

MAINE STATE LEGISLATURE

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House Legislative Record
of the
One Hundred and Eighteenth Legislature
of the
State of Maine

Volume I

First Regular Session

December 4, 1996 - March 27, 1997

First Special Session

March 27, 1997 - May 15, 1997

YEA - Barth, Belanger DJ, Belanger IG, Berry DP, Bigl, Bragdon, Buck, Bumps, Cameron, Campbell, Carleton, Chick, Cianchette, Clukey, Cross, Dexter, Donnelly, Fisk, Foster, Gerry, Gieringer, Gooley, Honey, Jones SA, Joy, Joyce, Joyner, Kasprzak, Kneeland, Labrecque, Lane, Layton, Lemke, Lindahl, Lovett, MacDougall, Mack, Marvin, Mayo, McElroy, Meres, Murphy, Nass, Nickerson, O'Brien, Ott, Peavey, Perkins, Pinkham RG, Pinkham WD, Savage, Snowe-Mello, Spear, Stedman, Taylor, Tobin, Treadwell, True, Underwood, Vedral, Waterhouse, Wheeler EM, Winglass, Winn, Winsor.

NAY - Bagley, Baker CL, Baker JL, Berry RL, Bolduc, Brennan, Brooks, Bull, Bunker, Chartrand, Chizmar, Clark, Colwell, Cowger, Davidson, Desmond, Driscoll, Dunlap, Dutremble, Etnier, Farnsworth, Frechette, Fuller, Gagne, Gagnon, Gamache, Goodwin, Green, Hatch, Jabar, Jones KW, Jones SL, Kane, Kerr, Kontos, LaVerdiere, Lemaire, Mailhot, McAlevey, McKee, Mitchell JE, Morgan, Muse, O'Neal, O'Neil, Paul, Pih, Poulin, Povich, Powers, Quint, Richard, Rines, Rowe, Samson, Sanborn, Saxl JW, Saxl MV, Shannon, Shiah, Sirois, Skoglund, Stanley, Stevens, Tessier, Townsend, Tripp, Tuttle, Usher, Vigue, Volenik, Watson, Wheeler GJ, Wright, Madam Speaker.

ABSENT - Ahearn, Bodwell, Bouffard, Bruno, Fisher, Lemont, Madore, Pendleton, Perry, Plowman, Thompson.

Yes, 65; No, 75; Absent, 11; Excused, 0.

65 having voted in the affirmative and 75 voted in the negative, with 11 being absent, the motion to table was not accepted.

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

Representative CAMPBELL: Madam Speaker, Ladies and Gentlemen of the House. I was under the understanding that in Representative Kerr's dialogue with us that there was either to be or there has been a handout explaining "KK." Could I have reference to that? Perhaps he could explain either where it is, if it is here, or why we might not have it on our desks?

The SPEAKER: The Chair would inquire if the Representative from Holden, Representative Campbell would like a copy of the information, other than the summary of the amendment?

Representative CAMPBELL: Yes, I would please. Thank you.

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

Representative LEMKE: Madam Speaker, Men and Women of the House. I did get a copy of the handout. I have been down to the fiscal office just to check what is involved here. If you have the handout under Number 3, the first star where it deals with the \$6 million, what this amounts to in tax relief is if you are at the bottom rate, you get \$1 and if you are at the top rate, you get \$4.25. The average is \$2. If you have a family of four, you get tax relief for a total of \$17.

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

Representative CAMPBELL: Madam Speaker, Ladies and Gentlemen of the House. It appears that some in the body have that and it would be great if we all could. Thank you.

The SPEAKER: The Chair hears the Representative and the request will be honored forthwith.

The Chair recognizes the Representative from Yarmouth, Representative Buck.

Representative BUCK: Madam Speaker, May I pose a question through the Chair?

The SPEAKER: The Representative may pose his question.

Representative BUCK: May I pose a question to the Chair of the Appropriations Committee, Representative Kerr?

Representative Kerr under "KK" on Page 3, unallocated funds on line 20, represent \$3 million. I believe on "JJ" that amount is \$10 million. Are you suggesting that there will be \$7 million left in what is going to be used for tax relief under this program?

The SPEAKER: The Representative from Yarmouth, Representative Buck has posed a question through the Chair to the Representative from Old Orchard Beach, Representative Kerr. The Chair recognizes that Representative.

Representative KERR: Madam Speaker, Men and Women of the House. Through the many hours of dialog and trying to reach a compromise budget in this chamber, once again we found out that revenues exceed expectations within a budget. What this amendment does is it takes \$3 million of that \$10 million and appropriates this for immediate tax relief for Maine residents dealing with personal exemptions. It then takes another million to fully fund tree growth. That is where we get \$7 million. Then there were questions that came up about what are we going to do about the 1,300 or 1,500 bills that are still left in this chamber that may get passed from both bodies and end up on the Appropriations Table. It could be a Democrat bill or it could be a Republican bill or even an Independent bill. We felt that there should be money left on the table to compensate that. So there will be \$3 million put on unappropriated surplus along with the \$385,000 that is in the Majority Report to give you a total of approximately \$3.4 million in unappropriated surplus for the table.

The other \$10 million that comes from surplus, if in fact there is \$10 million there, the first \$10 million, the entire amount, would be put into the tax relief fund. The committee of jurisdiction would then determine what taxes should be reduced. They may continue to want to reduce the exemptions on personal income until we reach the federal level so there is parity or they may choose to use it for the snack tax or another tax. That is different than what was there before. Anything about that \$10 million, the breakdown of 75 percent into the tax relief fund and 25 percent to go toward the unfunded liability still remains. I hope that answers your question.

The SPEAKER: The Chair recognizes the Representative from Crystal, Representative Joy.

Representative JOY: Madam Speaker, May I pose a question through the Chair?

The SPEAKER: The Representative may pose his question.

Representative JOY: Madam Speaker, to whom may have an answer to this question, I notice that both "JJ" and "KK" have an issue in here which lapses \$700,000 in unencumbered balances from the education in the unorganized territories to the General Fund. I wonder if someone could explain to me if this is the way that we still have southern Maine subsidizing northern Maine? Thank you.

The SPEAKER: The Representative from Crystal, Representative Joy has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Old Orchard Beach, Representative Kerr.

Representative KERR: Madam Speaker, Men and Women of the House. The simple answer is no.

The SPEAKER: The Chair recognizes the Representative from York, Representative Ott.

Representative OTT: Madam Speaker, Men and Women of the House. It is true that we have had a short time to look at this and yet we are asked to approve it now as part of the budget because of some of the technicalities that the budget may be out of balance. In my opinion, I think this amendment is just a proposal to play to the audience, the citizens of the State of Maine that we are truly a body that is going to deliberate and try to pass some tax relief as we promised last year, or last session, in the 117th. If anybody really truly believes that in this House,

then I think you are also looking forward to a gift from the Easter Bunny this Sunday. To me, it is another example of just how fast we are moving this budget through this chamber and I think it does the people of this state a disservice to do so. I would ask that you defeat the pending motion. Thank you.

The Chair ordered a division on the motion to adopt House Amendment "KK" (H-108) to Committee Amendment "A" (H-15).

The SPEAKER: The Chair recognizes the Representative from Presque Isle, Representative Donnelly.

Representative DONNELLY: Madam Speaker, Men and Women of the House. This is a complicated bill, the entire budget, never mind the 12-page amendment to it. It changes radically some things that have been talked about and talked about and talked about for nearly a week or so. It is something that probably requires a little thought on how people are going to act on it. That is not going to happen. We are going to need to vote on an issue which will have a big impact on the state on how we tax and how we don't tax, where we take money from and where we don't. Taking money from dedicated revenues to go into the General Fund and a number of other things that have happened in the past and I will admit there are a number of times in Maine history, back in 1991, probably most darkly, where those accounts have been hit in order for other things to be funded, other priorities. Usually they have been done in times of crisis. With that in mind, Madam Speaker, I would like to pose a question.

The SPEAKER: The Representative may pose his question.

Representative DONNELLY: Thank you. In here, there is a million dollars a year that is taken from the Underground Oil Storage Tank Fund, as I understand that that is a fee collected at the wholesale level of underground oil and it was dedicated to helping fund or have a loan program for getting the underground storage tanks up aboveground to help our environment. I am curious as to either does this extend that tax another million dollars a year without public hearing or does this simply take \$2 million a biennium out of that fund to slow down the process in which the environment is being cleaned up?

The SPEAKER: The Representative from Presque Isle, Representative Donnelly has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Old Orchard Beach, Representative Kerr.

Representative KERR: Madam Speaker, Men and Women of the House. It takes \$2 million from that tank fund and it is dedicated funds.

The SPEAKER: The Chair recognizes the Representative from Presque Isle, Representative Donnelly.

Representative DONNELLY: Madam Speaker, Ladies and Gentlemen of the House. To further clarify, does it extend this \$2 million so that the fund continues to collect \$2 million more in taxes or does it take \$2 million away from the fund so that there is \$2 million less for cleaning the environment?

The SPEAKER: The Representative from Presque Isle, Representative Donnelly has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Presque Isle, Representative Donnelly.

Representative DONNELLY: Thank you Madam Speaker. I cannot in good conscience vote for either an extension of a tax or taking \$2 million away from what was at one time a great environmental problem in our state and still has some challenges to it. With that in mind I move Indefinite Postponement of House Amendment "KK."

Representative DONNELLY of Presque Isle moved House Amendment "KK" (H-108) to Committee Amendment "A" (H-15) be indefinitely postponed.

The SPEAKER: The Chair recognizes the Representative from Old Orchard Beach, Representative Kerr.

Representative KERR: Madam Speaker, Men and Women of the House. The beauty of this budget that you are looking for, if it is just about this \$2 million, as I said earlier, you have almost \$3.4 million in surplus. Once we vote for this document and we all know that is going to happen, it is never over until we leave this chamber. It doesn't mean in March, April or May. We know we will be here. This is not a perfect document. No one has said that it is. It doesn't address all the issues, but it addresses most of the issues. I would urge you to support this amendment "KK" and vote against the Indefinite Postponement of House Amendment "KK."

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

Representative CAMPBELL: Madam Speaker, May I pose a question through the Chair?

The SPEAKER: The Representative may pose his question.

Representative CAMPBELL: Madam Speaker, Ladies and Gentlemen of the House. To anyone who would like to answer. Has the Natural Resources Committee looked at this?

The SPEAKER: The Representative from Holden, Representative Campbell has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Portland, Representative Townsend.

Representative TOWNSEND: Madam Speaker, Men and Women of the House. I want to clarify this. This is not a new proposal. This proposal was contained in House Amendment "JJ," which was negotiated last week between the parties and for which Representative Donnelly voted. I recognize that it does spend other special revenue funds for general fund purposes. It does not extend a tax or increase a tax. It was an amount of money which those involved felt could be spared from the account and was offered in the hopes of reaching a bipartisan budget. Thank you.

The SPEAKER: The Chair recognizes the Representative from Northport, Representative Lindahl.

Representative LINDAHL: Madam Speaker, Men and Women of the House. I guess I am not sure as to what the amount of our surplus is supposed to be projected at the end of this year. It seems as though we are spending it in numerous ways. Could I have an account of what the projected surplus is expected to be?

The SPEAKER: The Representative from Northport, Representative Lindahl has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Old Orchard Beach, Representative Kerr.

Representative KERR: Madam Speaker, Men and Women of the House. The Representative from Northport has posed a question, which truly warrants an answer. I can only refer to February 27th when my colleagues on the opposite side of the aisle chose to have a pep rally on the second floor and unfolded their budget, which I commended them. I think it was helpful because then we found out exactly what you would like to have seen in your proposed budget that would reflect in both FY 98-99. Your projected surplus in what was presented to the press, at that time, was \$30 million. The Republicans said there would be \$30 million of surplus. In doing that, you predicated your budget on being balanced by that \$20 million.

What this amendment does is it says, if there is a surplus and if that amount is only \$10 million, \$10 million and under, all those dollars would go into this tax relief fund. That is what this amendment says. If, in fact, that surplus might be over \$10 million, say \$20 million, then you would take 75 percent of that \$20 million, which would be \$15 million and put it into the tax relief fund. The other \$5 million would go toward the unfunded liability, the teacher retirement, which is about \$2.1 million. Then there are other appropriations that need to take place. The train

gets \$1 million and it continues the account and there is a break down of that. At the bottom of that list is Sears Island. If, in fact, there is enough money that is available, Sears Island gets funded. If not, it doesn't. I hope that answers the good Representative's question.

The SPEAKER: The Chair recognizes the Representative from Rumford, Representative Cameron.

Representative CAMERON: Madam Speaker, Ladies and Gentlemen of the House. I kind of want to propose a question, but if I answer it correctly, I don't need an answer. If I understand the amendment correctly, in the unlikely event there are \$60 million in surplus this year, we would end up going into the tax relief fund 75 percent of that. Sears Island ends up way at the bottom. If we get to Sears Island, we are going to be in the \$100 million range or something like that, if I understand that correctly. If we ended up with \$60 million, that would be \$45 million going into, I know this isn't going to happen, but going into the tax relief fund, if I understand this correctly. It is a function of how much is left as to what ends up in that tax relief fund.

Representative MERES of Norridgewock moved the House recess for 20 minutes.

The Chair ordered a division on the motion to recess.

Representative KONTOS of Windham requested a roll call on the motion to recess for 20 minutes.

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 that the House recess for 20 minutes. All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 52

YEA - Barth, Belanger DJ, Belanger IG, Berry DP, Bigl, Bodwell, Bolduc, Bragdon, Buck, Bumps, Cameron, Campbell, Carleton, Chizmar, Cianchette, Clukey, Cross, Dexter, Donnelly, Fisk, Foster, Gerry, Gieringer, Gooley, Hatch, Honey, Jones SA, Joy, Joyce, Joyner, Kasprzak, Kneeland, Labrecque, Lane, Layton, Lemke, Lemont, Lindahl, Lovett, MacDougall, Mack, Marvin, Mayo, McAlevey, McElroy, Meres, Murphy, Nass, Nickerson, O'Brien, Ott, Peavey, Perkins, Pinkham RG, Pinkham WD, Rines, Savage, Snowe-Mello, Spear, Stedman, Taylor, Tobin, Treadwell, True, Underwood, Vedral, Waterhouse, Wheeler EM, Winglass, Winn, Winsor.

NAY - Ahearne, Bagley, Baker CL, Baker JL, Berry RL, Bouffard, Brennan, Brooks, Bull, Bunker, Chartrand, Chick, Clark, Colwell, Cowger, Davidson, Desmond, Driscoll, Dunlap, Dutremble, Etnier, Farnsworth, Frechette, Fuller, Gagne, Gagnon, Gamache, Goodwin, Green, Jabar, Jones KW, Jones SL, Kane, Kerr, Kontos, LaVerdiere, Lemaire, Mailhot, McKee, Mitchell JE, Morgan, Muse, O'Neal, O'Neil, Paul, Pieh, Poulin, Povich, Powers, Quint, Richard, Rowe, Samson, Sanborn, Saxl JW, Saxl MV, Shannon, Shiah, Sirois, Skoglund, Stanley, Stevens, Tessier, Thompson, Townsend, Tripp, Tuttle, Usher, Vigue, Volenik, Watson, Wheeler GJ, Wright, Madam Speaker.

ABSENT - Bruno, Fisher, Madore, Pendleton, Perry, Plowman.

Yes, 71; No, 74; Absent, 6; Excused, 0.

71 having voted in the affirmative and 74 voted in the negative, with 6 being absent, the motion to recess was not accepted.

The SPEAKER: The Chair recognizes the Representative from York, Representative Ott.

Representative OTT: Madam Speaker, Men and Women of the House. I guess I have a comment, then I would like to pose a question through the Chair. It seems to me that once again we are looking around for little pieces or pockets of money that we

can use, in my opinion, to fund this meager attempt at, I hate to even say the word, tax relief for our citizens. One of the pieces that I am concerned about is the \$900,000 that is being taken to fund this. It comes on Page 4 of the amendment and talks about \$900,000 from the Bureau of Banking from the Securities Division. I guess the question I have or the comment I have, is that these monies, I would presume, are there for a very legitimate reason in funding that particular operation. My understanding is that it is there to ensure that the people of this state have some protection against the S & L type financial organizations that we have come to know so well. That money is for licensing and regulating those activities for those who are holding themselves out as financial experts. I guess my question is, to the sponsor of this amendment or anybody who cares to respond is, what impact is that going to have on that particular part of our state operations that involves the regulations in the Bureau of Banking?

The SPEAKER: The Representative from York, Representative Ott has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Old Orchard Beach, Representative Kerr.

Representative KERR: Madam Speaker, Men and Women of the House. In discussions with the commissioner there was a wish to take some more money because noticing there was enough money in this account, but we backed off. The commissioner feels that there is enough money to protect the interest of Maine people. A lot of this money is due because of the bull market that has taken place.

While I am on my feet, I would like to proceed and talk about this meager attempt to provide tax relief. This is not a meager attempt to provide tax relief in this amendment nor in the budget document. I guess what we need to look at is what we call tax relief. I don't want to deviate too much from this amendment. If I do, I am sure I will be called to order. I think that there is a lot of different individuals in this chamber. We have seen through the various amendments where we would like to see monies appropriated. The reality is, people, we are restricted to the expenditures of those dollars. We have to live within our means. I, and many others in this chamber, have been trying to reach a compromise, two-thirds vote in this chamber, and hopefully would receive the same in the other chamber. In doing that, we have been putting forth amendments, not sitting back quietly criticizing, but always keeping an eye on a goal to get two-thirds vote out of this chamber. Using the committee process through public hearings to the Maine people coming before, and testifying before your committee and bringing forth a document with this amendment, to hopefully achieve that vote.

Reality started to set in to me that it is not going to happen. That is why this amendment pulls off the emergency preamble and also addresses the mandates. No matter what I believe, I propose, whether in writing, whether talking or even what the administration has proposed, nothing seems to stick. I would urge you to vote against the Indefinite Postponement of House Amendment "KK." I think it is important to get to the point, to discuss the budget in its entirety as amended. If we get to that point, then there will be a vote. Hopefully, some of your minds will be changed when you look at the budget in its entirety. Thank you.

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

Representative TOWNSEND: Madam Speaker, Men and Women of the House. In answer to the questions posed by the Representative from York, I just wanted to comment that once again, yes, this is not a new proposal. It was contained in House Amendment "JJ," which was offered last week as a result of bipartisan negotiations. Yes, once again it is the expenditure of