

MAINE STATE LEGISLATURE

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House of Representatives
One Hundred and Twenty-Third Legislature
State of Maine

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ONE HUNDRED AND TWENTY-THIRD LEGISLATURE
FIRST REGULAR SESSION
56th Legislative Day
Wednesday, June 13, 2007

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

Prayer by Reverend Ronald Amiot, S.J., President, Cheverus High School, Portland.

National Anthem by Nicole Hoehle, Yarmouth.

Pledge of Allegiance.

Doctor of the day, John Joseph, M.D., Brunswick.

The Journal of yesterday was read and approved.

COMMUNICATIONS

The Following Communication: (S.C. 389)

**MAINE SENATE
123RD LEGISLATURE
OFFICE OF THE SECRETARY**

June 11, 2007

Honorable Millicent M. MacFarland

Clerk of the House

2 State House Station

Augusta, ME 04333

Dear Clerk MacFarland:

Please be advised the Senate insisted to its previous action whereby it accepted the Majority Ought Not to Pass Report from the Committee on Education and Cultural Affairs on Bill "An Act To Require Legislative Review of Rules Governing the Requirements for Local Support Systems Required as Part of the Certification Process of Educational Personnel" (H.P. 1130) (L.D. 1608) and asked for a committee of conference. The bill has been placed in the legislative file.

Sincerely,

S/Joy J. O'Brien

Secretary of the Senate

READ and ORDERED PLACED ON FILE.

The Following Communication: (S.C. 390)

**MAINE SENATE
123RD LEGISLATURE
OFFICE OF THE SECRETARY**

June 12, 2007

Honorable Millicent M. MacFarland

Clerk of the House

2 State House Station

Augusta, ME 04333

Dear Clerk MacFarland:

Please be advised the Senate today adhered to its previous action whereby it indefinitely postponed Bill "An Act To Require That Notaries Public Keep Records of Notarial Acts" (S.P. 538) (L.D. 1515) and all accompanying papers.

Sincerely,

S/Joy J. O'Brien

Secretary of the Senate

READ and ORDERED PLACED ON FILE.

The Following Communication: (S.C. 392)

**MAINE SENATE
123RD LEGISLATURE
OFFICE OF THE SECRETARY**

June 12, 2007

Honorable Glenn Cummings

Speaker of the House

2 State House Station

Augusta, ME 04333-0002

Dear Speaker Cummings:

In accordance with 3 M.R.S.A. §158 and Joint Rule 506 of the 123rd Maine Legislature, please be advised that the Senate today confirmed the following nominations:

Upon the recommendation of the Committee on Judiciary, the nomination of Sallie V. Chandler of Lebanon for appointment to the Maine Human Rights Commission.

Upon the recommendation of the Committee on Judiciary, the nomination of Gregory M. Cunningham of North Yarmouth for reappointment to the Maine Indian Tribal-State Commission.

Upon the recommendation of the Committee on Judiciary, the nomination of James F. Nimon of Augusta for appointment to the Maine Indian Tribal-State Commission.

Upon the recommendation of the Committee on Judiciary, the nomination of Honorable Rae Ann French of Augusta for reappointment as a District Court Judge.

Upon the recommendation of the Committee on Judiciary, the nomination of Honorable Rick E. Lawrence of Portland for reappointment as a District Court Judge.

Sincerely,

S/Joy J. O'Brien

Secretary of the Senate

READ and ORDERED PLACED ON FILE.

The Following Communication: (S.C. 393)

**MAINE SENATE
123RD LEGISLATURE
OFFICE OF THE SECRETARY**

June 12, 2007

Honorable Millicent M. MacFarland

Clerk of the House

2 State House Station

Augusta, Maine 04333

Dear Clerk MacFarland:

The President appointed the following conferees to the Committee of Conference on the disagreeing action of the two branches of the Legislature on Bill "An Act To Protect Wild Trout from Exotic Species" (H.P. 799) (L.D. 1081):

Senator BRYANT of Oxford

Senator MARTIN of Aroostook

Senator GOOLEY of Franklin

Sincerely,

S/Joy J. O'Brien

Secretary of the Senate

READ and ORDERED PLACED ON FILE.

SPECIAL SENTIMENT CALENDAR

In accordance with House Rule 519 and Joint Rule 213, the following item:

In Memory of:

Christo Anton, of Scarborough, beloved husband and father. Mr. Anton was a professional bowler who ran the Big 20 Bowling Center in Scarborough for more than two decades. Inducted into the Maine Sports Hall of Fame in 1995, Mr. Anton was the State's top candlepin bowler for three consecutive years and was, at one time, considered one of the top candlepin bowlers in international competition. In 1972 Governor Kenneth Curtis named him the first director of the Maine State Lottery. Mr.

Anton served eight years on the Biddeford School Board and five years on the State Board of Education, including two years as chairman. He was active in local churches and participated in mission trips to Mexico and Haiti. Mr. Anton will be sadly missed by his loving family, friends and community;

(HLS 587)

Presented by Representative CASAVANT of Biddeford.
Cosponsored by Senator SULLIVAN of York, Senator HOBBS of York, Representative BEAUDOIN of Biddeford, Representative BEAUDETTE of Biddeford, Senator BARTLETT of Cumberland, Senator BROMLEY of Cumberland, Representative PENDLETON of Scarborough, Representative McDONOUGH of Scarborough.

On **OBJECTION** of Representative CASAVANT of Biddeford, was **REMOVED** from the Special Sentiment Calendar.

READ.

The **SPEAKER**: The Chair recognizes the Representative from Biddeford, Representative Casavant.

Representative **CASAVANT**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. Chris Anton was a very important figure, not just in terms of the State of Maine, being the first director of the Maine State Lottery and a member of the State Board of Education, but also politically in Biddeford; he probably marked the beginning of the turn of Biddeford politics into a more modern era.

Many years ago, just as a little side note, Mr. Anton was the individual who introduced me to politics, back when I got out of college in 1975. David Redmond, who many of you probably know of or you have heard of, somehow coerced me to go to a meeting at Mr. Anton' house, and I had never met Chris Anton, to encourage me to run for office. This was the days of the ticket, when everybody would line up at one particular ticket; and in Biddeford, or course, there were no Republicans back in 1975, or if they did exist, they hid under the label of the Democratic Party because it was essentially the kiss of death back in that time period. Chris talked me into running for the City Council, and somehow, probably because no one else wanted to do it, he convinced me to be his Chairman; and so he had me write all of his speeches, drive him around in my 1967 Chevy van, mainly because he had just had a surgical operation and could not exactly get into any car, but this thing was big enough; and it was an interesting experience for me. I ended up winning by six votes.

For my first term, Mr. Anton lost to the patriarch Babe Dutremble, but it gave me a sense of, I don't know, I guess you could say a sense of community, and the friendship that I formed with him was very important in terms of my teaching, because he was the one who had enough faith in me to give me my first job. Through the years, even when he was fighting melanoma towards the end of his life, there was a giant undertaking for him, but he did it with the same type of strength that he did everything. I think that for the people of Biddeford; for the people of Scarborough, where he lived; and for the State of Maine, it is really important to note his qualities, his integrity, and how he made the communities a much better place. Thank you.

The **SPEAKER**: The Chair recognizes the Representative from Kennebunk, Representative Babbidge.

Representative **BABBIDGE**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I would like to stand and speak about this man. Chris Anton was, at the time I was 11 or 12 years old, a well-known name in the State of Maine. Back in those days, candlepin bowling was a weekly show on television, and Chris Anton would win week, after week, after week, and certainly was the best at what he did. But actually, he owned the Big 20 Lanes down in Scarborough; I lived on the

Scarborough side of South Portland, and he organized a youth league, so as an 11-12 year old, I went to the Big 20.

He also happened to be responsible for a very fond memory I have, and that is Tony Conigliaro of the Red Sox, shortly after being injured, came to the Big 20 at the invitation of Chris Anton, for the benefit of us kids. Back in those days baseball was played in the daytime, and the Major League All-Star Game was on. I remember sitting beside Tony C., watching Dick Radatz of the Red Sox pitch for the American League in the All-Star Game at that particular time, and it was a great time.

I just want to, for those younger members of the Chamber, point out not only Chris Anton's later contributions, but the fact that he was a giant in his sport, earlier on in my life, and in his life. Thank you, Mr. Speaker.

The **SPEAKER**: The Chair recognizes the Representative from Portland, Representative Harlow.

Representative **HARLOW**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I would be very remiss not to mention Chris Anton and his dignity and courage, when his son died while he was in high school. This would be a great example for people to have followed his courage and dignity. He was a man of great dignity, and I remember him well. Thank you.

Subsequently, the Sentiment was **ADOPTED** and sent for concurrence.

Under suspension of the rules, members were allowed to remove their jackets.

REPORTS OF COMMITTEE

Divided Reports

Majority Report of the Committee on **LABOR** reporting **Ought to Pass as Amended by Committee Amendment "A" (S-268)** on Bill "An Act To Incorporate Binding Arbitration for Monetary Issues in Collective Bargaining for All State, County and Municipal Employees"

(S.P. 257) (L.D. 814)

Signed:

Senators:

STRIMLING of Cumberland
SULLIVAN of York
DOW of Lincoln

Representatives:

TUTTLE of Sanford
CLARK of Millinocket
HASKELL of Portland
JACKSON of Allagash
BURNS of Berwick
DRISCOLL of Westbrook

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

Signed:

Representatives:

THOMAS of Ripley
HAMPER of Oxford
DUPREY of Hampden
SYKES of Harrison

Came from the Senate with the Majority **OUGHT TO PASS AS AMENDED** Report **READ** and **ACCEPTED** and the Bill **FAILED PASSAGE TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-268)**.

READ.

Representative TUTTLE of Sanford moved that the House **ACCEPT** the Majority **Ought to Pass as Amended** Report.

On further motion of the same Representative, **TABLED** pending his motion to **ACCEPT** the Majority **Ought to Pass as Amended** Report and later today assigned.

Majority Report of the Committee on **LEGAL AND VETERANS AFFAIRS** reporting **Ought Not to Pass** on Bill "An Act To Allow Direct-to-consumer Wine and Malt Liquor Sales"

(S.P. 54) (L.D. 143)

Signed:

Senators:

MARRACHÉ of Kennebec
BRYANT of Oxford

Representatives:

MOORE of Standish
WEDDELL of Frankfort
PINKHAM of Lexington Township
TRINWARD of Waterville
PATRICK of Rumford
TUTTLE of Sanford
NASS of Acton
GOULD of South Berwick
BLANCHETTE of Bangor
HOLMAN of Fayette

Minority Report of the same Committee reporting **Ought to Pass as Amended by Committee Amendment "A" (S-245)** on same Bill.

Signed:

Senator:

PLOWMAN of Penobscot

Came from the Senate with the Minority **OUGHT TO PASS AS AMENDED** Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-245)**.

READ.

Representative PATRICK of Rumford moved that the House **ACCEPT** the Majority **Ought Not to Pass** Report.

On further motion of the same Representative, **TABLED** pending his motion to **ACCEPT** the Majority **Ought Not to Pass** Report and later today assigned.

Majority Report of the Committee on **LABOR** reporting **Ought to Pass as Amended by Committee Amendment "A" (S-274)** on Bill "An Act To Protect Fair Share Workers from Termination"

(S.P. 714) (L.D. 1915)

Signed:

Senators:

STRIMLING of Cumberland
SULLIVAN of York
DOW of Lincoln

Representatives:

TUTTLE of Sanford
CLARK of Millinocket
HASKELL of Portland
DUPREY of Hampden
JACKSON of Allagash

BURNS of Berwick

DRISCOLL of Westbrook

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

Signed:

Representatives:

THOMAS of Ripley
HAMPER of Oxford
SYKES of Harrison

Came from the Senate with the Majority **OUGHT TO PASS AS AMENDED** Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-274)**.

READ.

Representative TUTTLE of Sanford moved that the House **ACCEPT** the Majority **Ought to Pass as Amended** Report.

On further motion of the same Representative, **TABLED** pending his motion to **ACCEPT** the Majority **Ought to Pass as Amended** Report and later today assigned.

Majority Report of the Committee on **TAXATION** reporting **Ought to Pass as Amended by Committee Amendment "A" (S-271)** on RESOLUTION, Proposing an Amendment to the Constitution of Maine To Restrict Tax Increases

(S.P. 648) (L.D. 1819)

Signed:

Senators:

PERRY of Penobscot
STRIMLING of Cumberland
NASS of York

Representatives:

KNIGHT of Livermore Falls
CLARK of Millinocket
HOTHAM of Dixfield
WATSON of Bath
CHASE of Wells
PILON of Saco
LANSLEY of Sabattus

Minority Report of the same Committee reporting **Ought to Pass as Amended by Committee Amendment "B" (S-272)** on same RESOLUTION.

Signed:

Representatives:

PIOTTI of Unity
RAND of Portland
WOODBURY of Yarmouth

Came from the Senate with the Majority **OUGHT TO PASS AS AMENDED** Report **READ** and **ACCEPTED** and the RESOLUTION **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-271)**.

READ.

Representative WATSON of Bath moved that the House **ACCEPT** the Majority **Ought to Pass as Amended** Report.

On further motion of the same Representative, **TABLED** pending his motion to **ACCEPT** the Majority **Ought to Pass as Amended by Committee Amendment "A" (S-271)** Report and later today assigned.

Majority Report of the Committee on **TAXATION** reporting **Ought to Pass pursuant to Joint Order 2007, H.P. 1233** on Bill "An Act To Cut Taxes on Maine Residents by over \$140,000,000" (H.P. 1362) (L.D. 1925)

Signed:

Senators:

PERRY of Penobscot
STRIMLING of Cumberland
NASS of York

Representatives:

PIOTTI of Unity
RAND of Portland
KNIGHT of Livermore Falls
WOODBURY of Yarmouth
HOTHAM of Dixfield
WATSON of Bath
CHASE of Wells
PILON of Saco

Minority Report of the same Committee reporting **Ought Not to Pass pursuant to Joint Order 2007, H.P. 1233** on same Bill.

Signed:

Representatives:

CLARK of Millinocket
LANSLEY of Sabattus

READ.

Representative WATSON of Bath moved that the House **ACCEPT** the Majority **Ought to Pass pursuant to Joint Order 2007, H.P. 1233** Report.

On further motion of the same Representative, **TABLED** pending his motion to **ACCEPT** the Majority **Ought to Pass pursuant to Joint Order 2007, H.P. 1233** Report and later today assigned.

CONSENT CALENDAR

First Day

In accordance with House Rule 519, the following items appeared on the Consent Calendar for the First Day:

(S.P. 162) (L.D. 475) Bill "An Act To Prevent Additional Housing Charges for Persons Requiring In-home Care" Committee on **LEGAL AND VETERANS AFFAIRS** reporting **Ought to Pass as Amended by Committee Amendment "A" (S-280)**

(S.P. 352) (L.D. 1100) Bill "An Act To Support Continued Viability of Affordable Housing" Committee on **TAXATION** reporting **Ought to Pass as Amended by Committee Amendment "A" (S-289)**

(S.P. 357) (L.D. 1105) Bill "An Act To Strengthen Maine's Craft Brewers" Committee on **TAXATION** reporting **Ought to Pass as Amended by Committee Amendment "A" (S-290)**

(S.P. 424) (L.D. 1223) Bill "An Act To Provide a Uniform Retirement Plan for Corrections Officers and Mental Health Workers" Committee on **LABOR** reporting **Ought to Pass as Amended by Committee Amendment "A" (S-286)**

(H.P. 1324) (L.D. 1892) Bill "An Act To Allow the City of Auburn To Adjust the Definition of 'Original Assessed Value' for the City of Auburn's Mall Area Municipal Tax Increment Financing District and the City of Auburn's Downtown Area Municipal Tax Increment Financing District" Committee on **STATE AND LOCAL GOVERNMENT** reporting **Ought to Pass**

(H.P. 559) (L.D. 738) Bill "An Act To Assist Communities Affected by Base Closures" Committee on **TAXATION** reporting **Ought to Pass as Amended by Committee Amendment "A" (H-558)**

Under suspension of the rules, Second Day Consent Calendar notification was given.

There being no objection, the Senate Papers were **PASSED TO BE ENGROSSED as Amended** in concurrence and the House Papers were **PASSED TO BE ENGROSSED or PASSED TO BE ENGROSSED as Amended** and sent for concurrence.

The following items were taken up out of order by unanimous consent:

UNFINISHED BUSINESS

The following matter, in the consideration of which the House was engaged at the time of adjournment yesterday, had preference in the Orders of the Day and continued with such preference until disposed of as provided by House Rule 502.

Bill "An Act To Implement the Recommendations of the Committee To Review the Taxation of Slot Machine Revenues, Created by Executive Order 33 Fiscal Year 2006-07" (S.P. 729) (L.D. 1924)

- In Senate, **REFERRED** to the Committee on **TAXATION**. **TABLED** - June 12, 2007 (Till Later Today) by Representative PATRICK of Rumford.

PENDING - REFERENCE IN CONCURRENCE.

Subsequently, on motion of Representative PATRICK of Rumford, the Bill and all accompanying papers were **REFERRED** to the Committee on **LEGAL AND VETERANS AFFAIRS** in **NON-CONCURRENCE** and sent for concurrence.

REPORTS OF COMMITTEE

Divided Reports

Majority Report of the Committee on **LEGAL AND VETERANS AFFAIRS** reporting **Ought Not to Pass** on Bill "An Act To Allow the Awarding of Prize Money from Gambling Machines Run by Nonprofit Organizations" (H.P. 675) (L.D. 890)

Signed:

Senators:

MARRACHÉ of Kennebec
PLOWMAN of Penobscot
BRYANT of Oxford

Representatives:

PINKHAM of Lexington Township
TRINWARD of Waterville
NASS of Acton
GOULD of South Berwick
BLANCHETTE of Bangor

Minority Report of the same Committee reporting **Ought to Pass as Amended by Committee Amendment "A" (H-564)** on same Bill.

Signed:

Representatives:

WEDDELL of Frankfort
MOORE of Standish
PATRICK of Rumford
TUTTLE of Sanford
FITTS of Pittsfield

READ.

Representative PATRICK of Rumford moved that the House **ACCEPT** the Minority **Ought to Pass as Amended** Report.

On further motion of the same Representative, **TABLED** pending his motion to **ACCEPT** the Minority **Ought to Pass as Amended** Report and later today assigned.

Majority Report of the Committee on **TAXATION** reporting **Ought Not to Pass** on Bill "An Act To Support County Government"

(H.P. 894) (L.D. 1266)

Signed:
Senator:
NASS of York

Representatives:
PIOTTI of Unity
RAND of Portland
KNIGHT of Livermore Falls
CLARK of Millinocket
WOODBURY of Yarmouth
HOTHAM of Dixfield
WATSON of Bath
CHASE of Wells
PILON of Saco
LANSLEY of Sabattus

Minority Report of the same Committee reporting **Ought to Pass as Amended by Committee Amendment "A" (H-557)** on same Bill.

Signed:
Senators:
PERRY of Penobscot
STRIMLING of Cumberland

READ.

On motion of Representative WATSON of Bath, the Majority **Ought Not to Pass** Report was **ACCEPTED** and sent for concurrence.

Majority Report of the Committee on **TAXATION** reporting **Ought Not to Pass** on Bill "An Act Concerning the Taxation of Property Owned by Certain Nonprofit Organizations"

(H.P. 947) (L.D. 1338)

Signed:
Senators:
STRIMLING of Cumberland
NASS of York
PERRY of Penobscot

Representatives:
PIOTTI of Unity
CLARK of Millinocket
HOTHAM of Dixfield
PILON of Saco
LANSLEY of Sabattus
RAND of Portland
KNIGHT of Livermore Falls
WOODBURY of Yarmouth

Minority Report of the same Committee reporting **Ought to Pass as Amended by Committee Amendment "A" (H-561)** on same Bill.

Signed:

Representatives:
WATSON of Bath
CHASE of Wells

READ.

On motion of Representative WATSON of Bath, the Majority **Ought Not to Pass** Report was **ACCEPTED** and sent for concurrence.

Majority Report of the Committee on **TAXATION** reporting **Ought to Pass as Amended by Committee Amendment "A" (S-288)** on Bill "An Act To Amend the Laws Governing the Taxation of Partnerships"

(S.P. 488) (L.D. 1400)

Signed:
Senators:
PERRY of Penobscot
STRIMLING of Cumberland
NASS of York

Representatives:
PIOTTI of Unity
KNIGHT of Livermore Falls
CLARK of Millinocket
WOODBURY of Yarmouth
HOTHAM of Dixfield
WATSON of Bath
CHASE of Wells
PILON of Saco
LANSLEY of Sabattus

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

Signed:
Representative:
RAND of Portland

Came from the Senate with the Majority **OUGHT TO PASS AS AMENDED** Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-288).**

READ.

On motion of Representative WATSON of Bath, the Majority **Ought to Pass as Amended** Report was **ACCEPTED.**

The Bill was **READ ONCE. Committee Amendment "A" (S-288)** was **READ** by the Clerk and **ADOPTED.**

Under suspension of the rules, the Bill was given its **SECOND READING WITHOUT REFERENCE** to the Committee on **Bills in the Second Reading.**

Under further suspension of the rules, the Bill was **PASSED TO BE ENGROSSED as Amended by Committee Amendment "A" (S-288)** in concurrence. **ORDERED SENT FORTHWITH.**

SENATE PAPERS

The following Joint Order: (S.P. 730)

ORDERED, the House concurring, that Bill, "An Act To Eliminate the Property Tax on Business Equipment Owned by Small Retailers," S.P. 318, L.D. 1001 and Bill, "An Act To Reduce Duplication of Paperwork for Fuel Distributors," S.P. 455, L.D. 1307, and all their accompanying papers, be recalled from the legislative files to the Senate.

Came from the Senate, **READ** and **PASSED. READ.**

Pursuant to Joint Rule 404, this Joint Order required the affirmative vote of two-thirds of those present for passage. 108 having voted in the affirmative and 10 in the negative, 108 being more than two-thirds of the membership present, the Joint Order was **PASSED** in concurrence.

REPORTS OF COMMITTEE
Divided Report

Majority Report of the Committee on **BUSINESS, RESEARCH AND ECONOMIC DEVELOPMENT** reporting **Ought Not to Pass** on Bill "An Act To Permit Certain Health Care Practices"

(S.P. 539) (L.D. 1516)

Signed:

Senators:

BROMLEY of Cumberland
SCHNEIDER of Penobscot

Representatives:

BEAULIEU of Auburn
SAMSON of Auburn
AUSTIN of Gray
MacDONALD of Boothbay
PRESCOTT of Topsham
SILSBY of Augusta
SMITH of Monmouth
BEAUDETTE of Biddeford
CLEARY of Houlton
RECTOR of Thomaston

Minority Report of the same Committee reporting **Ought to Pass as Amended by Committee Amendment "A" (S-294)** on same Bill.

Signed:

Senator:

COURTNEY of York

Came from the Senate with the Majority **OUGHT NOT TO PASS** Report **READ** and **ACCEPTED**.
READ.

On motion of Representative PINGREE of North Haven, the Majority **Ought Not to Pass** Report was **ACCEPTED** in concurrence.

SENATE PAPERS
Non-Concurrent Matter

Resolve, To Lower the Cost of State Government (EMERGENCY)

(S.P. 338) (L.D. 1021)

Majority (7) **OUGHT NOT TO PASS** Report of the Committee on **STATE AND LOCAL GOVERNMENT** **READ** and **ACCEPTED** in the House on June 12, 2007.

Came from the Senate with that Body having **ADHERED** to its former action whereby the Minority (6) **OUGHT TO PASS AS AMENDED** Report of the Committee on **STATE AND LOCAL GOVERNMENT** was **READ** and **ACCEPTED** and the Resolve **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-264)** in **NON-CONCURRENCE**.

Representative PINGREE of North Haven moved that the House **INSIST**.

Representative TARDY of Newport moved that the House **RECEDE AND CONCUR**.

Representative BARSTOW of Gorham **REQUESTED** a roll call on the motion to **RECEDE AND CONCUR**.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The SPEAKER: The Chair recognizes the Representative from Gorham, Representative Barstow.

Representative **BARSTOW**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I would request that my colleagues vote against the pending motion and support the majority of the committee, which was against this measure.

The reason why we voted against this bill, this item, is that we feel it is actually a duplication of efforts that we are doing in the Office of Program Evaluation & Government Accountability. This would look to create a blue ribbon commission to look at ways of lowering the costs of state government; and we as a committee, the majority of the committee, felt that this would be against the ideas of OPEGA. Rather than putting money into a blue ribbon commission of this type, we would encourage you to support the work that really has not yet begun yet in OPEGA, and vote against the pending motion. Thank you, Mr. Speaker.

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

Representative **CRAVEN**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. I really urge you to vote in favor of the motion, because this measure has already been passed in the budget and is going forward. Thank you.

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

Representative **MILLS**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. Although the record is a little bit confusing, it appears that the other body voted Ought to Pass on this proposal, so the motion to Recede and Concur would agree with the other body that the measure should be passed in its amended form.

If we pass this, I would note that there is a fiscal note attached to it—ironically, because the measure is intended to save millions of dollars in money—but there is a fiscal note of \$150,000, it looks to be, in the General Fund, for the first year to begin with; and as the good woman from Lewiston pointed out, we did book savings by examining cost efficiencies, potential efficiencies in state government in the budget. We did not do this by setting up a whole new commission, we did it by booking the savings and saying we will do this, and holding our feet to the fire to do it ourselves as a legislative body, and the appropriate committees engaging in that work. I would urge you to vote against the motion to Recede and Concur, and have this measure die in view of what we did in the bipartisan budget, just passed.

Subsequently, Representative BARSTOW of Gorham **WITHDREW** his **REQUEST** for a roll call on the motion to **RECEDE AND CONCUR**.

Subsequently, Representative TARDY of Newport **WITHDREW** his motion to **RECEDE AND CONCUR**.

Subsequently, the House voted to **INSIST**.

REPORTS OF COMMITTEE
Divided Reports

Majority Report of the Committee on **TRANSPORTATION** reporting **Ought Not to Pass** on Bill "An Act To Repeal the Automatic Increase in the Gasoline Tax"

(S.P. 33) (L.D. 89)

Signed:

Senators:

DAMON of Hancock

DIAMOND of Cumberland
 SAVAGE of Knox
 Representatives:
 MARLEY of Portland
 BROWNE of Vassalboro
 FISHER of Brewer
 MAZUREK of Rockland
 HOGAN of Old Orchard Beach
 ROSEN of Bucksport
 THERIAULT of Madawaska
 PEOPLES of Westbrook

Minority Report of the same Committee reporting **Ought to Pass as Amended by Committee Amendment "A" (S-293)** on same Bill.

Signed:
 Representatives:
 CEBRA of Naples
 THOMAS of Ripley

Came from the Senate with the Majority **OUGHT NOT TO PASS Report READ and ACCEPTED.**

READ.

Representative MARLEY of Portland moved that the House **ACCEPT** the Majority **Ought Not to Pass Report**.

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

Representative **MARLEY**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. This has been a perpetual issue, a perennial issue that comes forward, probably of all of the taxes; I believe one of our committee members says this is probably one of the ones that they hear the most about.

If the bill before us passed, if you look at the fiscal note, it actually would take close to \$8 million out of the Highway Fund this year, and \$16.6 million next year, in '09, from the Highway Fund. What we have done, and hopefully you will recall that we put a Joint Order in saying that this is what we want to do, if we want to repeal indexing, which keep in mind that indexing is the only thing that is keeping that line that I keep telling you about, that flat line of revenues from the Highway Fund, from actually dipping down and losing ground with inflation. It is not keeping up with construction inflation, but it is keeping ground with the CPI. If we do want to remove that, repeal that, we put in a Joint Order this body has passed, I believe, already, saying revenue services in the Department of Transportation, look at all of the ways that we repeal this, and make sure that we have that consistent funding for our highway system.

I am going to ask you to vote with the Majority Ought Not to Pass, but keep in mind that we are keeping this idea moving forward; and many of us, including myself, I think there is a better way of funding our highway system. I do not think the bill before us helps at all. Thank you.

Representative TARDY of Newport **REQUESTED** a roll call on the motion to **ACCEPT** the Majority **Ought Not to Pass Report**.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The SPEAKER: A roll call has been ordered. The pending question before the House is Acceptance of the Majority Ought Not to Pass Report. All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 136

YEA - Adams, Babbidge, Beaudoin, Berry, Blanchard, Blanchette, Boland, Brautigam, Browne W, Bryant, Burns, Cain, Canavan, Casavant, Clark, Cleary, Connor, Conover, Craven,

Crockett, Dill, Driscoll, Duchesne, Eaton, Eberle, Faircloth, Farrington, Finch, Fischer, Fisher, Grose, Hanley S, Harlow, Haskell, Hayes, Hill, Hinck, Hogan, Kaenrath, Koffman, Lundeen, MacDonald, Makas, Marley, Mazurek, Miller, Millett, Miramant, Nass, Norton, Patrick, Pendleton, Peoples, Percy, Perry, Pieh, Pilon, Pingree, Pinkham, Pratt, Priest, Rand, Rector, Rines, Rosen, Samson, Schatz, Silsby, Sirois, Smith N, Sutherland, Theriault, Treat, Trinward, Tuttle, Valentino, Wagner, Walcott, Watson, Webster, Weddell, Wheeler, Woodbury, Mr. Speaker.

NAY - Annis, Austin, Ayotte, Beaudette, Beaulieu, Bliss, Campbell, Carter, Cebra, Chase, Cotta, Cray, Crosthwaite, Curtis, Duprey, Edgecomb, Emery, Finley, Fitts, Fletcher, Flood, Gerzofsky, Giles, Gould, Greeley, Hamper, Hotham, Jacobsen, Joy, Knight, Lewin, Marean, McDonough, McFadden, McKane, McLeod, Mills, Muse, Plummer, Prescott, Richardson D, Richardson W, Robinson, Savage, Saviello, Simpson, Strang Burgess, Sykes, Tardy, Thibodeau, Tibbetts, Vaughan, Weaver.

ABSENT - Barstow, Berube, Cressey, Dunn, Gifford, Jackson, Lansley, Moore, Pineau, Piotti, Richardson E, Thomas, Walker.

Yes, 84; No, 53; Absent, 13; Vacant, 1; Excused, 0.

84 having voted in the affirmative and 53 voted in the negative, 1 vacancy with 13 being absent, and accordingly the Majority **Ought Not to Pass Report** was **ACCEPTED** in concurrence.

Majority Report of the Committee on **JUDICIARY** reporting **Ought Not to Pass** on Bill "An Act Regarding the Reporting of Sexual Abuse"

(S.P. 60) (L.D. 178)

Signed:

Senators:

HOBBINS of York
 HASTINGS of Oxford

Representatives:

SIMPSON of Auburn
 MILLS of Farmington
 CASAVANT of Biddeford
 BERUBE of Lisbon
 JACOBSEN of Waterboro
 NASS of Acton
 GOULD of South Berwick

Minority Report of the same Committee reporting **Ought to Pass as Amended by Committee Amendment "A" (S-204)** on same Bill.

Signed:

Senator:

NUTTING of Androscoggin

Representatives:

BRYANT of Windham
 DUNN of Bangor
 DILL of Cape Elizabeth

Representative LORING of the Penobscot Nation - of the House - supports the Minority **Ought to Pass as Amended by Committee Amendment "A" (S-204) Report**.

Came from the Senate with the Majority **OUGHT NOT TO PASS Report READ and ACCEPTED.**

READ.

On motion of Representative SIMPSON of Auburn, the Majority **Ought Not to Pass Report** was **ACCEPTED** in concurrence.

Pursuant to his authority under House Rule 401.1, the Chair assigned Representative CRESSEY of Cornish to seat 20 and Representative MOORE of Standish to seat 148, effective immediately.

The following items were taken up out of order by unanimous consent:

COMMUNICATIONS

The Following Communication: (H.C. 346)

**STATE OF MAINE
OFFICE OF THE
SECRETARY OF STATE
AUGUSTA, MAINE 04333-0148**

June 13, 2007

Honorable Millicent MacFarland
Clerk of the House
Maine House of Representatives
2 State House Station
Augusta, Maine 04333-0002

Dear Clerk MacFarland:

Please find enclosed a certified copy of the final results from the June 12, 2007 Special Election held in State Representative District 83.

Sincerely,
S/Matthew Dunlap
Secretary of State

READ and with accompanying papers **ORDERED PLACED ON FILE.**

At this point, the Speaker announced the presence in the Hall of the House of Representative-Elect JONES of Mount Vernon. The Speaker appointed the following Representatives to escort Representative-Elect JONES to the Office of the Governor to take and subscribe the oaths necessary to qualify him for the discharge of his official duties:

Representative WHEELER of Kittery
Representative GERZOFISKY of Brunswick
Representative PATRICK of Rumford
Representative MIRAMANT of Camden
Representative CONOVER of Oakland
Representative SMITH of Monmouth
Representative MILLS of Farmington
Representative CROCKETT of Augusta
Representative SAVIELLO of Wilton
Representative FLOOD of Winthrop
Representative HOTHAM of Dixfield
Representative ROSEN of Bucksport

Reference was made to Bill "An Act To Protect Wild Trout from Exotic Species"

(H.P. 799) (L.D. 1081)

In reference to the action of the House on June 11, 2007 whereby it insisted and Asked for a Committee of Conference, the Chair appointed the following members on the part of the House as Conferees:

Representative KOFFMAN of Bar Harbor
Representative WATSON of Bath
Representative SAVIELLO of Wilton

The following items were taken up out of order by unanimous consent:

CONSENT CALENDAR

First Day

In accordance with House Rule 519, the following items appeared on the Consent Calendar for the First Day:

(S.P. 574) (L.D. 1630) Bill "An Act To Address an Inequity in the Judicial Retirement System" Committee on **JUDICIARY** reporting **Ought to Pass as Amended by Committee Amendment "A" (S-295)**

(H.P. 61) (L.D. 63) Bill "An Act To Increase Access to After-school Programs" Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS** reporting **Ought to Pass**

(H.P. 63) (L.D. 65) Bill "An Act To Provide Funding for Mentoring Programs" Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS** reporting **Ought to Pass**

(H.P. 157) (L.D. 186) Bill "An Act To Provide Funding to the St. Francis Water District for New Wells" Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS** reporting **Ought to Pass**

(H.P. 249) (L.D. 305) Bill "An Act To Increase the Availability of Cellular Telephone Service for Rural Residents" Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS** reporting **Ought to Pass**

(H.P. 327) (L.D. 411) Bill "An Act To Establish a Pilot Program for Return of Unused Prescription Drugs by Mail" Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS** reporting **Ought to Pass**

(H.P. 439) (L.D. 572) Bill "An Act To Fund the Western Maine Career Centers" (EMERGENCY) Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS** reporting **Ought to Pass**

(H.P. 506) (L.D. 657) Bill "An Act To Provide Funding for Transitional Employment Training Opportunities for Persons with Mental Illness" Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS** reporting **Ought to Pass**

(H.P. 614) (L.D. 817) Bill "An Act To Support the Maine Keeping Seniors Home Program" Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS** reporting **Ought to Pass**

Under suspension of the rules, Second Day Consent Calendar notification was given.

There being no objection, the Senate Paper was **PASSED TO BE ENGROSSED as Amended** in concurrence and the House Papers were **PASSED TO BE ENGROSSED** and sent for concurrence. **ORDERED SENT FORTHWITH.**

By unanimous consent, all matters having been acted upon were **ORDERED SENT FORTHWITH.**

SENATE PAPERS

The following Joint Resolution: (S.P. 727)

JOINT RESOLUTION SUPPORTING THE NEARSHORE COASTAL RESOURCES REPORT

WHEREAS, the State of Maine is privileged to have more than 5,000 miles and over 2,000,000 acres of public, submerged lands and coastal waters, which together form one of the most productive and rich ecosystems of the world; and

WHEREAS, Maine's coastal waters and the lands beneath them have historically sustained a variety of uses, including providing food, transportation, commerce, recreation, artistic inspiration and spiritual sustenance; and

WHEREAS, Maine's coastal resources belong to all people of Maine and are held in trust by the State for the benefit of current and future generations; and

WHEREAS, Maine's coastal waters and coastal resources are an important component of the State's natural resource-based economy; and

WHEREAS, the long-term sustainability of the coastal marine environment and the uses that depend upon it rely upon the maintenance and enhancement of the integrity of its ecological systems; and

WHEREAS, the uses that our society makes of Maine's coastal resources are changing, diversifying and intensifying and, as a result, ecological and human communities are under increased stress; and

WHEREAS, current coastal management is unable to respond to increasing challenges, including cumulative impacts and emerging uses, whose management is distributed over numerous local, state and federal authorities and is therefore not well integrated; and

WHEREAS, effective, coordinated management and active citizen stewardship is needed to achieve a careful balance between conservation and development that ensures the sustained use and enjoyment of coastal resources by current and future generations; and

WHEREAS, integrated management of Maine's coastal waters and coastal resources can be achieved following combined principles of ecological protection, resource management and shared governance; and

WHEREAS, the Land and Water Resources Council, as authorized by the Maine Revised Statutes, Title 5, section 3331, undertook a 2-year study to explore and document potential new and innovative concepts for the management of Maine's embayments and generated important recommendations that should be implemented to achieve the well-coordinated, efficient management of Maine's coastal resources and ensure their continued sustainable productivity into the future; therefore, be it

RESOLVED: That We, the Members of the One Hundred and Twenty-third Legislature now assembled in the First Regular Session, take this occasion to recognize the immeasurable value of Maine's incredible coastal resources and to support the entire Nearshore Coastal Resources report.

Came from the Senate, **READ** and **ADOPTED**.
READ and **ADOPTED** in concurrence.

UNFINISHED BUSINESS

The following matter, in the consideration of which the House was engaged at the time of adjournment yesterday, had preference in the Orders of the Day and continued with such preference until disposed of as provided by House Rule 502.

Resolve, To Establish a Working Group To Study the Effectiveness and Timeliness of Early Identification and Intervention for Children with Hearing Loss in Maine (EMERGENCY)

(H.P. 881) (L.D. 1239)
(C. "A" H-365)

TABLED - June 12, 2007 (Till Later Today) by Representative PERRY of Calais.

PENDING - **FINAL PASSAGE**.

On motion of Representative PERRY of Calais, the rules were **SUSPENDED** for the purpose of **RECONSIDERATION**.

On further motion of the same Representative, the House **RECONSIDERED** its action whereby the Resolve was **PASSED TO BE ENGROSSED**.

On further motion of the same Representative, the rules were **SUSPENDED** for the purpose of **FURTHER RECONSIDERATION**.

On further motion of the same Representative, the House **RECONSIDERED** its action whereby **Committee Amendment "A" (H-365)** was **ADOPTED**.

The same Representative **PRESENTED** **House Amendment "B" (H-566)** to **Committee Amendment "A" (H-365)** which was **READ** by the Clerk.

The SPEAKER: The Chair recognizes the Representative from Calais, Representative Perry.

Representative **PERRY**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. Just to clarify, this amendment adds two physician groups, an otolaryngologist, and a pediatrician to the working group, to study the effectiveness and timeliness of early identification and intervention for children with hearing loss. Unfortunately, it was an oversight and we needed to add that. Thank you.

House Amendment "B" (H-566) to **Committee Amendment "A" (H-365)** was **ADOPTED**.

Committee Amendment "A" (H-365) as Amended by **House Amendment "B" (H-566)** thereto was **ADOPTED**.

The Resolve was **PASSED TO BE ENGROSSED** as Amended by **Committee Amendment "A" (H-365)** as Amended by **House Amendment "B" (H-566)** thereto in **NON-CONCURRENCE** and sent for concurrence. **ORDERED SENT FORTHWITH**.

Subsequently, Representative WHEELER reported that the necessary oaths had been taken by Representative JONES to qualify him to enter upon his official duties.

Pursuant to his authority under House Rule 401.1, the Chair assigned Representative JONES, of Mount Vernon to seat 147 .

The following item was taken up out of order by unanimous consent:

CONSENT CALENDAR

First Day

In accordance with House Rule 519, the following items appeared on the Consent Calendar for the First Day:

(H.P. 29) (L.D. 27) Bill "An Act To Clarify Election Laws Concerning Election Clerks' Qualifications" (EMERGENCY) Committee on **LEGAL AND VETERANS AFFAIRS** reporting **Ought to Pass as Amended by Committee Amendment "A" (H-568)**

(H.P. 970) (L.D. 1378) Resolve, To Provide Information to Maine Citizens Regarding Maine's Tax Laws Committee on **TAXATION** reporting **Ought to Pass as Amended by Committee Amendment "A" (H-571)**

(H.P. 1137) (L.D. 1615) Bill "An Act To Amend the Animal Welfare Laws" Committee on **AGRICULTURE, CONSERVATION AND FORESTRY** reporting **Ought to Pass as Amended by Committee Amendment "A" (H-567)**

(H.P. 1229) (L.D. 1763) Bill "An Act To Amend the Maine Certificate of Need Act of 2002" (EMERGENCY) Committee on **HEALTH AND HUMAN SERVICES** reporting **Ought to Pass as Amended by Committee Amendment "A" (H-569)**

Under suspension of the rules, Second Day Consent Calendar notification was given.

There being no objection, the House Papers were **PASSED TO BE ENGROSSED as Amended** and sent for concurrence. **ORDERED SENT FORTHWITH.**

The Chair laid before the House the following item which was **TABLED** earlier in today's session:

HOUSE DIVIDED REPORT - Majority (10) **Ought to Pass as Amended by Committee Amendment "A" (S-271)** - Minority (3) **Ought to Pass as Amended by Committee Amendment "B" (S-272)** - Committee on **TAXATION** on RESOLUTION, Proposing an Amendment to the Constitution of Maine To Restrict Tax Increases

(S.P. 648) (L.D. 1819)

Which was **TABLED** by Representative WATSON of Bath pending his motion to **ACCEPT** the Majority **Ought to Pass as Amended by Committee Amendment "A" (S-271)** Report.

Subsequently, Representative WATSON of Bath **WITHDREW** his motion to **ACCEPT** the Majority **Ought to Pass as Amended by Committee Amendment "A" (S-271)** Report.

The same Representative moved that the House **ACCEPT** the Minority **Ought to Pass as Amended by Committee Amendment "B" (S-272)** Report.

Representative SAVIELLO of Wilton **REQUESTED** a roll call on the motion to **ACCEPT** the Minority **Ought to Pass as Amended by Committee Amendment "B" (S-272)** Report.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The **SPEAKER**: The Chair recognizes the Representative from Millinocket, Representative Clark.

Representative **CLARK**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. I hope we do not go with the Minority Report and go the Majority Report, and I can tell you why serving on the committee. As you know, there is going to be another bill coming forward dealing with another subject matter. To make that a workable source, I understood serving on the committee; we need this tool to work with the other bill coming in. That is one reason that I signed onto this bill. That is one reason why a lot of the others signed onto this bill.

I hope when you vote this evening that you will look it over, decide to vote, and vote down the report in front of you. Go with the Majority Report and make it a workable solution by both sides, because you cannot have one without the other. I am a strong believer that some members of the committee were sold a bill of goods, thinking at the end of the day they are going to have something, but come to find out they are going to have nothing. Thank you very much, Mr. Speaker.

The **SPEAKER**: A roll call has been ordered. The pending question before the House is Acceptance of the Minority Ought to Pass as Amended by Committee Amendment "B" (S-272) Report. All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 137

YEA - Adams, Babbidge, Barstow, Beaudoin, Berry, Blanchard, Blanchette, Bliss, Boland, Brautigam, Bryant, Burns, Cain, Canavan, Carter, Casavant, Connor, Conover, Craven, Crockett, Dill, Driscoll, Duchesne, Dunn, Eaton, Eberle, Faircloth, Farrington, Finch, Fischer, Fisher, Gerzofsky, Grose, Harlow, Haskell, Hayes, Hill, Hinck, Hogan, Hotham, Jones, Kaenrath, Knight, Koffman, Lundeen, Makas, Marley, Mazurek, Miller, Mills, Miramant, Norton, Patrick, Pendleton, Peoples, Percy, Perry, Pieh, Pilon, Pingree, Piotti, Pratt, Priest, Rand, Rines, Samson, Schatz, Silsby, Simpson, Sirois, Smith N, Sutherland, Theriault, Treat, Trinward, Tuttle, Valentino, Wagner, Walcott, Watson, Webster, Weddell, Wheeler, Woodbury, Mr. Speaker.

NAY - Annis, Austin, Ayotte, Beaudette, Beaulieu, Browne W, Campbell, Cebra, Chase, Clark, Cleary, Cray, Crosthwaite, Curtis, Duprey, Edgecomb, Emery, Finley, Fitts, Fletcher, Flood, Giles, Gould, Greeley, Hamper, Hanley S, Jacobsen, Joy, Lewin, MacDonald, Marean, McDonough, McFadden, McKane, McLeod, Millett, Muse, Nass, Pinkham, Plummer, Prescott, Rector, Richardson D, Richardson W, Robinson, Rosen, Savage, Saviello, Strang Burgess, Sykes, Tardy, Thibodeau, Tibbetts, Vaughan, Weaver.

ABSENT - Berube, Cotta, Cressey, Gifford, Jackson, Lansley, Moore, Pineau, Richardson E, Thomas, Walker.

Yes, 85; No, 55; Absent, 11; Excused, 0.

85 having voted in the affirmative and 55 voted in the negative, with 11 being absent, and accordingly the Minority **Ought to Pass as Amended by Committee Amendment "B" (S-272)** Report was **ACCEPTED**.

The RESOLUTION was **READ ONCE**. **Committee Amendment "B" (S-272)** was **READ** by the Clerk and **ADOPTED**.

Under suspension of the rules, the RESOLUTION was given its **SECOND READING WITHOUT REFERENCE** to the Committee on **Bills in the Second Reading**.

Under further suspension of the rules, the RESOLUTION was **PASSED TO BE ENGROSSED as Amended by Committee Amendment "B" (S-272)** in **NON-CONCURRENCE** and sent for concurrence.

The Chair laid before the House the following item which was **TABLED** earlier in today's session:

HOUSE DIVIDED REPORT - Majority (11) **Ought to Pass pursuant to Joint Order 2007, H.P. 1233** - Minority (2) **Ought Not to Pass pursuant to Joint Order 2007, H.P. 1233** - Committee on **TAXATION** on Bill "An Act To Cut Taxes on Maine Residents by over \$140,000,000"

(H.P. 1362) (L.D. 1925)

Which was **TABLED** by Representative WATSON of Bath pending his motion to **ACCEPT** the Majority **Ought to Pass pursuant to Joint Order 2007, H.P. 1233** Report.

The **SPEAKER**: The Chair recognizes the Representative from Unity, Representative Piotti.

Representative **PIOTTI**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. I have been thinking about this moment for five months; I have prepared for this moment for the last five seconds. I think that is just the nature of this process as it has unfolded. But I do want to take a few moments to do at least two things this afternoon: One, to talk about the process that has brought us to this place; second, to talk about the product that we have in front of us, but first the process.

I have been proud of some of my moments in this Chamber, but I have never been prouder of the opportunity to work with this Taxation Committee on this plan. Whether you like the product or not, I hope you will respect and applaud the work of these 13 people. We dove into this five months ago, in earnest, telling leadership that we would be done by March 30—how silly.

We began by learning all that we could, something that unfortunately is all too uncommon in these halls. Legislators are quick to want to come up with solutions, but the committee was very wise in backing off, and wanted to learn first. We heard from political experts, economic experts, and business experts of all political stripes. We listened to Maine Revenue Services and had detailed briefings to understand everything that was included in Maine's Tax Code and some examples from away. We listened to our own members and what their ideas were, and we listened

to you. We had several days where we invited anyone to come down and tell us what was on your mind, and many of you did. We encouraged additional communication in other ways, and many of you provided that. We allowed members of the public and the business lobby to contribute, and many did. Then, in earnest, we began to pull the pieces of this together, and it has been a phenomenal journey and one that I will long remember, and that I hope I will look back on as being a great accomplishment for the people of Maine—but we are not there yet.

I believe that this process could adequately and fairly be described as the most comprehensive, most transparent, and most open process that this Legislature has engaged in, and I am not just patting the committee on the back. I have heard that from business lobbyists who have been around here for 20 years, even those that are now opposing the plan. I think that is a testament to the people who participated, but it is primarily a testament to the importance of this topic, and what the people of Maine are demanding from us. So we have taken it seriously, and we have tried to deliver.

In light of that process, I need to comment on a few of the criticisms that have been leveled against us. One absolutely floors me, the criticism that this has somehow been done in the dark of night, that it is coming out at the last minute. For people who have worked on this for five months, it sure does not seem that way and even though the bill was only printed yesterday, the language of that bill, in one form or another, most of it has been available to the lobby and to others for, in some cases, three or four months. Very little has changed; granted, everything has been moving target, but there has been more opportunity for input and participation than on most bills that come before this body, so it really hurts to have that kind of criticism level. If you hate the program, if you hate the product, say that. But please, do not hide behind the fact that this is some last minute deal that has not seen the light of day.

The second thing, which is most disturbing in light of this extraordinary process, is that we are being criticized as doing nothing more than creating a tax shift. We began this process by agreeing with a set of fundamental principles, underlying principles of what our work would be about, and there were many of them and I will not go through them, but one of them was that we will reduce the burden on Maine people, and the other that we would do this in a revenue neutral way. Now until a few weeks ago, revenue neutrality was always synonymous with fiscal restraint, and those principles were embraced by our committee, they were brought back to the respective caucuses where they were vetted, and there were thumbs up given that we were on the right track. We had members of leadership come down to our open mic days, including members of the other body's Minority leadership, who thought our principles were on target. Yet now, this principle of revenue neutrality is being talked about as something evil or sneaky, to avoid cutting our taxes.

What we have done in this package is something very different from the hype and the spin that some are putting out there now. What we have done with this package is a shift, but a shift that is very powerful, and brings tremendous value and benefit to the people of Maine. First, it shifts from a reliance on primarily income taxes, to a reliance on consumption, something that any credible economist will tell you, is the right thing to do. It is not a novel idea. It is exactly what a few dozen other states have done in the last generation. They have moved in this direction because it makes sense. Our sales tax system in this state is a product of the 1950's. A lot has changed since 1950, but our sales tax system has not changed.

In the State of Maine, we tax approximately 24 categories of items with our sales tax. Across the nation, as many as 168 items are taxed. Many states tax 100, or 120, or 160 of those. Maine taxes 24. No longer can we have our sales tax base built primarily upon a limited number of goods. Our sales tax base is highly reliant on two purchases: automobiles and building supplies, both highly cyclical, both dependent on good economic times, and when the economy goes into a downturn, those revenues shrink drastically and that causes problems, and whether you are a conservative or a progressive that should bother you. If you are a progressive, it bothers you because at the very time that we need more money to help our most needy, we do not have it, and we have to look for cuts everywhere. As a conservative, the idea that there is a flush time when there is lots of money, we know what happens, then, under any administration, under any leadership: there is a rush to create new programs, new activity, and create unsustainable spending. So the first thing that this shift does is that it creates a far greater level of predictability, far less volatility, and that in itself would have value—but we go on.

The shift would also provide a tremendous economic boost to the State of Maine. Not only is the vast majority of this benefit accruing back to Maine residents and Maine small businesses, but on top of that, the top tax rate is going from 8.5 to 6 percent, a huge stimulus for people in state who want to expand, or out of state, who are looking at Maine as a place to do businesses. So this shift does two things: increases stability and promotes our economy. But it does not stop there because we have figured out a way to do it, where we can also lower the tax burden on Maine residents. We have carefully, judiciously, and strategically figured out how to expand the sales tax base in a way that will place more of the burden on our non-residents. This is not a plan to get us to the visitors. It is a plan of fairness; it is a plan on having the right balance in our tax system.

Right now, when many visitors come to Maine, they appreciate tax benefits here that they do not get in their home state. They pay for a haircut in their home state, they pay for movie tickets in their home state; they come to Maine and they get those breaks. They do not expect those breaks. Our state is enough of an asset to draw them, and yet we are losing revenue. So the shift does three things: stability, economic growth, and at the same time we have figured out an extra benefit of reducing the tax burden on Maine residents. We have done it in a very clever way and we cannot take all of the credit for that. We had a lot, a lot of people who worked with us, both within state government and outside, but when push comes to shove, when you look at the final numbers, there is a way to lower the burden on Maine people by \$140 million a year: \$140 million a year. That translates to the average tax filer of two, three, or four hundred extra dollars in their pocket: Real money, extra money, extra money that is there even after whatever additional taxes are imposed on them. There has been a lot of miscommunication about this. This is a net tax benefit.

How do we do this? What smoke and mirrors are we using? None. How we are doing it is a simple economic principle: We are taking taxes that are right now paid by a certain percentage of out-of-staters, and we are increasing those, and we are funneling all of the benefits back to Maine residents. I will give you an example: Let's say, for instance, we place taxes that bring in another \$100 million in revenue, \$70 million paid by Maine residents, \$30 million of it paid for by non-residents. We then take that \$100 million and plug it back in, all \$100 million, to Maine residents' pockets. Maine residents have just saved \$30 million. It is not smoke and mirrors, it is simple math. But the beauty of this is that it do not only work that way, it works in other

ways, because even if you did not have that added relief benefit, the value of the shift for the purpose of predictability, and the value of the shift of lowering that top income tax rate to promote business, would in of itself, be reason enough to do this.

There has been a lot of talk about the winners and losers in this package, and there are some losers, but far fewer than you may think, and they are spread across many different income categories. This is something that we have worked hard to reduce, but something that cannot, in a major structural change, be completely avoided; nonetheless, 96 percent of Mainers, an incredible 96 percent of Mainers will receive an income tax break as a result of this, and 90 percent of Mainers will receive some kind of significant tax savings. President Regan's 1986 Tax Reform Plan, which has been heralded by some as a model of tax reform, was first revenue neutral, because that is an accepted premise of tax reform; and second, produced over 20 percent losers, primarily in certain income classes, more so than our plan.

The economists who have looked and scrutinized our plan are amazed that we have been able to do what we have been able to do. This is not to say that the plan is perfect; how can it be? Nor is it to say that tax reform is done at this point. We will be working this, and shifting it and playing with it for years to come. We have been doing that with our current sales tax and income tax system since 1965. That is appropriate, that is healthy, and we will do that. But we are taking a major stride forward in the right directions for Maine people for economic development, and the like.

Some of the criticisms of this plan amaze me. I have mentioned the one about a tax shift, and I have just explained to you that I think about, first off, a tax shift was our charge. It was what we were asked to do. It is what tax reform is. I have used this example; some of you have heard it. I feel like someone who has been asked to cook a great steak dinner. We made it, we produced it, we bring it to the table, and someone says, "I wanted lobster." We have done our work and the work that the two caucuses have asked us to do, and now we are being criticized for not having produced something different. But when you get into the detail of some of the complaints, the other criticisms that are out there, it is even more amazing to me because they just either do not get what we are doing, or they do not want to get it.

I will give you an example: Corporate incomes taxes, the taxes paid by C-Corporations, which are primarily, not exclusively, but primarily larger corporations, many of which are located out of state. We have flattened their tax at the current highest rate: 8.93 percent. In doing so, we bring in about another \$6.8 million. This is being looked at as raising taxes on Maine businesses. Have you missed the point? We have taken that \$6.8 million and used it for something that is going to help Maine businesses much more. Our plan provides \$94.6 or \$96.4, I cannot remember, million dollars worth of relief to Maine small businesses that file as s-corps, sole proprietorships, and partnerships: \$95 million of relief provided to them.

We are also extending conformity with the Federal Section 179 Depreciation Allowance. That cost, roughly what the savings from corporate income tax, and yet the benefit will be much greater to Maine businesses. Fifty percent of that corporate income tax is paid out of state. This is part of our exportability theme, our approach that we are taking here; and to look at this or any piece in isolation, without looking at the overall package, is either shortsighted or purposely misleading.

I could go on and on. I have been amazed at some of the things I have heard in the last few days. Some of them are perhaps legitimate concerns that people just did not get; maybe they thought we were not serious; maybe they lopped us off thinking there is no way you could do it, so they did not pay much

attention to us over the last five months. But it has been amazing, in the last three days, how many people have come up and said "that language is a problem", when that language has been out there for two or three months, and they do not raise it until after we vote.

An example of that, and I want to say this on the record, there is a thought going out there now, that all wood product harvesting would be subject to a 5 percent tax if it was done through an independent contractor. I can kind of see how someone might read that into the language, it is not what the language says, but I can kind of see how someone might read it in. But the same people, the same organization who has sent out that action alert, has been in our committee meetings over the last few months and never raised this issue. I cannot assure you though that that is not included, that Revenue Services was amazed when I even asked the question; and although I hesitate to do so, we will be, tomorrow, reviewing an amendment with some corrective language and it will be clear that that is not included. I say I am hesitant to do so because if we listed everything that was excluded, we would have a 5,000 page bill. But we need to respond to those concerns, so we are doing it.

I do not want to talk too much longer. I want to shift this from being detail about the program; I have spoken to many of you about that, my colleagues on the committee have spoken to many of you about that over many weeks, and I hope you are armed with good information. I hope you will resist some of these last minute inundations with new problems, new issues. If they are true problems, we can correct them. We can make changes over the next 40 years as we have to our Tax Code over the last 40, but that is not reason to not move forward with this kind of bold, needed step. I worry about what will happen if we do not do this. We cannot not in the State of Maine, cut our way to prosperity, it is simply not possible. We need sensible spending and a reformed tax system, what we on the committee have referred to as "diet and exercise." You cannot lose weight by only focusing on one, and you cannot help our future as a state if you are stuck in this argument of cuts versus reform. We need both. None of the steps that we will take by enacting this bill will prevent us from taking further steps at cuts; and, in fact, this bill helps. This bill earmarks 15 percent of future growth in revenues towards further tax relief at the state level, and 10 percent of the money raised in communities from sales and lodging, for future property tax relief. So this is a bill that should give you everything that you want.

The criticism, of course, is you might be right. But we do not have any faith that those numbers are going to play out, we trust our instincts more than a few PhD economists and a sophisticated model at Maine Revenue Services; some people feel that way. But I would hope that people in this body would understand that this is not and could not be a snow job. Think about this process: It has been bipartisan, if not nonpartisan, from the beginning. The materials that have been shared at caucuses have been identical; I have never heard of that before in the history this Chamber. If there was a spin put on by one party or another, it would have been correct easily, quickly, and found and cut down. There is nothing going on here to pull the wool over anyone's eyes. It is the effort of 13 people, and a lot of helpers who have tried to do what we think the Maine people have told us they want and they need: tax reform. It is not a bad word to shift tax burden, particularly if you can do it in a way that has so many positive benefits.

In the end, I know what is going to happen. I know that some people will love this plan and vote for it, and I know that a lot of people will be very hesitant, "too many questions," "I don't have my head completely around it", "I don't want to face the barber

next week," and these things are real, I feel them as well. It is tough to be in the position that all of us are in. We are held to a higher standard than average people, but it is not easy. It is not easy to take those 30 calls or emails in a night; it is not easy to be called evil on the radio as some of us have been. But it is the right thing to do. This is the right thing to do for Maine people, and a bipartisan group of hardworking, thoughtful folks, who spent five months on this, feel that this is the right thing to do. If we do not do it now, I wonder, I feel like the stars are aligned: We have the people clamoring, we have the leadership that is in this Chamber and the other body, we have a committee that I feel blessed to have been served with, we have everything in the right position. If not now, when? I would say never, and that would really hurt, not just me for having worked hard and not achieved the end that myself and my colleagues want, but for the people of Maine. It would be a tragedy for the people of Maine.

You cannot do what we are proposing piecemeal. The concept of exportability that I have talked about cannot be done just by raising one particular tax, because you are going to do it, but in a manner that is no longer progressive. If you just raise a snack tax, it is regressive. If you just put a tax on anything, it is going to affect people unfairly. But if you comprehensively look at the whole system and go over it with the detail that the Taxation Committee has, you can do it in a way that maintains our same progressivity. There are not big winners at either end, there are not big losers anywhere, and there are relatively few overall, and we create this economic stimulus, this stability that we need. You can only do that by taking a big bite at the apple, it is economically impossible other wise.

Ladies and Gentlemen of the House, this is our chance. This is our opportunity. At least for me, this is why I am here, and I suspect it is why many of you are here as well. We came here to deliver something real for the people of Maine. This is your chance. Do not be scared to not do it. Thank you.

The SPEAKER: The Chair recognizes the Representative from Dixfield, Representative Hotham.

Representative **HOTHAM**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I want to start by offering my sincere gratitude and compliments to the House Chair for his leadership. I can tell you that the good Representative from Unity, Representative Piotti, kept us on task, kept us on track, and did a wonderful job herding the cats on taxation, almost to the point of frustration in the iterative process of working on a little something and setting it aside, working on something else and setting it aside. About three months into that, I was saying to him, "Can we move on with this? It looks like we are getting close" and he persisted, and the result is something that I am personally proud of.

You see, five years ago when I was waging my first campaign for this job, there was an economic summit over in my neck of the woods, and then Speaker Saxl attended that summit and talked about tax reform. I had had the opportunity to read a little bit about the Saxl Commission and understand the basic philosophy of where they were going, and the shift was clearly to a consumption tax and away from a personal income tax. I thought that made a lot of sense, because back then I was thinking, you know, I am thinking there are a lot of people out there who get paid under the table and do not pay taxes. I am thinking there are a lot of people who come here to visit and love this beautiful State of Maine and do not share enough of the financial responsibility that we bear as the residents of this state. The tax reform package before you addresses that issue.

Little did I know, five years ago, the role I would play in bringing this proposal forward, it is a difficult piece to deal with for all of us. The committee recognizes very clearly that we are

swimming against a very strong tide, but nothing worth doing, particularly in this venue, is going to be easy, and so we continue to swim to this day. I must tell you that I believe that the package affords the opportunity to shift some of that burden to the folks who come and visit here, whether they own property, or come to stay for a week or two weeks, and I believe that it does so in a way that is going to keep them coming. I have always sort of thought that perhaps Maine collectively has a poor self-image, because we kind of are afraid to charge for what we have to offer. But we need not be afraid, we need not be afraid to ask them to help us with our burden, and I believe they will do it gladly; and so, this package offers them that opportunity. But also more importantly, to me, it offers Mainers the opportunity for real tax relief, on their income tax and on their property tax.

The committee struggled with which was more important, the income tax or the property tax, because you all know as you went around knocking on doors, and I am sure you did that or you would not be here, that your neighbors and friends were saying, "What are you going to do about my property tax?" I am sure we all had an answer; I know I did. One of my answers has been, from the first campaign to this most recent campaign, I would like to get the friend and folks who visit with us to share more of the burden, so we can take that money and provide you with property tax relief. I can tell you that that was met with great enthusiasm, so here we are looking at a package that does just that.

The committee looked at the property tax issue, wanted to do something about it, and wanted to address it. But we also realized very early on that the best economic bang for our buck, if you will, is with the income tax, because that puts more money in the pockets of Maine people; and when people have money in their pockets, I know that is the case with me, I am going to spend it; and when that happens, it stimulates the economy; and when that happens, good things happen as a result. I am very convinced—very convinced—that our economy will grow, that jobs will be created because of that extra dollar in the pockets of Maine residents.

This package has also been handled in a way that focuses on Maine residents. We have a lot of competition in the marketplace. The State of Florida just recently proposed a constitutional amendment that would eliminate the property tax for Florida residents, a \$25 to \$35 billion savings. How are they going to pay for it? Sales tax. So now there is no income tax in Florida, the proposal calls for no property taxes for Florida residents, and they are going to rely on sales tax. That is our competition. That is what we face with those folks who have lived here all of their lives, retire, and decide the pasture is greener down there in Florida. We have to be able to compete, and this is a step in that direction.

Representative Chase, the good Representative from Wells, has reminded us that this is a living document, and that tax reform is something that needs to move forward as the economy changes, and I believe that we are prepared to deal with those changes. I am excited about this plan; I think it does good things for Maine residents; we have been deliberate and careful. I will say that I am proud of the work of the entire committee, regardless of the final vote on this package, because I believe that when we are sent here to represent the people, we are sent here not to represent party politics, but to work together in a way that benefits them and this great state. I think the Joint Standing Committee on Taxation has met and excited that expectation in this effort, and I have been very proud of every member, and very proud to have served. Thank you very much.

The SPEAKER: The Chair recognizes the Representative from Newfield, Representative Campbell.

Representative **CAMPBELL**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. Up until today, I did not know where I was going or how I was voting, but I get a blue sheet that has 53 businesses that are against this bill. I live in York County, where people cross the border and buy cigarettes and alcohol, and many other things. I am not standing up to speak to the business, I am standing up to speak for myself and other people that live in the rural area that I do. They are going to start crossing the border: dry cleaning, laundry, car washing, and these are all small things

But when I look over at the real estate property services, I, living in a rural area, I have to have electrical, plumbing, cooling, heating, painting, papering, gutter cleaning, ground maintenance, landscaping; stuff that my wife and I used to do, but being 74 and her 70, and the condition she is in, she does not work out in the yard as much as she used to, or as much as she liked. We have lawn care, pest control, security systems, fire protection, prune service, chimney service—I have that all done—snow plowing, we have snow plowing done; shoveling removal. Then we get to the other side, where everyday I wake up and touch myself, and look at myself in the mirror, and be glad I am still here for another day. Pay a tax on caskets and urns, and other property in connection with funeral services; shame, shame, shame.

I kind of thought I was going to support this, but as I looked on at it, the ones that are saying you are going to save three or four hundred bucks in your pocket; that three or four hundred dollars is going to go to people that really do not care about three or four hundred dollars, they do not need it, they are working and have fairly good jobs. But if any thing happens to me and my wife who live out in the woods, and have to take all these services day in and day out and pay a sales tax on it, I do not think it is a great thing for the people of Maine. I think everybody who supports this ought to be ashamed of themselves. Thank you.

The **SPEAKER**: The Chair recognizes the Representative from Livermore Falls, Representative Knight.

Representative **KNIGHT**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I rise today to remind you, who does not have a sheet of blue paper, if it has been passed out; and I think both the chair of the committee, Representative Piotti, and Representative Hotham have spoken to it, and that is the reduction of a tax burden on the income tax side of the equation: A total of \$228 million is going to be returned to the people of this state. But there is a large consortium of businesses against this proposal. I just want to go on the record as reminding them that most businesses in the State of Maine are proprietorships, s-corporations, partnerships; and that group of folks is going to receive \$96.4 million back on the corporate side.

Both my wife and my mother tell me that I speak too much and too long, and I am going to show that that is not the case today. Representative Piotti has spoken at great length, so has Representative Hotham. I will conclude my remarks. Thank you.

The **SPEAKER**: The Chair recognizes the Representative from Wells, Representative Chase.

Representative **CHASE**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I want to say that I am extremely proud to have served on this committee, and for those of you who may not know, I really campaigned very hard to get on this committee, too. My background for the last 18 years was that I was a tax assessor for the Town of Wells and I dealt with a \$2.7 billion value. Before that, and all of our lives, my family, my husband and I, have owned businesses.

Back in 1975 and 1976, we bought our first convenience store and gas station. At that time, cigarettes were 55¢ a pack

and gasoline was 90¢ a gallon, and when cigarettes went up the first time and gasoline went up, everyone said—oh, by the way, our gas station is 11.5 miles from New Hampshire—at that time when the gasoline and cigarette tax went up, everyone said, "Oh my gosh, that's it, we are going to be driven out, everyone is going to do it." I will have you know that 30 years later or so, that gas station is still there, it is still under the name of Chases, and is doing extremely well and is very busy; and again, we both know how much cigarettes and gas are. During that time, we had to experience the bottle bill, which probably a lot of you do not even know what an impact that was, but when you are dealing with returnables that were coming back in all shapes and sizes, no one knew what to do with them, everyone said the 5¢ more was going to put us out, everyone was going to go to New Hampshire, and we were going to lose our business. Well, we went through gas shortages and the bottle bill, we did fine, and we sold the business for a high profit, I can tell you.

Now we are in the gravel business and we sell our gravel daily, and you know what? We charge sales tax for the gravel that we sell and we always have, because that is one of the cases. Now, whether or not I pay sales tax on the gravel, or whether or not I pay sales tax on potato chips, I think with a sales tax on potato chips, it is a heck of a lot more equitable because they are sales tax broadened.

Now in the bigger picture, when I got here, no one ever would have convinced me that we would be able to shift taxes around and have a benefit for Maine people. As we worked through this five-month long process, everything was on the table, then things were sifted out, and we slowly began to focus on where we were going for this goal. Amazingly enough, and I think all 13 of us on that committee were surprised at how it worked, when you took the money and you exported it into sales tax, you shifted the burden from income tax and you shifted the burden from property tax, you gained a reduction for Maine residents because more of the people that were non-residents were paying part of the tax burden, and the whole increase revenue was put down only for the benefit of Maine residents. In the end, as Representative Piotti, Representative Hotham, and Representative Knight have said, in the end about a \$142 million reduction was done.

This was an amazing process, I feel extremely fortunate as a freshman to have been put on such a committee with great bipartisan rapport, I have made great friends; and I really believe that this is going to benefit the Maine people, everyone of them from the lowest paying person to the highest paying person will see a reduction, or a refundable credit if you did not pay any, you will receive some benefit from the income tax. Thought those that are residents will receive a benefit from the property tax, and those that are small business will see a \$96.4 million reduction in small businesses. This, in every way shape and manner, is what the people wanted, we are delivering it, and it is a win-win situation with a revenue neutral process. It is just amazing, and I really urge you to vote for this. Thank you.

The **SPEAKER**: The Chair recognizes the Representative from Millinocket, Representative Clark.

Representative **CLARK**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. It took me awhile to get here, but I almost thought I forgot what I was going to have to say.

Mr. Speaker, Men and Women of the House, I want to be on the record to the point that I am not opposed to tax reform. I am for sensible tax reform, and this is far from being a sensible tax reform package. Yes, the committee has worked hard; I serve on the committee where we worked extremely hard trying to put together a package.

Let me share something with you, because some people are a little offended of what has taken place: Back here, a few years ago, I used to make rocking chairs, and I used to bring them down here. When I got out of work at three o'clock, I would go right to the shop and make chairs; five or six hours at night, it would take me sometime two or three months to make them. I know what it is like to work hard on something and almost forget why you are working on it. Anything I put out for a rocking chair at that time, I thought was perfect, until one day my wife says, "Did you take the time to look at that chair?" I said, "What are you talking about?" She said, "It's not sitting straight." But in my eyes, that chair was sitting straight, because I spent all of my time trying to put together a perfect chair. In my mind, I thought it was right until somebody else took time to look at it. That is what I want to share with you here this evening. Take some time to look at what is in front of you. Question that fact on the bill that there is \$140 million; is that really true? Is that factual? Is there \$140 million? There is going to be eight positions added to Revenue Service, eight positions to go out and track each and every one of us down to make sure that you have paid, and I am adding up probably 150 new taxes that is going to be added on to the people of the State of Maine. Yes, I went door-to-door; I have been going door-to-door since 1978, and I am not ashamed of it. But when I went door-to-door, I heard the same thing you heard: We want lower property taxes. They did not want to raise another 150 taxes, they want lower property taxes. How are you going to explain when you go home and campaign again, you just raised about everyone's tax in the State of Maine, a hundred fold—non acceptable.

There has been a lot of work done of this bill and it is far from being complete. We saw what happened to the budget. Thank God, other people took in control and worked it over, and we came up with a budget that we all could live with. Sometimes it is hard to see through the forest and see what is on the other end of the light of day; particularly, how hard the good chairman and other people worked on this bill. Yes, we all want to think it is a perfect bill, but I can assure you and tell you right now, it is far from being perfect. What happens when the out-of-staters go home after spending a week, or two weeks, or three days here? We are stuck with everything that we are doing here today. We are stuck with it.

I can tell you right now that when 53 business people sign onto this in opposition, I need to listen. I do not pretend to be an economist; I do not pretend to be somebody I am not; I listen to the people who elect me to be here. If 53 business people out there tell me there is something wrong with this bill, to take time and look it over; it does not hurt to read it, it does not hurt to question it. I am not offended by serving on the Taxation Committee; if you think that I am, you are wrong. I have been known to be wrong. It is not a shame to let people know that you might have made a mistake.

Review it again: Yes, we are going to go back tomorrow, because there is a problem with it. I have been quoted a number of times in the paper, "the haircut, and the person lying in the casket, going to have to pay for that haircut while he is lying there, he or she." When is it going to stop? I only use that as an example. Good Representative Campbell gave a list of articles that people are going to have to pay now for a tax, and this is going to hit amongst the lowest people there is. A lot of people cannot go to Florida; they do their recreation here in the State of Maine, more added burden onto the taxpayer here in the State of Maine. Come on Legislature, get real, get with it. Do you want to admit that you are going to go home and tell your people you raised their taxes tenfold? I don't think so. Aroostook County is

having a hard time; Penobscot, Piscataquis, Washington. How much more can we take?

I work in an area where there are two paper mills waiting to be bought. Yes, there is an opt out in the bill if you do not want to go have a homestead, but what if, for an example, they elect to go with a homestead? Where is the burden going to go, back on the taxpayer? I don't think so. Right down, over hill to the paper mill, that cannot afford to be there. Yes, Pulp and Paper had questions on this bill. I am not offended by it; I listened to it; if we can correct it, so be it. But do not be offended because people are asking questions. Think twice before you vote. Make sure that when you vote you are doing the right thing. Make sure that when you vote, you can go home and you can live up with what you vote.

Emails, I tell you I am getting emails from all over the State of Maine for the stand I have been taking. Yes, it has not been easy standing out there by yourself, but I can assure you right now that I think I did the right thing slowing the train down. I played an active part in this bill, just as well as the other 12, as well as myself; tried to get things in, and tried to get things out. But it came to a point that I could not support it anymore; we just went too far—too far. So when you vote this evening, please Ladies and Gentlemen, think about the people who elected you to be here. Don't think that you are any smarter than they are, don't forget where you come from, listen to the people who elected you for once in awhile, and do the right vote. Thank you very much, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Camden, Representative Miramant.

Representative **MIRAMANT**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. Being a first-term legislator, I had a lot of things to learn when I got here, and one was the pressure that is brought to bear on us to not change anything. We just left our campaign, where knocking on doors brought us the message that tax reform was the biggest thing we faced. Property tax was part of it, but the whole package, and I was asked repeatedly to "please, please, do something about that," so when I got here and I saw that pressure that was brought to bear, I thought, "How can this committee ever stand up to this pressure? How can they face a challenge to solve this problem?" But they did. They took the challenge on, they had the vision to create a plan, and they have had the courage to present it to us.

I have looked at it; there is nothing humans do that is perfect. But I have found the wisdom in this body, on both sides of the aisle, the incredible people that were elected here; none smarter, but all just wonderful people; who will work together with this as a starting platform, and will adjust to make it better for the people of Maine because it over due—this is way overdue. People have talked about that for 30 years; they have come here to challenge that tax plan; it is not sustainable. This is a start towards sustainability, I think that we are ready to take on the challenge, and I am going to support it. Thank you.

The SPEAKER: The Chair recognizes the Representative from South Berwick, Representative Gould.

Representative **GOULD**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. As I understand it, this is supposed to be a revenue neutral package; and as such, I must take exception with Representative Chase's statement that taxing potato chips is fairer; I alone, with my potato chip habit, will make this a revenue positive bill. With that said, I want to compliment the Tax Committee for all of the fine work they have done, all of the hard work, which I would hate to see undone; and I hope that Representative Piotti will forgive me,

if the Speaker allows me to, I would like to be one of those Johnny-come-latelies, who asks a question.

The SPEAKER: The Representative may pose her question.

Representative **GOULD**: Thank you, Mr. Speaker. I understand that the issue is one of exportability, which I certainly think is a good idea, but too much exportability, I fear, may lead to a privileges and immunities clause problem of the United States Constitution; and in particular, if anyone can tell me, when they looked at Sections A-22 and A-23 of the bill, was this vetted through any sort of legal counsel or perhaps another branch of government?

The SPEAKER: The Representative from South Berwick, Representative Gould has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Unity, Representative Piotti.

Representative **PIOTTI**: Thank you, Mr. Speaker. In response to the Representative from South Berwick, Representative Gould, our analyst at the Taxation Committee is an attorney and has been in that job at the Tax Committee for close to 20 years, who is really considered one of the best folks in the Fiscal Office. She looked it over, and of course, there is a thorough review at the Revisor's Office as well. I suspect that it is okay. I do not understand that part of law; I cannot answer your question. I suspect that it is okay. Our analyst, as I said, is incredibly thorough.

We have also, and believe me about this, we have had many attorneys looking over our shoulder; I feel like I spend most of my day responding to attorneys' emails; and that is one that has not been raised yet, but it is one worth looking at, and we will examine that as well.

The SPEAKER: The Chair recognizes the Representative from Bremen, Representative Pieh.

Representative **PIEH**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I rise in support of the pending motion, which has been pending for many years. There are a couple of points that I want to make. One is I received on my desk, like many of you, just before we convened or as we were convening, a blue form that talked about many groups that were opposed to this legislation.

Well, I saw in that the Maine Farm Bureau, and I am a farmer—I am a member of the Maine Farm Bureau, I am a director of the Knox-Lincoln County Farm Bureau, and I am on the Legislative Committee of the Farm Bureau. So I went and phoned the Farm Bureau and said, "I didn't realize you were opposed to this legislation," and he said, "We haven't taken any official position. We have a couple of concerns, the primary one of which is, will our farmers have to pay tax when they hire someone to log on their land, or when they hire someone to cut the trees in their apple orchard? If you could answer that for me, it would help a lot." Well, the answer is no, no under this legislation. They will not have to pay that tax.

As you look through this list, I encourage you to contact people on it and see where they stand on this bill, because I think there are a lot of concerns, and there are a lot of questions, and they deserve a response. But like the Maine Farm Bureau, they may not be tickled pink to be on the blue sheet.

The other point I would make is that my mom is 88 years old and she does not make enough money to pay any tax; and under this, my mother will receive a refund. Well, my mom on the—I do not know if it is purple, or lavender, or plum, or what you call it—but I went through that list on my mother's behalf to see if she would be able to cover the extensive new taxes. My mom does get her hair cut, and she goes to the occasional museum or historical site; but she does her own laundry, she

does her own work in the yard, and she makes an occasional interstate phone call to my brother in Arizona. That is it on this list for her. My mom is going to come out ahead and I bet yours will too. Thank you very much.

The SPEAKER: The Chair recognizes the Representative from Bangor, Representative Faircloth.

Representative **FAIRCLOTH**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. Some members of this body have known those types of decisions, when too many drinks with someone you have known too little, leads to a tattoo that seemed like a necessity at 2 am. Often, the optional nature of such decisions becomes obvious the next morning: What seemed like a necessity may turn out to be an ill-considered frill.

Some call taxes on booze or beer a "sin tax." Beer, a sin? I say never. But sometimes beer is a mistake, which may lead to other mistakes such as tattoos for example, but a sin? No, beer is not. Taxing someone out of their modest home, however; that is a sin. Soda, junk food; are they sins? No, of course not; but imposing a high income tax on a working family at \$35,000 a year? Now that is a sin. This bill does something about the real sin: overburdened taxes on necessities, our livelihood, our home, helping Maine people in doing so by the exportability that has been described, and also by some of these discretionary items, your tattoos, your beer, your soda. In a way, and this is important, that is a net plus, a net win for the wallets of Maine people. As has been explained, this bill does something very simple: It cuts taxes—significantly. It puts upwards of \$200 in the pockets of middle income people, and for 90 percent of all people, at all income deciles, it is a tax cut. So if you want to put money in the pockets of Maine people, here is your chance; just press green.

I respect opinions on all sides; I do not see this as a partisan issue. I like Representative Clark, and Representative Campbell, they are of different parties. I happen to be persuaded by Representative Hotham and Representative Piotti on this issue, it is not a partisan question. But I have been following public policy now for a few decades now, and gosh sakes, we have been talking about this income tax for decades now.

Now, right now, is our chance if you want Maine's income tax to drop from 7th in the nation, right now, to 34th; then press green. If you like being at 7th; well, I guess you can press red. But for me, what we have seen session after session, is experts coming in and telling us that we need to stabilize our tax code. The way that we collect taxes has set up a radically, fluctuating budget structure. Our current tax code is so unstable that state revenues wave up and down radically like a full-blast fire hose, with out a firefighter in sight. Session after session, big money lobbyists swoop in and they create a Swiss cheese of unfair loopholes in our sales tax code, it has been happening for 50 years. It harms our people, it harms our civic process. The great legacy of a stable tax code may not have the immediate kind of a visual statement as say, a tattoo has, but it will have a great legacy for the people of Maine, and if we have to tax a tattoo to get that job done; well, so be it. This is a fantastically, constructed measure, by an extremely thoughtful committee and the different pieces wok together.

When we know, we go on vacation; we go to Florida on vacation. Come on, do we investigate who we are going to go see? We investigate what we are going to see, we investigate how we are going to get there. We do not investigate the lodging tax. There is a realistic and thoughtful way of exporting of this: If Martha Stewart, if she buys a new place in Maine, she might pay a little bit more in her real estate transfer tax, the bill for her gardening service, her interior decorator, for a limousine service, it might be slightly more. But heck, if Martha wants to join us and

become a Maine resident, welcome Martha. It would actually be a tax cut for Martha too, because it helps the high-income deciles as well, it goes across the board. So it is not a partisan issue.

Certainly, I respect everyone in this Chamber and good people can disagree on these issues, that is not really the point, but none can deny—none can deny that this is, in fact, a tax cut for the vast majority of Maine people. Why wouldn't we do it? Why wouldn't we cut taxes for Maine people, as can do? Why wouldn't we move Maine from 7th to 34th? What a headline: Move Maine from 7th to 34th in our income tax. So yes, good people can disagree, but none can or should accept the attempts, and this is something that is very important to me, should accept the attempts that we have seen in recent days—not by members of this body of either party, we have all worked in good faith together—but by others who have attempted to mislead us, and mislead the press, and mislead the people of Maine.

Unfortunately, because of some of those unsavory tactics, voting green will require some real courage on this issue, but I have great faith in the members of this House that we will rise up—despite those scare tactics, despite those misleading ads—I have great faith that members of the Maine House will rise up and cut taxes by pressing green. I have great faith that the members of the Maine House will do something truly historic and move us from 7th to 34th in our highest income tax rate. That single, great, historic act will dramatically change how Maine is perceived, how we are ranked by others; and more importantly, how we perceive ourselves as a state, it will be a great boost for us; and the pride that we will have in pressing green, can never be taken away by some misleading ad or misleading press release. This House will stand very proud today. I request a roll call, Mr. Speaker.

Representative FAIRCLOTH of Bangor **REQUESTED** a roll call on the motion to **ACCEPT** the Majority **Ought to Pass pursuant to Joint Order 2007, H.P. 1233 Report**.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The **SPEAKER**: The Chair recognizes the Representative from Wilton, Representative Saviello.

Representative **SAVIELLO**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I do really appreciate the hard work of the committee. I know you have put in many hours and long time doing this; however, I do see some issues. I am glad to hear that the forestry concerns I have, have been put aside; however, I would challenge you to find out whether writing the management plan becomes taxable. But the one issue that I want to focus on is the homestead exemption, and I focus on that because I lived through LD 1.

In LD 1, we put a \$13,000 exemption out there, but only funded half of it. So how was it made up? It was made up by either charging the businesses or perhaps second home, but in the rural areas where we do not have a lot of businesses, we ended up giving this great benefit, but then increased the mill rate in order to make up the difference. So now, here we are. We are going to give a \$26,000 homestead exemption, fund \$13,000 of it, and thank you to our prior action, we will have the opportunity to vote. But you ask yourself, how many people are going to vote to put out \$26,000? I will bet you today, not too many.

So what are we going to be faced with if this passes? We are going to be faced with, again, increasing the tax on businesses, increasing the taxes on second homeowners; but more importantly, in the areas I live in and work in, we are going to give them a reduction in their homestead, but at the same time increase the mill rate to make up the difference. Perhaps the answer will be the savings we get from the income tax can pay that difference. Thank you, Mr. Speaker. I cannot support this.

The **SPEAKER**: The Chair recognizes the Representative from Eliot, Representative Lewin.

Representative **LEWIN**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I would like to preface my remarks by saying that I really appreciate all of the work that every committee does, and everybody here works hard, so at the risk of offending some that are on this committee that pulled this together, I am going to do what I usually do and that is speak my mind.

I had a document delivered to my desk, thanks to Representative Clark. I really appreciate this. It caused me to think about it just a little bit differently, than perhaps some other people have thought about it. I have looked through the services that are going to be taxed: personal care services, haircuts, foot care. Well, it costs me \$650 a year to get a haircut. Now it is going to cost me another \$35. I find it real hard to be thrilled and delighted that I am going to save some \$300 a year, when already better than 10 percent is going to be gone.

How about things like car washing? We live in a state where it snows a whole lot, and there is a lot of nasty stuff on the road, it gets all over the vehicle; and if you do not keep it clean, it is going to rust and you are going to have a problem. It is also very important when you travel a great distance, and I do that, to keep the car in a good state of repair. I am going to get the pleasure of paying a tax on that as well. I just am amazed of how much money I am saving so far.

Furniture and rug cleaning: If I do not keep the furniture clean and if I do not keep the carpets clean in my house, I am going to be in a whole lot of trouble because I have a nasty case of asthma. Not like I can do that all by myself, I need to pay for that; so I am going to have the distinct pleasure of paying a tax on that as well. Already I feel like I should run out and buy some thank you notes. This is absolutely absurd in my view.

Looking at things like electrical repair, plumbing repair, cooling. I have three air conditioners that I also need for my asthma, and now I am going to get the treat of paying a tax for keeping those in a good state of repair. Gee whiz, I am overcome with how much money I am saving so far.

Repairs to my home: landscaping, snow removal. Those are things, when my brother is away in Arizona taking care of another ill family member, that I would get to do, were I well enough to do it, but I have this asthma problem and I cannot do those things, so I am going to have the distinct pleasure of now paying a tax on all of that. So if we are going to save me already, before I clean my furnace which I need to do every year, and before I have my house power washed because it is vinyl and I need to do that at least once every year, I think the \$300 we have been kind enough to save for me is long gone before I get to washing the car.

On the subject of vacations and things; we are talking about how the tourists and out-of-state people are going to pay for a whole lot of this. Well, I would submit to you folks that we live in a real poor state; we are not overburdened with wealthy people here in Maine. There are 1,300,000 of us and the average person here, a husband, and wife are both working, one of the reasons why we have latchkey kids and they are home eating things they should not be eating, snacks that they are now going to be paying taxes on, I might add. Just another thing to send a little thank you note for.

Most of the people that travel in state, I believe, in the summertime, are residents that cannot afford to vacation out of here. We have the crowd that come up the coast and the few that go to the mountains and the lakes, but there are a whole lot of Mainers that are not doing well, that really have to struggle to put out three or four or five hundred dollars, to take their family of

three or four on a vacation. Now we are going to tax all of that.

I tell you folks, I am absolutely overwhelmed at how good the state is going to be to me. It is like one more knock on the door and that famous old remark, "I'm from the state and I am here to help you." Well, I am not foolish enough to buy that, anymore than I am foolish enough to buy this package. I did not check my common sense at that door today when I came in here, and I will be voting against this. I hope most of you will think it through and just consider what it is going to cost you; you might see it a little bit differently. Thank you very much.

The SPEAKER: The Chair recognizes the Representative from Unity, Representative Piotti.

Representative **PIOTTI**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. I just wanted to stand and respond to some of the remarks that were just made by the Representative from Eliot, Representative Lewin. I think that she is misreading the numbers. It is not that an average Mainer gets \$300 and then has to compensate that with the extra taxes they are paying; that \$300 is after. The financial model has already assumed that someone will be paying extra taxes on those items. It is a net savings, granted it will vary from person to person, but it is based on very accurate financial modeling, and you need take into account that you may have slightly different spending habits, but you would have to have spending habits that are so markedly different from other folks, that that 5 percent tax levied on it would be enough to make up that \$300 or \$400 or \$500 difference. I say \$300 or \$400 or \$500 because these numbers are for tax filers, and in many situations a household has more than one. So I just wanted to clarify in that regard, that these numbers are net numbers.

I have great faith in the financial modeling that is done, you may not, but I do. This financial modeling actually looks at the individual tax return of every person in this Chamber. It is not based on vague economic projections; it is based on what you actually make and what you have spent money on. It is very accurate, I have great faith in it, and I think in the end that the numbers will be very accurate. Thank you.

The SPEAKER: The Chair recognizes the Representative from Dover-Foxcroft, Representative Annis.

Representative **ANNIS**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I do not think that I can go back to my towns and tell them—now these people, probably at the very most, would make \$24,000 a year and they are going to get \$143 over and above what they pay in taxes. That is not the point. The point is every time they turn around, they are paying a sales tax on something whether it is electrical, plumbing, heating, painting, and papering, tree service removal; now what does that mean? Does that mean if you are forester, every tree you cut down you are going to pay a tax on?

These people do not see it the way that we see it here: You know, it is wonderful; we are going to give you this money back; it is going to be an asset of some sort. No, no, no, no. What they see, is what happens to them every single day. Every time they turn around there is going to be a tax on something that they want to do. I just cannot go home and tell these people that I supported such a travesty. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Cape Elizabeth, Representative Dill.

Representative **DILL**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. It was in the spring of 2006 that the good Representatives, who are not here right now, Bliss and Eberle, among other distinguished legislators, presented me with the opportunity to run for the House of Representatives. I took up the opportunity and suddenly found

myself in a position of having to have a plan on how I, single handedly, was going to reduce Maine's taxes. I became inundated with written questions from reporters about my plan, so I undertook a quite extensive study, came up to speed, and did a lot of reading and analyzing and talking with different people, and a dim light bulb went on and I was able to answer the question: My plan was to broaden the sales tax, lower the income tax with a flat tax. It sounded simple, but I really believed it and all of the sudden I became excited about taxes.

Fortunately, I did win the election and as you know, I wanted to be on the Taxation Committee but was not put on the Taxation Committee; and thank God, because the Taxation Committee that was elected did a fabulous job in putting together this tax package. I cannot tell you how grateful I am to the Tax Committee for presenting me this gift, this gift of a comprehensive and unbelievably thoughtful, bipartisan tax package. Being the good Mainer that I am, I intend to regift the gift and vote green, and go home with tax reform, which is what I was asked to do up here in Augusta. Thank you, Mr. Speaker.

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

Representative **HARLOW**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. First, I would like to do what everybody has done and say thank you to the committee, and all committees that are here.

Secondly, I would like to say that I got a unique email, the only email I got on this subject, two nights ago. It said, "My taxes will go up; however, please support the Taxation Committee, it is a good bill," and it was not Representative Piotti's wife.

Finally, I go to New York quite often, and for a weekend I pay \$70 to \$80 in taxes, lodging taxes. That does not stop me from going and I am not wealthy, and most of the people that come to Maine to visit on vacation are from out-of-state. I am going to support this, in spite of the good Representative Faircloth from Bangor; no, I will because I respect you a great deal.

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

Representative **LEWIN**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I just have a couple more remarks to make. One is that I really do understand the numbers; I do not have any trouble at all understanding these numbers. I once ran a \$50 million business, so believe me, I get the numbers.

The second thing is it is a little tough for me to have confidence in the numbers that are being projected, because I have been around here four and a half years. I have yet to see the savings materialize that I have been told time, after time, after time, would be materializing in our budgets in my department, which is DHHS, as well as in other areas of the government. I think I would be more than just a tiny bit naïve, if I believed all of these numbers will materialize as they have been forecasted to. I watched the numbers on Dirigo. What a surprise. The things that were supposed to happen did not. I watched the numbers on MECN and guess what? Everything that should have happened did not happen, and the worst happened. So I have a real tough time being sold that all these numbers are terrific, I am not that naïve. I really hope that you will all think very long and hard before you push the wrong button today. Thank you.

The SPEAKER: The Chair recognizes the Representative from Newfield, Representative Campbell.

Representative **CAMPBELL**: Mr. Speaker, may I pose a question through the Chair?

The SPEAKER: The Representative may pose his question. Representative **CAMPBELL**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I would like to pose a question to the good Representative Piotti. He said, and answered to Representative Lewin, that that would be a net in your pocket after you got that extra salary and paid the taxes. How about someone that is on Social Security? They are not out working for a living; they are on a fixed income, they are not going to get any break whatsoever—none whatsoever.

The SPEAKER: The Representative from Newfield, Representative Campbell has posed a question through the Chair to the Representative from Unity, Representative Piotti. The Chair recognizes that Representative.

Representative **PIOTTI**: Thank you, Mr. Speaker. I say to the Representative from Newfield, Representative Campbell, au contraire. Those folks who are in that situation will receive a benefit. The new resident credit that we are creating is designed to be refundable, which means a certain portion of that will be paid to you, even if it exceeds your income tax liability. When all is said and done, and for those of you that have had the unfortunate occasion to have to bear through as I have walked through some of the charts we have had on this, the new charts showing how someone will be taxed, the slope of it is the same as is now. Everyone receives a deduction, whether they are paying income taxes or not, through this very creative system of credits. So even if you do not have income tax liability, you will receive some funds back that will make sure that your tax burden, when all is said and done, will be proportionate to what your tax burden is now. Since the overall tax burden is coming down by \$140 million, your overall tax burden will decrease.

The SPEAKER: The Chair recognizes the Representative from Boothbay, Representative MacDonald.

Representative **MacDONALD**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. I just wanted to speak briefly on a couple of aspects of this bill, which have not been brought out in our discussion today, that I hope people will take into consideration as they decide how to vote. I, myself, am supporting this bill. I think it is a great opportunity for us to bring real savings and real reform, to the people of our state and of our communities.

If you do look at the bill, on Page 39, Section K-2, there is a section which regards the suspension of foreclosure for homesteads of persons 65 years of age or older. Under this provision, we reinstate the ability of seniors, 65 and older who own properties, to forgo their property taxes on their property. Thereby, just in that one single provision of this complicated law, helping out with one of the biggest problems that we have heard about on our doorsteps and that is the fact that older Mainers living on limited incomes face the threat of being evicted from their homes. This provision, of this law alone, will solve that problem. So I think that is a good reason, it is not the only reason, but it is one of the good reasons to vote for this bill.

The other that has not been mentioned here is the repeal of the alternative minimum tax, which is a confusing and complicated piece of taxation that has been eliminated by this bill; and therefore, I think, making this whole new system a much more palatable and easy and better system for the people of our state. I urge you to vote for this just based on those two things, along with the many other good things that have been brought forward here today. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Raymond, Representative Robinson.

Representative **ROBINSON**: Mr. Speaker, may I pose a question through the Chair?

The SPEAKER: The Representative may pose his question.

Representative **ROBINSON**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. As a one time, large manufacturer and a business owner, I do know that there is a significant cost, often times they collect the taxes as a business for the state. I am curious, looking at the number of new services that we intend to have collect these taxes for the state, what will happen to the cost of these small businesses to start collecting? I would like to know if that number is available.

Also, how many new filers are we going to see, based on the fact that all of these services are not currently providing any reports to the state as far as their taxes? So if I could have those answers I would appreciate it. Thank you, Mr. Speaker.

The SPEAKER: The Representative from Raymond, Representative Robinson has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Unity, Representative Piotti.

Representative **PIOTTI**: Thank you, Mr. Speaker. I can only answer one of those questions. I do not know the specific number of new filers. It is probably not as high as one would think, because, for instance, expansion to charging sales tax to haircuts. In many cases those are provided by a barber or a beauty shop that is already registered with Maine Revenue Services because they sell products, but certainly, there will be new entities that are not in that category. We could get, in fairly short order, a number of that sort from Revenue Services.

With regard to the question about the burden placed on businesses for collecting taxation, we spent considerable time in committee talking about this, talking about ways that it might be reduced, and talking about some of the corresponding benefits that might be provided to those companies.

First, Maine Revenue Services has made it clear that they will not expect folks to come to them and declare that they are now responsible for collecting these taxes, and be punished somehow if they do not. It will be Maine Revenue Services' burden to find those businesses, reach out to them, and provide technical assistance to help them; and indeed, there is some money, one-time money, in the budget to do exactly that.

Second, there are two factors and they may seem small, but for somebody that has operated a small business in this state, I know that they are not as small as you may think. There are two factors that benefit someone who is collecting taxes: One is that they get to sit on that money for a period of time before it is owed to the state, and sometimes that cash flow is very helpful to a small business. Second, they get to round up the amount of interest, which certainly in some instances, a small mom-and-pop store with a lot of relatively small purchases, that can add up to something. That is not to imply that all of their burden will be handled in this manner; of course not. We recognize that this program creates some burden. We also believe that this program will create tremendous benefit, which far outweighs that burden.

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

Representative **CASAVANT**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I vacillated considerably on this particular bill, mainly because of the people I represent. I have a lot of people in the coastal sections of Biddeford and Kennebunkport, but also people who are much poorer.

Over the last two days, what I did is I sent out an email that reflected upon the points and highlighted the points of this bill that was given to me by Representative Pingree, and I did that with

some trepidation because I was afraid of what I would get. Instead what I got was a response saying "we liked this bill, how come we didn't read it in the papers?" There was so much misinformation that most of the people did not clearly understand what was in that bill, and for me, that was a particular turning point in coming over towards backing this particular bill.

Two other points, one has to do with the idea of a lower income tax and what it means for jobs. Governor King, a number of years ago, actually probably about a year ago, wrote an article in a paper that particularly struck me, when he said that one of the problems we have with being one of the higher taxed states is that we do not make a lot of money. When I thought about that, I realized how true that was. I have asked people here about jobs and why we do not get jobs, and I think it was Representative Piotti who told me that one of the ways to do that was to get more businesses in the state, and I think a lower income tax will do that.

Lastly, and I think this really weighted on my mind too, was the idea of voting for or against this bill and what my constituents would say. I came to this conclusion: It took far greater strength in me to vote yes than it did to vote no, because it was easy for me to say, no I am against the bill because I just do not like it, or because it does not satisfy this, that or the other thing, but saying yes put me on a definite point of view, that I backed this because it represents a chance for something better at a minimum—a chance for something better. It is better than the existing system, I think it is far better; and for that, I encourage all of you to vote that way. Thank you.

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

Representative **PILON**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I first want to thank the Speaker for choosing the 13 members of the Taxation Committee. This was a wonderful opportunity for us to get together. You chose 13 wonderful people, people that had experience whether it be an assessor, banking, or came from various institutions or business backgrounds, without these people, we would not have been able to pass or culminate this wonderful tax package.

Furthermore, without great leadership, we would not be here today. I must give credit and high praise to Representative Hotham, and Representative Piotti. Without this bipartisan leadership, direction, and tenacity, we would not be here today in this Chamber with this tax reform package. We need to support this package and we need to do it today. Thank you.

The SPEAKER: The Chair recognizes the Representative from Topsham, Representative Prescott.

Representative **PRESCOTT**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I would not have a lot to add to the Taxation Committee, so I am awfully glad that they chose Representative Chase over me, not my expertise at all, but I did see some things in this bill that I would love to be able to say support this bill. I know we need something and I know that we need change. But when I look at ski areas, bowling allies, swimming pools, skating rinks, gymnasiums, tennis and racquetball courts, whitewater rafting, guided recreation, sports, dance, martial arts, gymnastics, physical fitness; I think about obesity and hypertension and stress that I know many Mainers face. I just want to ask people here today, what kind of message is this sending to the people of Maine, if we are going to tax these services?

The SPEAKER: A roll call has been ordered. The pending question before the House is Acceptance of the Majority Ought to Pass pursuant to Joint Order 2007, H.P. 1233 Report. All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 138

YEA - Adams, Babbidge, Barstow, Beaudette, Beaudoin, Berry, Blanchard, Blanchette, Bliss, Boland, Brautigam, Bryant, Burns, Cain, Canavan, Carter, Casavant, Chase, Cleary, Connor, Conover, Craven, Crockett, Dill, Driscoll, Duchesne, Dunn, Eaton, Eberle, Faircloth, Farrington, Fischer, Fisher, Gerzofsky, Grose, Harlow, Hayes, Hinck, Hogan, Hotham, Jones, Kaenrath, Knight, Koffman, Lundeen, MacDonald, Makas, Marley, Mazurek, Miller, Mills, Miramant, Nass, Norton, Patrick, Pendleton, Peoples, Percy, Perry, Pieh, Pilon, Pingree, Piotti, Pratt, Priest, Rand, Rines, Samson, Schatz, Silsby, Simpson, Sirois, Smith N, Sutherland, Theriault, Treat, Trinward, Tuttle, Valentino, Wagner, Walcott, Watson, Webster, Weddell, Wheeler, Woodbury, Mr. Speaker.

NAY - Annis, Austin, Ayotte, Beaulieu, Browne W, Campbell, Cebra, Clark, Cray, Crosthwaite, Curtis, Duprey, Edgecomb, Emery, Finch, Finley, Fitts, Fletcher, Flood, Giles, Hamper, Hanley S, Hill, Joy, Lewin, Marean, McDonough, McFadden, McKane, McLeod, Millett, Muse, Pinkham, Plummer, Prescott, Rector, Richardson D, Richardson W, Robinson, Rosen, Savage, Saviello, Strang Burgess, Sykes, Tardy, Thibodeau, Tibbetts, Vaughan, Weaver.

ABSENT - Berube, Cotta, Cressey, Gifford, Gould, Greeley, Haskell, Jackson, Jacobsen, Lansley, Moore, Pineau, Richardson E, Thomas, Walker.

Yes, 87; No, 49; Absent, 15; Excused, 0.

87 having voted in the affirmative and 49 voted in the negative, with 15 being absent, and accordingly the Majority **Ought to Pass pursuant to Joint Order 2007, H.P. 1233 Report** was **ACCEPTED**.

The Bill was **READ ONCE**.

Under suspension of the rules, the Bill was given its **SECOND READING WITHOUT REFERENCE** to the Committee on **Bills in the Second Reading**.

Representative **WOODBURY** of Yarmouth **PRESENTED House Amendment "A" (H-574)**, which was **READ** by the Clerk.

The same Representative **REQUESTED** a roll call on the motion to **ADOPT House Amendment "A" (H-574)**.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The SPEAKER: The Chair recognizes the Representative from Yarmouth, Representative Woodbury.

Representative **WOODBURY**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. This bill shifts the weight of our tax system away from income taxes and towards consumption taxes. There are very good reasons to do that. I believe in that objective and I believe in what this bill is trying to do. The challenge for all of us, I think, is that the income tax reductions are joyful and fun to do and popular, while the sales tax base expansions are painful and largely unpopular. So what I think is important to do with this bill, is make sure that the good side of this is sufficiently good, to justify the painful pieces of it. That is what this amendment, Amendment "A," tries to do. It does that in the following ways.

Rather than a 6 percent income tax in the core bill, this amendment would reduce that amount to a flat 4.9 percent, so it is an immediate and dramatic reduction in our income tax rate, by an amount that I think is larger and more significant and more noticeable than in the core bill.

Second of all, it phases down that 4.9 percent gradually over eight years, from 4.9, to 4.8, to 4.7, to 4.6, to 4.5, so it is not just about shifting the way that we do taxes today. It also puts in place a schedule of further tax burden reductions for the people of Maine.

The third thing this bill does is, to remove from the sales tax

base expansions, real property services, and you can look on the sheet that is passed out, the pink sheet, to identify what real property services are; but they are the electrical services, the plumbing services, the lawn care services, the snowplowing services; they are the sales tax expansion that I think are the most difficult in this package. The amendment takes those out.

The amendment pays for these changes: the 4.9 percent rate phased down over time, the elimination of the real property services, by increasing the sales tax rate from 5 percent to 6 percent, and by focusing the entire package on income tax relief, rather than including income and property tax relief. I believe that with a 4.9 percent income tax, phasing down to 4.5 percent, I can make the case when I go door-to-door, confidently to my constituents that what we have done on the good side, the very dramatic income tax reductions are worth the pain and make sense to do in that context. That is why I brought this amendment forward, and I ask for your support, and I believe that I already asked for a roll call, but in case I have not, I will ask again. Thank you.

The SPEAKER: The Chair recognizes the Representative from Camden, Representative Miramant.

Representative **MIRAMANT**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. Representative Woodbury has had an impressive hand in forming this tax package. He worked with the groups, both parties; took the input of everyone, and he has been brilliant in helping to craft this. He managed to make it a change to how we collect, who we get it from, and how we distribute it to those who earn the least among us, in some very creative ways. I think that nothing can be improved by striking off with this amendment, and I hope that we would vote this down.

The SPEAKER: The Chair recognizes the Representative from Westbrook, Representative Driscoll.

Representative **DRISCOLL**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I rise to thank the members of the Taxation Committee for the remarkable product that I feel that they put out. I also rise in support of Representative Woodbury's, of Yarmouth, amendment. I feel that it will only enhance what we are currently looking at with respect to the product that the Taxation Committee has put out. I also think that it will stimulate economic growth, job production, and bring more business to this state, which we sorely need all of those.

Representative Woodbury certainly played an integral part in the 122nd Legislature, was one of the key players in all that we accomplished with respect to LD 1 and the circuit breaker program. He did a lot of work, and I encourage you all to look at his amendment and support it, if you can. Thank you, very much.

The SPEAKER: The Chair recognizes the Representative from Buckfield, Representative Hayes.

Representative **HAYES**: Mr. Speaker, may I pose a question through the Chair?

The SPEAKER: The Representative may pose his question.

Representative **HAYES**: Thank you, Mr. Speaker. Can the Representative from Yarmouth, tell us the percentage of winners versus the percentage of losers with regard to the outcome, were we to adopt?

The SPEAKER: The Representative from Buckfield, Representative Hayes has posed a question through the Chair to the Representative from Yarmouth, Representative Woodbury. The Chair recognizes that Representative.

Representative **WOODBURY**: Thank you, Mr. Speaker. I do not know the exact numbers. What I do know is that the income tax formula provides close to double the amount of

income tax reduction as in the base plan. The specific distribution among households that win and households that lose under this plan, I do not know.

The SPEAKER: The Chair recognizes the Representative from Bath, Representative Watson.

Representative **WATSON**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. I have the greatest respect for Dr. Woodbury and I have the greatest respect for the work he has done, both on his plan and on the sweeping comprehensive plan that you just adopted moments ago. I cannot support his amendment; it is of no surprise to him. The primary reason, however, is that I would remind you to look closely at amendment, and you will see that all the property tax relief that has been provided, a great expense and great trouble, has been deleted from this bill.

More importantly, for me, the protection for Maine's seniors has been deleted from this bill. You know, the bill you just voted on provides significant property tax and home protection for senior citizens. A citizen Maine homeowner over the age of 65 cannot be foreclosed upon for failure to pay property taxes, under the bill that you just passed. A property tax deferral program is provided for those who simply cannot afford to pay their property taxes, but want to maintain their homes; that disappears. The homestead disappears.

There is a great deal of relief here in Representative Woodbury's bill for a particular, important population in our state and those are the high wage earners, the movers and shakers, the people that own business, run businesses, expand businesses, hire employees, create jobs. It is a great group of people and they are getting a tremendous break by way of this amendment; unfortunately, it throws everything else out of balance and the rest of us, if you will, suffer for it. It is with great regret and respect that I must urge you to defeat this amendment. Thank you very much.

The SPEAKER: The Chair recognizes the Representative from Westbrook, Representative Peoples.

Representative **PEOPLES**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. I would simply reiterate what my colleague just said.

Westbrook just recently did a reevaluation of the property taxes, and I have gotten several calls from some of my older constituents over the past weeks, who are very, very concerned about being able to stay in their home. One of the things that I have been able to say to them that was encouraging is that in this tax reform package, we would be able to give them some property tax relief, and if it were a matter of absolute necessity, that they could defer their taxes until either the property was sold or it went to their estate. I really would feel bad about going back to my community and telling them that I was not able to do that. So please, pass the reform in its original state. Thank you very much.

The SPEAKER: The Chair recognizes the Representative from Yarmouth, Representative Woodbury.

Representative **WOODBURY**: Thank you Mr. Speaker. Mr. Speaker, I just want to clarify a couple of things: The property tax provisions that were removed from this bill are the monies that would be spent from the revenues on the homestead exemption program, on the circuit breaker program, and also on the portion of sales tax growth that is allocated to municipalities. It is the property tax, financial cost pieces of the bill that are eliminated. The property tax deferral program, which both Representative Watson and Representative Peoples referred to, remains in the bill as a result of my amendment; so that is number one.

Number two, I would just like to comment briefly on Representative Watson's characterization of the distribution of

this bill. There is no question that a 4.9 percent income tax provides substantial relief at the top end; I cannot deny that. However, the way that the resident credit is structured, very much like the resident credit in the 6 percent income tax plan that is in the core bill, it is designed to provide relief across the income distribution, not just to the top end, but at all income levels. The one thing that it does do differently is that, in its current version anyway, it does not provide a refundable credit; in other words, if your income tax is already zero, it does not give you back more. But if you pay an income tax, the relief that is provided in this amendment through this resident credit, is provided all across the income distribution and is not solely at the top. Thank you.

The SPEAKER: A roll call has been ordered. The pending question before the House is Adoption of House Amendment "A" (H-574). All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 139

YEA - Annis, Austin, Ayotte, Burns, Cebra, Chase, Clark, Cray, Curtis, Driscoll, Duprey, Eberle, Edgecomb, Emery, Finley, Fitts, Hamper, Harlow, Joy, Knight, Koffman, Lewin, MacDonald, Marean, McDonough, McFadden, Mills, Muse, Pendleton, Pinkham, Rector, Richardson D, Richardson W, Robinson, Rosen, Samson, Savage, Saviello, Schatz, Simpson, Strang Burgess, Tardy, Vaughan, Weaver, Woodbury.

NAY - Adams, Babbidge, Barstow, Beaudette, Beaudoin, Beaulieu, Berry, Blanchard, Blanchette, Bliss, Boland, Brautigam, Browne W, Bryant, Cain, Campbell, Canavan, Carter, Casavant, Cleary, Connor, Conover, Craven, Crockett, Crosthwaite, Dill, Duchesne, Dunn, Eaton, Faircloth, Farrington, Finch, Fischer, Fisher, Fletcher, Flood, Gerzofsky, Giles, Gould, Grose, Hanley S, Hayes, Hill, Hinck, Hogan, Hotham, Jacobsen, Jones, Kaenrath, Lundeen, Makas, Marley, Mazurek, McKane, McLeod, Miller, Millett, Miramant, Nass, Norton, Peoples, Percy, Perry, Pieh, Pilon, Pingree, Piotti, Plummer, Pratt, Prescott, Priest, Rand, Rines, Silsby, Sirois, Smith N, Sutherland, Sykes, Theriault, Thibodeau, Tibbetts, Treat, Trinward, Tuttle, Valentino, Wagner, Walcott, Watson, Webster, Weddell, Wheeler, Mr. Speaker.

ABSENT - Berube, Cotta, Cressey, Gifford, Greeley, Haskell, Jackson, Lansley, Moore, Patrick, Pineau, Richardson E, Thomas, Walker.

Yes, 45; No, 92; Absent, 14; Excused, 0.

45 having voted in the affirmative and 92 voted in the negative, with 14 being absent, and accordingly **House Amendment "A" (H-574) FAILED ADOPTION.**

Under further suspension of the rules, the Bill was **PASSED TO BE ENGROSSED** and sent for concurrence. **ORDERED SENT FORTHWITH.**

The following item was taken up out of order by unanimous consent:

CONSENT CALENDAR

First Day

In accordance with House Rule 519, the following items appeared on the Consent Calendar for the First Day:

(H.P. 557) (L.D. 736) Bill "An Act To Protect Small Woodland Owners" Committee on **TAXATION** reporting **Ought to Pass as Amended by Committee Amendment "A" (H-577)**

(H.P. 918) (L.D. 1300) Bill "An Act To Return a Portion of Sales, Lodging and Meals Taxes to Municipalities" Committee on **TAXATION** reporting **Ought to Pass as Amended by Committee Amendment "A" (H-576)**

Under suspension of the rules, Second Day Consent Calendar notification was given.

There being no objection, the House Papers were **PASSED TO BE ENGROSSED as Amended** and sent for concurrence. **ORDERED SENT FORTHWITH.**

The SPEAKER: The Chair recognizes the Representative from Jacobsen, Representative Waterboro who wishes to address the House on the record.

Representative **JACOBSEN**: Thank you, Mr. Speaker. If I was present for LD 1925, I would have voted no.

The SPEAKER: The Chair recognizes the Representative from South Berwick, Representative Gould who wishes to address the House on the record.

Representative **GOULD**: Thank you, Mr. Speaker. Mr. Speaker, had I been present instead of caucusing with Representative Jacobsen on LD 1925, Roll Call No. 138, I would have voted nay.

By unanimous consent, all matters having been acted upon were **ORDERED SENT FORTHWITH.**

On motion of Representative CASAVANT of Biddeford, the House adjourned at 5:15 p.m., until 9:00 a.m., Thursday, June 14, 2007 in honor and lasting tribute to Christo Anton, of Scarborough and Gabrielle A. Nadeau, of Sanford.