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REPORTS OF COMMITTEE
Divided Report

Ten Members of the Committee on **TAXATION** report in Report "A" **Ought to Pass as Amended by Committee Amendment "C" (H-601)** on RESOLUTION, Proposing a Competing Measure under the Constitution of Maine To Create Municipal Service Districts To Reduce the Cost of Local Government, To Provide Property Tax Relief and To Increase Economic Competitiveness

(H.P. 1209) (L.D. 1629)

Signed:
Senator:
STANLEY of Penobscot
Representatives:
LEMOINE of Old Orchard Beach
PERRY of Bangor
SIMPSON of Auburn
LERMAN of Augusta
SUSLOVIC of Portland
CLOUGH of Scarborough
COURTNEY of Sanford
McCORMICK of West Gardiner
TARDY of Newport

One Member of the same Committee reports in Report "B" **Ought to Pass as Amended by Committee Amendment "D" (H-602)** on same RESOLUTION.

Signed:
Senator:
STRIMLING of Cumberland

One Member of the same Committee reports in Report "C" **Ought to Pass as Amended by Committee Amendment "E" (H-603)** on same RESOLUTION.

Signed:
Senator:
NASS of York

One Member of the same Committee reports in Report "D" **Ought Not to Pass** on same RESOLUTION.

Signed:
Representative:
McGOWAN of Pittsfield

READ.

Representative LEMOINE of Old Orchard Beach moved that the House **ACCEPT** Report "A" **Ought to Pass as Amended.**

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

Representative **LEMOINE**: Mr. Speaker, Men and Women of the House. This bill is a competing measure to the Maine Municipal Association's tax plan that will appear on the ballot this November. LD 1639 will move this state to a full 55 percent share of public education costs. It will guarantee property tax relief and unlike the MMA plan, it will do it without new taxes. It is affordable, responsible, manageable and accountable tax reform and it deserves your vote today.

Here is how it works. One, state support for schools will move up 55 percent over the course of six years. This is great public policy. Two, property tax bills will be capped at 10 mils for basic education costs. Three, municipal spending caps will be in place so that we are sure new state funds are funneled into school support and into property tax relief. Four, local budgeting efforts will get easier because every year on February 1st, towns will know what their local education costs will be. Five, extra school funding is in place so that we can make a smooth transition to this new funding format. Finally, and perhaps most importantly, we get there without new taxes.

This is in sharp contrast to the MMA initiative. That proposal, which the Taxation Committee spent a lot of time studying this year demands immediate payment by the state of 55 percent of the total cost of public education in Maine. The cost of meeting that demand, however, will be $264 million next year and it will rise substantially every year thereafter. The truth is this, the $264 million demanded by this MMA proposal is a demand for a huge and immediate tax increase on Maine people. It is essentially a fiscal suicide bomb aimed at the state budget. Consider this, adding a penny across the board to the sales tax line raises only $142 million a year. Taxing groceries adds only $115 million a year. Doing both at once would not be enough to meet the first year of this MMA demand. If we don't tax groceries, we would need to do things like adding or increasing taxes on newspaper sales, rental car fees, home heating and cooking fuels, residential electricity use, automobile trade-ins, going up to 10 percent on meals and lodging, adding another 20 cents per pack to cigarette taxes, increasing the tax on liquor and all of those things do not add up to enough to pay for the bill in the first year. Where do we go in year two when more money is needed for municipalities and these revenue streams have already been tapped? This is not tax relief under the MMA plan, at best it is robbing Peter to pay Paul.

Let's take a look at why this issue is before us today. It should go without saying that there is a limit to the tax carrying capacity of this state and of this economy. As we all know, Maine is rated as one of the most heavily taxed states in the nation. Our economy is still fragile. There are an exceptional number of Maine folks who work second jobs already. We have a real crisis in the wood products industry. Many young Mainers are already leaving the state in pursuit of jobs elsewhere. The cost of doing business here has been pegged at more than 9 percent above the national average. How can we justify increases in state taxes under these circumstances, especially when the well reasoned tax free alternative of LD 1629 is before us today?

As I said before, let's take a look at why we are here dealing with property tax relief. I believe it is because Maine taxpayers do not feel they are getting good value for the property tax payments they make at the local level. If they did, we would not have the concern voiced that we hear everywhere around this state. Considering that, adding lots of new state raised money to unrestricted municipal spending accounts is probably not the way to correct this situation. For example, 60 percent of all the government money spent in this state is spent by municipalities. Forty-two percent of all the revenues we raise here in the State of Maine are redistributed to the municipalities. It is not as if municipalities have lost their property tax bases or they have been eroded while this state's support has been increasing. In fact, since 1990, municipal property tax collections have increased by 73 percent. Excise collections have increased by almost 100 percent. On the other hand, since 1990, state support for property tax relief programs has grown by 387 percent. At the same time we, at the state level, have cut taxes by $450 million a year.

I know those are a lot of statistics, but here is the bottom line. For many years we have been raising more money at the state level to redistribute at the local level and we still have a property tax problem. The record simply doesn't support MMA's view of pouring lots of new money into municipalities in an unrestricted manner will result in property tax relief. It just hasn't happened.

Maine voters can get the tax relief they want and the school funding improvements we need and we can do it without trading a property tax crisis for a sales or income tax crisis. LD 1629 delivers on that promise. The MMA's offer does not. I urge you to support the Taxation Committee's bipartisan majority Ought to

Pass as Amended report on this bill and give Maine voters a chance to adopt this thoughtful, responsible and accountable plan for tax reform. Thank you Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Scarborough, Representative Clough.

Representative **CLOUGH**: Mr. Speaker, Ladies and Gentlemen of the House. The MMA proposal that will appear on the ballot this fall asks the voters if they want the State to pay 55 percent of the cost of public education, which includes all special education costs, to shift cost from the property tax to state resources. The problem with this question is all the unanswered questions it raises. For starters, what is public education and how much is 55 percent of the total cost. Schools across our great state are controlled locally, which means the education provided in my community of Scarborough could be significantly different from what is offered in Skowhegan.

Committee Amendment "C" to LD 1629, which is the competing measure before us answers this question by adopting the essential programs and services model of school funding, identifying which programs and services are considered essential and assigning a dollar amount based on an understandable formula so that all the communities participate on an equitable basis.

A second question raised by the ballot initiative is the cost of special education including the federal as well as the state and local shares of this expense. Where is there any incentive for municipal school districts to keep costs under control if the State of Maine is going to pick up 100 percent of the tab. This proposal addresses my concern by including special education costs in the cost sharing apportionment formula.

A third and very important question is where does the local savings go once the state picks up more of the costs of local education. In the current ballot initiative there are no requirements that municipalities pass on the additional money received from the state to fund education as a reduction in the property tax burden. This proposal addresses my concern by establishing a limitation for a municipality non education appropriations based on its average personal income tax growth rate, plus the average forecasted inflation rate with exceptions for specified special circumstances.

Lastly, the $250 million question raised by the ballot initiative is where does the money come from to pay for a significant increase in state aid to local schools. This proposed amendment addresses my concern by spreading the transition from the present allocation to the full 55 percent over a five year period using funds available from existing growth in state revenues and without increasing state taxes. I will be voting yes for this Committee Amendment "C" proposal, because it gives the voters a responsible school funding alternative. It answers the important questions while keeping the door open for comprehensive tax reform next year. I hope you will agree that our time next winter will be better spent creating a tax reform package that will lower Maine's tax burden and attract and retain jobs in Maine rather than scrambling to finance all the questions raised by the proposal that will stand alone on the ballot if we do not act now. Thank you.

The SPEAKER: The Chair recognizes the Representative from Kennebunk, Representative Murphy.

Representative **MURPHY**: Mr. Speaker, Men and Women of the House. I agree with you, it is a good day in Maine. It's always a good day when we talk about education because it's the future of this state. I also find it a little gratifying that after all these years, after placing the 55 percent in the law in 1984 in a special session and it becoming law in 1985, that we have a discussion today about reaching 55 percent and ironically that discussion never would have taken place without the MMA referendum. It's a catalyst for this discussion today. The question before us is will this alternative proposal provide relief, will it provide money to the local municipalities, local school units in terms of being able to carry out the mandates that we've placed upon them. The good Representative, the Chair of the committee from Old Orchard, had said why. Why are we here today? We're here primarily because of broken promises. Broken promises over the last 18 years, that in 1985 the Chief Executive at that time would not make a financial commitment to fund the mandates that were put in place in 1985, so we set a target and those were years in which there were rising revenues. It was side tracked when the first recession came along in the early 1990's, but we've been out of that recession for quite awhile and there hasn't been any shortage of spending here in the State of Maine. Matter of fact, the increase in our spending here in Maine over the last 4 or 5 years has been double the average of the other New England states. So when we haven't moved toward 55 it hasn't been because we haven't had the money and we've actually been sliding the other way. It's because we didn't have the will or the self discipline to keep the promise, so we have joined other legislatures in the first session and the Governor has indicated that he's adding money to the second year for GPA which takes us to a zero percent increase. The voters have had a long period of time, 18 years, to watch how solid promises are coming from Augusta. They look and they see that next year, as they try to plan their budgets after a great deal of blood letting on the local levels, in terms of staff, programs, supplies, they see that the fact is a zero percent increase in the second year. They see the proposal before them, which some members of this chamber have called dangerous, radical. Keeping a promise is dangerous and radical. The cost on the local level has been property taxes that are astronomical, not just in one region, but all the regions. That's the cost of the broken promise and it's kind of ironic watching how the after affects of the budget, we enacted here in August. You could probably take any mid sized Maine town and they laid off more people than Maine State Government in its entirety laid off. That's the cost of not keeping your promises. What we have done is a shuffle, that's what's before us, a distraction. Whether than identifying that the real culprit is here in Augusta over a long period of time. In this proposal we say, it's the municipalities that are at fault. Yes, they have raised their property taxes, but they have had to do it for their share and for at least half of what should have been coming from the State over the last 18 years so those property taxes, the finger pointing for a good share of that is here in Augusta.

Now as you attended your school budget meetings and your municipality meetings and you listened to how they constructed their budget this year, on the health insurance side they got hit with premiums of 14 to 20 percent, did we do anything here to help ease that property tax impact. No, we passed additional mandates so it will be even more expensive next year. They had huge workers comp increases and what was on our agenda in this last session driving up bills that would have driven up that cost even more. The property taxes increases we saw this year weren't so much a continuation of the program, they definitely didn't deal with new and expanded programs like here in Augusta, it was trying to meet the costs of a failure here in Augusta to control those costs on the insurance side and on the workers' comp side. Now we hear in the press, we've heard today, it's the only way we can have a reasonable measure of what's being spent at the local level. Their spending is driven by us, by every mandate, learning results, graduation requirements, staffing, we put those costs on and they are carrying out those

costs, so I'm afraid despite all the positive comments again after 18 years you have legislators getting up and saying, well if the revenues continue, if we can have the self discipline that we're going to deal with our basic obligations first before we start new and expanded programs, we should be able to do this. This is a diversion, it's a sham, the voters will see right through this. When they begin to realize that this talks about 55 percent, but it's really 55 percent of 70 or 75 percent, because not all the costs are included and that what it covers doesn't fully go into affect until 5 or 6 years from now. So it's almost like an alcoholic whose almost in to the second decade working the bottle and then steps back and tells the family, yea I really am going to give it up. I really am going to be responsible. I think when the voters see that, hear that and see that our budget for the second year on money being distributed back to them is 0 percent, they're going to say you can't do something with nothing. I would urge you today to vote no on this proposal.

The SPEAKER: The Chair recognizes the Representative from Waldoboro, Representative Trahan.

Representative **TRAHAN**: Mr. Speaker, Ladies and Gentlemen of the House. I also rise to ask you to oppose the current question. First I'll start with two reasons contained within the question. One of them is to deal with the 55 percent requirement. Ladies and gentlemen, we'd be passing a question to tell us to pass a law to meet a current requirement. In other words, we'd be passing a law to tell us to do what we haven't been doing by law. To me that makes no sense.

Secondly, as far as I have been told in all of the knowledge I've acquired during this debate in the previous days of this debate is that communities are already meeting the 4.6 percent requirement. The communities are not exceeding this 4.6 percent, so why would we be passing this on to the people is it was nothing more than an image. Ladies and gentlemen, I don't believe that we should avoid taking on the Maine Municipal Association question, I believe it is seriously flawed and can be defeated once the people of Maine recognize that this is a huge tax increase and there will be no guarantees that their property taxes will be reduced. They will reject this question, so I say we take it on head first.

Now I would like to read a few items to you that I believe are a road map to real property tax relief. First and foremost, the people at home that are suffering paying their property taxes need relief. That relief can come quickly through the circuit breaker program and the homestead exemption. I'd suggest we put a package together that brings them relief this year. If not, ladies and gentlemen, this property tax relief package will be perhaps defeated, but the next will not. There are more referendums coming, they're harsher and they're more dangerous to this state, but above that ladies and gentlemen we're all taking part in a property tax revolt. Whether you like it or not the people of Maine through a referendum question have sent a message to the Legislature, clean up your act or we'll make you.

I have some ideas that I think could get us to that place. First of all we should implement OPEGA. Program that we worked so hard to create and now is being stalled in the other chamber. How can we tell communities to clean up their act when we can't even address our own problems here? There are certain people that don't want us to know how our money is being spent. Let's show the people of Maine we want to clean up our own house before we tell them how to clean up theirs.

Third we need to create cooperative agreements with communities. We shouldn't be telling them through a hammer that we're going to stop them from investing in their communities. Take a look to the North, Millinocket is in the process of working such an agreement. States like Florida have a Sharpen the Pencil Act Program, where the State uses their resources to go into school communities, into SAD or districts, they work together with the community to save money and then they reinvest that money in the community where they find it. The tools are there for these cooperative agreements and we should use them.

I'd like to tell you about an incident that occurred two years ago. I passed a piece of legislation along with a lot of people's support in this chamber creating a thermal imaging camera program to help communities bulk purchase thermal imaging cameras. That program could have saved those communities 50 percent of the costs of those cameras. I sat in the Executive's office along with the firemen and was told that that was not the role of state government. I have never been so devastated in my time in office then to hear our Executive tell us that it's not our job to help communities save money. That needs to change. Ladies and gentlemen no matter what layer of government that you serve under, we are all members of the State of Maine and we're all trying to work to improve this state. We need to change that kind of confrontation into one of cooperation.

Last we must work with our Congressional delegation to send a very clear, precise message to Congress. Fund special education, we cannot fund it ourselves. If you can't fund it repeal it because we are quickly marching ourselves into bankruptcy. Ladies and gentlemen I ask you to reject this question and join me in a very loud and clear voice against the MMA proposal and a message to the people of Maine that we will clean up our act and we'll bring you real property tax relief. Thank you, Mr. Speaker and when the vote is taken I request a roll call.

Representative TRAHAN of Waldoboro **REQUESTED** a roll call on the motion to **ACCEPT** Report "A" **Ought to Pass as Amended**.

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 Bangor, Representative Perry.

Representative **PERRY**: Mr. Speaker, Ladies and Gentlemen of the House. As a member of the Taxation Committee who has worked on this issue for 8 months now, I wanted to stand and tell you a little bit about the experience we had. I think the majority of the Taxation Committee when we started in January had full plans for tax reform and the more we discussed the possibilities of addressing comprehensive tax reform, the more it became obvious that we were in a box with this MMA proposal, anything that we did would be a competing measure and real full comprehensive tax reform was too much to put on the ballot. The Executive weighed in with a more measured three-phased plan. First phase we're discussing today, we have the full commitment of the Governor to address phase two and phase three next year. The Governor has told us that's his top priority and I certainly believe him that that is exactly where his intentions lie. We accomplished more than I ever thought we could in this first session. We balanced a budget with a $1.2 billion deficit, we passed a most sweeping health care reform in the history of the State of Maine, he addressed two mill closings. It's been a busy session. MMA will tell you that 100,000 people signed their petition and that's true, but 1.1 million people in this state did not sign their petition and we need to represent every one of them. Anyone that is from a community that is a very low school receiver, or a very high percentage GPA receiver probably will not benefit much from the MMA proposal, however the $263 million we need to raise or cut from existing spending to fund that proposal every person in the State of Maine is going to pay that tab. So you may be in a community that benefits very little from the MMA proposal but you will surely pay the tab. That's why the

Taxation Committee has put forth what we look at as a very responsible measure that we will phase this in over 5 years, your communities can depend on decreasing funding on the local level over 5 years and we will indeed drop the mil rate on the local level for GPA, for education funding, significantly. I urge your support for the amended version. Thank you.

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

Representative **BRUNO**: Mr. Speaker, Men and Women of the House. I have to stand up today and tell you why I'm supporting this committee amendment. I think it's a political reality of what we need to do as a chamber is to defeat the MMA proposal. I don't agree with some of the previous speakers saying if we just take it on head on by itself that we will defeat it, because it will be a ballot question that when you read it, it sounds good. You're going to fund 55 percent and relieve property taxes. What it doesn't tell you is that while your property taxes may go down, they may, what is it going to do to the overall taxation burden in the State of Maine. That's our problem in the State of Maine. Our biggest problem is the tax burden in the State of Maine is number one in the country, or it may be number 2 or number 3, but it's in the top 5 no matter how you look at it, no matter what survey you look at. We are a highly taxed state. Now if you think that you're going to raise $264 million to give to the municipalities and the school districts and then all of a sudden that tax burden goes down. That will never happen. That will never happen. As a matter of fact we'll solidify our position as the number one tax state in the country. We may give marginal property tax relief while we are raising the income tax, while we're raising the sales tax, while we're raising the meals and lodging tax and we haven't done anything to the overall tax burden. If someone doesn't have any money in their pay check it doesn't matter that their property taxes have gone down, they still have less money so you can pay it in the property tax or you can pay it in sales or income tax. One way or another you are paying for it. What I like about the competing measure is let the people decide which one is the better one. It states right in there, we will do this without raising taxes, without raising taxes. That is the way to do this. If you don't want to raise the sales tax, if you don't want to raise the income tax, the competing measure is the way to go. It eventually will address the property tax issue but not all the way. I agree that we have not done enough for educational funding, but we can't do it all in one year. That's why I'm supporting this measure. We can't get there in one year without raising taxes. The language in this competing measure also puts a spending cap on us as a Legislature. It says I am not going to raise taxes, now if I'm going to take the revenue growth that we have and apply it to EPS, I have less money to spend as a Legislature and the Chief Executive's commitment to us is he's doing this without raising taxes. Now I have to believe him, he's kept his word to me on everything he's done and if his commitment is to do this without raising taxes, to get the 55 percent I believe him and if I happen to be here somewhere in the next two years, I'm going to help him do it. The first time there's a budget that comes in that raises taxes somehow because we have a shortfall, we're going to have a discussion and this body ought to hold everyone accountable. If you vote for this competing measure you're going to do it without raising taxes or else you have lost all credibility with the public if you don't. Think about the economic impact of the MMA proposal. What business will come into this state with the highest tax burden with no relief in sight, who will do that? No one. $264 million and there are plenty of people out there saying if you set your priorities you could cut $264 million out of the budget. Well you show me where you're going to do it. You show me where in Medicaid you're going to save that kind of money. You show me, which is your favorite program that you're going to cut and that goes for both sides of the aisle. We want to cut one place and they say oh no, no no, that's an important program to me, you can't touch that one. How about that one over there, no, no, no not that one either? You can't do it. You cannot cut $264 million out of the current budget right now, so the only way to solve it is a tax increase. The political reality is, if you don't have a competing measure out there against this proposal the MMA proposal passes and we lose . That's why I'm supporting this measure and I hope you will also.

The SPEAKER: The Chair recognizes the Representative from Kossuth Township, Representative Bunker.

Representative **BUNKER**: Mr. Speaker, Men and Women of the House. Since 1995 I've been around the body here trying to deal with this frustrating monster of education funding and been waiting for that great word essential services to be rolled out and moved forward so that everybody from one end of this state to the other can have an equal and fair chance of education without the economy a scale having the great input it does in causing the big swings that the rural places that I represent have taken it on the chin year after year after year. I'm very very proud that this body in the last couple of years passed the essential services bill out and in moving forward and I hope in the spring we add in debt service and those other four components to that so that we have a very clean essential services document so that we can parcel out the 55 percent due each and everyone of our municipalities in a fair and equal way based on the core requirements of education. I applaud that part of this bill.

The problem is, the reason why we are standing here before you with this 2A, 2B, 2C thing that we went through with the forestry compact, it's scary the people went out and signed that petition from MMA because they are frustrated and they wanted this body and the other body and the Governor to reform the tax structure and what did they want. They didn't say I don't want new taxes. They didn't say anything about that. All they said is I want the tax structure in the State of Maine reformed so the burden wasn't so great on the property tax holder whose taken it on the chin along the coast lines and along all these places where the high price land sales are occurring and the infamous fancy formula that we've had from the past has been whopping us in every part of the state. It was out of frustration that people signed this MMA document, but remember that each and every one of your towns almost I bet you to the letter, their own clerks went to the ballot box and stood there and took signatures and put their assistant in charge of the last election, so you know each and every one of your municipalities were just as frustrated. What do we have before us? We have before us a document that says we're not going to do tax reform because we didn't have the nonpartisan will power to really do tax reform knowing this was coming forward, so we failed that and that's our fault. I do not see that a referendum alternative is going to do that either. I think the only thing is if you send this one proposal out stand up when we come back here we're going to figure out how to reform taxes and how does the people of the State of Maine want our taxes reformed. They may wish one to be higher another one to be lower, is somebody from one party or the other going to point the finger that you raise taxes cause one went higher and the other one went lower. Trust me in the paper you'll see that. You'll see that and you'll see everybody broke their promise and this partisan stuff that shouldn't even have anything to do with what our people are asking us here to do.

What I think is if we did the right thing and revamped our tax system to reward the people who choose to live in Maine, pay their taxes in Maine, pay their excise taxes in Maine, pay their

income taxes in Maine and reside in Maine and also make sure we protect the Homestead Exemptions and reward those people that do all of those things I just enumerated, bring it up to 14 like the good Speaker, I think, has a bill coming forward possibly next year that God love us is going to reward the people that choose to live in Maine and that's the direction we should be taking, not this competitive measure. I think we should take the MMA thing just like we did the forestry thing right head on. That thing fell all apart. I was the chair of Forestry when that thing fell all apart. I had to pick the pieces up and the good members of the Agricultural Committee, we moved forward set bench marks, set accounting, set the right kind of tree counting across the state so we could make effective decisions on clear cutting and on proper liquidation havesting and whatever. We took all of that, it made it work because we took the action. It's our job to take the action, people, it's not to give the citizens a whole bunch of 2A's, B's and C's and I would ask you to oppose this report and come back here in January depending on what happens in November and let's roll up our sleeves. Let's shift sales tax higher because we know 25 percent of the out of staters pay that when they come to visit in the summer. Let's bring up homestead very high so that our retired and our elderly and the military don't have to go to Florida and claim residency in Florida because they can't afford a home here in Maine because of the high property tax. Our people are asking for property tax relief and adjustments in our tax code to better balance the way we treat our citizens and when you better balance that, all those guys that count beans down there and all the economic analysis when we open up the thing, we probably won't be 4th highest tax in this state once we manipulate that a little bit, we'll probably be down in the 10th or 12th or something. I think we have the will, we have the obligation and we were voted to come down here to do the work and this is just putting off the work for a later date and I think we have missed the boat here. Thank you, Mr. Speaker

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

Representative **DUNLAP**: Mr. Speaker, Ladies and Gentlemen of the House. When I first ran for office 7 years ago, the one thing I heard the most about was property taxes. That's what I heard in Old Town that property taxes were awfully high and we needed to do something about it. What we've done since then is ramp up our obligation to our local schools by increasing GPA somewhere around $200 million. Now these two measures that we are talking about today, the majority report and the citizen's initiative have been compared favorably and unfavorably with each other and one of the detractions I hear about the majority report in comparison to the citizen's initiative is that the citizen initiative gets you to 55 percent next year. The majority report takes 5 years. Well ladies and gentlemen of the House, when I came into this body we were funding GPA $535 million, now we're around $720 million and yet we're losing ground in those percentages. The other major criticism of the proposal from the Chief Executive as reflected in the majority report is erosion of local control, that we're going to tell municipalities to cap their spending and that they have a problem with that. We've seen some of those letters on our desks today about the problems that people have with that.

Well, I have less of a problem with that even though I have a sister who is chair of a board of selectmen in another part of the state and she's expressed with great frustration her problem with that particular aspect of it, but the fact of the matter is if you look at the issue of property tax relief and that's still a major problem in this state, than I think what we have in this MMA proposal really is an opportunity to act. I'm not afraid of the MMA proposal as it stands on its own. I think that the people of the State of Maine are smart enough to realize that if we've increased funding for education by something close to $200 million in the last 7 years, that ramping it up $260 million in one year is going to mean that something else is going to have to move. That's going to mean either taxes going to have to go up or other programs are going to be drastically slashed and judging from the reaction that we got from the protests of the cuts in the last budget, I don't think people are going to be too intrigued by either one, so I think in order to really get a handle on the spiraling property tax rates in this state that somewhere along the line there do have to be some controls. I don't think that we've done anything to abrogate our responsibility as legislators by having this competing measure. In fact I think that the Chief Executive and the members of the Taxation Committee have done great work in providing us with an alternative to looking at this particular problem from that aspect of property tax relief.

Tax reform is not tax reduction. I think we are all smart enough to realize that and I think that this gives us at least the guidance, the path, to get down that road towards real comprehensive tax reform sometime in the future. I'm confident in that and I would actually really, really urge my colleagues in this chamber to vote along with the majority report on this particular measure and accept that report. Thank you very much, Mr. Speaker.

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

Representative **PERRY**: Mr. Speaker, Ladies and Gentlemen of the House. I speak today in support of the LD 1629. To take a little history of this, the MMA proposal is not about property tax reform. It's about property tax relief and it's about education funding. If we're going to take a look at what we're doing in terms of education funding and we're going to look at the percentages of that funding, we've got to look at our history and how we've funded education. In the late 1980's we were funding education according to how a school district spent money on education, two years later their funding was according to what they spent, not according to what programs they had. When the 1990's came along with the recession, the high receiver districts lost by percentage large amounts of monies which really bastardized the formula. The formula is no longer working and what is happenings is that these communities lost a lot in terms of their basic educational needs. We had communities cutting programs like music and art in the elementary and in the high schools. These are basic educational needs. These communities have not recovered because they have not been able to increase their spending so they can get more money back as according to the formula goes. As we've looked at this formula this formula has never been fully funded as long as it has been in. It's become less and less funded as the years have gone on. What the companion proposition gives us is a real look at funding education with a formula that says that there is going to be basic needs filled throughout the state in terms of education, that every community will have at least the same basic education that meets the state standards. We're going to give the communities that were hit hard and the communities that were hit harder, the rural communities and the cities with this stuff an opportunity to catch up. That's all we're asking and I'll tell you I signed that MMA referendum, not because I want to see it pass, it's because I want a discussion like this and I want to see a measure like this come forward. I am delighted to be part of a Legislature that has taken that work and after years of work with EPS is able to bring back a formula that will give us an opportunity to really work with this and I would ask your support for it.

At this point, the Speaker recognized the Representative from Saco, Representative O'Neil; the Representative from Portland, Representative Suslovic; the Representative from Portland, Representative Dudley; the Representative from Portland, Representative Marley; the Representative from Oakland, Representative Nutting and the Representative from Cherryfield, Representative Dugay and they were added to the quorum call of the First Special Session of the 121st Legislature.

The SPEAKER: A roll call has been ordered. The pending question before the House is to accept Report "A" Ought to Pass as Amended. All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 254

YEA - Adams, Annis, Ash, Barstow, Bennett, Blanchette, Bowles, Breault, Browne W, Bruno, Bull, Canavan, Churchill E, Clough, Courtney, Cowger, Craven, Cummings, Curley, Daigle, Davis, Dugay, Dunlap, Duplessie, Earle, Faircloth, Finch, Fischer, Gagne-Friel, Gerzofsky, Glynn, Grose, Hatch, Hutton, Jacobsen, Jennings, Kane, Ketterer, Koffman, Landry, Lemoine, Lessard, Maietta, Mailhot, Makas, McCormick, McGlocklin, McKee, McLaughlin, Millett, Mills J, Mills S, Moore, Muse, Norbert, O'Brien J, O'Brien L, O'Neil, Paradis, Patrick, Peavey-Haskell, Pellon, Perry A, Perry J, Pineau, Pingree, Rector, Richardson E, Richardson J, Richardson M, Rines, Sampson, Shields, Simpson, Smith N, Smith W, Stone, Sullivan, Suslovic, Tardy, Thomas, Thompson, Usher, Watson, Wotton, Mr. Speaker.

NAY - Andrews, Austin, Berry, Berube, Bierman, Bliss, Bowen, Brannigan, Brown R, Bryant-Deschenes, Bunker, Campbell, Carr, Churchill J, Clark, Collins, Cressey, Crosthwaite, Dudley, Duprey B, Duprey G, Eder, Fletcher, Goodwin, Greeley, Heidrich, Honey, Hotham, Jackson, Jodrey, Joy, Kaelin, Ledwin, Lewin, Lundeen, Marley, McGowan, McKenney, McNeil, Moody, Murphy, Nutting, Percy, Piotti, Rogers, Rosen, Sherman, Snowe-Mello, Sukeforth, Sykes, Tobin D, Tobin J, Trahan, Treadwell, Twomey, Vaughan, Walcott, Wheeler, Woodbury, Young.

ABSENT - Laverriere-Boucher, Lerman, Marraché, Norton, Saviello.

Yes, 86; No, 60; Absent, 5; Excused, 0.

86 having voted in the affirmative and 60 voted in the negative, with 5 being absent, and accordingly Report "A" **Ought to Pass as Amended** was **ACCEPTED**.

The Resolution was **READ ONCE**. **Committee Amendment "C" (H-601)** was **READ** by the Clerk.

Representative MILLS of Cornville **PRESENTED House Amendment "F" (H-612)** to **Committee Amendment "C" (H-601),** which was **READ** by the Clerk.

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

Representative **MILLS**: Mr. Speaker, Men and Women of the House. I think it's essential that this Legislature act to put out a competing measure. I think that the people want to vote affirmatively for some measure and I think it's admirable that the Governor and members of both parties have come together to put out the Resolution, which lies before us this afternoon. I intend to support it.

In following the work of the committee, it has occurred to me that there are some things that could be done to this competing measure that might improve its chances of passage and might also produce something more genuine by way of significant relief for the people who are speaking to us as we go door to door about their real estate taxes. I think as has been said in the past, neither of these bills in their present posture really have much to do with tax relief, they have to do with school funding. I don't disparage that particularly, but they both are flying under false colors. The MMA referendum simply says that the state should produce $264 million next year and lord knows how much more money in years to come to match whatever it is that the towns might choose to spend on education. The reason the state has not been able to keep that promise in years past is because there has been no control over the denominator. There has been no notion of what the aggregate amount of school funding ought to be in this state and so the towns have said, well it's whatever we choose to spend including the very wealthy among us. It is very laudable that this Legislature and the Education Committee and now the Tax Committee over the past 5 or 6 years has worked so resolutely to put together this new system called essential programs and services, which is a bit difficult to understand, but the concept is pure, it's lucid and it's noble. It simply says, we should help define what it should reasonably cost to provide the education that is needed by each child in this state, town by town.

This will be a great benefit to local school committees, to selectmen, to town officials who will be interested to know what is the norm, what is the reasonable and necessary cost of education in each of our towns, so I like the idea of using that as the centerpiece for our work, but I think people are asking us for more. They are asking us for something fairly immediate. They would like to know what are you going to do for us next fiscal year by way of property tax relief for those who need it and who are those who need it.

I have a particular axe to grind for people who live in $800 thousand homes on the coast who have incomes of half a million dollars a year. They should pay their property taxes and move on, but what about the people who do live on fixed incomes, the people whose property values are rising rapidly, not only in the South end of the state, but also in lake front properties in my district and I've met many, many, many of them who bought their properties under one set of assumptions when they turned 65 or 70 and now those assumptions are changing out from under them. Their evaluations are going up and although their mil rates are not going up, their taxes are climbing out of control in proportion to their incomes.

Now we have addressed this problem for over 20 years with a tried and true program, which we loosely refer to as the circuit breaker program. The program that says if your property taxes are too high in proportion to your income, submit a form to the tax people in Augusta in August when they are not busy doing other things and we'll give you a check back to help you meet the obligation of your property taxes. The great thing about this program is it applies to renters as well, people whose rents are too high in proportion to their income. This program has proven itself so well over the years that I was astonished that some improvement to this program, some modification to it, some enhancement of it was not included in the measure that is now coming before us this afternoon and I believe truly that there was a great deal of sentiment on the committee, because I saw it in a bipartisan way all last spring from the spectrum of the extreme left to the extreme right. There was wide spread praise for this program, widespread support for it and it has been at the centerpiece of every single comprehensive tax reform bill that was presented to the Tax Committee this past 8 or 10 months. In fact we have, I understand, some representations from the Chief Executive that perhaps in the next budget, next January or February, there will be some expansion, some improvement, some enhancement to the circuit breaker system, but you know what, why don't we do it now, because then it becomes part of the program that we are presenting to the people. It becomes

part of the program that our reputation as an institution will ride on.

I've listened to the MMA critique, the work of the committee and the competing measure that came before the committee the other day and one of their most cogent criticisms was, well maybe in 2 years you'll start flowing some new money back to the towns, but you do nothing for the towns in fiscal year 2005, the next one coming up. This amendment, if you choose to adopt it would meet that criticism head on, it would add about $34 million to the circuit breaker program, it would be applicable, it would say basically if your property taxes exceed more than 5 percent of your income then you're entitled to have the state pay the entire difference, up to a limit, that is up to the first $200,000 of value on your home. This will be a direct answer to the fishermen that live on the coast who are being priced out of their homes. It's a direct answer to the island people who are being priced off Chebeague. It is a direct answer to the folks in my district who are being priced off the waterfront property that they saved up so many years to buy. It's a direct answer for all of Maine's people who are on fixed incomes or diminished incomes in situations where they can't afford their property taxes.

I think that this modest amendment would greatly enhance the appeal of the competing measure. It think it would answer many of the concerns of those of us in the rank and file in our two chambers and I think it just plain ought to be done. We've been talking about doing it for some time and I think we can afford it. I think somehow next year in the supplemental budget we would find the $34 million necessary to pay for this. We can do it without raising taxes. We can do this, but unless we put something concrete in front of the people next November, I am concerned that our efforts will be legitimately subject to ridicule. Thank you.

Representative LEMOINE of Old Orchard Beach moved that **House Amendment "F" (H-612)** to **Committee Amendment "C" (H-601)** be **INDEFINITELY POSTPONED.**

The same Representative **REQUESTED** a roll call on the motion to **INDEFINITELY POSTPONE House Amendment "F" (H-612)** to **Committee Amendment "C" (H-601)**.

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 Old Orchard Beach, Representative Lemoine.

Representative **LEMOINE**: Mr. Speaker, Men and Women of the House. The Taxation Committee, I must say, did benefit a great deal from the participation we had of those members of this body and the public who helped us as we deliberated this issue throughout the year. The good Representative, Representative Mills, was foremost among those and we appreciate the power that he brought to the table to analyze the situation. At the end of the day, I'm recommending that we indefinitely postpone his amendment, not because circuit breaker is not a good program and not because I don't think we should revisit it. I think it is, I think it will be revisited, but here's the bottom line. The proposal before you unamended tells the people of the State of Maine what we're going to do and how we're going to get the property tax relief and how we're going to pay for it over 5 years. It differentiates from the MMA proposal in that respect primarily because the MMA proposal does not tell anybody how they're going to do it. I think we need to keep faith with the purpose of LD 1629, which is to be square, upfront, tell people how we're going to pay for it. That was the conclusion of the committee as well. I urge you to support the Indefinite Postponement.

The SPEAKER: A roll call has been ordered. The pending question before the House is indefinite postponement of House Amendment "F"(H-612) to Committee Amendment "C" (H-601). All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 255

YEA - Blanchette, Clark, Dunlap, Gagne-Friel, Goodwin, Jackson, Lemoine, McLaughlin, O'Brien L, Perry J, Rines, Smith W, Usher.

NAY - Adams, Andrews, Annis, Ash, Austin, Barstow, Bennett, Berry, Berube, Bierman, Bliss, Bowen, Bowles, Brannigan, Breault, Brown R, Browne W, Bruno, Bryant-Deschenes, Bull, Bunker, Campbell, Canavan, Carr, Churchill E, Churchill J, Clough, Collins, Courtney, Cowger, Craven, Cressey, Crosthwaite, Cummings, Curley, Daigle, Davis, Dudley, Duplessie, Duprey B, Duprey G, Earle, Eder, Faircloth, Finch, Fischer, Fletcher, Glynn, Greeley, Grose, Hatch, Heidrich, Honey, Hotham, Hutton, Jacobsen, Jennings, Jodrey, Joy, Kaelin, Kane, Ketterer, Koffman, Ledwin, Lessard, Lewin, Lundeen, Maietta, Mailhot, Makas, Marley, McCormick, McGowan, McKee, McKenney, McNeil, Millett, Mills J, Mills S, Moody, Moore, Murphy, Muse, Norbert, Nutting, O'Brien J, O'Neil, Paradis, Patrick, Peavey-Haskell, Pellon, Percy, Perry A, Pineau, Pingree, Piotti, Rector, Richardson E, Richardson J, Richardson M, Rogers, Rosen, Sampson, Sherman, Shields, Simpson, Smith N, Snowe-Mello, Stone, Sukeforth, Sullivan, Suslovic, Sykes, Tardy, Thomas, Thompson, Tobin D, Tobin J, Trahan, Treadwell, Twomey, Vaughan, Walcott, Watson, Wheeler, Woodbury, Wotton, Young, Mr. Speaker.

ABSENT - Dugay, Gerzofsky, Landry, Laverriere-Boucher, Lerman, Marraché, McGlocklin, Norton, Saviello.

Yes, 13; No, 129; Absent, 9; Excused, 0.

13 having voted in the affirmative and 129 voted in the negative, with 9 being absent, and accordingly the motion to **INDEFINITELY POSTPONE House Amendment "F" (H-612)** to **Committee Amendment "C" (H-601) FAILED.**

Subsequently, **House Amendment "F" (H-612)** to **Committee Amendment "C" (H-601)** was **ADOPTED**.

On motion of Representative RICHARDSON of Brunswick, **TABLED** pending **ADOPTION** of **Committee Amendment "C" (H-601) as Amended by House Amendment "F" (H-612)** thereto and later today assigned.

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

At this point, the Speaker recognized the Representative from Waterville, Representative Marraché; the Representative from Augusta, Representative Lerman and the Representative from Biddeford, Representative Laverriere-Boucher and they were added to the quorum call of the First Special Session of the 121st Legislature.

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

HOUSE DIVIDED REPORT - Report "A" (10) **Ought to Pass as Amended by Committee Amendment "C" (H-601)** - Report "B" (1) **Ought to Pass as Amended by Committee Amendment "D" (H-602)** - Report "C" (1) **Ought to Pass as Amended by Committee Amendment "E" (H-603)** - Report "D" (1) **Ought Not to Pass** - Committee on **TAXATION** on RESOLUTION, Proposing a Competing Measure under the Constitution of Maine To Create Municipal Service Districts To Reduce the Cost of Local Government, To Provide Property Tax Relief and To Increase Economic Competitiveness

(H.P. 1209) (L.D. 1629)

Which was **TABLED** by Representative RICHARDSON of Brunswick pending **ADOPTION** of **Committee Amendment "C" (H-601) as Amended by House Amendment "F" (H-612)** thereto.

Representative McGOWAN of Pittsfield **PRESENTED House Amendment "H" (H-620)** to **Committee Amendment "C" (H-601),** which was **READ** by the Clerk.

The SPEAKER: The Chair recognizes the Representative from Pittsfield, Representative McGowan.

Representative **MCGOWAN**: Mr. Speaker, Men and Women of the House. I've tried not to get up on this floor too many times in the 3 years that I've been here and I've restrained myself and tried to keep in my seat as much as possible, but I must offer this amendment to this bill. What this amendment will do is it will take the total amount of money that the Governor has purposed to spend over the next 5 years and divide it by 5 and contribute that amount each year from '06 to '10. That is the amendment. The reason why I am offering this is that in '04 the state is not going to contribute one solid penny in additional educational monies and in '05 they are not going to offer any, in 06 they're going to offer a small amount. Now what I'm saying is this, this is going to cost the taxpayer in '04, $56 million, in '05 it's going to cost the taxpayer $60 million. Over that two-year period, the taxpayer is going to be looking at an increase in his taxes for the amount of $116 million. Now he doesn't start to see any tax relief until 2006 in amount of approximately $23 million and then it escalates up. What I am purposing is that we equalize this over the 5 year period. We take $49 million in '06, we take $49 million in '07, we take $49 million in '08, we take $49 million in '09 and '10. We equal it out so it softens the burden to the taxpayer in '06. Now if you want a chance to defeat the MMA bill, this is an opportune time to do it, because when they see this on the ballot, and they're not getting tax relief for 3 years, they're going to climb on the MMA bill.

Now I'd like to talk to you as a businessman, if I was a businessman running this state, I would have done tax reform 3 years ago. I would have completely done tax reform so we wouldn't have the shortfalls that we're going to face in 2 years from now. We're going to face $400 million worth of shortfalls in two years and how are we going to come up with the money to fund property tax relief, but if we had started this 3 years ago in tax reform, we might not be in that situation today.

Now EPS, if I was a businessman I'd go out and borrow the money tomorrow to fund EPS. You know why, because it's going to be cost savings to the state and we would dump $220 million into property tax relief and we'd jump start the economy. As a businessman, that's a good deal and I'd be willing to pay the interest for it, but apparently, I guess I'd call myself a politician, but as a politician, I see that this can not happen. I see over the 3 years that I've been here that nothing is going to happen in tax reform, nothing is going to happen in tax reform. If we pass the bill that we have before us, it says in it that we can't raise taxes on the sales tax side and on the personal income tax side and we can't broaden the sales tax. So in sense, we're saying we can't do tax reform unless we come up with some money and what does that mean, if we're $400 million shortfall in the next 2 years, it's going to come out of human services, it's going to come out of some of the other things that we dearly love. So when you look at this bill and you want to try to defeat the MMA bill, the way to do it is the way of the amendment, divide that by 5, equalize the payments over 5 years and I think you'll have the people of the State of Maine buying into it.

The other part of the amendment is that we have put in this bill, that if you want to go above the cap, you can do it by referendum vote. This costs money to the municipalities, what I'm saying in my amendment is this, that if the state has got to live by 4.6 and we're forcing the municipalities to live by 4.6, then we should make education and the counties live by 4.6. We should give them all the restrictions and the caps of 4.6. We should not allow them to go above that. Now those are the two changes that I'd like to see go into this amendment and I'd like to see you pass it, if you can see it to do so. Thank you very much.

Representative LEMOINE of Old Orchard Beach moved that **House Amendment "H" (H-620)** to **Committee Amendment "C" (H-601)** be **INDEFINITELY POSTPONED.**

The same Representative **REQUESTED** a roll call on the motion to **INDEFINITELY POSTPONE House Amendment "H" (H-620)** to **Committee Amendment "C" (H-601)**

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 Old Orchard Beach, Representative Lemoine.

Representative **LEMOINE**: Mr. Speaker, Men and Women of the House. Where is the money? According to the Department of Education, if the $220 million in EPS funding over the 5-year period as purposed by LD 1629 is evened out over the period from 2006 to 2010, the state will fail to meet the 55 percent funding target in 2010. The state will then need to provide over a billion dollars in funding for EPS in FY 2010 to meet that 55 percent target. If more of the funding is taken for the first 3 years, there will be insufficient funding in the last year to meet the state funding target in 2010. There's a long-term mistake involved in this. There's a short-term mistake because the well is dry, the reason we're phasing this in is that's the responsible way to ramp into this new funding formula and despite all the wonderful work that my good friend from Pittsfield has done and his passionate approach to property tax relief. I belief at the end of the day, what is on LD 1629 is the appropriate rational reasonable way to do it and I urge you to support the indefinite postponement motion. Thank you.

The SPEAKER: The Chair recognizes the Representative from Kossuth Township, Representative Bunker.

Representative **BUNKER**: Mr. Speaker, Men and Women of the House. I rise in opposition to the indefinite postponement of this bill. I think each and every one of you in this room knows that we're in this situation because the people got together and issued a referendum and said we want tax reform and we're going to force you to do it one way or the other. I think that we're again trying to circumvent the people's wishes if they choose to pass one of these types of referendums this November by not doing anything many years out into the future. Of all the pieces of paper in front of me, this is the only proposal that I see where there may be a chance that the people will actually get something that they are asking for sometime in the near future. The only component that really sticks in my craw that is in the original proposal and unless its removed, I will not support, is that we're

going to just tell the towns, you've got to follow a cap, but the counties and the schools don't have to. I think that's just inherently improper, it's not equitable, people aren't playing by the same set of rules, I think the Representative is so right and on target on that piece that if we're going to set a set of rules let's every level of government play by the same set of rules and then it's going to be much easier with essential services in programming. That cost containment component that's already on the books, that's already moved forward has nothing to do with either one of these bills other than its spelled in a couple of places will act on its own to start containing the outrageous money driving costs of education which is cost driven through the old formula. I would ask you to oppose the indefinite postponement.

The SPEAKER: A roll call has been ordered. The pending question before the House is indefinite postponement of House Amendment "H" (H-620) to Committee Amendment "C" (H-601). All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 256

YEA - Adams, Annis, Austin, Barstow, Bennett, Berube, Blanchette, Bliss, Bowen, Bowles, Brannigan, Breault, Brown R, Bruno, Bryant-Deschenes, Bull, Campbell, Canavan, Churchill J, Clough, Courtney, Cowger, Craven, Cressey, Crosthwaite, Cummings, Curley, Daigle, Davis, Dudley, Dunlap, Duplessie, Duprey B, Earle, Faircloth, Finch, Gagne-Friel, Gerzofsky, Glynn, Goodwin, Grose, Hatch, Heidrich, Hotham, Hutton, Jacobsen, Kane, Koffman, Laverriere-Boucher, Lemoine, Lerman, Lessard, Mailhot, Makas, Marley, Marraché, McKee, McKenney, McLaughlin, Mills J, Mills S, Moore, Norbert, O'Brien J, O'Brien L, O'Neil, Paradis, Percy, Perry J, Pineau, Pingree, Rector, Richardson E, Richardson J, Richardson M, Rines, Rogers, Rosen, Sampson, Shields, Simpson, Smith N, Smith W, Snowe-Mello, Stone, Sullivan, Suslovic, Sykes, Tardy, Thomas, Thompson, Trahan, Usher, Walcott, Watson, Woodbury, Wotton, Young, Mr. Speaker.

NAY - Andrews, Ash, Berry, Bierman, Browne W, Bunker, Carr, Clark, Collins, Dugay, Eder, Fischer, Greeley, Honey, Jackson, Jennings, Jodrey, Joy, Kaelin, Ketterer, Ledwin, Lewin, Lundeen, Maietta, McCormick, McGlocklin, McGowan, McNeil, Millett, Moody, Murphy, Muse, Nutting, Patrick, Peavey-Haskell, Pellon, Piotti, Sherman, Sukeforth, Tobin D, Tobin J, Treadwell, Twomey, Vaughan, Wheeler.

ABSENT - Churchill E, Duprey G, Fletcher, Landry, Norton, Perry A, Saviello.

Yes, 99; No, 45; Absent, 7; Excused, 0.

99 having voted in the affirmative and 45 voted in the negative, with 7 being absent, and accordingly **House Amendment "H" (H-620)** to **Committee Amendment "C" (H-601)** was **INDEFINITELY POSTPONED**.

Representative PERCY of Phippsburg **PRESENTED House Amendment "C" (H-608)** to **Committee Amendment "C" (H-601),** which was **READ** by the Clerk and **ADOPTED**.

The SPEAKER: The Chair recognizes the Representative from Phippsburg, Representative Percy.

Representative **PERCY**: Mr. Speaker, Ladies and Gentlemen of the House. I submitted this amendment after speaking to a number of my selectmen in my district in the last couple of days who were very concerned at the idea that we were being asked to create policy in a very short amount of time. I put in this amendment as a tool that we could use to review the Governor's proposal, if the Governor's proposal wins the referendum vote in November. Basically what my amendment says is that in 2010 the Bureau of Revenue Services and the Department of Education will review the effectiveness of this resolution in lowering property taxes and meeting the goals of education funding and to report their finding to the Joint Taxation Committee and they will make a recommendation whether the plan has worked and it has lowered property taxes or its wounded and needs help or it should die. I think considering what we just went through in terms of hearing from our constituents that they would like us to continually review what kind of work we create up here, that it behooves us to let them know right from the start that we plan to look at this. The reason the year 2010 was picked is because the Office of the Revisors suggested that that would give us a 4-year period where we could actually chart and see if the program is relieving property taxes and helping with education. Thank you very much. I would greatly appreciate your support.

Committee Amendment "C" (H-601) as Amended by House Amendment "C" (H-608) and **House Amendment "F" (H-612)** thereto was **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 "C" (H-601) as Amended by House Amendment "C" (H-608)** and **House Amendment "F" (H-612)** thereto and sent for concurrence. **ORDERED SENT FORTHWITH.**

SENATE PAPERS

The following Joint Resolution: (S.P. 599)

JOINT RESOLUTION RECOGNIZING DEAN COLLEEN KHOURY, RECIPIENT OF THE AMERICAN BAR ASSOCIATION'S MARGARET BRENT WOMEN LAWYERS OF ACHIEVEMENT AWARD

WHEREAS, Colleen Khoury, Dean of the University of Maine School of Law, has been honored with the Margaret Brent Women Lawyers of Achievement Award, which is the American Bar Association's highest mark of distinction for women; and

WHEREAS, the American Bar Association's Commission on Women in the Profession established the award 13 years ago to recognize and celebrate the accomplishments of women lawyers; and

WHEREAS, Dean Khoury received her law degree in 1975 from the Illinois Institute of Technology/Chicago-Kent College of Law where she graduated first in her class; and

WHEREAS, Dean Khoury was a partner with the law firm of Bell, Boyd and Lloyd in Chicago for 9 years; and

WHEREAS, Dean Khoury was general counsel for Ventrex Laboratories; and

WHEREAS, Dean Khoury became a professor at University of Maine School of Law in 1985 and was appointed the school's first woman dean in 1998; and

WHEREAS, Dean Khoury has taken a strong stand for women, and the Women's Law Section of the Maine State Bar Association recognized this in 1997 by presenting her with the Caroline Duby Glassman Award; and

WHEREAS, Dean Khoury received the Margaret Brent Women Lawyers of Achievement Award for her accomplishments as a woman lawyer who achieved professional excellence in her field and who worked hard to advance the interests of women; now, therefore, be it

RESOLVED: That We, the Members of the One Hundred and Twenty-first Legislature now assembled in the First Special Session, on behalf of the people we represent, take this occasion to congratulate Dean Khoury and express our appreciation to her for her commitment and dedication to opening opportunities for