible, hard work. Unfortunately, I was not able to participate in as much of the deliberations on this bill as I would have preferred, due to commitments to the Committee that I Chair. But I was regularly in touch with a number of members of the Committee to find out what was happening and how the discussion was going and to lend what few ideas and thoughts I had to other members of the Committee. It's not uncommon that we have issues thrown at us that are of incredible magnitude and we have to make decisions on an accelerated schedule. And we have to deal with those as they come in front of us. It does come with the territory. I, too, have had calls for and against this legislation and some very passionate calls for and against. I have constituents who work at BIW who've talked with me about their concerns for the shipyard and I have constituents who are very concerned about spending money that encourages military spending. And I would guess that my constituents, as well as yours, span the entire realm of interest regarding this legislation. There are a number of philosophical issues as to how we deal with tax policy and how we make changes and what we've done in the past and whether we are setting precedents by changing tax policy at this time. I think this legislation is a part of a new development in public dollars going into corporate arenas. In the past, public dollars were spent and there were no guarantees. They were spent and we found we had nothing in return. Today I think this legislation reflects a better knowledge and a better ability for the Legislature to protect itself and protect public dollars and try to guarantee that we have quality jobs and to guarantee as much as we can. And I think the Committee worked very hard at that and I think it's good legislation considering the circumstances and what we know today and the history that we brought with us to this point. It's rare that we're not asked to pass legislation that has some type of risk and there is a risk here. I think there's a risk if we spend the money. I think there's a risk if we don't pledge the money, and I think in balancing the risks we have to decide which risk is worse. Which

risk is worse? I think we're all somewhat overwhelmed by the large dollar amount. We talk about companies like General Dynamics and the huge corporate interest it is, and for those of us in Maine it's overwhelming, it's overwhelming. We don't see this every day and we don't deal with it. And there's been a lot of transferring of the discussion of BIW, which is our company, to General Dynamics, which seems to be somebody else's company. But in fact, we are talking about legislation that deals with Bath Iron Works which is our company and I think we need to remember that. It's our company. I reject the comparisons to Mississippi because Bath is our company and we need to decide what's best for us and what's best for our company.

Earlier, when we were having some conversations with the Taxation Committee, it was somewhat interesting because there were these comparisons between Bath and Ingalls and some comments made about people in the Navy preferring to be on Bath ships instead of being on Ingalls ships. It does happen and I have a son who's an officer on an Ingalls ship and I had this kind of a conversation with him and told him that we had been talking about this. In fact, I talked with him at some length about the Navy and what they're doing and what their plans are and where the military is headed, because I think that is also a real concern to us. There's an unknown there. We're not sure. We don't really have much control over that and it is a concern and when I told my son that someone had said that members of the Navy don't want to be on an Ingalls ship, he said, "Well, you can tell them that anyone in the Navy is happy to be on a ship." And he's quite pleased with his, but I hope when he gets a new assignment it will be on a Bath ship.

When we first started looking at this, I started to ask myself, which is something I ask myself regularly when we're looking at legislation, and that is, is this in the public interest? Is it in our interest? If this were my \$3 million would I consider this to be appropriate for the State of Maine, appropriate for me? Would I consider doing that? And the answer was yes. The answer was yes. I view this legislation as an affirmation of the state's commitment to our company and I do hope that you'll be supporting it. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Kennebec, Senator Treat.

**Senator TREAT:** Thank you Mr. President, men and women of the Senate. I have been sitting here for a long time actually listening to the debate. I, as you know, served for 6 years in the other body and one of the differences I have found between serving in that body and serving here in the Senate is that over there, people frequently are sitting around listening to debate, making up their minds. And here in the Senate, I find it more common that we come to our seats having already decided where we're going on this. I was pleased to see that the Senator from Penobscot, Senator Cathcart, like me, is still making up her mind and was not afraid to tell everyone that that is what was going on. Because I, too, have been sitting here trying to decide what to do and wondering whether I should stand up and say what my concerns and thoughts are, or sort of keep my mouth shut until I have figured out what I was doing and perhaps miss the opportunity to at least put on the record some of the things that I have been thinking about as I try to decide what is the right thing to do for my district and for my state.

I must have about 5 pages of different notes I've written to myself here, but I think it comes down to a basic question, a question which several people have stated in, I think, fairly clear

terms and for me the question is, but for this investment that we're being asked to put in, the \$60 million, would BIW actually make these changes, these renovations and maintain its world class status as a premier shipyard, as an existing shipyard? And I'm still struggling with that, knowing that \$134 million of public monies are already committed and that this is an additional amount that's being requested, an additional amount that we will have to commit over the next 20 years. And having served for 6 years already, or I guess now I'm finished my 7th, I have been here during some very lean years in this state. Years when we have made painful, painful cuts to deal with tremendous shortfalls. In fact, my very first year here in the Legislature, multimillion dollar shortfalls in our state budget that were faced. And I know that, you know, maintaining our state treasuries is so dependent on these good jobs and these good jobs being there. And I know how important those jobs are, not just because of the traditional seafaring nature of this state and wanting to keep up a business, not just because it's so many jobs. These are jobs that my constituents have and no one's actually given me the specific numbers, but I'm willing to guess that there's about 1,000 in my district who are directly employed at Bath Iron Works. And that's a lot and I know that every single one of them fervently believes that this amount of money must be paid by the State of Maine to Bath Iron Works.

In a way, the Taxation Committee has done such a good job that they have made my decision much harder. I think the bill, as it came in, I would not have voted for. The Taxation Committee has worked very hard, in a very short period of time, to put provisions in there, so-called "clawback" provisions that deal with trying to get some money back if jobs are lost below a certain level. Incentives and disincentives focused, again, on maintaining a certain level of employment and I think those are very good provisions. They are provisions that many other states faced with similar requests for money, have not even attempted to do. And so I want to really commend that Committee and, again, commend them for doing something in an extremely short period of time, under tremendous pressure, in the public eye, trying to negotiate in a way that people normally don't negotiate, that's real Committee process.

I do have concerns about this though, and as others have said, actually there have been some that said there's no risk here. I disagree with that. There is indeed risk and there's risk on both sides, depending on how we go. I think there's risk in paying the money and there's risk in not paying the money. Some of the risks in paying the money I do have concerns about, and they do relate a lot to General Dynamics which is not a Maine company and it is a company that has a lot of money. Indeed, one of the proponents of this legislation, the good Senator from Somerset, Senator Mills, stated and I quote, "It is impossible to exaggerate the wealth of this parent." That was one of the statements I listened to on one side of this debate and there's certainly been very good statements on the other side that have torn me the other way. But, it is impossible to exaggerate how much money General Dynamics has, according to the good Senator. That being the case, since we know it is not possible to exaggerate what the State of Maine has, we know very well that the State of Maine is quite poor relative to many other places. I do wonder why it is us, why we are the ones that must ante up the \$60 million? And indeed my calls from my constituents have been quite split. I've had an awful lot of calls that have asked me to oppose this piece of legislation and not just on the grounds that we shouldn't be investing in war activities. Actually, the calls that I have been getting have been saying, "Is this the right kind

of investment that we should be making? Is this how we should spend the \$60 million?" Once committed, it's committed for 20 years and we have set our priorities for that amount of money and that's a set priority that we cannot change. I do have concerns that the bill before us is not as good as it should be and I think that's simply an element of time. And I'm very bothered by the fact that this amendment showed up on our desk this morning. Now I was able to wrangle a copy last night and I appreciate someone giving me a copy last night, but that is still not very much time for someone to sit down and read those words and decide what to do. However this goes, assuming that this does pass, it seems like there is support for it. I do have some amendment language that I'm looking at, that looks at the issue of liens. One of the concerns I have is, you know, there's two sides of this equation. One approach was discussed by the Senator from Knox, Senator Pingree, saying should we be investors in this. If we are investors, should we get some kind of return if they do very, very well? I suspect we should, but we don't have time to explore that avenue. Another side is, what do we do if that company goes belly-up? And regardless of how well General Dynamics is doing, this is a separate little entity within General Dynamics and I'm sure it is fully insulated by all kinds of legal documents to make sure that they're insulated so that if they do go belly-up, it isn't going to be General Dynamics' responsibility. And what do we do in that situation, having invested all of this money? So one of my concerns is that this legislation does lack any provision of getting us in line with all those other creditors who would like to be paid back at least some of what they invested. So there are many things that could be in this bill and those I am weighing against the need to maintain many, many jobs in this state and the importance of those jobs and the importance of this industry to our state and my desire to do the right thing for the many constituents that I have who are very fearful that those jobs will be gone if we don't make this commitment. The problem with standing up when you haven't made up your mind is you can't then conclude by telling anyone which way to go which is why I hesitated, but I did want to put on the record those concerns. I appreciate the quality of this debate and really, I am learning as we go along right now from everyone here and I appreciate the thoughtfulness of everyone in thinking this through, because indeed it is a very important thing that we are working on now and whichever way we go, I do hope that we really look at this issue overall. As the Senator from Androscoggin, Senator Jenkins, has said, "We really need to have state policy in this area. And we need to have that policy ahead of time before an individual instance comes before us and we're forced to make decisions in a vacuum." And I would hope that however this goes today, that we make that a number one commitment in the future. That we take that on and we address it head on. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Hancock, Senator Goldthwait.

**Senator GOLDTHWAIT:** Mr. President, ladies and gentlemen of the Senate. This has been a rather interesting debate for a number of the reasons already mentioned. I've also been thinking about some of the people in the back of the room who know this issue backwards and forwards and have to listen to somebody like me whose understanding is about a millimeter deep. I wanted to talk for just a minute about John McCurdy's smokehouse in Lubec, because when I first went to Bath Iron Works, that's the first thing it reminded me of. I went into that

enormous building where ships, or parts of ships, were settled into staging in there and there's about a 4 or 5 foot workspace underneath that's quite dark and there are lights spotted in through there, but it seemed quite a mysterious place and reminded me immediately of John's smokehouse which is also a big dark space, or was. And there are some other points in which those two companies are quite similar. They are both blessed with very skilled and very dedicated employees and they are both an intrinsic part of one of the most fascinating aspects of Maine's history. And yet, there are some differences as well. Bath Iron Works rests on extremely sophisticated technology. At John's, I think I saw one dial on the wall, the needle didn't seem to have moved in probably 40 or 50 years and you could pretty much tell what was going on inside the smokehouse by, if you knew what you were doing, putting your arm in the doorway and knowing whether that rack of fish needed to be moved up a rung or not. John's isn't there anymore, because government regulation put him out of business. And at the same time that he was essentially closed down by the government, putting new regulations on his business and telling him he wasn't meeting those standards and John realizing that he couldn't afford to and therefore closing. At the same time, there are fish smoking businesses in other countries that produce fish exactly the same way and then export them to other countries and sell them. And they're surviving, in fact, they're flourishing. And John's smokehouse is now closed.

I'm not sure what the right thing to do is on this bill. I do know what the wrong thing is though. I do know that it is wrong to be so rigid and inflexible, as a government, that we put people out of business without giving full thought to all the implications. Last night, at the end of a long day, when we had all hoped to be headed home, a very exhausted but very kind Legislator who has been involved in the construction of this piece of legislation was good enough to sit down with me and walk me through it, beginning to end. And I think I have a preliminary understanding now of what this bill is about. And I think it's a good package. I think it is well put together. It would do the job. But I do have some remaining questions. I don't like the fact that this is happening so late, too late for someone like me, who didn't participate in the construction of this bill, to really have an opportunity to get all of my questions answered. I don't like the feeling that General Dynamics is a parent that eats its young. In the past 3 years that I've been in the legislature, we've been passing laws about parents that abuse and neglect their children and although I may well be mischaracterizing the relationship between General Dynamics and Bath Iron Works, that's what it looks like to me. A company that has \$1.1 billion that it's looking to invest somewhere with a child, although I hear the term "parent" but I never hear the term "child." But a child, if you will, that is Bath Iron Works looking for \$30 million. I don't understand that. And at this point, I don't think I have time to get an answer to that question. And I can only tell you that, from the neck up, I think I'm probably voting for this legislation. But from the neck down, I'm not so sure.

**THE PRESIDENT:** The Chair recognizes the Senator from Penobscot, Senator Mitchell.

**Senator MITCHELL:** Mr. President, ladies and gentlemen of the Senate. I am really impressed with the testimony we've had today. We've certainly taken a long look at the analysis of what we're doing and of people working together, and it's been very gratifying. But when we started this session, we started it with a

goal of building our economy in Maine, the economics in Maine, providing opportunity for people in Maine who are building and making a more prosperous state for us all to live in. And what we're doing today is going to make that happen. When, for those of you who have not attended a launching, there's quite a feeling when you're there and that ship goes down into the water. Watching the people who have engineered, who have worked on building this ship, the ones that are on the ship as it glides into the water, the people who are standing on the shores, there's a feeling that you cannot really describe. This was not my first launching. I have attended many and some of them have been at General Dynamics. And I would like to take a moment to say to you that General Dynamics definitely has been a breath of fresh air and been given a new look and a new opportunity for Bath Iron Works from where I see it. If you look at the prior owners, they were not in the shipbuilding business. They did not have the understanding of shipbuilding and they did not provide the economic and financial support to Bath Iron Works, if you read the reports, that General Dynamics has. General Dynamics may be located in another New England state, but it has provided job opportunities for graduates of Maine Maritime Academy, and for many of our young people who could not seek employment in the State of Maine and had to go as close as they could to our Maine shores, but still seek a good opportunity for growth. And some of those people who have been Maine people, and have sought a career with General Dynamics, have now had an opportunity to come back to the State of Maine and work for Bath Iron Works. General Dynamics has provided the security financially that Bath Iron Works needs, and this is an opportunity for the type of destroyers, for building destroyers, that's going to make Bath Iron Works grow and have an opportunity that they have not had in the past. So I would put at rest any feelings that you might have about General Dynamics being a big, ugly company that eats its children, because instead it's providing a future. And it has provided a future for many Maine people, for our young people that we could not keep in this state. So again, I also made up my mind before I came in the chamber this morning that I was going to vote for this, as many of you here and I hope the majority of us will do and thank you for your support.

**THE PRESIDENT:** The Chair recognizes the Senator from Sagadahoc, Senator Small.

Senator **SMALL:** Thank you Mr. President, men and women of the Senate. I first want to apologize to all the people that I said this would probably go under the hammer to. And secondly, I just want to speak to a couple of topics that have come up over the course of the deliberation that I think need a little bit of clarification. We heard earlier that BIW's reputation had been somehow sullied by this process that we've gone through because of bringing it in so late in the session. But, as we've all experienced during these legislative sessions, that we often cannot control how much time we have to work on it and many times, in my 19 years here, the most important issues that we deal with always seem to come up at the end of the session. I don't know whether that's Murphy's Law or just the legislative law but that seems to be what happens. And it's unfortunate, but I do recall in 1984 when we did the Education Reform Act which was sweeping educational change, we had a special session, the Education Committee worked for I think 5 or 6 days nonstop and then the Legislature came in and enacted the legislation. I'm sure there were many people who felt that could have used more time, but the Committee was comfortable at the end of their

deliberations with what they turned out and the Legislature obviously agreed with that. So the time line here, although I know that this is the eleventh hour, we have had representatives from Bath Iron Works up here practically every day for the past month or so who were willing to answer any questions about the need for this project and at least some of the terms that were in the proposal, although they were changed. BIW also had to negotiate, not just with this body, but first they had to begin their deliberations with Bath, because that's an important component of this whole modernization. What could the City of Bath do for Bath Iron Works? And frankly, the relationship between Bath and the company in prior years under different ownership, was probably not at its peak. And for the City Council to vote unanimously to support Bath, and for the citizens of Bath to come in unanimously for this project shows the level of education that the company did in making people understand the critical importance of helping them to modernize the facility. Then the company had to come in and negotiate with the Executive Department, Executive Office and that took many, many weeks and I think that was a good thing to happen.

This proposal is very different, as the good Senator from Cumberland, Senator Harriman, said earlier, than the one that we were presented at the beginning of the year. And I think it's much better for the State of Maine, so I think that was a very critical part of the bill coming before us. And then we had the public hearing and the Committee went ahead and made their changes, and I think those changes also made the bill a better bill. And that took time. The other thing about BIW's reputation, in the past we always had some wonderful comments to make about Bath Iron Works but generally, those comments were due to the workforce. We had just an outstanding workforce. We didn't realize that the companies that owned Bath Iron Works were taking the profits and mortgaging the company heavily. But we kept on building ships a little bit cheaper than the other company and a little bit faster, I think just because we had the superior workforce and I think we still have the superior workforce, but unfortunately the dynamics of how the ships are built are starting to weigh in the favor of Ingalls. I think BIW has shown us, and I think it's something that we should all hope that businesses in our districts copy, how labor and management can work together. And this has been not just on this bill before us, but this began a couple of years ago, a number of years ago. But I've never seen such good relationships, such good information coming out of all parts of the company. And I count some people that I probably never spoke with very much before, because we didn't always share the same viewpoints. I count them now as friends and I will be looking to them for advice and for some good dialogue in the future because this process has been one that I think was educational and, I think, they also took back our comments and helped incorporate those into the bill. I think BIW has taken a long-term look at the facility instead of a quick "take the money and run" position, which they could have done. They could have completed the existing contracts. They could have walked away from that successful and then they could have let the company again be sold if anybody would have it, but they still would have had their profit. But instead, they're looking to invest in this company well into the 21st century and that's good news for all of the state. And I can not let the highwaymen analogy stand unanswered. Not once has BIW said, "Give us the money or we'll leave." Kevin Gildart, representing the company, I think, has been just the model of statesmanship when he worked with the Committee and I think the Committee members will agree that they have never said, "Do this or else." They've tried



to put the needs of the company on the table. I think they've worked to reach a partnership between the state and the private sector, but I never heard, "If you don't do this, you're going to lose the jobs, all the jobs. We're going to leave." That may be what the economic reality is out there, and I don't think any of us can look at what's going on in the other states and what's going on in Washington and not understand that, but I don't believe they ever took a heavy-handed approach and I think they're to be complimented on that. Instead of asking if we can afford to give back \$3 million a year to BIW for their modernization, I think we need to ask, "Can we afford to give up \$358 million over 20 years in state taxes? Is it half full or is it half empty?" I guess I'd just as soon give up \$3 million a year for a return of \$358 million over the next 20 years. And we talk about all the critical programs we could be funding with that \$3 million if we only had that to spend for education or for health care. Well I think \$358 million over 20 years will buy a lot more than the \$3 million that we might spend today or next year.

I've been accused by some people of always wanting too much money for education, but I think you have to balance what you ask for and what you invest, because if you don't have a strong economy, you can't ask for more money for the programs that you really feel are important. And when my constituents come up and say, "Why don't you just raise more taxes to fund education better?" I have to say, "Well, we can't raise taxes to the expense of the business, because they'll leave and then we won't have the income and then we won't be able to pay for the services." It's a fine balance that we have to walk here in order to preserve the jobs, keep the income coming into the state, so that we can pay for the programs, and you don't get the programs until you get the tax revenues from the businesses. It's as simple as that. I've been very pleased at hearing the number of people who are supportive of Bath Iron Works and I thank you for your testimony today and for your support both now and in the past and hopefully in the future. I think we all recognize that these jobs are jobs all across the state. I think jobs for many of us were our number one priority when we ran for the legislature in the past. I think they will continue to be a number one priority for the state and I think this is one of the tools that we can use that will have the absolute best return for jobs for the State of Maine. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Harriman.

**Senator HARRIMAN:** Thank you very much Mr. President, ladies and gentlemen of the Senate. I hope that as you leave this Chamber today, hopefully for the end of the session, and you have a chance while you're enjoying the typical Maine summer that you reflect back on this session and come to a couple of conclusions. First and foremost, I hope you come to the conclusion that the comments that have been raised, that BIW has somehow tarnished their image and their reputation here is looked at in a different way and that that is indeed not the case. I hope that you reflect on the comments made today that says, "Gee, are we providing much needed tax relief so that our Maine workers can compete for these jobs of the 21st century, or is the State of Maine a quote, unquote 'investor' deserving some sort of economic return on their quote, unquote 'investment'." I think the Senators from Knox, Senator Pingree, Somerset, Senator Mills, and Androscoggin, Senator Jenkins, raised some very interesting questions here today about the role of government and the role that we play in trying to stimulate economic development. And so

I think we should thank BIW for challenging us to recognize that we need to get ready for the 21st century and it's the men and women who work in these shipyards that we need to be thinking about. And I think we've done a good job and I want to extend the compliments that have been extended to the members of the Taxation Committee. I know that they put their heart and soul into this effort to make the very best decision that they could. And I believe they have. And on behalf of my constituents, the close to 1,000 Maine families that work at BIW, I thank you, and I hope that when we come back in January with a fresh perspective, that we can have the debate that centered around investments versus tax relief. But for now, I think we've done the best we can. We've done the best we can for the men and women who work at BIW.

And Mr. President, I cannot end my comments without clarifying the record. My very good friend from Kennebec, Senator Carey, mentioned earlier discussions about precedent-setting and how we've done certain things in the past and one of the examples he used was a company in my district as well, BIW. I'm sorry, L.L. Bean was the company he mentioned. In that it had needed to downsize its workforce and that it had laid off 200 employees. I just need the record to reflect that in order for L.L. Bean to regain its competitive edge, it did reduce the number of team members in its company. But it was reduced by sabbaticals, by early retirement and by attrition. Not one person, not one person was fired or laid-off by L.L. Bean and today it was, in fact it was a model for other companies to follow and the Harvard School of Business has taken a special interest in the way that L.L. Bean treated its employees. And as a result of those decisions, which I'm sure were not easy, L.L. Bean has regained its competitive edge, employment is growing and indeed employees are now participating in the much-heralded profit-sharing plan that was temporarily discontinued. I thank you for the chance to clarify the record. And Mr. President, when the vote is taken, I request a roll call.

On motion by Senator **HARRIMAN** of Cumberland, supported by a Division of at least one-fifth of the members present and voting, a Roll Call was ordered.

**THE PRESIDENT:** The Chair recognizes the Senator from Penobscot, Senator Ruhlin.

**Senator RUHLIN:** Thank you Mr. President, ladies and gentlemen of the Senate. We've been at this for two hours. I compliment you. I think we've covered most of the issues. There are some frankly, that we haven't discussed. There are environmental protections we haven't discussed. There are Maine preference clause that we haven't discussed. There are other protections for the people of the State of Maine and their hard-earned tax dollars that we haven't discussed yet. I'm not going to go into it. I think you've covered the important salient points. I think it's almost time now to go on and make our decision. I'll try to be as brief as possible. There are however, a couple of points I wanted to address that did come up that concern me. And some of them have been responded to, to a degree. But when we get into the precedence question, you know, if you look at history you can examine and not have to repeat it hopefully. But I can't predict into the future what is there. What I do know is that a person has an interest that's going to spend in payroll, \$4 billion in the next 20 years. That person's going to spend somewhere in the vicinity of \$400 million or \$500 million in this project, \$50 million in payroll for the

construction phase. We're going to have \$300 million in new state tax revenues generated by this. Now you know, if that's establishing a precedent, I hope, I'd like to have a couple weeks off. We work pretty hard down at Taxation Committee, but I'd like to see another fellow come along or another group come along here, in a couple of weeks, give us a rest and say they're going to do the same thing for us. And you know something, we'll be more than glad to sit down and talk with them. And we'll thank you for the precedent, and we're very pleased with the precedent when we helped the people in Waterville at Hathaway Shirts, very pleased when we've done other projects that helped grow this economy. That's what this is, is back to the partnership and growing our economy together which brings me, I guess, to the other point that I wanted to discuss, that partnership aspect. That investment in our infrastructure aspect, that this is a Maine company. I am, I guess, the only word for it is "disappointed" when I keep hearing allusions and discussions of General Dynamics. We're not dealing with General Dynamics. We're dealing with Bath Iron Works and I want to remind you that Bath Iron Works is a Maine corporation staffed by Maine people, providing Maine jobs. The people who supply it are Maine people. This is a Maine agreement that is going on here. You know, someday General Dynamics may sell. You look at your history, General Dynamics may sell Bath Iron Works. They got sold by the rug company. They got sold by the insurance company. History tells us they may be sold again but one in that whole equation, remains constant. It's a Maine company and those are Maine jobs and those are Maine-built ships, that's the constant. So I'd ask you to remember that when you're talking about who owns who, it's Bath Iron Works with whom the agreement is made.

The other item that I did want to respond to, you talk about, "Gee, you're doing this favor for big business. What about my small business?" Well let me tell you something. Small businesses, and I happen to own one, small businesses do not exist in a vacuum. The best way to help small business is by improving and making more healthy your economy. That's what this proposal does and in so doing it helps collectively the small businesses of the State of Maine. I did feel that those things needed to be clarified.

One last point, and that's the time factor. If anybody was a little bit ugly about that, I want to tell you about 10 days ago I was not a happy camper. I really wasn't. I felt we were being used and abused, but I've also been here for 14 years and I remember very well, and I was thinking of it earlier this morning when we talk about issues coming at the last minute. You know, it seems, in the legislative process, the big issues do come in last and I remember very well one morning in 1992 at 3:30 in the morning of the last day of the session giving the concluding speech on the Workers' Comp Reform which dealt with 500, if you want to talk about money and big deals, at the time the premium pay-in to that was \$500 million a year plus the self-insured portion. Those are big bucks too, you know. And that was a big issue and that also was the last day, only rather than 1:30 in the afternoon, it was 3:30 in the morning. So I guess if you're going to be a Legislator, you have to get used to this time factor thing and you just have to roll with the punches. It comes with the job. That's right, doesn't always make you happy and sometimes you're a little frustrated but that's the way it is. So I hope that when you vote today you'll take into consideration that factor also. And I hope you'll keep in mind that you are making an investment in Maine's infrastructure with a Maine company, improving the Maine economy. Thank you very much.

The Doorkeepers secured the Chamber.

The Secretary called the Roll with the following result:

**ROLL CALL**

**YEAS:** Senators: ABROMSON, AMERO, BENNETT, BENOIT, CAREY, CLEVELAND, DAGGETT, FERGUSON, HARRIMAN, JENKINS, KIEFFER, KILKELLY, LIBBY, LONGLEY, MACKINNON, MILLS, MITCHELL, NUTTING, O'GARA, PARADIS, PENDLETON, PINGREE, RUHLIN, SMALL, THE PRESIDENT - MARK W. LAWRENCE

**NAYS:** Senators: BUTLAND, CASSIDY, CATHCART, GOLDTHWAIT, HALL, LAFOUNTAIN, MICHAUD, MURRAY, RAND, TREAT

25 Senators having voted in the affirmative and 10 Senators having voted in the negative, the **UGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "A" (S-422) Report ACCEPTED.**

The Bill **READ ONCE.**

Committee Amendment "A" (S-422) **READ and ADOPTED.**

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Senate at Ease

Senate called to order by the President.

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Under suspension of the Rules, **READ A SECOND TIME.**

On motion by Senator **TREAT** of Kennebec, Senate Amendment "A" (S-426) **READ.**

**THE PRESIDENT:** The Chair recognizes the Senator from Kennebec, Senator Treat.

Senator **TREAT:** Thank you Mr. President, men and women of the Senate. I present for your consideration, and I hope for your vote, an amendment to this bill. One of the concerns that I have had in dealing with this, which I did mention briefly in my earlier comments on the bill, is the fact that we will be investing a great deal of money in this facility and although there are provisions to get back that money, if indeed employment goes down below a certain level, we do not have the effective legal mechanism to actually get that money back if the company has financial difficulties, goes into bankruptcy proceedings. My amendment basically establishes a lien that would be a lien on any money, any construction or basically qualified investments as you read in the bill and the amendment, the definition of that, those things would have a lien on them filed as of the date of our paying in the money to pay for those qualified investments. The language that I have used in the time I had available to prepare this amendment comes directly out of other Maine statutes that we have which concern in this case cleaning up hazardous waste sites. This is not a super lien. When we discussed this in my

own caucus, some people asked the question, "Is this a super lien and does that have some sort of effect on mortgages or other investments?" That is not what I am proposing to do here. This is a regular lien. If you read the language that was just distributed, the lien is against qualified property in the amount of the credit that we have paid, so if we pay \$3 million in, the lien is for \$3 million. If we pay \$20 million in, the lien would be for \$20 million. Whatever the amount of money it is that we have invested is what the amount of the lien would be for. And any liens that were filed after our lien would follow our lien. Anything that's been filed before our lien obviously is before it. A super lien sort of jumps to the head of the line. This does not do that. When we had discussions about this bill in our caucus, one of the questions that came up was, "What does happen if there is a bankruptcy?" And the answer we got was, "Well, that's all in bankruptcy court. The rules are there and whatever happens in bankruptcy law is what's going to happen in this case." I have some concern though that just by passing a law that says we give to Bath Iron Works a lot of money doesn't get us anywhere in that line if indeed this goes to bankruptcy court at some time. And so this language basically gives us a chance to get in that line and make our case to the bankruptcy judges as to why Maine taxpayers should be paid back some of their investment. Now naturally that investment, if that were to happen, what we're talking about is some cranes and a shipbuilding facility that may or may not really be worth very much as a facility to us, but that's what it would be for. We would have a lien on the property that we helped buy with the money that we invested. I think this is a very sensible provision. It is one that we do in other circumstances. When banks lend money they do the same thing. They secure the property to make sure they have a way of being paid back if things go bottom up. And that's all I'm really asking for. It's a little additional insurance which I suspect the Taxation Committee, had they had a little more time, might have gotten into. There's many other issues that are out there. This is just perhaps a small one, but it would make me feel much better about supporting this legislation were the rest of the body to adopt it.

**THE PRESIDENT:** The Chair recognizes the Senator from Kennebec, Senator Carey.

Senator **CAREY:** Thank you Mr. President. I'm not going to be a party to any unnegotiated addition to this particular carefully crafted bill and therefore, I move indefinite postponement of the amendment.

Senator **CAREY** of Kennebec moved to **INDEFINITELY POSTPONE** Senate Amendment "A" (S-426).

**THE PRESEIDENT:** The Chair recognizes the Senator from Somerset, Senator Mills.

Senator **MILLS:** Thank you Mr. President and men and women of the Senate. I've served for several years with the Senator from Kennebec, Senator Treat, long been an admirer of her efforts to improve legislation that came before the Judiciary Committee and on the Labor Committee this past year and I think that the thought that goes behind this amendment is extraordinarily well taken. I don't think that the answers that she has received in the short time that we've all had an opportunity to study the bill adequately address how we did answer that in the Taxation Committee. We've got something, we have a guarantee

in this bill that is far stronger than any lien could possibly be or any challenge from a bankruptcy Court and it is this. The land on which BIW will build its \$200 million improvement is submerged land in the river, 40, 50 feet down. The State of Maine owns that land. It was given to us by the King of England in 16 something or other and we are the successor in title to it. We own, outright in fee simple, the land on which this facility will be built. BIW has no right in that land presently. By virtue of this bill, we as a state have authorized the Executive to lease about 15 acres which is what they need, lease the submerged land to BIW, year to year for 5 years. BIW will be putting a \$200 million investment onto land that we folks own. And they have no right to acquire title to that property until they have satisfied all of the conditions that we have imposed on them in this bill. If they fail to meet one of the conditions, any of the conditions that are imposed on them for the first five years of this commitment, we become the proud owners of a \$200 million shipyard in the Kennebec River. No, we don't become it, we are. We retain title to the land. They don't have the right to a deed. There is an extraordinary incentive in this agreement for BIW to fulfill every one of its commitments to the letter because until they do so, they can't have a real estate closing and acquire the title that they must have eventually to this land. This provision, the neat thing about this provision is that it pretty much guarantees that all of the money flowing into this project will be investment money, equity investment, that it will not be a loan, that we will not have a leveraged, a highly-leveraged, over-burdened, indebted entity, that we will be receiving the benefit of huge amounts of equity infusion from this piggy bank that I have described that is in the hands of General Dynamics and they won't even get the benefit of it until five years have passed and they have fulfilled the conditions that will entitle them to a deed. Believe me, there is no stronger lien that one can conceive of than the one that we have crafted into this agreement. So the proposal that's before you, in my judgment, is unnecessary and I urge you to vote in favor of the pending motion which is the indefinite postponement of the amendment.

**THE PRESIDENT:** The Chair recognizes the Senator from Penobscot, Senator Ruhlin.

Senator **RUHLIN:** Thank you Mr. President, Honorable Senators of Maine. You just heard, actually the good Senator from Somerset stated it very well. I look at this. This is a very finely crafted piece of legislation, tremendous amount of work. Thirteen Republicans and Democrats alike, bipartisan, bicameral, both House and Senate worked with this. The agreement with the other party, they worked with it. Finely crafted. This attempts to upset that. I can only view it as it truly is, a hostile amendment to the bill. We have built in, clearly, protections into the bill. The good Senator from Somerset just mentioned, we own the land. You build your \$200 million level facility and don't do it right, don't fulfill that agreement, guess what I own. Well, that's point one and he's covered that. I won't go back into it. But the other point is, if you are going to go into bankruptcy, you're probably going to drop down below that level 3,500 and guess what happens when that goes? The string comes out. I forgot to mention the string, actually we just don't rebate them. Excuse me, I want to clarify that. I just made a misstatement. There are two exception years built in there and I want to get that point across. And so there can be the exception, generally speaking, as a part of the agreement, we pull the string and they don't get their rebate. So we have that protection as well. I assure you, ladies and gentlemen of the Senate, that the Taxation Committee did spend



(In Senate, May 20, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-428)**, in concurrence.)

(In House, May 20, 1997, **PASSED TO BE ENACTED.**)

On further motion by same Senator, the Senate **SUSPENDED THE RULES.**

On further motion by same Senator, the Senate **RECONSIDERED** whereby the Bill was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-428)**, in concurrence.

On further motion by same Senator, the Senate **SUSPENDED THE RULES.**

On further motion by same Senator, the Senate **RECONSIDERED** whereby Committee Amendment "A" (H-428) was **ADOPTED.**

On further motion by same Senator, Senate Amendment "A" (S-416) to Committee Amendment "A" (H-428) **READ** and **ADOPTED.**

Committee Amendment "A" (H-428) as Amended by Senate Amendment "A" (S-416) thereto, **ADOPTED** in **NON-CONCURRENCE.**

Which was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-428) AS AMENDED BY SENATE AMENDMENT "A" (S-416)** thereto, in **NON-CONCURRENCE.**

Under suspension of the Rules, ordered sent down forthwith for concurrence.

On motion by Senator **MICHAUD** of Penobscot, the Senate removed from the **SPECIAL APPROPRIATIONS TABLE** the following:

An Act to Ensure the Availability of Expertise on Dam Safety  
H.P. 591 L.D. 782  
(C "A" H-172)

Tabled - April 28, 1997, by Senator **MICHAUD** of Penobscot.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, April 16, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-172)**, in concurrence.)

(In House, April 28, 1997, **PASSED TO BE ENACTED.**)

On further motion by same Senator, the Senate **SUSPENDED THE RULES.**

On further motion by same Senator, the Senate **RECONSIDERED** whereby the Bill was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-172)**, in concurrence.

On further motion by same Senator, the Senate **SUSPENDED THE RULES.**

On further motion by same Senator, the Senate **RECONSIDERED** whereby Committee Amendment "A" (H-172) was **ADOPTED.**

On further motion by same Senator, Senate Amendment "B" (S-425) to Committee Amendment "A" (H-172) **READ** and **ADOPTED.**

Committee Amendment "A" (H-172) as Amended by Senate Amendment "B" (S-425) thereto, **ADOPTED** in **NON-CONCURRENCE.**

Which was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-172) AS AMENDED BY SENATE AMENDMENT "B" (S-425)** thereto, in **NON-CONCURRENCE.**

Under suspension of the Rules, ordered sent down forthwith for concurrence.

On motion by Senator **MICHAUD** of Penobscot, the Senate removed from the **SPECIAL APPROPRIATIONS TABLE** the following:

**Emergency**

Resolve, to Establish a Maine Mobility Fund Task Force  
S.P. 429 L.D. 1377  
(H "A" H-493; H "B"  
H-597 to C "A"  
S-206)

Tabled - May 27, 1997, by Senator **MICHAUD** of Penobscot.

Pending - **FINAL PASSAGE** in **NON-CONCURRENCE**

(In Senate, May 21, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-206) AS AMENDED BY HOUSE AMENDMENTS "A" (H-493) AND "B" (H-597)** thereto, in concurrence.)

(In House, May 27, 1997, **FAILED FINAL PASSAGE.**)

On further motion by same Senator, the Senate **SUSPENDED THE RULES.**

On further motion by same Senator, the Senate **RECONSIDERED** whereby the Bill was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-206) AS AMENDED BY HOUSE AMENDMENTS "A" (H-493) AND "B" (H-597)** thereto, in concurrence.

On further motion by same Senator, the Senate **SUSPENDED THE RULES.**

On further motion by same Senator, the Senate **RECONSIDERED** whereby Committee Amendment "A" (S-206) as Amended by House Amendments "A" (H-493) and "B" (H-597) thereto, was **ADOPTED.**

On further motion by same Senator, the Senate **SUSPENDED THE RULES.**

On further motion by same Senator, the Senate **RECONSIDERED** whereby House Amendment "B" (H-597) to Committee Amendment "A" (S-206) was **ADOPTED.**

On further motion by same Senator, House Amendment "B" (H-597) to Committee Amendment "A" (S-206) was **INDEFINITELY POSTPONED** in **NON-CONCURRENCE.**

Senate Amendment "B" (S-420) to Committee Amendment "A" (S-206) **READ** and **ADOPTED.**

Committee Amendment "A" (S-206) as Amended by Senate Amendment "B" (S-420) and House Amendment "A" (H-493) thereto, **ADOPTED** in **NON-CONCURRENCE.**

Which was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-206 ) AS AMENDED BY SENATE AMENDMENT "B" (S-420) AND HOUSE AMENDMENT "A" (H-493)** thereto, in **NON-CONCURRENCE.**

Under suspension of the Rules, ordered sent down forthwith for concurrence.

On motion by Senator **MICHAUD** of Penobscot, the Senate removed from the **SPECIAL APPROPRIATIONS TABLE** the following:

An Act to Establish the Uniform Unclaimed Property Act  
H.P. 1116 L.D. 1559  
(H "A" H-733; C "A"  
H-682)

Tabled - May 30, 1997, by Senator **MICHAUD** of Penobscot.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, May 29, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-682) AND HOUSE AMENDMENT "A" (H-733)**, in concurrence.)

(In House, May 30, 1997, **PASSED TO BE ENACTED.**)

Which was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

Out of order and under suspension of the Rules, the Senate considered the following:

## PAPERS FROM THE HOUSE

### Non-concurrent Matter

Bill "An Act to Revise Certain Provisions of Fish and Wildlife Laws" (Emergency)  
S.P. 520 L.D. 1604  
(H "A" H-619 to  
C "A" S-281; H "A"  
H-659)

In Senate, May 29, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-281) AS AMENDED BY HOUSE AMENDMENT "A" (H-619)** thereto, **AND HOUSE AMENDMENT "A" (H-659).**

Comes from the House, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-281) AS AMENDED BY HOUSE AMENDMENTS "A" (H-619) AND "C" (H-744)** thereto, **AND HOUSE AMENDMENT "A" (H-659)** in **NON-CONCURRENCE.**

On motion by Senator **KILKELLY** of Lincoln, the Senate **RECEDED** and **CONCURRED.**

## ORDERS OF THE DAY

The Chair laid before the Senate the following Tabled and Later (5/30/97) Assigned matter:

An Act Regarding the Division of Safety and Environmental Services in the Bureau of General Services S.P. 518 L.D. 1602  
(C "A" S-288)

Tabled - May 30, 1997, by Senator **MICHAUD** of Penobscot.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, May 21, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-288).**)

(In House, May 23, 1997, **PASSED TO BE ENACTED.**)

On motion by Senator **MICHAUD** of Penobscot, the Senate **SUSPENDED THE RULES.**

On further motion by same Senator, the Senate **RECONSIDERED** whereby the Bill was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-288).**

On further motion by same Senator, the Senate **SUSPENDED THE RULES.**

On further motion by same Senator, the Senate **RECONSIDERED** whereby Committee Amendment "A" (S-288) was **ADOPTED.**

On further motion by same Senator, Senate Amendment "A" (S-424) to Committee Amendment "A" (S-288) **READ** and **ADOPTED.**

Committee Amendment "A" (S-288) as Amended by Senate Amendment "A" (S-424) thereto, **ADOPTED** in **NON-CONCURRENCE**.

Which was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-288) AS AMENDED BY SENATE AMENDMENT "A" (S-424)** thereto, in **NON-CONCURRENCE**.

Under suspension of the Rules, ordered sent down forthwith for concurrence.

Under suspension of the Rules, all matters thus acted upon, with exception of those matters being held, were ordered sent down forthwith for concurrence.

Out of order and under suspension of the Rules, the Senate considered the following:

#### COMMITTEE REPORTS

##### Senate

##### Committee of Conference

The **Committee of Conference** on the disagreeing action between the two branches of the Legislature on

Bill "An Act to Amend the Maine Bail Code"  
S.P. 509 L.D. 1571

had the same under consideration, and asked leave to report:

That the Senate **Recede** from its action whereby the Bill was **Passed to be Engrossed As Amended By Committee Amendment "B" (S-315)**.

That the Senate **Recede** from its action whereby Committee Amendment "B" (S-315) was **Adopted** and **Indefinitely Postpone** the same. **Read and Adopt Committee of Conference Amendment "A" (S-423)** and **Pass to be Engrossed As Amended By Committee of Conference Amendment "A" (S-423)** in **Non-Concurrence**.

That the House **Recede** and **Concur** with the Senate.

Signed on the part of the Senate:

Senator MURRAY of Penobscot  
Senator MITCHELL of Penobscot  
Senator O'GARA of Cumberland

Signed on the part of the House:

Representative POVICH of Ellsworth  
Representative FRECHETTE of Biddeford  
Representative McALEVEY of Waterboro

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

The Senate **RECEDED** from its action whereby the Bill was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "B" (S-315)**.

The Senate **RECEDED** from its action whereby Committee Amendment "B" (S-315) was **ADOPTED**.

Committee Amendment "B" (S-315) **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

Committee of Conference Amendment "A" (S-423) **READ** and **ADOPTED**.

Which was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE OF CONFERENCE AMENDMENT "A" (S-423)** in **NON-CONCURRENCE**.

Under suspension of the Rules, ordered sent down forthwith for concurrence.

Out of order and under suspension of the Rules, the Senate considered the following:

#### ENACTORS

The Committee on **Engrossed Bills** reported as truly and strictly engrossed the following:

An Act to Encourage Art Education in the State  
H.P. 29 L.D. 54  
(S "A" S-370 to C  
"A" H-349)

An Act to Impose a Surcharge on Documents Recorded in a Registry of Deeds to Fund Preservation of Registry Documents  
S.P. 47 L.D. 157  
(S "A" S-360 to C  
"B" S-94)

An Act to Expand Access to Maine's Technical Colleges  
H.P. 263 L.D. 327  
(H "A" H-564; S "A"  
S-367 to C "A"  
H-348)

An Act to Establish Maine as a Sponsor of the Women in Military Service for America Memorial in Arlington National Cemetery  
H.P. 275 L.D. 339  
(S "A" S-352 to C  
"A" H-171)

An Act to Allow the Maine Forest Service to Retain Funds from the Sale of Real Estate  
S.P. 117 L.D. 396  
(S "A" S-359 to C  
"A" S-23)

An Act to Amend the Family Medical Leave Laws  
S.P. 123 L.D. 402  
(S "A" S-379 to C  
"A" S-88)

LEGISLATIVE RECORD - SENATE, MAY 31, 1997

An Act to Establish a Tuition Rate for Education in the Unorganized Territory H.P. 360 L.D. 505 (C "A" H-229; S "A" S-361)

An Act to Expand the Family Medical Leave Laws S.P. 196 L.D. 624 (S "A" S-371 to C "A" S-235)

An Act to Protect the Rights of Children Who Have Been Victims of Sexual Abuse by a Juvenile S.P. 234 L.D. 803 (S "A" S-382 to C "A" S-207)

An Act to Provide Additional Operating Funds for Homeless Shelters H.P. 660 L.D. 913 (S "A" S-372 to C "A" H-409)

An Act to Amend the Maine Apprenticeship Program S.P. 455 L.D. 1429 (S "A" S-375 to C "A" S-298)

An Act to Establish the Task Force to Study Equal Economic Opportunity for All Regions of the State H.P. 1035 L.D. 1452 (S "A" S-400 to C "A" H-504)

An Act to Promote Adult Education H.P. 1095 L.D. 1538 (S "A" S-368 to C "A" H-246)

An Act to Improve the Child Development Services System and Encourage Collaboration in Early Childhood Programs with School Administrative Units H.P. 1125 L.D. 1581 (S "A" S-374 to C "A" H-703)

An Act to Amend the Composition of the Information Services Policy Board and Establish a Task Force on Information Technology in the Public Sector H.P. 1133 L.D. 1589 (S "A" S-387 to C "A" H-357)

An Act to Assist the Maine Potato Industry S.P. 516 L.D. 1600 (S "A" S-363)

An Act to Implement Federal Welfare Reform Mandates for State Child Support Enforcement Laws H.P. 1290 L.D. 1835 (S "A" S-355 to C "A" H-699)

An Act to Appropriate Funds for the Education Research Institute H.P. 1298 L.D. 1841 (S "A" S-402)

An Act to Implement the Recommendations of the Harness Racing Task Force H.P. 1318 L.D. 1868 (S "A" S-410 to C "A" H-690)

Which were **PASSED TO BE ENACTED** and having been signed by the President, were presented by the Secretary to the Governor for his approval.

An Act to Clarify the Application of the Sales Tax on Hay and Animal Bedding S.P. 445 L.D. 1419 (S "A" S-378 to C "A" S-261)

**THE PRESIDENT:** The Chair recognizes the Senator from Lincoln, Senator Kilkelly.

**Senator KILKELLY:** Thank you Mr. President, men and women of the Senate. Prior to enactment of this piece of legislation, I think it's important to outline some of the concerns that I have. While I'm pleased that this bill has passed, it has experienced fairly severe surgery as it wended its way through the process. The hay issue that we've heard so much about is resolved in this bill. There will be no sales tax collected on hay used for horses. However, the associated issues of sales tax on horses, race horses, pleasure horses, draft horses, show horses, ponies, donkeys and mules is not resolved. And that is in part because of a lack of reliable information on the number of equines sold and the percentage of casual versus regular sales. In this bill, we were attempting to promote biotechnology by also eliminating the sales tax on semen, ova and embryos. We wanted to treat the folks who raise and use horses as an agricultural enterprise. My special thanks goes to the Taxation Committee who spent hours on this bill and struggled with the issues of the need to assist the continuation of agricultural infrastructure by changing tax policy. In conclusion, this issue of looking at and treating horses as agriculture with the appropriate tax benefits is not completed. I'll be working over the summer with the Farm Bureau Equine Advisory Council, the American Horse Congress and the Harness Horseman's Association to get clarity on the issue that was presented in the work papers for the fiscal note. If we're committed to continuing open space, bucolic farms and expanses of fields, we must address inadequacies in tax policy that impact agriculture. It's my understanding that the Taxation Department is not going to be increasing their enforcement of the sales taxes on horses or other equines until this Legislature can resolve this issue. And I'm very supportive of that position. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Androscoggin, Senator Nutting.

**Senator NUTTING:** Thank you Mr. President. I'm also going to be supporting this bill and urge everybody here to do so today because it does take one small step. But I'm extremely, extremely frustrated here and I realize it's the last day hopefully of our session and I'll try to be very brief. But when I look at this fiscal note put on this bill just a few days ago by the State Tax Assessor's Office, I'm reminded of the fact that on the end of my barn, I have a bull and I feed him hay and the next morning he leaves that hay behind him in a different form. And this \$66,000 fiscal note put on by the State Tax Assessor's Office, supposedly



reflecting the sales tax collected on the sale of horses, which incidentally would mean that we're selling over \$1 million a year in horses in Maine, is just ridiculous. It's a small problem. This sales tax has never been collected. Now technically speaking, I guess it could be. But they promised not to until we deal with this in January. But the big problem that I faced when I was in the other body 11 years ago is the refusal of many different administrations, this one included, to step forth and recognize horse farming as agriculture. They just will not do it and that's very upsetting to me. On my own farm, the feed I buy is not sales-taxed. When I sell breeding stock, it's not sales-taxed. That's the same if I was a swine farmer, a cattle farmer or whatever. But a horse farmer, that's got to be different for some reason. My grandmother always used to talk about when she was alive, that she loved to vent her spleen. Well, I guess that's the situation I'm in today, but I am going to be supporting this bill. I just felt as if I had to say something on the record. Thank you.

Which was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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**Emergency**

An Act to Provide Reimbursement to Spouses Serving as Personal Care Attendants  
 H.P. 626 L.D. 851  
 (S "A" S-377 to C "A" H-455)

On motion by Senator **AMERO** of Cumberland, supported by a Division of at least one-fifth of the members present and voting, a Roll Call was ordered.

The Doorkeepers secured the Chamber.

The Secretary called the Roll with the following result:

**ROLL CALL**

YEAS: Senators: ABROMSON, CAREY, CATHCART, CLEVELAND, DAGGETT, GOLDTHWAIT, JENKINS, KILKELLY, LAFOUNTAIN, LONGLEY, MICHAUD, MILLS, MITCHELL, MURRAY, NUTTING, O'GARA, PARADIS, PENDLETON, PINGREE, RAND, RUHLIN, SMALL, TREAT, THE PRESIDENT - MARK W. LAWRENCE

NAYS: Senators: AMERO, BENNETT, BENOIT, BUTLAND, CASSIDY, FERGUSON, HALL, HARRIMAN, KIEFFER, LIBBY, MACKINNON

Senator **PINGREE** of Knox requested and received leave of the Senate to change her vote from YEA to NAY.

Senator **ABROMSON** of Cumberland requested and received leave of the Senate to change his vote from NAY to YEA.

Senator **PINGREE** of Knox requested and received leave of the Senate to change her vote from NAY to YEA.

This being an Emergency Measure and having received the affirmative vote of 24 Members of the Senate, with 11 Senators having voted in the negative, and 24 being two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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**Emergency**

An Act to Amend the Maine Health Data Organization Laws  
 S.P. 560 L.D. 1693  
 (H "A" H-206; S "A" S-369)

This being an Emergency Measure and having received the affirmative vote of 27 Members of the Senate, with 8 Senators having voted in the negative, and 27 being more than two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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**Emergency**

An Act to Provide Funding for Mental Retardation Day Services for Nonclass Members  
 H.P. 1285 L.D. 1830  
 (S "A" S-386)

This being an Emergency Measure and having received the affirmative vote of 35 Members of the Senate, with no Senators having voted in the negative, and 35 being more than two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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**Emergency**

An Act to Fund the Collective Bargaining Agreements and Benefits for Certain Employees Excepted from Collective Bargaining for the Judicial Branch  
 H.P. 1343 L.D. 1894  
 (C "A" H-739)

This being an Emergency Measure and having received the affirmative vote of 35 Members of the Senate, with no Senators having voted in the negative, and 35 being more than two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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**Resolve**

Resolve, to Establish the Commission to Study the Use of Pharmaceuticals in Long-term Care Settings  
 H.P. 122 L.D. 146  
 (S "A" S-396 to C "A" H-10)

Resolve, Establishing a Commission to Study the Funding and Distribution of Teletypewriters and Other Telecommunications Equipment for People with Disabilities

S.P. 293 L.D. 944  
(S "A" S-409 to C  
"A" S-152)

Resolve, to Establish a Task Force to Review the Applied Technology Centers and Applied Technology Regions

H.P. 771 L.D. 1048  
(S "B" S-398 to C  
"A" H-320)

Resolve, to Establish Additional Funding for the University of Maine System

H.P. 1018 L.D. 1410  
(S "A" S-362 to C "A"  
H-590)

Resolve, to Require the Department of Environmental Protection to Review the Asbestos Hazard Emergency Response Act of 1986

H.P. 1030 L.D. 1447  
(S "A" S-381 to C "A"  
H-544)

Resolve, to Plan for Services for Children with Mental Health Needs

S.P. 579 L.D. 1744  
(S "A" S-401 to C  
"A" S-334)

Which were **FINALLY PASSED** and having been signed by the President, were presented by the Secretary to the Governor for his approval.

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**Emergency Resolve**

Resolve, to Establish the Commission to Study the Unemployment Compensation System

H.P. 268 L.D. 332  
(S "A" S-358 to C  
"A" H-549)

This being an Emergency Measure and having received the affirmative vote of 35 Members of the Senate, with no Senators having voted in the negative, and 35 being more than two-thirds of the entire elected Membership of the Senate, was **FINALLY PASSED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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**Emergency Resolve**

Resolve, to Establish a Task Force to Study the Feasibility of a Single Claims Processing System for 3rd-party Payors of Health Care Benefits

H.P. 286 L.D. 350  
(S "A" S-394 to C  
"A" H-89)

This being an Emergency Measure and having received the affirmative vote of 34 Members of the Senate, with no Senators having voted in the negative, and 34 being more than two-thirds of the entire elected Membership of the Senate, was **FINALLY PASSED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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**Emergency Resolve**

Resolve, to Establish the Commission to Determine the Adequacy of Services to Persons with Mental Retardation

H.P. 431 L.D. 581  
(S "A" S-403 to C  
"A" H-273)

This being an Emergency Measure and having received the affirmative vote of 30 Members of the Senate, with no Senators having voted in the negative, and 30 being more than two-thirds of the entire elected Membership of the Senate, was **FINALLY PASSED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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**Emergency Resolve**

Resolve, to Require the Department of Education to Review the Methods Used to Determine the Tuition Rates of a Receiving School for a Student from Another School District

H.P. 632 L.D. 857  
(S "A" S-397 to C  
"A" H-305)

This being an Emergency Measure and having received the affirmative vote of 30 Members of the Senate, with no Senators having voted in the negative, and 30 being more than two-thirds of the entire elected Membership of the Senate, was **FINALLY PASSED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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**Emergency Resolve**

Resolve, to Establish a Commission to Study Insurance Fraud

H.P. 681 L.D. 933  
(S "A" S-357 to C  
"A" H-238)

This being an Emergency Measure and having received the affirmative vote of 30 Members of the Senate, with no Senators having voted in the negative, and 30 being more than two-thirds of the entire elected Membership of the Senate, was **FINALLY PASSED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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**Emergency Resolve**

Resolve, to Establish the Commission to Study the Certificate of Need Laws

H.P. 734 L.D. 998  
(S "A" S-351 to C  
"A" H-414)

This being an Emergency Measure and having received the affirmative vote of 31 Members of the Senate, with no Senators having voted in the negative, and 31 being more than two-thirds of the entire elected Membership of the Senate, was **FINALLY PASSED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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**Emergency Resolve**

Resolve, to Foster Economic Growth through the Recognition and Development of Maine's Franco-American Resource

S.P. 519 L.D. 1603  
(S "A" S-283; S "D"  
S-405 to C "A"  
S-275)

This being an Emergency Measure and having received the affirmative vote of 30 Members of the Senate, with no Senators having voted in the negative, and 30 being more than two-thirds of the entire elected Membership of the Senate, was **FINALLY PASSED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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**Mandate**

An Act to Include Operation and Maintenance in the Life-cycle Costs Analysis Required for Public Improvements

S.P. 129 L.D. 408  
(C "A" S-62; S "A"  
S-391)

This being a Mandate, in accordance with the provisions of Section 21 of Article IX of the Constitution, having received the affirmative vote of 29 Members of the Senate, with no Senators having voted in the negative, and 29 being more than two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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**Mandate**

An Act to Allow the Town of Chester to Annex a Certain Parcel of Land

S.P. 633 L.D. 1850  
(C "A" S-296; S "A"  
S-364)

This being a Mandate, in accordance with the provisions of Section 21 of Article IX of the Constitution, having received the affirmative vote of 28 Members of the Senate, with no Senators having voted in the negative, and 28 being more than two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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**Mandate**

An Act to Protect Victims of Domestic Violence

H.P. 1317 L.D. 1867  
(C "A" H-687; S "A"  
S-389)

This being a Mandate, in accordance with the provisions of Section 21 of Article IX of the Constitution, having received the affirmative vote of 28 Members of the Senate, with no Senators having voted in the negative, and 28 being more than two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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Out of order and under suspension of the Rules, the Senate considered the following:

**ENACTORS**

The Committee on **Engrossed Bills** reported as truly and strictly engrossed the following:

An Act to Clarify the Laws Relating to Backyard Burning

H.P. 703 L.D. 967  
(S "B" S-408 to C  
"A" H-392)

An Act to Authorize Transfer of Property Taxes to the Passamaquoddy Tribe

S.P. 588 L.D. 1758  
(C "A" S-344)

An Act to Create the Maine Governmental Facilities Authority

S.P. 589 L.D. 1759  
(C "A" S-297; S "A"  
S-336; H "A" H-737)

Which were **PASSED TO BE ENACTED** and having been signed by the President, were presented by the Secretary to the Governor for his approval.

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**Emergency**

An Act to Protect the Potato Industry from the Spread of Serious Disease

S.P. 150 L.D. 429  
(C "A" S-241; H "A"  
H-741)

This being an Emergency Measure and having received the affirmative vote of 28 Members of the Senate, with no Senators having voted in the negative, and 28 being more than two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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**Emergency**

An Act Regarding Temporary Assistance for Needy Families and Welfare Reform

S.P. 671 L.D. 1896

This being an Emergency Measure and having received the affirmative vote of 28 Members of the Senate, with no Senators having voted in the negative, and 28 being more than two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

Out of order and under suspension of the Rules, the Senate considered the following:

**PAPERS FROM THE HOUSE**

**Joint Resolution**

The following Joint Resolution: H.P. 1349

**JOINT RESOLUTION COMMEMORATING THE 50th ANNIVERSARY OF THE FOREST FIRES OF 1947**

WHEREAS, in October of 1947, the State experienced the worst forest fire disaster in its history; and

WHEREAS, due to a prolonged drought, fires feeding on woods, fields and dry soil raged over nearly 200,000 acres, 3/4 of it forested, leveling 9 communities and severely damaging 4 others; and

WHEREAS, 15 people died, and homes, businesses and community buildings were destroyed, resulting in property losses estimated at \$30,000,000; and

WHEREAS, 20,000 firefighters fought the fires with courage and selflessness, and state and national relief efforts were mounted to assist the firefighters and those citizens who lost homes, livestock and even loved ones; and

WHEREAS, although the lives of many victims were changed forever as a result of this disaster, the resilient people of this State rebuilt their communities and lives; and

WHEREAS, recognizing the need for improved mobilization to meet such a catastrophe, the Maine Forest Service was instrumental in organizing the Northeast Forest Fire Protection Compact, which now includes the 6 New England states, New York, 3 Canadian Provinces and the United States Forestry Service; and

WHEREAS, the need for vigilance against forest fires and the need for education of the general public as to the nature and threat of wildfires is an ongoing challenge; now, therefore, be it

RESOLVED: That We, the Members of the One Hundred and Eighteenth Legislature of the State of Maine, now assembled in the First Special Session on behalf of the people we represent, pause, during this 50th anniversary year of the State's worst natural disaster, to remember the forest fires of the autumn of 1947 and to honor and give recognition to the men and women who fought the fires, came to the aid of their neighbors and with courage, pride and determination rebuilt their communities and lives; and be it further

RESOLVED: That suitable copies of this resolution, duly authenticated by the Secretary of State, be transmitted to the Maine Forest Service, the Maine Fire Chiefs' Association, the Maine Federation of Firefighters, the Maine Professional Firefighters' Association and officials of the communities that suffered major losses in the forest fires of 1947.

Comes from the House **READ** and **ADOPTED**.

Which was **READ** and **ADOPTED**, in concurrence.

**COMMUNICATIONS**

The Following Communication: S.C. 352

**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
AUGUSTA, MAINE 04333**

May 30, 1997

Honorable Joy J. O'Brien  
Secretary of the Senate  
118th Legislature  
Augusta, Maine 04333

Dear Madam Secretary:

The Speaker appointed the following conferees to the Committee of Conference on the disagreeing action of the two branches of the Legislature on Joint Order (H.P. 1345) Establishing the Joint Select Committee to Oversee Maine Yankee:

Representative RINES of Wiscasset  
Representative JONES of Bar Harbor  
Representative HONEY of Boothbay

Sincerely,

S/Joseph W. Mayo  
Clerk of the House

Which was **READ** and **ORDERED PLACED ON FILE**.

Under suspension of the Rules, all matters thus acted upon were ordered sent down forthwith for concurrence.

On motion by Senator **AMERO** of Cumberland, **RECESSED** until the sound of the bell.

After Recess

Senate called to order by the President.

Out of order and under suspension of the Rules, the Senate considered the following:

**ENACTORS**

The Committee on **Engrossed Bills** reported as truly and strictly engrossed the following:

An Act to Encourage the Use of Motor Vehicles That Use Alternative Sources of Fuel for the Purpose of Reducing Air Pollution

H.P. 300 L.D. 364  
(S "A" S-337; S "C"  
S-414 to C "A"  
H-680)

An Act to Extend Collective Bargaining Rights to Employees of Large Industrial Agricultural Operations

H.P. 1177 L.D. 1654  
(H "B" H-740 to C "A"  
H-550)

Which were **PASSED TO BE ENACTED** and having been signed by the President, were presented by the Secretary to the Governor for his approval.

An Act to Open a Discount State Liquor Store in Calais and Conduct a Study Concerning the Opening of a Store in Fort Kent

H.P. 277 L.D. 341  
(C "A" H-46; H "A"  
H-122; H "B" H-636)

On motion by Senator **MICHAUD** of Penobscot, **TABLED** until Later in Today's Session, pending **PASSAGE TO BE ENACTED**.

Out of order and under suspension of the Rules, the Senate considered the following:

#### **PAPERS FROM THE HOUSE**

##### **Non-concurrent Matter**

Bill "An Act to Ensure Funding for Snowmobile Law Enforcement Activities" (Emergency)

S.P. 193 L.D. 611  
(C "A" S-270; S "A"  
S-306)

In Senate, May 27, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-270) AND SENATE AMENDMENT "A" (S-306)**, in concurrence.

In House, May 28, 1997, **PASSED TO BE ENACTED**.

In Senate, May 30, 1997, Bill and Accompanying Papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

Comes from the House, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-270) AS AMENDED BY HOUSE AMENDMENT "B" (H-756)** thereto, in **NON-CONCURRENCE**.

Senator **CATHCART** of Penobscot moved the Senate **ADHERE**.

Senator **HALL** of Piscataquis moved the Senate **RECEDE** and **CONCUR**.

The Chair ordered a Division. 19 Senators having voted in the affirmative and 13 Senators having voted in the negative, the motion by Senator **HALL** of Piscataquis to **RECEDE** and **CONCUR, PREVAILED**.

##### **Non-concurrent Matter**

Bill "An Act to Provide Equal Political Rights for Classified State Employees"

H.P. 740 L.D. 1004  
(C "A" H-429)

In Senate, May 15, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-429)**, in concurrence.

Comes from the House, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-429) AS AMENDED BY HOUSE AMENDMENT "A" (H-749)** thereto, in **NON-CONCURRENCE**.

On motion by Senator **DAGGETT** of Kennebec, the Senate **RECEDED** and **CONCURRED**.

##### **Non-concurrent Matter**

Resolve, to Establish a Commission to Designate Outstanding Maine Citizens Whose Portraits Are to Be Displayed in the State House

H.P. 1145 L.D. 1610  
(H "A" H-452 to C "A"  
H-328)

In Senate, May 13, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-328) AS AMENDED BY HOUSE AMENDMENT "A" (H-452)** thereto, in concurrence.

In House, May 19, 1997, **FINALLY PASSED**.

In Senate, May 30, 1997, Bill and Accompanying Papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.

Comes from the House, that Body **INSISTED** and **ASKED FOR A COMMITTEE OF CONFERENCE**.

On motion by Senator **PINGREE** of Knox, the Senate **INSISTED** and **JOINED IN A COMMITTEE OF CONFERENCE**.

(See action later today.)

##### **Non-concurrent Matter**

Bill "An Act to Change the Name of the Bureau of Taxation and to Allow Other Agencies of the State to Benefit from Its Services"

S.P. 623 L.D. 1826  
(C "A" S-341)

In Senate, May 28, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-341)**.

Comes from the House, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-341) AND HOUSE AMENDMENT "C" (H-755) in NON-CONCURRENCE.**

Senator **PINGREE** of Knox moved the Senate **RECEDE** and **CONCUR**.

Senator **LIBBY** of York requested a Division.

**THE PRESIDENT:** The Chair recognizes the Senator from York, Senator Libby.

Senator **LIBBY:** Thank you Mr. President, men and women of the Senate. An issue came up regarding this bill that I think is important to discuss. Currently Town Clerks receive some of their reimbursement from moneys that will be taken away through the application of fishing and hunting licenses through the use of the income tax form. As part of your refund on the income tax form you will be able, through a proposal, to get your hunting or fishing license and not go through your Town Clerk. And frankly, it's going to be real difficult for me to go back to my towns, and I think it will be difficult for you to go back to your towns, and say to your Town Clerk who is getting paid their salary on this money, "Look, I voted for this." That's the problem with this proposal and I had hoped to present a Senate Amendment. I know there's been a few other amendments out there in both bodies, but I had hoped to strike out this one small issue from the entire bill because there are other parts of this bill, I think, that are very, very important. But that just hasn't worked out. So apparently what may happen, if we're to go ahead and pass this bill, is that sometime this fall, in front of the State and Local Government Committee, the Department of Taxation will come and ask to go ahead with this proposal to get your hunting and fishing licenses as part of your income tax, on your income tax form. So it seems to me that if we vote for this bill you're going to allow that to happen and I guess what's really unfortunate about that is the funds that the towns are able to hang onto. As part of revenue from fishing and hunting licenses, they get to keep \$1 for each hunting and fishing license. Some towns take that dollar and put it towards the town's General Fund. And some towns take that dollar and give it as salary to the Town Clerk. In those kinds of towns, typically what you might see is a Town Clerk who's working out of their home. I'm all for streamlining operations and I think we've come into the computer age. We've got to admit that and that has something to do with this debate, but we ought not just pull the rug out from underneath the towns without them having the opportunity to plan for this thing. I don't think we should allow this to take place next year and that's what you're doing with this bill. You're going to allow the Bureau of Taxation to come in front of State and Local sometime this fall, present their proposal and it's going to be part of the income tax form next spring, and your clerks are going to lose the money. That's what's going to happen. We've had a ton of calls from Town Clerks and I've tried to pass a few out to you. You've got a yellow sheet and you've got another white sheet from a couple of small towns. There's one on there that gave 10 reasons why you ought not vote for this piece of legislation. I'm going to admit right now some of those reasons I don't think I agree with, but some of them are valid. Somebody's got to fight for the towns. This ought to be part of a Mandate Law. If you're going to take revenue from the towns it's the same thing as asking them to expand operations as a result of a mandate. It's the same thing. But it's

not. The way the language reads in the Constitution it's not part of the mandate law, and I think that that's really unfortunate. Because we came up here and most of us said, "We're not going to change the operations of the town by passing stuff, without thinking about it, down to the municipality." So I've tried to work with Brian Mehaney, who legitimately has come forward and worked hard to try to come up with a compromise. The trouble with a compromise is the compromise is going to allow this to take place, so it's not really a compromise. And I know a lot of people, of course there's going to be some people, I hate to rile up my friend from Brewer, Senator Ruhlin of Penobscot, and I know I've done it, but I'm going to say, just come back next spring and talk to me and I'm going to say, "I told you so." The Town Clerks are going to be out of luck. Your towns are going to lose revenue and that's exactly what's going to happen and I would say, "Let's not allow that." So, I would recommend that this bill has some good points but nothing that can't be put off a year. It's got to go back in front of Committee. It's got to have a real debate. It can't be a last minute thing. We've got to allow the Town Clerks to come back in here and present a proposal to us that they can live with. That's the answer. I'm not asking for us to just completely abandon progress. I'm asking for us to allow alternative views to be presented instead of shoving it through in the waning hour of this session. So with that I'll sit down and I'll listen to some opposing views. I really do believe that that's what you're doing, particularly in rural towns, you're going to take away a lot of revenue from your Town Clerks and they may not now expect it because only recently did they find out. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Kennebec, Senator Carey.

Senator **CAREY:** Thank you Mr. President. One of my other duties, besides being in the Senate here and enjoying this vibrator that I was given, is the fact that I am a Selectman in the town of Belgrade. And while our Clerk is, in fact, on a salary, there are towns around me who have the Clerk who, in fact, gets paid based on the revenue. They actually bid in some cases for these jobs to be able to service their people. I'm afraid, and I've spent 8 years on Taxation, and I've seen the form change back and forth and before we know it, it's going to look more like a Christmas tree where they're doing everything for everybody and I don't know how this got by the Taxation Committee, but I would point out to you that it really should be indefinitely postponed.

**THE PRESIDENT:** The Chair would answer that we have a pending motion of recede and concur. The Chair recognizes the Senator from Somerset, Senator Mills.

Senator **MILLS:** Thank you Mr. President and men and women of the Senate. The arguments of the preceding two speakers are so powerful, so overwhelming that they've already been heard in the House. House Amendment "C" which is part of the motion to recede and concur, does exactly what these two gentlemen have pleaded for before the body. House Amendment "C"

**THE PRESIDENT:** The Chair would instruct the member not to refer to House debate.

Senator **MILLS:** No sir. I'm referring to the contents of House Amendment "C" which is part of the motion to recede and concur which eliminates that portion of the bill which the two

preceding speakers found so offensive. All of us agree with you and I urge you to vote for the motion to recede and concur. If I may add that, yes, it did slip by the Taxation Committee and we're very grateful to the other Chamber for having caught it. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Kennebec, Senator Daggett.

Senator **DAGGETT:** Thank you Mr. President and members of the Senate. I would concur with my colleague, Senator Mills. The version of the bill that is in front of us does take care of a lot of the concerns. Unfortunately, this was a provision in a very large bill and as soon as there were calls received from a number of the municipal clerks, there was an effort made to try to address that. There, in fact, were a variety of amendments that were circulated and are floating around. But the amendment that is currently on the bill, I'm going to read the first sentence of the summary. "The amendment deletes the authority of the Commissioner of IFW to enter into an arrangement with the State Tax Assessor to include fishing and hunting licenses in state individual income tax booklets." So, that part has been deleted. There were several amendments and they were combined into one amendment which is the amendment that is currently there. This amendment combines what was suggested in several previous ones, so I think the issue is fairly well taken care of. It leaves the bill intact, which is a department bill, and there are some things there that certainly are appropriate that need to be done. But having these fees and having the licenses at this time, that provision has been deleted. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Penobscot, Senator Ruhlin.

Senator **RUHLIN:** Thank you Mr. President, members of the Senate. I also serve on the Taxation Committee, along with the good Senator from Somerset and the good Senator from Kennebec. I thought I'd get up and make it unanimous that we all three can read. That all three have read the amendment that the other body felt to add, that is attached to and a part of the existing legislation pending before us. And, we also could all listen very well and that the concerns that we felt were legitimate that this amendment addresses. Now let's move on to get our business done today and recede and concur as the motion has been made and I hope that this calms everybody's fears. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from York, Senator Libby.

Senator **LIBBY:** Thank you Mr. President, men and women of the Senate. By stripping that out, if you go back and read the bill, you'll find out that allows the Department of Taxation to come in front of the State and Local Government Committee with this proposal and any other future proposal. Yes, this amendment does strip that language. But if you go back to the bill, after it's stripped, you'll find out that Brian Mehaney and the Department of Taxation will come to the Committee this fall, mark my words, and present this proposal. They have every intention of going ahead with it. So if you think that receding and concurring with the other body is going to solve the problem, you're wrong. You know, I'll stake my reputation on it, that's what it does. And in fact, from Brian Mehaney himself, he has stated to me that he will

be in front of the State and Local Government Committee this fall to ask for this proposal. And, he will have the authority to do it under the original bill. So I hope you understand that while it strips the language, it doesn't prevent it from happening. It just strips the authorization language that would authorize it now. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Penobscot, Senator Ruhlin.

Senator **RUHLIN:** Thank you Mr. President, Senators of Maine. I think the Senator's concerns were a little different than I first interpreted. At no time does this bill prohibit, in that area he's correct, the Assessor from going before anybody. We, as a legislative body, cannot delegate our authority away. He may have the right to confer with the State and Local Government. You're absolutely correct, just as he would have the right to confer with the Committee on Taxation or the Committee on Fisheries and Wildlife or any other Committee, and then proceed from that area. If he intends, and I agree that may very well be his planned course of action at this time. This is not an outright prohibition, nor should there be, but it would require an action starting anew, I guess is the point that I would make. And so I do feel strongly that the amendment here sincerely addresses the concerns of the Senator from York. Thank you.

**THE PRESIDENT:** The Chair would again tell members that their comments are to be directed at the Presiding Officer.

Senator **LIBBY** of York moved the Senate **RECEDE**.

House Amendment "C" (H-755) **READ**.

**THE PRESIDENT:** The Chair recognizes the Senator from York, Senator Libby.

Senator **LIBBY:** Thank you Mr. President, men and women of the Senate. Now, I just want you to know we're not supposed to recognize what goes on in the other body and that's why I'm presenting House Amendment "C". House Amendment "C" does nothing but delete the language. It's not going to accomplish what we want to accomplish. We're in a quandary here even with House Amendment "C". There's no language that would prohibit the Taxation Department from coming forward with this plan, with the approval of a Committee of jurisdiction, and allowing for licenses for fishing and hunting to be bought through your income tax form. Now there's nothing wrong with that. What I'm saying is that we've got to give them a year anyway. We've got to give them some time because we're talking about their salary here. So I guess the quandary is this, you can either vote for this amendment and know that by adopting the amendment at least it will come before the State and Local Government Committee sometime this fall and the Clerks will have their say, at least be able to air their complaints. Or, you can vote against the whole bill and then you'll know it's not going to happen for more than a year. They won't have the authorization to do it. So those are your options and I would recommend that you, at least, vote for the amendment and then make the decision when we get to the bill. Thank you.

On motion by Senator **PINGREE** of Knox, **TABLED** until Later in Today's Session, pending **ADOPTION** of House Amendment "C" (H-755), in concurrence.

Out of order and under suspension of the Rules, the Senate considered the following:

**COMMITTEE REPORTS**

**House**

**Divided Report**

The Majority of the Committees on **NATURAL RESOURCES** and **APPROPRIATIONS AND FINANCIAL AFFAIRS** on Bill "An Act to Protect the State's Lakes, Rivers and Coastal Wetlands through a Comprehensive Watershed Protection Program"

H.P. 900 L.D. 1217

Reported that the same **Ought to Pass as Amended by Committee Amendment "A" (H-746)**.

Signed:

Senators:

TREAT of Kennebec  
NUTTING of Androscoggin  
MICHAUD of Penobscot  
CLEVELAND of Androscoggin

Representatives:

ROWE of Portland  
SHIAH of Bowdoinham  
BULL of Freeport  
COWGER of Hallowell  
JONES of Greenville  
MCKEE of Wayne  
TOWNSEND of Portland  
STEVENS of Orono  
BERRY of Livermore  
KERR of Old Orchard Beach  
LEMAIRE of Lewiston  
POULIN of Oakland

The Minority of the same Committee on the same subject reported that the same **Ought to Pass as Amended by Committee Amendment "B" (H-747)**.

Signed:

Senator:

BUTLAND of Cumberland  
BENNETT of Oxford

Representatives:

DEXTER of Kingfield  
NICKERSON of Turner  
FOSTER of Gray  
MERES of Norridgewock  
KNEELAND of Easton  
MARVIN of Cape Elizabeth  
OTT of York  
WINSOR of Norway

Comes from the House with the Majority **OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "A" (H-746)** Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-746)**.

Which Reports were **READ**.

Senator **TREAT** of Kennebec moved the Senate **ACCEPT** the Majority **OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "A" (H-746)** Report, in concurrence.

**THE PRESIDENT:** The Chair recognizes the Senator from Kennebec, Senator Treat.

Senator **TREAT:** Thank you Mr. President, men and women of the Senate. This is a bill that came to both the Natural Resources Committee and the Appropriations Committee. It is legislation that concerns language which is accompanying a Bond Issue for \$500,000, although the Bond Issue is not part of this exact bill. But I want you to understand that the language that is in this bill deals with how that Bond Issue, if it were to be approved by this Legislature and the voters, would be distributed. The bill concerns lakes and watershed protection and it evolved out of the infamous Great Ponds Task Force, which actually did work on other issues besides jet skis. And in fact, one of the main things that it was focused on was improving water quality. The sponsor of this bill from the other body put this legislation together to make sure that the lake quality issues did not get sort of blown away by the jet ski issue and could be basically considered on their own merits by this legislature.

Both of these reports are Ought to Pass reports and I want to explain to you the difference and why I want very much that you vote for the Majority report in this instance. Both would support the bill and a grant program that is basically accessed by Lake-Watershed Associations etc. The difference is that the Majority report would allow that money to be used for a list of purposes which I would like to list to you. Some of them include assessment of water quality and inventorying the types of land uses and severity of pollution. Basically putting together implementation plans as well as the very specific capital improvement projects such as putting riprap or some other kind of brick and mortar. We've had some discussion about storm water rules and other storm water issues and this is related to that. What I can say to you is, in getting to deal with pollution, there is a different kind of pollution, it's called non-point. It doesn't come from a big industrial source, it comes from lots of little sources. We have to come up with different strategies to deal with that type of pollution. Part of those strategies involve coming up with a plan of how to deal with many different sources. You can't come up with the bricks and mortar until you have a plan for how to do it and that's what this legislation would do. It sets up a grant program that's administered through the Department of Environmental Protection. There is a list of specific provisions. It excludes money to be spent on any kind of agency staff, but it does allow for these Lakes Associations to put together the technical pieces of their plan and doesn't just pay for the bricks and mortar. The difference with the Minority report is that's what would only be allowed, the bricks and mortar. The concern that the Majority had is that that would essentially eliminate the effectiveness of this program.



Right now there are a very large number of lakes that are threatened by pollution. Several, many of them, are already in pretty serious condition and we had this discussion in previous bills. There are 247 that are at risk of suffering serious degradation within the next 25 years. The \$500,000 in this Bond Issue is not really that much money. But we think that a great deal could be accomplished, in the next two years or so, through this grant program. I believe that the provisions in here are adequate to make sure that money isn't wasted. In addition to the specific provisions of the bill there is a requirement that there be a local cost-share. And in fact, part of the plan that must be presented to DEP is to show how the action plan can become self-supporting financially over time. I have seen how these kinds of programs can be very, very effective and I'll just give you an example of one that did not, like this, limit itself to this sort of capital project-type of program and that is the Recycling Grants Program that we had for many years and is still available in a diminished form. That program indeed did buy a whole lot of baling machines. But in addition, it paid for recycling strategies that really involved changing people's behavior and doing other kinds of things that were not buying pieces of equipment. I think as we move into different kinds of pollution control we have to be willing to address things in a more holistic way. The concern is that this bond money is limited simply to the riprap and not figuring out that you need the riprap. For example, we don't have any other money to do that figuring-out part and I don't see how it's actually going to work. So I would encourage you to vote for the Majority report, which did get the blessing of both the Appropriations Committee and the Natural Resources Committee. Thank you very much.

**THE PRESIDENT:** The Chair recognizes the Senator from Oxford, Senator Bennett.

Senator **BENNETT:** Thank you Mr. President, fellow members of the Senate. The good Senator from Kennebec, Senator Treat, has very effectively told you about the worthwhile projects and programs that may be funded and may be pursued under the bill. That is why I supported the bill and I do not have any trouble with the rest of the measure. Many of the things that she spoke of are meritable and I think that this program is a good step, and the difference she also characterized between the two reports is simple. There's a difference over the issue of the use of bond proceeds. We're talking about a \$500,000 package of bond money. It's not a large amount of money. The question one can ask is, "If we're talking about such a small amount of money, why could we not just simply try to find some way of finding the \$500,000 in the budget, not borrow it for a 10 year period, but rather find it within the budget so that we wouldn't have the issue of capital expenditures versus current costs or soft costs at all before this body currently?" But that's not what the proposal is. The proposal is to use bond money, a half a million dollars worth of bond money, for a lot of projects, much of which are what I would consider program costs, current costs, things that should be spent out of current revenues rather than borrowed by taxpayers to be paid off over a 10 year period.

Specifically, the difference between the two reports is that the Minority report, which we could consider if we vote against the Majority report, adds a simple section and that section says, and I will read it, "Limitation on use of bond proceeds. Bond proceeds allocated to this program may only be expended in accordance with the following. A. Bond proceeds must not be used to fund current expenditures. And B. Bond proceeds must

only be used to finance capital improvements or to purchase tangible assets with useful lives greater than 10 years," which is the term of the bond. The idea behind this is to engage these local Lakes Associations in a partnership with the State and this money would not be the only source of revenue to fund these worthwhile projects. Certainly the items that the Senator from Kennebec, Senator Treat, mentioned, assessment, inventory, evaluation, determinations, creating a strategy, all of the planning, all of the design work, may be worthwhile and need to be done prior to capital expenditures, but those aspects should be done with current moneys, not with borrowed moneys. And that is the simple difference here. We can use the local match which these projects will require. The local match can be used to fund those soft, current costs. The bond moneys should, constitutionally in my opinion, be used only for hard capital improvements and I think it's important that we maintain that clear distinction. That is why this issue is very important to me and I know it is to other signers of the Minority report. I don't think that we're going to be limiting these projects. I think we'll be strengthening them by letting folks know that we're not just interested in creating a lot of planning and a lot of evaluation, a lot of assessment, a lot of education. What we're interested in is hard results in cleaning up our waters and that's why it's important. In addition to the Constitutional reason, and the financial and fiscal responsibility reason, to vote against the pending motion so that we can go on and accept the Minority report. Thank you.

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Senator **NUTTING** of Androscoggin was granted unanimous consent to address the Senate off the Record.

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Off Record Remarks

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**THE PRESIDENT:** The Chair recognizes the Senator from Androscoggin, Senator Nutting.

Senator **NUTTING:** Thank you very much. I'm asking you to support the motion before us. I think Report A allows a little more flexibility but not too much flexibility. From my reading of both Reports A and B, neither report allows this money to be used for current practices. That's the way I read it, but Report A allows work to be done to help local Lake Associations and groups like that to develop what is called "Best Management Practices." In many of these lakes, it's the little things that are adding up to put them at risk. I know, I've got a lot in my district. They may need to change the way they fertilize their lawns. They may need some bank stabilization. I didn't realize until a couple of years ago that if you lose some, a section, maybe 30% of the banks around a lake, and that water, the action of the water especially in the spring, just washing topsoil into the lake will add enough phosphorous to put them at risk. And so you're going to have to come in with the vast energy that is out there in the people that are members of the Lake Associations to give them some help in stabilizing these lakes. So I think the Best Management Practices approach is the way to go and that's allowed in A and, as I read it, not in B. Thank you.

On motion by Senator **BENNETT** Oxford, supported by a Division of at least one-fifth of the members present and voting, a Roll Call was ordered.

The Doorkeepers secured the Chamber.

The Secretary called the Roll with the following result:

**ROLL CALL**

YEAS: Senators: CAREY, CATHCART, CLEVELAND, DAGGETT, GOLDTHWAIT, JENKINS, KILKELLY, LAFOUNTAIN, LONGLEY, MICHAUD, MURRAY, NUTTING, O'GARA, PARADIS, PENDLETON, PINGREE, RAND, RUHLIN, TREAT, THE PRESIDENT - MARK W. LAWRENCE

NAYS: Senators: ABROMSON, AMERO, BENNETT, BENOIT, BUTLAND, CASSIDY, FERGUSON, HALL, HARRIMAN, KIEFFER, LIBBY, MACKINNON, MILLS, MITCHELL, SMALL

20 Senators having voted in the affirmative and 15 Senators having voted in the negative, the motion by Senator TREAT of Kennebec to **ACCEPT** the Majority **OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "A" (H-746)** Report, in concurrence, **PREVAILED**.

The Bill **READ ONCE**.

Committee Amendment "A" (H-746) **READ** and **ADOPTED**, in concurrence.

**THE PRESIDENT:** Is it now the pleasure of the Senate, under suspension of the Rules, to give this bill second reading? The Chair recognizes the Senator from Oxford, Senator Bennett.

Senator **BENNETT:** Thank you Mr. President. I object to suspension of the Rules.

The Bill as Amended, **ASSIGNED FOR SECOND READING** at 7:10 p.m., this evening.

**ORDERS OF THE DAY**

The Chair laid before the Senate the following Tabled and Later Today Assigned matter:

SENATE REPORTS - from the Committee on **LEGAL AND VETERANS AFFAIRS** on Bill "An Act to Amend the Off-track Betting Laws as They Pertain to Reduced Payments for Small Market Licensees" S.P. 188 L.D. 606 (S "A" S-348)

Majority - **Ought Not to Pass** (9 members)

Minority - **Ought to Pass as Amended by Committee Amendment "A" (S-258)** (4 members)

Tabled - May 31, 1997, by Senator **PINGREE** of Knox.

Pending - **FURTHER CONSIDERATION**

(In Senate, May 30, 1997, the Minority **OUGHT TO PASS AS AMENDED** Report **READ** and **ACCEPTED**. Committee Amendment "A" (S-258) **READ** and **INDEFINITELY POSTPONED**. On motion by Senator **DAGGETT** of Kennebec, Senate Amendment "A" (S-348) **READ**. Motion by Senator **SMALL** of Sagadahoc to **INDEFINITELY POSTPONE** Senate Amendment "A" (S-348) **FAILED**. Subsequently, Senate Amendment "A" (S-348) **ADOPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY SENATE AMENDMENT "A" (S-348)**.)

(In House, May 30, 1997, Bill and Accompanying Papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE**.)

On motion by Senator **DAGGETT** of Kennebec, the Senate **INSISTED** and **ASKED FOR A COMMITTEE OF CONFERENCE**.

Sent down for concurrence.

Out of order and under suspension of the Rules, the Senate considered the following:

**PAPERS FROM THE HOUSE**

**Non-concurrent Matter**

Resolve, Regarding Legislative Review of Chapter 500: Stormwater Management, a Major Substantive Rule of the Department of Environmental Protection, Bureau of Land and Water Quality (Emergency) H.P. 1038 L.D. 1455 (C "A" H-578)

In Senate, May 23, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-578)**, in concurrence.

Comes from the House, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-578) AS AMENDED BY HOUSE AMENDMENT "A" (H-754)** thereto, in **NON-CONCURRENCE**.

On motion by Senator **PINGREE** of Knox, the Senate **RECEDED** and **CONCURRED**.

**ENACTORS**

The Committee on **Engrossed Bills** reported as truly and strictly engrossed the following:

An Act to Clarify and Amend the Storm Water Management Laws, the Erosion and Sedimentation Control Laws, and the Site Location of Development Laws H.P. 1126 L.D. 1582 (C "A" H-643)

Which was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

**ORDERS OF THE DAY**

The Chair laid before the Senate the following Tabled and Later Today Assigned matter:

Bill "An Act to Correct Errors and Inconsistencies in the Laws of Maine" S.P. 12 L.D. 10  
(S "A" S-418 to C  
"A" S-411)

Tabled - May 31, 1997, by Senator **PINGREE** of Knox.

Pending - motion by same Senator to **RECONSIDER PASSAGE TO BE ENGROSSED AS AMENDED**

(In Senate, May 30, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-411) AS AMENDED BY SENATE AMENDMENT "A" (S-418)** thereto.)

On motion by Senator **PINGREE** of Knox, the Senate **RECONSIDERED** whereby the Bill was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-411) AS AMENDED BY SENATE AMENDMENT "A" (S-418)** thereto.

On motion by Senator **O'GARA** of Cumberland, the Senate **RECONSIDERED** whereby Committee Amendment "A" (S-411) as Amended by Senate Amendment "A" (S-418) thereto, was **ADOPTED**.

On motion by Senator **LONGLEY** of Waldo, the Senate **RECONSIDERED** whereby Senate Amendment "A" (S-418) to Committee Amendment "A" (S-411) was **ADOPTED**.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator O'Gara.

Senator **O'GARA:** Thank you Mr. President. Mr. President and ladies and gentlemen of the Senate. The first thing I would have to do is admit the Senate members of the Committee on Transportation were caught off-guard last night and if I appeared flustered and slightly irritated, I was. But that was then and now is now and I welcome this opportunity to talk with you in a relatively calm and restrained manner. Last night I came back into this Chamber, having spent about 2 1/2 hours in our caucus discussing Bath Iron Works, and there were a lot of other items that we had on our minds, Workers Comp, Learning Results, the budget and a variety of other things, what we're going to do with Baxter School, and very, very honestly and candidly, I just wasn't listening when I first sat in my chair. And slowly but surely I began to tune in and the first words I heard were something to the effect of "Ride Safe" as opposed to "Ride Safely." And so now I am paying attention.

Ladies and gentlemen of the Senate, we aren't talking about things like such abuses as we hear every day as the word 'irregardless' or the expression 'I could care less' or the ever-popular 'to who it may concern.' And we aren't talking about the many misspellings for convenience or cuteness such as 'Slo School Xing' with Slow spelt 'Slo' or crossing with an 'X'. And we aren't talking about such things as Christmas being presented as 'Xmas.' And there are many, many others. What we are talking

about are two words which, when used together, might upset the or is it 'those' purists amongst us, or is it among us? What's, in truth, in fact very important to over 100,000 licensed motorcyclists in our state. Let me read just three short sentences from the testimony of the Vice President of Legislative Affairs for United Bikers of Maine when she presented her testimony in March before our Committee. And by the way, I would remind you that this was a unanimous Committee report. I would also remind you, by the way, speaking of some of the things I was just explaining to you, there are four people who either are teachers or were teachers on the Transportation Committee and not only the teachers but everybody else jumped all over this expression when we first heard it, 'Ride Safe.' No way. We can't tolerate that. It's 'Ride Safely' don't you know that? The testimony went on and what she said is, "The motto that we feel would emphasize a positive safety message is 'Ride Safe.'" And I especially hope, ladies and gentlemen of the Senate, that you'll listen to these words. "It has been a world-wide message from one rider to another for as long as we can remember. Every motorcyclist on the road knows your life depends on it."

Ladies and gentlemen of the Senate, again, as I said earlier, when you measure this item up against a lot of other issues it may not seem very important. But for those motorcyclists, and by the way, I'd like to assure certain members of the Senate that had the timing been just a little bit different and the motorcyclists were around the state instead of all located in Portland, and we could have reached a few of those motorcyclists last night, there might have been a few phone calls that you might have enjoyed listening to. Ladies and gentlemen of the Senate, it is a serious matter to them. They were very, very serious about it. It means a lot to them. The plate is very small, the additional letters of "ly" do not fit in there. "Ride Safe" is not going to destroy the grammatical experience of boys and girls, or men and women around the state, and I urge you to defeat the motion that I guess is now before us. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from York, Senator MacKinnon.

Senator **MACKINNON:** Thank you Mr. President, men and women of the Senate. First of all, let me offer my sincere apology to the Chairperson, Senator O'Gara of Cumberland, and the Transportation Committee, for not explaining that earlier to you. I did catch that late and I did put an amendment in and I do apologize for that and that was my error and I am sorry for that. I still would thank you, as a person here, for allowing me to at least present that case on the floor. I will be voting obviously to make sure that it is correct because I do feel strongly enough that if we are a role model, we should continue to go that way and at least it allows me to look in the mirror and say that I, at least, did it that way and I thank you very much.

The Chair ordered a Division. 5 Senators having voted in the affirmative and 21 Senators having voted in the negative, **ADOPTION** of Senate Amendment "A" (S-418) to Committee Amendment "A" (S-411), **FAILED**.

Committee Amendment "A" (S-411) **ADOPTED**.

Which was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-411)**.

Sent down for concurrence.

**Bond Issue**

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Under suspension of the Rules, all matters thus acted upon, with exception of those matters being held, were ordered sent down forthwith for concurrence.

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On motion by Senator **MICHAUD** of Penobscot, the Senate removed from the **SPECIAL APPROPRIATIONS TABLE** the following:

An Act to Provide Reimbursement to Counties for Persons Jailed on Probation Revocations  
H.P. 39 L.D. 64  
(C "A" H-380)

Tabled - May 15, 1997, by Senator **CLEVELAND** of Androscoggin.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, May 9, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-380)**, in concurrence.)

(In House, May 14, 1997, **PASSED TO BE ENACTED.**)

On further motion by same Senator, the Senate **SUSPENDED THE RULES.**

On further motion by same Senator, the Senate **RECONSIDERED** whereby the Bill was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-380)**, in concurrence.

On further motion by same Senator, the Senate **SUSPENDED THE RULES.**

On further motion by same Senator, the Senate **RECONSIDERED** whereby Committee Amendment "A" (H-380) was **ADOPTED.**

On further motion by same Senator, Senate Amendment "A" (S-395) to Committee Amendment "A" (H-380) **READ** and **ADOPTED.**

Committee Amendment "A" (H-380) as Amended by Senate Amendment "A" (S-395) thereto, **ADOPTED** in **NON-CONCURRENCE.**

Which was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-380) AS AMENDED BY SENATE AMENDMENT "A" (S-395)** thereto, in **NON-CONCURRENCE.**

Under suspension of the Rules, ordered sent down forthwith for concurrence.

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On motion by Senator **MICHAUD** of Penobscot, the Senate removed from the **SPECIAL APPROPRIATIONS TABLE** the following:

An Act to Authorize a General Fund Bond Issue in the Amount of \$13,000,000 to Construct Water Pollution Control Facilities, to Close and Clean Up Municipal Solid Waste Landfills, to Clean Up Tire Stockpiles, to Mitigate Storm Water Pollution through a Comprehensive Watershed Protection Program and to Make Drinking Water Improvements  
S.P. 88 L.D. 268  
(C "A" S-213)

Tabled - May 21, 1997, by Senator **CLEVELAND** of Androscoggin.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, May 9, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-213)**, in concurrence.)

(In House, May 14, 1997, **PASSED TO BE ENACTED.**)

On further motion by same Senator, the Senate **SUSPENDED THE RULES.**

On further motion by same Senator, the Senate **RECONSIDERED** whereby the Bill was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-213)**, in concurrence.

On further motion by same Senator, the Senate **SUSPENDED THE RULES.**

On further motion by same Senator, the Senate **RECONSIDERED** whereby Committee Amendment "A" (S-213) was **ADOPTED.**

On further motion by same Senator, Senate Amendment "A" (S-421) to Committee Amendment "A" (S-213) **READ** and **ADOPTED.**

Committee Amendment "A" (S-213) as Amended by Senate Amendment "A" (S-421) thereto, **ADOPTED** in **NON-CONCURRENCE.**

Which was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-213) AS AMENDED BY SENATE AMENDMENT "A" (S-421)** thereto, in **NON-CONCURRENCE.**

Under suspension of the Rules, ordered sent down forthwith for concurrence.

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On motion by Senator **MICHAUD** of Penobscot, the Senate removed from the **SPECIAL APPROPRIATIONS TABLE** the following:

**Emergency**

Resolve, to Establish 2 Pilot Projects to Promote Innovations in and Improve Long-term Care  
S.P. 558 L.D. 1684  
(H "A" H-708 to C "A" S-256)

Tabled - May 30, 1997, by Senator **MICHAUD** of Penobscot.

Pending - **FINAL PASSAGE**

(In Senate, May 28, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-256) AS AMENDED BY HOUSE AMENDMENT "A" (H-708)** thereto, in concurrence.)

(In House, May 29, 1997, **FINALLY PASSED.**)

On further motion by same Senator, the Senate **SUSPENDED THE RULES.**

On further motion by same Senator, the Senate **RECONSIDERED** whereby the Resolve was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-256) AS AMENDED BY HOUSE AMENDMENT "A" (H-708)** thereto, in concurrence.

On further motion by same Senator, the Senate **SUSPENDED THE RULES.**

On further motion by same Senator, the Senate **RECONSIDERED** whereby Committee Amendment "A" (S-256) as Amended by House Amendment "A" (H-708) thereto, was **ADOPTED.**

On further motion by same Senator the Senate **SUSPENDED THE RULES.**

On further motion by same Senator, the Senate **RECONSIDERED** whereby House Amendment "A" (H-708) to Committee Amendment "A" (S-256) was **ADOPTED.**

On further motion by same Senator, House Amendment "A" (H-708) to Committee Amendment "A" (S-256) **INDEFINITELY POSTPONED** in **NON-CONCURRENCE.**

On further motion by same Senator, Senate Amendment "A" (S-406) to Committee Amendment "A" (S-256) **READ** and **ADOPTED.**

Committee Amendment "A" (S-256) as Amended by Senate Amendment "A" (S-406) thereto, **ADOPTED** in **NON-CONCURRENCE.**

Which was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-256) AS AMENDED BY SENATE AMENDMENT "A" (S-406)** thereto, in **NON-CONCURRENCE.**

Under suspension of the Rules, ordered sent down forthwith for concurrence.

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On motion by Senator **MICHAUD** of Penobscot, the Senate removed from the **SPECIAL APPROPRIATIONS TABLE** the following:

An Act to Establish the Maine Economic Improvement Fund  
S.P. 637 L.D. 1854  
(H "B" H-720 to C  
"A" S-326)

Tabled - May 30, 1997, by Senator **MICHAUD** of Penobscot.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, May 28, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-326) AS AMENDED BY HOUSE AMENDMENT "B" (H-720)** thereto, in concurrence.)

(In House, May 30, 1997, **PASSED TO BE ENACTED.**)

On further motion by same Senator, the Senate **SUSPENDED THE RULES.**

On further motion by same Senator, the Senate **RECONSIDERED** whereby the Bill was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-326) AS AMENDED BY HOUSE AMENDMENT "B" (H-720)** thereto, in concurrence.

On further motion by same Senator, Senate Amendment "B" (S-417) **READ** and **ADOPTED.**

Which was **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-326) AS AMENDED BY HOUSE AMENDMENT "B" (H-720)** thereto, **AND SENATE AMENDMENT "B" (S-417)** in **NON-CONCURRENCE.**

Under suspension of the Rules, ordered sent down forthwith for concurrence.

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On motion by Senator **MICHAUD** of Penobscot, the Senate removed from the **SPECIAL APPROPRIATIONS TABLE** the following:

**Emergency**

Resolve, to Establish the Task Force on Youth and Families  
H.P. 596 L.D. 787  
(C "A" H-173)

Tabled - April 28, 1997, by Senator **MICHAUD** of Penobscot.

Pending - **FINAL PASSAGE**

(In Senate, April 16, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-173)**, in concurrence.)

(In House, April 28, 1997, **FINALLY PASSED.**)

On further motion by same Senator, Resolve and Accompanying Papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE.**

Sent down for concurrence.

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On motion by Senator **MICHAUD** of Penobscot, the Senate removed from the **SPECIAL APPROPRIATIONS TABLE** the following:

An Act to Improve the State's Democracy by Increasing Access to the Ballot and Other Election Processes

S.P. 428 L.D. 1376  
(C "A" S-210)

Tabled - May 30, 1997, by Senator **MICHAUD** of Penobscot.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, May 27, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-210).**)

(In House, May 29, 1997, **PASSED TO BE ENACTED.**)

On further motion by same Senator, Bill and Accompanying Papers **INDEFINITELY POSTPONED** in **NON-CONCURRENCE.**

Sent down for concurrence.

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On motion by Senator **MICHAUD** of Penobscot, the Senate removed from the **SPECIAL APPROPRIATIONS TABLE** the following:

**Emergency**

Resolve, to Establish the Commission to Examine Rate Setting and the Financing of Long-term Care Facilities

H.P. 486 L.D. 657  
(H "A" H-458 to C  
"A" H-301)

Tabled - May 20, 1997, by Senator **CLEVELAND** of Androscoggin.

Pending - **FINAL PASSAGE**

(In Senate, May 15, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-301) AS AMENDED BY HOUSE AMENDMENT "A" (H-458)** thereto, in concurrence.)

(In House, May 20, 1997, **FINALLY PASSED.**)

This being an Emergency Measure and having received the affirmative vote of 27 Members of the Senate, with no Senators having voted in the negative, and 27 being more than two-thirds of the entire elected Membership of the Senate, was **FINALLY PASSED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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On motion by Senator **MICHAUD** of Penobscot, the Senate removed from the **SPECIAL APPROPRIATIONS TABLE** the following:

**Emergency**

An Act Concerning Technical Changes to the Tax Laws  
H.P. 601 L.D. 792  
(C "A" H-732)

Tabled - May 30, 1997, by Senator **MICHAUD** of Penobscot.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, May 29, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-732)**, in concurrence.)

(In House, May 30, 1997, **PASSED TO BE ENACTED.**)

This being an Emergency Measure and having received the affirmative vote of 27 Members of the Senate, with no Senators having voted in the negative, and 27 being more than two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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On motion by Senator **MICHAUD** of Penobscot, the Senate removed from the **SPECIAL APPROPRIATIONS TABLE** the following:

**Emergency**

An Act to Eliminate the Need for a Retail Seafood License to Sell Prepared Seafood  
H.P. 920 L.D. 1263  
(H "A" H-259 to C  
"A" H-234)

Tabled - May 12, 1997, by Senator **MICHAUD** of Penobscot.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, May 1, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-234) AS AMENDED BY HOUSE AMENDMENT "A" (H-259)** thereto, in concurrence.)

(In House, May 9, 1997, **PASSED TO BE ENACTED.**)

This being an Emergency Measure and having received the affirmative vote of 26 Members of the Senate, with no Senators having voted in the negative, and 26 being more than two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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On motion by Senator **MICHAUD** of Penobscot, the Senate removed from the **SPECIAL APPROPRIATIONS TABLE** the following:

Resolve, to Study the State's Regional Service Center Communities  
S.P. 465 L.D. 1437  
(C "A" S-159)

Tabled - May 8, 1997, by Senator **MICHAUD** of Penobscot.

Pending - **FINAL PASSAGE**

(In Senate, May 5, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-159).**)

(In House, May 8, 1997, **FINALLY PASSED.**)

Which was **FINALLY PASSED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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On motion by Senator **MICHAUD** of Penobscot, the Senate removed from the **SPECIAL APPROPRIATIONS TABLE** the following:

**Emergency**

An Act to Increase the Effectiveness of the Maine Blueberry Commission  
H.P. 1169 L.D. 1646  
(C "A" H-444)

Tabled - May 20, 1997, by Senator **MICHAUD** of Penobscot.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, May 15, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-444)**, in concurrence.)

(In House, May 20, 1997, **PASSED TO BE ENACTED.**)

This being an Emergency Measure and having received the affirmative vote of 28 Members of the Senate, with no Senators having voted in the negative, and 28 being more than two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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On motion by Senator **MICHAUD** of Penobscot, the Senate removed from the **SPECIAL APPROPRIATIONS TABLE** the following:

**Emergency**

An Act to Conform the State Revolving Loan Fund for Drinking Water with the 1996 Amendments to the Federal Safe Drinking Water Act  
H.P. 1215 L.D. 1715  
(C "A" H-522)

Tabled - May 23, 1997, by Senator **MICHAUD** of Penobscot.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, May 20, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-522)**, in concurrence.)

(In House, May 23, 1997, **PASSED TO BE ENACTED.**)

This being an Emergency Measure and having received the affirmative vote of 27 Members of the Senate, with no Senators having voted in the negative, and 27 being more than two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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On motion by Senator **MICHAUD** of Penobscot, the Senate removed from the **SPECIAL APPROPRIATIONS TABLE** the following:

**Emergency**

An Act to Establish Family Development Accounts  
H.P. 1216 L.D. 1716  
(C "A" H-704)

Tabled - May 30, 1997, by Senator **MICHAUD** of Penobscot.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, May 28, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-704)**, in concurrence.)

(In House, May 29, 1997, **PASSED TO BE ENACTED.**)

This being an Emergency Measure and having received the affirmative vote of 25 Members of the Senate, with 2 Senators having voted in the negative, and 25 being more than two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

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On motion by Senator **MICHAUD** of Penobscot, the Senate removed from the **SPECIAL APPROPRIATIONS TABLE** the following:

**Emergency**

An Act to Implement the Recommendation of the Harness Racing Task Force Requiring an Executive Director of the State Harness Racing Commission  
H.P. 1314 L.D. 1865  
(C "A" H-652)

Tabled - May 28, 1997, by Senator **MICHAUD** of Penobscot.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, May 23, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-652)**, in concurrence.)

(In House, May 28, 1997, **PASSED TO BE ENACTED.**)

This being an Emergency Measure and having received the affirmative vote of 28 Members of the Senate, with 1 Senator having voted in the negative, and 28 being more than two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

Senate at Ease

Senate called to order by the President.

Off Record Remarks

On motion by Senator **O'GARA** of Cumberland, the Senate removed from the **SPECIAL HIGHWAY TABLE** the following:

**Emergency**

An Act to Make Allocations from the Transportation Safety Fund for the Fiscal Years Ending June 30, 1998 and June 30, 1999 and to Accelerate the Starting Date of the State Police Training Academy  
H.P. 455 L.D. 618  
(C "A" H-515)

Tabled - May 23, 1997, by Senator **O'GARA** of Cumberland.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, May 20, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-515)**, in concurrence.)

(In House, May 23, 1997, **PASSED TO BE ENACTED.**)

This being an Emergency Measure and having received the affirmative vote of 24 Members of the Senate, with no Senators having voted in the negative, and 24 being two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

On motion by Senator **O'GARA** of Cumberland, the Senate removed from the **SPECIAL HIGHWAY TABLE** the following:

An Act to Provide for Department of Transportation Assistance in the Rehabilitation of Access Roads to Bridges of Historic Significance  
S.P. 198 L.D. 626  
(C "A" S-92)

Tabled - April 28, 1997, by Senator **O'GARA** of Cumberland.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, April 9, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-92)**, in concurrence.)

(In House, April 17, 1997, **PASSED TO BE ENACTED.**)

Which was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

On motion by Senator **O'GARA** of Cumberland, the Senate removed from the **SPECIAL HIGHWAY TABLE** the following:

**Emergency**

An Act to Require the Department of Transportation to Improve the Conditions of Any Road That May be Turned Over to a Municipality  
S.P. 368 L.D. 1227  
(C "A" S-318)

Tabled - May 29, 1997, by Senator **JENKINS** of Androscoggin.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, May 23, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-318)**, in concurrence.)

(In House, May 29, 1997, **PASSED TO BE ENACTED.**)

This being an Emergency Measure and having received the affirmative vote of 24 Members of the Senate, with no Senators having voted in the negative, and 24 being two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

On motion by Senator **O'GARA** of Cumberland, the Senate removed from the **SPECIAL HIGHWAY TABLE** the following:

An Act to Permit the Sale of Used License Plates  
S.P. 411 L.D. 1332  
(C "A" S-268)

Tabled - May 23, 1997, by Senator **O'GARA** of Cumberland.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, May 20, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-268)**, in concurrence.)

(In House, May 23, 1997, **PASSED TO BE ENACTED.**)

Which was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

On motion by Senator **O'GARA** of Cumberland, the Senate removed from the **SPECIAL HIGHWAY TABLE** the following:



**Emergency**

An Act Relating to Municipal Excise Tax Reimbursement  
S.P. 418 L.D. 1339  
(C "A" S-331)

Tabled - May 29, 1997, by Senator **JENKINS** of Androscoggin.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, May 23, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-331)**, in concurrence.)

(In House, May 29, 1997, **PASSED TO BE ENACTED.**)

This being an Emergency Measure and having received the affirmative vote of 25 Members of the Senate, with no Senators having voted in the negative, and 25 being more than two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

On motion by Senator **O'GARA** of Cumberland, the Senate removed from the **SPECIAL HIGHWAY TABLE** the following:

An Act Regarding Reimbursement for Sand and Salt Storage Facility Construction  
H.P. 1130 L.D. 1586  
(C "A" H-658)

Tabled - May 28, 1997, by Senator **O'GARA** of Cumberland.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, May 23, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-658)**, in concurrence.)

(In House, May 28, 1997, **PASSED TO BE ENACTED.**)

Which was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

The Chair laid before the Senate the following Tabled and Later Today Assigned matter:

An Act to Open a Discount State Liquor Store in Calais and Conduct a Study Concerning the Opening of a Store in Fort Kent  
H.P. 277 L.D. 341  
(C "A" H-46; H "A" H-122; H "B" H-636)

Tabled - May 31, 1997, by Senator **MICHAUD** of Penobscot.

Pending - **PASSAGE TO BE ENACTED**

(In Senate, May 29, 1997, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-46) AND HOUSE AMENDMENTS "A" (H-122) AND "B" (H-636)**, in concurrence.)

(In House, May 31, 1997, **PASSED TO BE ENACTED.**)

On motion by Senator **MICHAUD** of Penobscot, Bill and Accompanying Papers **COMMITTED** to the Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS** in **NON-CONCURRENCE**.

Sent down for concurrence.

Under suspension of the Rules, all matters thus acted upon, with exception of those matters being held, were ordered sent down forthwith for concurrence.

The Chair laid before the Senate the following Tabled and Later (5/30/97) Assigned matter:

HOUSE REPORTS - from the Committee on **TAXATION** on Bill "An Act to Establish the Local Option Lodging Tax"  
H.P. 1243 L.D. 1763

Majority - **Ought to Pass as Amended by Committee Amendment "A" (H-727)** (10 members)

Minority - **Ought Not to Pass** (3 members)

Tabled - May 30, 1997, by Senator **PINGREE** of Knox.

Pending - **ACCEPTANCE OF EITHER REPORT**

(In House, May 30, 1997, the Majority **OUGHT TO PASS AS AMENDED** Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-727) AS AMENDED BY HOUSE AMENDMENT "A" (H-738)** thereto.)

(In Senate, May 30, 1997, Reports **READ.**)

Senator **RUHLIN** of Penobscot moved the Senate **ACCEPT** the Majority **OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "A" (H-727)** Report, in concurrence.

**THE PRESIDENT:** The Chair recognizes the Senator from Penobscot, Senator **Ruhlin**.

Senator **RUHLIN:** Thank you Mr. President and ladies and gentlemen of the Senate. I actually appear on the Minority Ought Not to Pass report. Were we to go forward as a state-wide regular program is when I would be standing up and opposing however. The bill as presented before you has some future opportunities at compromise. Because of that, I am willing to try to get it to second reading so we can discuss the potential compromise and am pleased to join the other two Senators from the Committee on Taxation in moving the Ought to Pass report.

Senator **PENDLETON** of Cumberland moved to **INDEFINITELY POSTPONE** the Bill and Accompanying Papers in **NON-CONCURRENCE**.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Pendleton.

Senator **PENDLETON:** Thank you Mr. President, men and women of the Senate. This piece of legislation that is before you I know has been worked on by the Taxation Committee very diligently. They had public hearings and they worked very, very hard on this issue. But I believe the passage of this bill will result in a brand new type and level of taxation for Maine. It will grant municipalities the authority to enact taxes beyond the property tax. This, to me, will open Pandora's Box of new taxation possibilities. Recent public effort to cap property taxes is a sure indication that a new tax will be less than welcome. The arguments made by the proponents of this bill can also be made to support local option meal taxes or local option sales taxes. Passage of this bill will set a precedent for other types of local option taxes. Once towns and cities have the option to levy a tax on lodging what will be next? The proponents of this legislation claim that this bill is property tax relief, but the bill actually does nothing to relieve property tax. In fact, the proposed law encourages municipalities to spend more by linking the lodging tax to new spending on capital projects. Also, if every municipality in this state enacted this tax, it would only bring in \$7.2 million. This amount would have no effect on property tax rates. All this bill does is to impose new and higher taxes on the people of the State of Maine. While the new revenues from this bill would be a windfall to a select few of the communities in the state, most municipalities would not benefit from it. The vast majority of communities have little or no lodging in their communities to tax. Also the bill requires that new tax must be used for a major capital project with a total construction cost of \$1 million or more. If a town does not have such a project, they will not benefit from this bill at all. Because of these inequities, even the Maine Municipal Association did not support this piece of legislation, so I would urge you to please join with me and vote yes on the pending motion to indefinitely postpone this piece of legislation.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Abromson.

Senator **ABROMSON:** Thank you Mr. President, ladies and gentlemen of the Senate. I feel a little strange as a Republican standing here and advocating a tax in opposition to the good Democrat and Senator from Cumberland who is opposing this tax. I firmly believe however, and I have felt so for some time, that the local option tax is exactly that. It's a local option. This doesn't require any city, town or village to institute the tax. It's strictly up to the local people and if, in the end, they collect enough money, they can use it for capital projects such as a convention center, if it's enough, or something less ambitious. I know that personally, in my previous life when I used to travel a lot, I would call for a reservation and say, "How much is your room?" in a place like New York, for example, and they'd say, you know at that time maybe \$150 a night and then I'd go and when I'd check out the bill was closer to \$200 by the time the city and the borough and the whatever county and everything else tax was added on. Nevertheless, it didn't seem to hurt the tourist business in New York or any of the many other places I traveled

around the world. All of which had either a rooms tax or a lodging tax or something to this effect. So I would urge that you vote no on indefinite postponement.

**THE PRESIDENT:** The Chair recognizes the Senator from Penobscot, Senator Ruhlin.

Senator **RUHLIN:** Thank you Mr. President, ladies and gentlemen of the Senate. I feel that if this bill were to go forward to enactment, as it presently appears before us, I would be honored and pleased to join with the good Senator from Cumberland in opposing it. That is not the intention. The intention is to look at a bill that addresses the issue of Home Rule. That allows municipalities to make the decision based upon a democratic procedure known as taking a local vote. Whether or not they should go forward with this were it to be made available, point number one, so we do not mandate. It recognizes the need that we have been, so far in this Legislature, I'm sorry to say, unsuccessful with producing major property tax relief to our communities. This in some form could allow a community to exercise its local option and give some additional fiscal help to itself beyond existing property taxes. So I will be opposing and ask you also to oppose, so that we can explore additional possibilities with this pending legislation. So please oppose the motion to indefinitely postpone.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Harriman.

Senator **HARRIMAN:** Thank you Mr. President, ladies and gentlemen of the Senate. I hope you'll join me in supporting my good friend from Cumberland, Senator Pendleton, in the pending motion. We have before us an opportunity to raise yet another tax. To feed another level of government in the name of this is an opportunity for local decision-making to raise money to pay for capital improvement projects. I gave this bill a lot of thought because one of the communities in my district sends a disproportionately large amount of the Maine sales tax here to Augusta. In this particular instance, we are taking the very highest tax we have in Maine, the lodging tax of 7%, and enabling it to be increased to 9%. I've discovered that approximately half of the lodging industry in Maine is consumed by Maine citizens themselves. We would be adding yet another tax to Maine people. If this was to pass and a municipality decided to impose this additional 2% tax on lodging to pay for a capital project, what happens if our economy takes a turn in the wrong direction as my good friend from Cumberland, Senator Abromson, pointed out.

There are people who make decisions about where to do their business travel, or their convention travel, or their meeting travel, and a major component of that is cost. And for example, if you were bringing 100 guests to a location and because of the additional 2% tax, that added several thousand dollars to the meeting, or the convention, or the vacation, or the reunion, or whatever it may be, wouldn't you likely choose some other location, or perhaps even some other state? So if the bill passed, you used the source of funding for a local capital improvement project and the economy went in the wrong direction or because of this law we caused a decrease in lodging, aren't we, in the end, going to be the engineers of the failure of the funding source for the project? When this bill was proposed there was an immediate reaction from the tourism industry in Maine. "Why are you singling us out? Why just our industry? We're already the highest taxed." And as my good friend from

Penobscot, Senator Ruhlin mentioned there's talk of refining or improving the report. That caused an immediate reaction and my phone never stopped ringing in opposition to this. We're already taxed too much. The people I'm hearing from are saying, "Don't tax us anymore." I hope you join me and the good Senator from Cumberland, Senator Pendleton, in voting for indefinite postponement. Thanks, Mr. President.

**THE PRESIDENT:** The Chair recognizes the Senator from Kennebec, Senator Daggett.

Senator **DAGGETT:** Thank you Mr. President and members of the Senate. I hope you'll vote to accept the Ought to Pass report. I know the issue of a local option tax is a controversial one, but if we accept this we have a chance to talk about the amendment which really narrows the scope of this bill and perhaps will give us a chance to find out if this is really the problem that it's been cracked up to be. Or if, in fact, it really is an appropriate alternative. So I hope that you'll accept this report so that we can move forward and talk about narrowing the scope of the bill. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Waldo, Senator Longley.

Senator **LONGLEY:** Thank you Mr. President, colleagues in the Senate. My sense is that my district, Waldo County, would be open to the option in large part because we in Waldo County have wonderful Penobscot Bay where we have an increasing amount of tourism. But it's not Waldo County residents who can afford to stay in these lodges, and in that respect, we would have money from outside coming in. Or we would market ourselves as not having this tax and we would be happy when other areas of Maine couldn't do the same. So I think that there's a sense that many people would be open to the option. My situation, however, is that I've only heard from the lodging areas who are adamantly opposed and I'll be voting accordingly. In the process I will be happy to give a courtesy vote to allow that amendment to be added so that we can get to that debate, possibly. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Cumberland, Senator Butland.

Senator **BUTLAND:** Thank you Mr. President, ladies and gentlemen of the Senate. I, too, will be joining the good Senator from Cumberland, Senator Pendleton, in moving and voting the indefinite postponement of this bill and all accompanying papers. It sounds good, local control. And if the tourists and the business travelers fill the coffers full and reduce the local dependency on the property tax, it's my understanding that the money will be used for capital projects and that sounds good too. But is it really? I suggest to you that this is not a panacea, but a Pandora's Box. And I would like to offer for your consideration an alternative scenario to one of the proponents here tonight. A scenario that considers or takes into consideration the inevitable unintended consequences of our action.

When I came to Augusta in 1988, along with the good Senator from Cumberland, Senator Pendleton, the economy of the State of Maine was very, very robust. Robust enough for the legislature to continue creating more new programs without concern for priorities. However, in 1989 and 1990 when the economy went south about as fast as a bird in flight, for the first time in close to a decade, the state was in the grips of a

persistent recession. The legislature was faced with a difficult and painful task of maintaining current services in the face of declining revenue, which I can tell you is not a very pretty picture. When your revenue stream is tied closely to the overall performance of the economy, you suffer during any downturn and the recession that began in 1989 was not your average run-of-the-mill downturn. Some say it was the worst recession since the Great Depression. My question to you is, "Why would we want to duplicate this set of circumstances potentially for every town and city in the State of Maine?" We all know what's going to happen. Even though these funds will be earmarked for a specific use, ultimately more money will be freed up for program creation. Local government is not appreciably different from state government. It is run by well-meaning people who truly believe that all of society's real and imagined problems can be remedied by the creation of just one more program. The rub comes when the economy goes sour and revenues lag and there are not sufficient funds to make the principal and interest payments on these capital investments. The shortfall will come directly from the property tax and the question is, "Do you cut the programs that you've created to keep the property tax down so that you can pay for the shortfall in the capital investments, or do you raise the property tax?" Are you going to cut the programs that now have a constituency, that now have a vested interest group defending them? Probably not. It certainly hasn't worked that way in Augusta. Property taxes are too high. I would agree. They are public enemy #1 and part of that reason is because they are collected in one or two lump sums. I represent to you that if we collected our sales and income tax once or twice a year, you would find just as much discontent with those. Once again, I want to leave you with a question. "Why would we want to create a circumstance at the local, at the municipal level, that mimics what we've had here in the state, where you tie your programs to a revenue stream that is tied to the economy in general?" You need to think about that. You think about that long enough and you realize that this really isn't a panacea, it is indeed a Pandora's Box. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Somerset, Senator Mills.

Senator **MILLS:** Thank you Mr. President. Mr. President, the reason I like this bill, I actually like it in its present form unamended, is that I think that the biggest problem we have with property taxes in this state is in those very communities that have hotel accommodations. They seem to go hand in hand and I'm not quite sure why that is, but the service center communities, the Bangor's, Caribou's, Portland's, Lewiston's and so forth, have mill rates, 24, 25 mills. They also have the most hotels, motels and places of accommodation because that's where people go for their conventions and that's where businesses congregate. The reason they have high mill rates is that they have a huge demand for services in those communities and secondly, they have a large quantity of exempt property, hospitals, cathedrals, schools, universities and the like. So the interesting part about the proposal is that it would give these very communities who have the most extraordinary problem at least some safety valve measure to relieve their property tax burden by, if they so choose, imposing a tax on an element of their own economy that is most predominant within these towns, that is the lodging business. I just think it has a lot of symmetry to it. It's well thought-out. For a \$100 hotel room, it might add a buck to the cost. I don't think it's going to influence anybody's decision. We

have a 7% tax right now. New Hampshire has an 8% tax. You go to New York, it's 10 and 12%. You go to London it's 17%. You go to any major metropolis and they sock you on these taxes and we pay them gladly. Tourists pay them, business people pay them and write them off. We in Maine, in spite of the fact that we call ourselves Vacationland, we impose rather modest burdens on those who come from afar and visit with us and I think that the good people who do come here will not stay away merely because we put .5% or 1% or 1.5% added burden to their hotel room. I don't think they'll even look at it or even notice it and the bottom line is, this debate that we're having in this Chamber is a debate that ought to take place in somebody's Town Council meeting or on a referendum at the local level where I think local people can be entrusted to make this momentous decision. Thank you.

**THE PRESIDENT:** The Chair recognizes the Senator from Oxford, Senator Ferguson.

Senator **FERGUSON:** Thank you very much Mr. President, ladies and gentlemen of the Senate. I wasn't elected to raise taxes on the citizens of this state or any other state. I have a lot of lodging in my area, Sunday River. They've got about 2,000 units there, they have a good occupancy and I would like to have that continue. And when you go to work and put 2% additional upon those people, that may make the difference whether they're going to come or not and the good Senator from Somerset, Senator Mills, says, "Well, a dollar on a hundred dollar bill." Well, sometimes that does make the difference. Sometimes people rebel and I would hope that the Senate would join me in voting for the pending motion. Thank you Mr. President.

The Chair ordered a Division. 19 Senators having voted in the affirmative and 8 Senators having voted in the negative, the motion by Senator **PENDLETON** of Cumberland to **INDEFINITELY POSTPONE** the Bill and Accompanying Papers in **NON-CONCURRENCE, PREVAILED.**

Sent down for concurrence.

**THE PRESIDENT:** In reference to the action of the Senate on May 31, 1997, whereby it **INSISTED** and **JOINED IN A COMMITTEE OF CONFERENCE** on Resolve, to Establish a Commission to Designate Outstanding Maine Citizens Whose Portraits Are to Be Displayed in the State House

H.P. 1145 L.D. 1610  
(H "A" H-452 to C "A"  
H-328)

The Chair appointed as conferees on the part of the Senate:

Senator **GOLDTHWAIT** of Hancock.  
Senator **CLEVELAND** of Androscoggin.  
Senator **BENNETT** of Oxford.

On motion by Senator **AMERO** of Cumberland, **RECESSED** until the sound of the bell.

After Recess

Senate called to order by the President.

Senator **PINGREE** of Knox moved the Senate extend until 10:00 p.m., pursuant to Senate Rule 514.

Senator **AMERO** of Cumberland requested a Division.

On motion by Senator **PINGREE** of Knox, supported by a Division of at least one-fifth of the members present and voting, a Roll Call was ordered.

The Doorkeepers secured the Chamber.

The Secretary called the Roll with the following result:

#### ROLL CALL

**YEAS:** Senators: CAREY, CATHCART, CLEVELAND, DAGGETT, GOLDTHWAIT, JENKINS, KILKELLY, LAFOUNTAIN, LONGLEY, MICHAUD, NUTTING, O'GARA, PARADIS, PENDLETON, PINGREE, RAND, RUHLIN, TREAT, THE PRESIDENT - MARK W. LAWRENCE

**NAYS:** Senators: ABROMSON, AMERO, BENNETT, BENOIT, BUTLAND, CASSIDY, FERGUSON, HALL, HARRIMAN, KIEFFER, LIBBY, MACKINNON, MILLS, MITCHELL, SMALL

**ABSENT:** Senator: MURRAY

19 Senators having voted in the affirmative and 15 Senators having voted in the negative, with 1 Senator being absent, the motion by Senator **PINGREE** of Knox to extend until 10:00 p.m., pursuant to Senate Rule 514, **FAILED.**

On motion by Senator **PINGREE** of Knox, **ADJOURNED** until Sunday, June 1, 1997, at 12:01 a.m. in the morning.