

**STATE OF MAINE  
ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE  
FIRST REGULAR SESSION  
JOURNAL OF THE SENATE**

In Senate Chamber  
Friday  
June 5, 2009

Senate called to order by President Elizabeth H. Mitchell of Kennebec County.

Prayer by Rabbi Carolyn Braun, Temple Beth El, in Portland.

**RABBI BRAUN:** God of all creation, You who are the color of water and essence of diversity, You who sees each one of us for who we are and what we might be, let Your presence dwell with these women and men of the Senate as they strive to represent the people of Maine. Grant them the wisdom to see the many sides of an issue and to realize that there is not one truth but many truths. Help them to find the right path, or a right path, though that path may be hidden from sight. Give them the courage and the strength to speak out against injustice, to do what is fair, and to honor the dignity of all people, for each one of us was created in the image of God. Finally, in the words of the prophet Micah, 'You have been told what is good and what God requires of you; to act justly, to love kindness, and to walk humbly with your God.' Rabbi Elazar interpreted these words. 'To act justly' means to act in accordance with the principles of justice. 'To love kindness' means to let your actions be guided by principles of loving kindness. 'To walk humbly with your God' means to assist needy people by giving humbly in private. As you work through this day, may you be granted the wisdom, insight, and courage to live out these principles. May the face of the Holy One be lifted towards you and may you be granted peace. Amen.

National Anthem performed by the Cony High School Madrigals.

Pledge of Allegiance led by Senator Barry J. Hobbins of York County.

Reading of the Journal of Thursday, June 4, 2009.

Doctor of the day, Dr. Karen Hadam, MD of Calais.

**PAPERS FROM THE HOUSE**

**Non-Concurrent Matter**

SENATE REPORTS - from the Committee on **INLAND FISHERIES AND WILDLIFE** on Bill "An Act To Allow Smelt Fishing in Metallak Brook, Upper Richardson Lake" (EMERGENCY)

S.P. 348 L.D. 926  
(S "B" S-300 to C "A" S-158)

Majority - **Ought Not to Pass** (5 members)

Minority - **Ought to Pass as Amended by Committee Amendment "A" (S-158)** (4 members)

In Senate, June 4, 2009, 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-158) AS AMENDED BY SENATE AMENDMENT "B" (S-300)** thereto.

Comes from the House, the Majority **OUGHT NOT TO PASS** Report **READ** and **ACCEPTED**, in **NON-CONCURRENCE**.

On motion by Senator **BRYANT** of Oxford, the Senate **ADHERED**.

Sent down for concurrence.

**House Paper**

Bill "An Act To Provide Funding for the Highway Fund Biennial Budget" (EMERGENCY)

H.P. 1042 L.D. 1487

Comes from the House, **REFERRED** to the Committee on **TRANSPORTATION** and ordered printed.

On motion by Senator **DAMON** of Hancock, **TABLED** until Later in Today's Session, pending **REFERENCE**.

**REPORTS OF COMMITTEES**

**House**

**Divided Report**

The Majority of the Committee on **UTILITIES AND ENERGY** on Bill "An Act To Simplify the Assessment of E-9-1-1 Surcharges on Prepaid Wireless Telecommunications Service"

H.P. 731 L.D. 1056

Reported that the same **Ought to Pass as Amended by Committee Amendment "A" (H-270)**.

Signed:

Senators:

HOBBINS of York  
BOWMAN of York

Representatives:

BLANCHARD of Old Town  
DOSTIE of Sabattus  
FLAHERTY of Scarborough  
HINCK of Portland  
FLETCHER of Winslow  
FITTS of Pittsfield  
WAGNER of Lyman  
VAN WIE of New Gloucester

The Minority of the same Committee on the same subject reported that the same **Ought To Pass as Amended by Committee Amendment "B" (H-271)**.

Signed:

Senator:

SHERMAN of Aroostook

Representatives:

THIBODEAU of Winterport  
ADAMS of Portland

Comes from the House with the Majority **OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "A" (H-270)** Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-270)**.

Reports **READ**.

Senator **HOBBINS** of York moved the Senate **ACCEPT** the Majority **OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "A" (H-270)** Report, in concurrence.

Senator **RAYE** of Washington requested a Roll Call.

On motion by same Senator, **TABLED** until Later in Today's Session, pending the motion by Senator **HOBBINS** of York to **ACCEPT** the Majority **OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "A" (H-270)** Report, in concurrence. (Roll Call Requested)

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

**COMMUNICATIONS**

The Following Communication: H.C. 202

**STATE OF MAINE  
CLERK'S OFFICE  
2 STATE HOUSE STATION  
AUGUSTA, MAINE 04333**

June 4, 2009

Honorable Joy J. O'Brien  
Secretary of the Senate  
124th Maine Legislature  
Augusta, Maine 04333

Dear Secretary O'Brien:

The House voted today to insist on its previous action whereby it accepted the Majority Ought Not to Pass Report of the Committee on Inland Fisheries and Wildlife on Bill "An Act To Allow Youth To Fish for Smelt on Worthley Pond" (EMERGENCY) (S.P. 347) (L.D. 925).

Sincerely,

S/Millicent M. MacFarland  
Clerk of the House

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

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

**REPORTS OF COMMITTEES**

**House**

**Divided Report**

The Majority of the Committee on **TAXATION** on Bill "An Act To Modernize the Tax Laws and Provide over \$75,000,000 to Residents of the State in Tax Relief"

H.P. 750 L.D. 1088

Reported that the same **Ought to Pass as Amended by Committee Amendment "A" (H-530)**.

Signed:

Senators:

PERRY of Penobscot  
BLISS of Cumberland

Representatives:

WATSON of Bath  
BRYANT of Windham  
FLEMINGS of Bar Harbor  
CROCKETT of Augusta  
PILON of Saco  
VALENTINO of Saco  
SIROIS of Turner

The Minority of the same Committee on the same subject reported that the same **Ought Not To Pass**.

Signed:

Senator:

NASS of York

Representatives:

LANGLEY of Ellsworth  
CHASE of Wells  
KNIGHT of Livermore Falls

Comes from the House 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" (H-530) AS AMENDED BY HOUSE AMENDMENT "A" (H-537)** thereto.

Reports **READ**.

Senator **PERRY** of Penobscot moved the Senate **ACCEPT** the Majority **OUGHT TO PASS AS AMENDED** Report, in concurrence.

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

Senator **PERRY:** Thank you, Madame President. Ladies and gentlemen of the Senate, it's truly a pleasure to be here in front of you today to speak in favor of this bill, I guess as we've all come to it as tax reform. Maybe I'm glad we're getting right into it before I had a chance to think too much about what I was going to say, because I've been living this for 10 years and I'll never get out all of my thoughts on this and all the reasons why I truly believe this is the right thing for Maine at this time. But before I get into that, I really want to say what a pleasure it has been this year on Committee working with Senator from York, Senator Nass and the Senator from Cumberland, Senator Bliss. Senator Bliss was busy often times in his other committee, but whenever he came to our Committee, he had something thoughtful and important to add. Senator Nass on the other hand, was there with me all the time and in work sessions whenever we'd get bogged down and I wouldn't quite be sure where to go next, I'd just look at the Senator from York, Senator Nass and he always had the right question and was ready to go with it. I know we're coming down on separate sides of this issue, but it has been a pleasure. As well as working with the other Body and really Maine Revenue and Julie Jones and what we've put them through to get these numbers as finely tuned as we have them. I really believe this is a historic day. I think for reasons beyond, if you look at the shifts, and this is a tax shift, we are looking to broaden the sales tax. We are looking to lower the income tax and out of the roughly \$2 billion that we collect in sales and income tax a year, we're shifting maybe \$120 million; a very small percentage. Policy changes are so much broader than the actual dollars that we're moving around, because we're actually changing the entire way that we collect the full billion of income tax. We're changing it in a way that makes the State of Maine much more attractive, much more competitive, on a state-to-state level. That 8.5% top marginal rate stands out as very high and nowadays capital is mobile. People can choose states based on tax policy. People are spending time in other states, splitting time with Florida and places of nicer climates and these other states have really gone to great lengths to make their tax code more attractive to their part-time residents in a way of encouraging them to be full-time residents. In the next census or two we're at risk of losing one of our Congress people if we cannot find a way to keep Mainers as Mainers and make Maine more attractive. This isn't the answer, but it sure is a step in the right direction to the answer and step one in what I see as many positive steps we can take over the years to simply help turn this economy around. There are many counties in this state that are much higher than the national average unemployment. Capital gains is probably the biggest

deterrent to investment here in the State of Maine. This tax bill decreases the tax rate on income tax as well as capital gains by 23%. This is an important step forward in making Maine more attractive, to bring people in, that's where the real benefit's going to come. If this in some measure makes Maine more attractive to attract new industry and new jobs to the State of Maine, our tax problem is really the fact that too many of us are not earning enough income, and this to some degree will help reverse that trend. We're collecting over \$440 million less this year in taxes from Mainers than we did last year. \$440 millions less. Is anyone celebrating that? No. It's because we're hurting. So if you want to look strictly at what people are paying in taxes, \$440 million less is not helping anyone. It's because incomes are down and people are out of work. This, on the other hand, reduces burden. Plain and simple, it reduces burden. As the economy turns and people have more jobs and are earning more money, the benefit of this will grow. I will submit that this is the time to do it. I know change is difficult. I know we all fear change, the unknown. I know we all got calls from our constituents with concerns, and rightfully so. I get it, change is not easy. It's safe to do nothing. But doing nothing doesn't get us very far and if we do nothing, I honestly believe someone's going to do it for us. There's a ballot question this year to cut the excise tax on cars in half. Sixty-five percent of Mainers will not benefit from that tax cut, and almost all of us will pay more when it shifts on to our property taxes. But it sounds so appealing. Who wouldn't vote for that? I suspect it's going to pass, and 65% of Mainers will probably pay more because of it. But there's an option out there that they can grasp. This is our opportunity to do this now. It will, in my opinion, be very good for the state of Maine to position us to move forward in a more prosperous way. It is a long-term proposition to turn this economy around, there's a lot of things we need to address. This gets us going in the right direction and I am excited for the opportunity to vote in favor of this when it comes to me a little later this morning, and I would urge all of you to vote in support of this tax cut as well. Thank you.

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

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

Senator **NASS:** Thank you, Madame President. Ladies and gentlemen of the Senate, I wish there was some agreement on this. I do appreciate and have enjoyed working with the Senator from Penobscot for several sessions, I guess on this. But I have to tell you, having served for five years on this Committee and hopefully will serve one more unless something happens. I'm embarrassed today to tell you that I don't know what the heck is in this bill. It's easy on the income tax side, and it's a good thing, no doubt. Reducing the income tax is a good thing. We had a proposal a couple of days ago that would have reduced it, it didn't go very far. So this is supposedly a revenue-neutral effort, and on the income tax it's understandable what we're going to do. On the sales tax side it's a mess. And I think if you don't have that sense now, you will have that sense when some of these things start going into effect next January. So it won't be this summer you'll be getting the phone calls, it will be next summer. I'll just try to give you just a flavor for some of the problems that, at least the worst problems that I've been able to uncover so far. The Senator from Penobscot and I participated in this event, or this

effort, in the last session and we came to agreement and it was unsuccessful for a number of reasons, which are history at this point. So in my case the question I have to answer is, why am I now opposed to it? First of all a number of things have changed and the big change though is that we engaged in a different process the last time. We spent about five months, we put everything else aside and spent five months engaged in this process. When it was over, I pretty well understood what we were doing. Again, the income tax side was easy, the sales tax side is hard and messy. This time we had a huge public hearing, almost everybody that showed up was opposed to it, not surprising when you engage in this kind of stuff, the benefits seem to disappear and the problems seem to come to the forefront. So we engaged in that. Then this thing went underground. L.D.1088 went underground for about seven weeks, it disappeared. So, it's similar to what we did two years ago, but it is also substantially different on the sales tax side. What are we taxing? How much are we taxing? Why are we taxing this and not that? That's what this is going to degenerate into. We the Committee did not engage in that debate, so I'm standing here today having spent the last two days trying to explain to my caucus what's there and what isn't and who's going to pay more and why. I have to tell you, it's a mess. I don't understand it. Now we have a very competent member of the other Body who did most of the work on this, there's no doubt he understands what we're presented with today. We spent last week trying to catch up. I didn't catch up. I spent the last two days trying to explain this and I'm going to give you a couple of examples, the worst examples hopefully. There's a lot in this that I don't understand. We had folks from Washington here dealing with this leasing issue and at the end of discussion on that I don't know where we ended up. There's words in this bill, but I don't think it's completely either resolved or certainly not understood, and there's substantial changes in leasing of property. There's a lot of activity that goes on in this State as far as leasing big pieces of equipment. So the answer I got on that was, 'Well we'll fix that later.' So let's stick with the income tax side for awhile, the easy part. So for everybody in Maine that itemizes deductions now under federal tax, they have deductions for medical expenses, some people have a lot, some people don't have any. Certainly everything we're use to. The home mortgage deduction and property tax, those are the big things most people are used to. When you get to your State taxes, those are going to disappear, and you're going to get a home credit that's supposed to compensate for that. For those people who have made big commitments on a home and are paying big property taxes, they are going to be surprised and suspicious when it comes to that. So that's a problem. Here's an interesting problem. We have gone through the last cycle as we study this with the help of the Maine Revenue Services. They are very competent people. When we divide taxpayers into deciles, that's equal groups of about ten, ten equal groups of roughly 650,000 taxpayers, it could be families, it could be institutions in the State of Maine. We assume that within each decile the activity, which is an income range, we assume the activity is pretty uniform. Well it turns out it really isn't when you think about it. Here's an example, a person that would have a large and meaningful itemized deduction, let's say it's on the medical side, let's say a person of fairly modest means is in a nursing home and has accumulated, or still has, enough assets to pay his or her own way in the nursing home, private pay, there still are a few people like that out there. Those are the same people we already whack with a service provider

tax, remember that a few years ago? So that private pay patient is already making more than his or her contribution. That's why there aren't many of them left, partly. So when it comes time to doing the taxes for that person, modest income, big medical expenses and the disappearance of this exemption, guess what happens when it comes time to pay his or her taxes? They're going to go up, substantially. So he or she is one of the losers. Sixteen percent of our taxpayers are going to be losers in this category. I hope I don't get one of those calls next year, because this goes into effect in January of 2010, the income tax reduction. Oh, except there's part of it that goes into effect in October. That's part of the tax increases. Not a lot of them. Not all of them. Some of them. The increased tax on car rentals, going up to 12.5%, I think, under the latest version. There's another one I've forgotten at this point, I'll remember before we get going. So two of the pieces are the tax increases are going to go up before we start the tax reductions. That's not my idea of tax neutrality, or even fairness. We were careful two years ago not to let that happen, so we wouldn't have to stand here and say, 'Well we're going to start to collect the increases before we start allowing the decreases.' So in this case we have abandoned that to some extent. So on the sales tax side, I just want to cover a couple of examples. This thing is massive as far as broadening the sales tax to services, we're going to start collecting taxes on things that people are not used to collecting taxes on, and particularly the one that's going to be most difficult is car repairs. I really assumed that by the time we got here that the folks who are in favor of this would have abandoned that. Turns out you can't abandon that, because it's worth a lot of money. So once you commit yourself to reducing the income tax, which is laudable, we proposed that. Then it became a money chase to make up the difference. That's where we failed, or where we're going to fail. We don't know it yet, but we're going to fail on this. By the time people figure out how to find enough money to pay for this, it's going to be a real disaster. One of those is car repairs. So who's spending money on car repairs? Who needs to spend money on car repairs? Not the guy with the new Lexus, it's the single mom with a clunker that needs to get it inspected, that just barely is keeping the thing going. That's the person who's going to get hit with the tax in car repair harder, hardest. Somehow we couldn't find a way to get rid of that. Fairs, we first undertook in trying to understand this thing a week ago when we got into the exemption on county fairs which had been in the last effort. It's been pretty well established that we don't want to tax the entry amount to get into the 25 fairs that we have going on in this state. The licensed fairs. So this maintained that exemption, but when we go to amusements, which fairs are part of and you get into the Ferris wheel and the rides so to speak, they were included in being taxed. Now, we also have people that provide those kinds of amusements on a private basis. Funtown, Splashtown in my area, or in the Saco area, for instance. So they would have been taxed on the full entry fee and the cost of the rides. They are going to be taxed under this proposal. For those people who run and maintain the fairs, the 25 fairs, there was an objection to that, and the objection is legitimate. It's easy to say, 'I'm not going to tax the amount to get into the fair.' Some of these fairs, essentially either entirely or partially, charge for the amusements in the fair at the same time you go through the gate. Sometimes you buy the band that goes around your wrist, the colored band, maybe on a daily basis, and you can purchase that on the way in. Sometimes it's part of the gate fee. Most of them you pay when you go to the amusements. You try to sort that out. We spent a

few hours trying to sort that out, we were unsuccessful. Here's the resolution of that, Maine Revenue Services told us, 'We won't have any trouble collecting the tax,' the amusements on the fair. 'So phew,' we said and went on to the next problem. That's the resolution to the fair problem. We don't know how the Maine Revenue Services is going to collect a tax at the fairs, even though when you go into some of these fairs, you're going to pay for the amusements that you choose to use. They are not happy people at this point. You're going to hear from them if you haven't already. Candy, we've re-defined what candy is. There's a good reason for the re-definition. We are trying over time to bring definitions of various products into line, into what we call the streamline process. It's a whole new tax situation, so as we make these changes they're trying to bring definitions of certain products into line with other states. We now have a new definition of candy and we also have a new tax. Candy is candy; as long as it doesn't have flour in it, and as long as it doesn't need refrigeration. We can buy a Twix bar. I've given you a handout on that. A Twix bar, that's going to be taxed at 5%. If you buy designer candy, say Haven's or one of the other manufacturers in the state, you're going to pay 8.5%. I heard the other day that if we sprinkle flour on all our designer candy, perhaps it will still be taxed at 5%. I don't know what's going to happen. They are not happy people. Finally, just by way of example, horses. We didn't have any discussion about horses. L.D. 1088 is going to hit horse owners who have to board horses at facilities or pay to have their horses trained disproportionately hard. Now you all know who those folks are, they're going to be calling you. The cost of boarding a horse, if you don't have facilities yourself, is substantial, it's over \$100 a month. That's why you don't own a Lexus, because you've got a horse, right? The average board charged is anywhere from \$300 to \$800 a month. We did not discuss this in the committee, but this is my interpretation. It appears to me that's going to be a taxable event. This is not like taking Fido to the kennels overnight, this is big time money for the horse. Horse training runs from a low of \$700 a month to several thousand, depending on what activity the horseperson in your family is going to engage in. All of that activity appears to be taxable. Now this is not necessarily a sport that is engaged in by wealthy people, but people who love horses and make sacrifices in other areas of their lives to pay for their horses. As far as I know the Maine horse associations were not aware of this legislation, and again, we haven't had much discussion in the Tax Committee, therefore I'm not certain that my interpretation is even correct, but it appears to be. So taking Fido to the kennel is an event, the horse at the horse farm and the training done is also. I'm going to end with these examples and suggest to you that this thing we've engaged in for five months, under the theory that we can reduce the income tax, which is important and necessary for our economy, no doubt about that, but we can offset that by broadening the sales tax in fact is not going to work. We tried it last year. We're trying it this year. The reason it doesn't work is because people do not believe, I think, in the income tax benefit that we're offering. There's been a handout passed around. You can see how small it is. It's small and getting smaller because our economy is going down. They don't believe that is essentially going to offset the aggravation and the additional expense that they're going to have to engage in on the sales tax side. This idea that we can use one to offset the other, in my mind, is not one that's going to work. That doesn't mean we can't do tax reform here. We just have to do it differently. I think we've tried this. This may pass today, it certainly did pass in the other Body,

but I think the aggravation that all of us are going to get from this starting next year, is going to be huge. I'm particularly disturbed, overall by the fact that we have not resolved these problems in the committee. There's a ton of problems here on broadening of the sales tax, and we don't know the answers. We've solved that, at least internally in our minds by saying, 'we'll work on that later, we'll meet with Maine Revenue Services, they have to make decisions about whether we're going to tax this and how we're going to tax it, and what's not going to be taxed.' None of that stuff is resolved here, so today you're being asked to really vote for a pig in a poke, big time. And I would suggest that you vote against the pending motion and we put this to bed. Thank you, Madame President.

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

Senator **BLISS:** Thank you, Madame President. Men and women of the Senate, while I'm getting myself prepared to speak here, this might be a good opportunity for people in the audience to turn off their cell phones. I spoke to you earlier today, this week, I'm sorry, about how delighted I was to find myself on the Taxation Committee this year and how little I knew and how much I thought I had learned. None of that has changed from Tuesday to today. I think any change in the tax structure is a messy business. I don't think it matters what we do or how unanimous our decision might be, someone's not going to like it. Someone's going to find something wrong with any change we make. Because of that, for the last 10 or 12 years, we've been hesitant to make any change. The last Legislature came very close to tax reform which ultimately unraveled over haircuts of all things. This time lots of stakeholders were involved from the very beginning. Out of 635,000 taxpayers in Maine, it is certainly possible for my friend, the good Senator from York, to find an example or two or three or four or a dozen or two dozen of people who aren't going to like their new income tax level or are going to be losers. It's going to happen. Out of the changes in the sales tax, my good friend is certainly going to be able to find people who have concerns, because they've never had to tax what they sell before or because they have never had to pay a tax on something that they buy regularly before. It's going to happen. The bottom line is this new tax plan works. This new tax plan reduces the income tax from 8.5% to 6.5% and generates extra money in the pockets of almost 90% of Maine's taxpayers. I was thinking about passing out this morning that famous silhouette handout that's been floating around for awhile and revised eight or nine or 12 times. But my colleague, the other good Senator from York, took the initiative and did it for me, and I hope you have an opportunity to look at that. There are six examples on that handout and you'll notice that each of those examples ends with reduction, reduction, reduction, all of these people in all of these six disparate examples wind up the year with a net tax savings. Is it a lot of money if you divide it into 52 weeks? No, but it is money. It is an important step in the right direction for people in Maine who frankly are hurting today. Everyone in this room, as part of their election or re-election process or speeches in their home district, have said, 'This is a state of small businesses.' Maine is all about small businesses, and virtually none of those small businesses are C Corps. Those little mom and pop shops file their taxes just like you and I do. This reduction in the income tax from 8.5% to 6.5% helps every single one of those small businesses that you and I want to help move forward, particularly

in these troubled times. You and I want the same thing for people in our districts who are struggling to make their businesses work and this will help them do it. I learned a lot in those few days that I was able to sit through all of the Taxation Committee meetings this year. An important thing that I learned is how hard my friend, the Senator from Penobscot, Senator Perry and my friend, the Senator from York, Senator Nass, work every single day on that committee. They both know far more than I do about the ins and outs of the tax structure, how it works and how everything fits together. I do know that this plan has been vetted in the community and it works. It will help individuals. It will help businesses. It's exactly the right thing to move this state forward. Thank you, Madame President.

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

Senator **TRAHAN:** Thank you, Madame President. Ladies and gentlemen of the Senate, I'm just going to rise for a few moments to tell you why I have concerns about this bill and why I can't support it. I remember a promise that I heard made by Maine Revenue Services when L.D. 1 passed. That promise was nearly \$400 in property tax relief in the first year of implementation. The only thing I can say to that, ladies and gentlemen, is how did that work out for you? I'm still waiting for my \$400 property tax reduction. The second reason is that this bill really relies a lot on credits to bring relief to the lower income people in our state. Maine, I believe, is unique in the nation. We have the oldest population in the nation and the highest level of poverty people eligible for Medicaid. That means the group in the middle, the people that earn an income and have money to spend in our state, is much smaller than other states. I believe those credits that are targeted at those individuals will be adjusted significantly in the future and the promise of the credits, I don't believe, will be fulfilled. I'm going to give you an example of why I say that. I have in front of me a list from the Fiscal Office of the times that there were adjustments made in statute to either tax credits, relief programs, or just increases or decreases in taxes. For those two sessions, the 121<sup>st</sup> and the 122<sup>nd</sup>, that list totals 187 times that there were adjustments to our tax code or revenue adjustments, enhancements, or reductions, for that matter. I don't believe that we can control what's going to happen in the future Legislature. I do believe that those credits will be adjusted and those promises will not be kept. The last, and probably the most telling reason why I'll vote against this, really began with a trip that I took to Bar Harbor a couple of weekends ago with my wife. On the way, I see the Senator smiling, I was in your district and I certainly enjoyed it. I will tell you that that area is a tourist-based industry and the businesses that were empty, because of our economy, were significant. Places that I had visited in that area were empty and up for sale. I believe pushing more and more responsibility onto the tourist industry is not going to help that cause, bringing businesses back to that tourist industry. I think this will hamper it. Many of the folks from Maine that would go to this area and enjoy amusements and rides on air craft, aren't going to have the money to do it. This bill will impose a greater burden on those people, both living out-of-state but also living in Maine, that enjoy meals out and enjoy these tourist-based excursions. I know because I'm one of them. I think that this bill, in a different time, might have really good policy implications, but not when our economy is on the edge of collapse. I see it in the tourism industry, not just in Bar Harbor but in my district as well. I hope if

this does pass that the folks that remain in this chamber in the future will stick vehemently to the promises that are made here today. Do not adjust the credits. Do not go back when it's tough times and break this promise. Thank you, ladies and gentlemen.

**THE PRESIDENT:** The Chair recognizes the Senator from Aroostook, Senator Sherman.

Senator **SHERMAN:** Thank you, Madame President. Ladies and gentlemen of the Senate, this is déjà vu all over again for me. We went through school consolidation. We were going to fix it because of unintended consequences. We had a bill two or three years ago that was put together very carefully by the good liberal Senator from Portland and the conservative Senator from York. They beat and thrashed around and around. That Senator got up today and picked out two or three things that have unanswered questions about them. With the school consolidation we messed around with 170,000 kids and their parents. This time we're messing around with 1.3 million people. There seems to be such a rush in this Body to get stuff done. It's like a conveyor belt. Let's do it, let's do it, let's get it done. I respect the individuals who worked on that and the gentlemen from the other Body. A rather brilliant man, I think. We also have brilliant people, I think, on this side of the aisle that were involved in the tax piece and gave very cogent and pertinent information and raised doubts in a lot of our minds about how this would operate. I do know some people in our caucus that have tried to calculate what that would do to them. They may or may not be speaking here. It raises issues of how this would impact people. The idea of playing around with candy, and whether we throw flour on it or not, or whether you're going to tax it or not, goes back a few years to the snack tax. If you bought one cream horn, that was going to be taxed. If you bought three, and you're going to take them home, that wasn't taxed. I have five or six little grocery stores. Every time we do something Bruce Wallace, I hope he's not listening, says, 'What the blankety blank are you guys doing now?' I think that applies here. Somehow we can't seem to get a method or process by which we can carefully go through these things and vent. That bothers me as much as it bothers me about the school consolidation we're still playing with. We can come back next January and start the playground again. As a schoolteacher, the bell is ringing. I also have a bunch of old cars. I can't afford those Lexus you're talking about. I tried to do the repair bill. My wife has one and I have one. When we go to a mechanic, it's \$50 a shot. Bless their hearts. I'm in the wrong business. You have to have those cars inspected. I also have some old 1700 Internationals that we haul grain and other things with. Those have to be inspected. When they look those over, it's more and more difficult to get those inspected. They don't apparently like the rust that doesn't bother the rest of us. I'm looking at just maybe, on a repair bill alone, \$500 to \$600 worth of taxes. I'm a leftover farmer, so to speak. There are lots of folks who are hanging on out there. Businesses that do simply things such as car repair. Obviously we're not sure how exactly that would impact them. I'd love to vote for tax reform. Maybe this is it. Maybe we can come back and repair it., but I don't believe so. I went to law school many years ago and the tax courses were the most wonderful things in the world you ever took. You run through the tax code, that little fine onionskin stuff, on one page it would take away and on another page it would give. Very complex, I wish we'd had the time, the energy, and the thought processes to work something out so we could lower the income

tax and get ourselves in line with other states. I do not believe this is the vehicle. Thank you.

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

Senator **PLOWMAN:** Thank you, Madame President. Men and women of the Senate, since so many things don't change around here, I'm not going to talk for your purposes because a lot of people have made their minds up. I'm going to talk for the purposes of the people who are listening. Bear with me. Things that will now be covered would be admission to all entertainment venues. We all think of entertainment venues as fairs, and fairs aren't included, never mind, that was one thing that got by, thank God. Theatres, water parks, carnivals, circuses, animal parks, and I never thought that at a bowling alley, I'd have to start paying taxes on bowling. I have a feeling that bowling alleys all over, come next January, are going to be a little bit different. So are the billiard parlors, go cart courses, tennis and racket ball courts, and paintball. You'll also have to pay admission to auto, boat, camping, home, garden, animal and antique shows, you'll be charged a tax on that. When you have a little thing in town and you hire a juggler or a clown for the kids, that's a taxable service. Arcade games. When you do head into a fair, that's where the things that's going to be fixed by the Maine Revenue Service next time. A little bit of history on the fix for the school consolidation, one of the biggest legislative power give-away happened the year that we all wanted to put in legislation to fix school consolidation and legislators were denied the right to put in legislation, but the Executive branch was given the right to put in the only piece of legislation. A little problem with the fix bills around here. I know it went unspoken, I hope that it didn't go unnoticed that we were locked out of our own process. The fix bill next year could happen just the same way. We're talking about helping businesses. You have not helped a business when they now have to pay taxes for an accountant, taxes for bookkeeping services, taxing for secretarial services, taxing for repairing automobiles. I do note that the newspapers around the state are very, very much in favor of this, but as usual, they manage to make sure that they're not going to be taxed. Please gore someone else's ox because if you affect ours, our business just won't be the same. I think that the people that spoke the loudest, were incredibly, the people last year and made a difference, were the people who are closest to the real people of the state of Maine. Hairdressers. I wouldn't discount a hairdresser for anything. She knows your people better than you do. When this passes, and 11 more people have to come to work for the state of Maine so that the average individual can save somewhere between \$50 and \$80 a year in taxes, unless you happen to be one of those wonderful single Mainers with no dependant children, that's the biggie. It must be because he doesn't have to have a minivan, drive around the kids and take them to amusements, or take them to the movies. That person gets a whopping \$136. We're going to pass massive tax reform with an average benefit per person in the state of Maine of \$50 to \$80 a year, and hire 11 new employees. I dare say the money we save at our household will be paid to my accountant in order to do my next tax state and federal return, which will have to be completely done in a different manner. I dare say that one big transmission job like I had to pay for this year will eat up all the savings for two of the people in my household. There's been some kind of business to business kind of accommodation if you have to have

one of your large trucks fixed, then that's not taxable. However, if you run a fleet of small cars like the local pharmacy in Bangor has eight or nine cars, every repair will be taxable. That's another thing that we have to put in on our businesses. I have a ton of horse farms in my district and you'd be surprised, some of you do too. Horses are going to cost an owner \$300 a year apiece, so that we can save \$50 to \$60 somewhere else? I know a lot of hard work went into this. There's a level of sarcasm you're hearing from me, but it's not about the level of work, it certainly isn't about the level of work. But we have a system of tax credits here to make it so that we can keep as much money as we collect as possible, because we have to tax everyone the same. The reason this even has a positive is because the people who come here to spend the money can't possibly get the credits. What a great idea. What a great idea. That didn't save anybody any money that was a shift. When they stop coming, will they? Won't they? Will they like going to Sugarloaf anymore? When they found out that you're taxing their relatives who live in residential care and that they're looking at dad or mom having to move into the Medicaid roles because you're paying more for what they have? Because when they run out of their assets, they move completely onto us. I thought we had gotten away from taxing people in nursing homes. I'm not sure how to bring about tax relief in the state of Maine, but I am sure, and when you break it down to the common denominator, the people who are shopping at Wal-Mart today who have their car in over at Sears, who are hoping that they're going to get by without a tax increase this year, that it will look good when their tax return comes back next year. They'll have a couple of hundred dollars, but I guarantee you, if on a day by day basis, they kept track of the new taxes that you will have imposed upon them, and they will notice, they'll notice every time they go in. 'I never paid tax on this before.' Well you have to now. 'It comes to that much, are you kidding me?' 'Why do I have to pay it?' 'What's the benefit to me?' How about 80 bucks a year? Eighty bucks a year. If you sent them that check today and said, 'Look, we've saved you \$100.' Let's say the really big check, 136 bucks. Send it to them all at once, please, because at a couple of dollars a week it's going to be just like the last thing that happened in my paycheck, they stopped taking taxes out of my paycheck to help me get through week by week. Come next year I'm really going to be under the hammer coming up with that money to give to the feds. Send the whole \$136, please, because that will make a major impact for one transmission job. Thanks.

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

Senator **COURTNEY:** Thank you, Madame President. Men and women of the Senate, it's always interesting debate when we have a little discussion with the good Senator from Penobscot and the Chair of Taxation. I enjoyed serving with him on the committee for a few years. I guess when you hear the word tax reform you think that tax reform is a good thing. While some people might think this is a good thing, the broadening has a lot of implications that really aren't seen. The cost to a business that's never really collected sales tax starting to do that. People who have never paid tax in that area, all of a sudden having to do it. We've heard before about the increased cost of administrating the program through Maine Revenue, the 11 or so new positions. One of the things that stuck out for me was something here that was put out, I believe, by the other Body's Majority office. I think

you probably have a copy of it because I sent you all a copy this morning. I'd just like to take a minute and go through it, maybe not to change any minds, because I'm sure most people have decided, but for the people at home. I know a couple of people listen. For the record, because I think ultimately what's going to happen, is this is going to be the record. This will be what decides whether we're here, or whether we're not here. An elderly couple on a fixed income, earning \$27,500 jointly, their reduction will be \$2.73 a week. A single elderly person on a fixed income, their reduction's going to be \$1.56 a week. A married couple with three dependent children, \$5.37 a week, just a little over \$1 a person. A married couple with no children, earning \$95,000 a year, gets \$2.04 a week. A married couple with two dependent children, earning \$80,000 a year, gets \$3.31 a week. A single Mainer with no dependent children, earning \$50,000 a year, gets \$2.62 a week. I don't see the reform in that. I don't see this bold historic tax relief. There's nothing bold about a \$1 a week. I remember we had that a couple of years ago, there was extra money and people used to laugh at home because a previous Chief Executive wanted to send checks out for like \$50 a year to everybody because there was too much money in the state. This broadening, when revenues rebound, there's going to be a lot more money coming into the state. There's no provision for that additional money. That additional money's going to be spent. If history shows, this Legislature will spend the money, they won't use it for tax relief. How do I know that? Well look at some of the proposals we've seen this session. We've seen L.D. 501, an increase on heating oil. We've seen a change in L.D. 545, to amend the tax exemption regarding leased property. We saw, I call it a tax but nobody else does, L.D. 1005, a surcharge tax on health insurance claims. How about L.D. 1253, a local option sales tax? Or L.D. 1347, increasing the cigarette tax and smokeless tobacco? I think history shows, and if this tax is broadened, when the economy rebounds, there's going to be more money out of Mainer's pockets. Two years ago the Taxation Committee corralled all of the tax increase bills and they truly had what some people called a revenue neutral. I think maybe you could make the straight face test that they attempted to keep it that way. This, with tax increases across the Body, I'm not sure that's so. You can't do reform without looking out a few years, and looking where the revenue's going to go. Unfortunately that part is missing from the plan. Thank you, Madame President.

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

Senator **CRAVEN:** Thank you, Madame President. Men and women of the Senate, we complain constantly about the tax burden in Maine. But it seems that when we have an opportunity to do something about it, we're not willing to go there. Most of my constituents, including the Androscoggin County Chamber, are very supportive of this tax change. I think that this is the best opportunity that we're going to have to make the change, and certainly it has been thought through carefully. Many, many people for the past six years that I've been in the Legislature have worked very, very hard on this measure. I think that when we have constituents we represent, we have their very best intention in the forefront. I think that the writers of this legislation had the best interest of their constituents in their minds as they were writing this bill. It seems that we pay sales tax on all of the essential items that we use clothing, furniture, washing machines,

and exempt non-essential items like going to the movies, or recreational items. Those are the items that should be taxed because they're optional. I think that since we depend so much on auto and building supplies, and if we actually had this bill enacted two years ago, we wouldn't have this desperate shortfall in our state budget this year that we all had to suffer through, and our constituents also have to suffer through. I rise in favor of this legislation.

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

Senator **HASTINGS:** Thank you, Madame President. Ladies and gentlemen of the Senate, I'm going to be brief. Before we all pat ourselves on the back and take credit for reducing our income tax from 8.5% to 6.5%, which I compute to be a 30% reduction in rate, let's take a look at what we've really done. Within this bill we have taken away the traditional deductions for personal exemptions for itemized reductions and replaced them with a homestead credit. Quite honestly, if we did a quiz on this today as to what that amounts to and how you compute it, I think we'd have a hard time in this Body today explaining that. What it does is it obscures what we're doing. A 30% reduction. Then I look at Maine Revenue Service estimates of what this will do to our income tax revenues. Will it reduce our revenues by 30%? Not at all. By my computations, I have estimates of the impact of the income tax before us, this bill, showing that in fact we're reducing our income tax revenues by 7%. What we've given with this income tax reduction with one hand, we've taken most of it back with the other hand. We've done it in a way that is very confusing. Now certainly we'll be able to put in our brochures that our marginal income tax rate is 6.5%, but have we really reduced our taxes by 30% on the income tax line? We certainly have not. If in fact we did it in a straightforward manner and reduced our marginal rate by 7%, we'd be reducing our rate to slightly over 8%. I'm not sure I've got these numbers all right, but if you apply 7%, that takes a .425% off our marginal rate. Before we congratulate ourselves for this historic massive reduction in the income tax rate, let's be honest with ourselves. We are not doing that. There's a very marginal reduction in income tax traded for this substantial broadening of the sales tax. I do believe that those people who wish to invest in Maine will figure this out, that we have not dramatically reduced income taxes in Maine. Our collections will remain substantially 93% of what they were. Keep that in mind before we congratulate ourselves too much for a historic reduction in income taxes. I would question if we were to do that we should do it in a straightforward manner rather than in this roundabout circuitous manner that somewhat hides what we've done. Thank you very much, Madame President.

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

Senator **BARTLETT:** Thank you, Madame President. Ladies and gentlemen of the Senate, I'd like to first and foremost commend the Taxation Committee for presenting us with a balanced package. This package not only lowers the income tax rate from 8.5% to 6.5%, it thereby reduces the capital gains rate of the state. They've also brought forward a plan to pay for it. I can't help but note the irony coming from the opponents of this package today, arguing that not enough time has gone into it, that we need to really spend some time refining and fine tuning, and

picking and choosing how we fund it. The irony is that many of the opponents who have spoken on this, voted earlier this week to reduce our income tax rate with no funding source, a fiscal note of \$1 billion over the next biennium, with no way to pay for it. So I commend the Taxation Committee for doing the hard work, for trying to figure out how best to put together a package to accomplish the shared goal of lowering the income tax rate for Maine people. The reason the tax reform or any reduction in broad-based taxes, like we're seeing today, the reason that's so difficult is that when you get into the details of how you're going to fund it, what cuts you're going to make, what additional revenue you're going to bring in, to make that happen and keep the budget balanced, it's messy, it's messy. There are things in this package for people to like and things in this package for people to hate. At the end of the day, just as when we passed our budget, you have to trust members of this Body to work in committee, to go out to the stakeholders, to bring in the experts, to run the numbers, and present a fair and balanced package based on some common goals that we give to them. They have done that with this package and while there are pieces I would change if I were writing it myself, I respect and trust that the work of the Taxation Committee is the best way forward in these circumstances. With respect to some of the other criticisms that have been made about the expansions of the sales tax, let's bear in mind that while we will be expanding our base somewhat, we will continue to have one of the narrowest sales tax bases in the entire country. This doesn't even begin to touch what other states are taxing. If you look around us at other states in New England and beyond, while we're lowering our income tax rates and doing some very modest broadening, they're all running around raising their rates to bring more money into their coffers. We decided not to do that to balance our budget, but to make the tough decision to cut \$500 million below the last biennium, and to bring forward a balanced package with some fairly modest expansions that still makes us one of the most competitive places on the sales tax, and will now bring our income tax rate down in line with other states as well. Finally, the argument that this doesn't go far enough, in my view, is allowing the perfect to be the envy of the good. We could sit back and wait until the ideal package comes and the timing is just perfect, then we could go the full distance. That would be just like a quarterback taking a snap, fade back to the pocket, and looking down the field to go for that winning touchdown. When the play's not there, he would just set the ball down and let the other team pick it up. They could then score and the game would be over or the quarterback could take the sure 10 yards and live for another play, another shot at that end zone, and that's what we're doing today. This package isn't perfect. This isn't revolutionary. This isn't all we can ever dream of. It doesn't go as far as any of us would like it to, but happy to say we've gone 10 or 20 yards down the field to give ourselves some breathing room, a chance to come back and say, 'Look we've done something good, we've gotten the first down and let's come back next year and do more and continue to work for that end zone.' I hope you will join me in supporting this motion so that we can begin the hard work, deliver income tax relief to Maine people today, and return next year to do more hard work and continue striving for the perfect. Thank you, Madame President.

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

Senator **McCORMICK:** Thank you, Madame President. Men and women of the Senate, I rise in opposition to the current motion. Having spent four years on the Taxation Committee, I'd like to think that I heard most of the arguments that have been presented over the years, and I certainly have an opinion about most of them. There are so many bad things about this piece of legislation that it's difficult to start, and you wouldn't want to hear me talk for two hours either. We could talk about the hundreds of new individuals and businesses that are going to have to become retail sales collectors and remitters to the Revenue Service. They've had to put on a dozen new people just to handle the volume, imagine the impact on small businesses. Little individual mom and pop stores have to reprogram their cash registers to account for these differences in the sales tax, but we won't talk about that. We could talk about how much money the out-of-staters are going to spend on meals and lodging, and how great that is and completely ignore the fact that nearly 70% of the food purchased in restaurants in this state is done by Mainers. We can run around the state and promote this thing and get dozens of editorials in the papers, which we've received copies of in the last few days. When we were talking about numbers that don't even reflect what's in the current bill, and maybe people wouldn't be as supportive of now if they knew what was here today. Just today this headline mentality that goes on that was previously alluded to by another speaker, just today in the Kennebec Journal \$167 per Maine resident. \$55 million. I used to teach math and I took \$55 million and divided it by 1.3 million and I get like 42 bucks per Maine resident. We just mislead people in everything we say and do. So I won't talk about that either, because you don't want to hear that. I'll just make it more personal. How does this affect me? I hope you can all answer that question before we affect 1.34 million people, and I don't know. I will ask anyone here to inform me. As we were touting this around the state, the number that is most important to determine whether you benefit or not, is this household credit. When these were touted around the state we were talking about, for married, filing joint people or heads of households, this household credit was \$1,600. In the side-by-side we received a couple of days ago, it's now \$1,200. Who can tell me what it's going to be a year-and-a-half from now when I file my 2010 income tax? There's a caveat on this spreadsheet that says, 'All credit amounts and percentages are subject to adjustment depending on fiscal impact post-enactment of the biennium budget.' What will the number be when I'm trying to calculate the credit for me? We also did some significant changes in when this credit phases out, and it did phase out with higher income. At the time this was paraded around the state, for example, for individuals filing married joint returns, the credit started to be phased out at \$93,900, but as of June 1<sup>st</sup>, the credit is being phased out at \$55,400. That's kind of a significant change to me, whether or not you will benefit from this package. For single individuals, the credit was due to phase out at \$46,950 when it was touted around the state, but a recent change phases it out at \$27,700. We just don't have much credibility in this thing, and if we pass this bill, we can all expect a lot of calls from our constituents. If you can't even answer for yourself as how it affects you, what your household credit is, how many deductions you lost, how on earth are you going to explain it to a constituent without saying, 'We'll trust Maine Revenue Services to do this.' 'Trust them, they'll run the numbers.' I don't have any faith in that, I'd like to be able to respond to somebody, 'This is how it will affect you, this is how it affects me.' If anyone can answer that

question, I may change my mind, but I'll be in opposition. Thank you.

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

Senator **SIMPSON:** Thank you, Madame President. Men and women of the Senate, I had the pleasure, not really, of serving on the Tax Committee seven years ago with several of my friends here in the Senate, now, today, the good Senator from York, the good Senator from Kennebec and the Senator from Penobscot. We struggled then to try to figure out how to do tax reform and failed. I think every Legislature since then has been working on it and not coming up with something that would pass. People have been asking questions today about what's the big news, what's the big deal. Now when I first came to the Legislature there was a lot of talk going around the state how we had the number one tax burden in the country. Then it was that we were number two, and there was some sort of debate about whether we're one or we're two or we're three, and everyone wanted to keep repeating what a horrible place this is. Last August the tax foundation came out with our state and local tax burden being 15<sup>th</sup>, and hardly anyone says anything about it. I want to talk about the good news. Maine is a great place to live and raise a family, but where are we really an outlier? How do we attract people here? We have the 6<sup>th</sup> highest top income tax rate in the country. Sixth. If we pass this bill, we'll be in the middle, somewhere around 25, 26, 27. There are some ties in there so it's kind of hard to say, but we'll be right in the middle, average with the rest of the country. Then we can start attracting people, high earners. 'Come live in Maine, it's a great place to live and to work and to do business.' If you have a small business, now your income tax rate will be around the same as anywhere else. You're going to get something you don't get anywhere else. You get to live in Maine. Your employees will be some of the most loyal and they will keep working. They work hard, they won't complain. We have a great work ethic here and you won't have to pay to retrain people every six months because they move on. They will stay with you for years. Then we'll be more competitive. I join my Chamber of Commerce in supporting this legislation, because leaving us as an outlier on the income tax is not good for Maine. It's not good for Maine's reputation in the rest of the country, and it's not good for our small businesses. I urge you to support the pending motion. Thank you very much.

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

Senator **RAYE:** Thank you, Madame President. Men and women of the Senate, it would be a mistake for the Body to support this bill. If passed, it will jeopardize many of Maine's small businesses. We've heard from many of them, and they are so concerned that they did something that small business people across this state rarely ever do. They showed up here in droves, in droves, for the public hearing. They took time away from their livelihood and their businesses and doing what they do every day to come here to implore us not to do what we appear to be on the verge of doing. How can we ignore their voices? Do we really feel confident that we can substitute our own judgment for theirs? Do the members of this Body really know better than they, the bottom line of their businesses and the preferences of their customers and what this will do to them and to their employees?

We don't have to do this. This Legislature has been distinguished by a bipartisan approach and it would be regrettable if one of the final acts of this Legislature would be the passage of this without bipartisan support. This is not the only shot we have at tax reform. There's a way to do this that can bring people together on both sides of the aisle. I hearken back to the work of the Prosperity Committee in the last Legislature. They came up with some ideas of how we could do this too. We don't have to impose these burdens on small businesses. We can take another route. We could use future revenues to buy down the income tax rate, not just to 6.5%, but to 4.5%. Real substantial reform without shifting the burden onto many of our struggling small businesses. That was the unanimous bipartisan decision of the Prosperity Committee. Unfortunately there was no follow through, and now that bipartisan approach has been cast aside in the pursuit of a shift to new taxes on a range of services, as well as an increase on taxes on meals and lodging. There's no guarantee that all of the money raised from these new taxes will go to income tax relief. Once the sales tax is expanded and more money comes in than anticipated, it could be used to fund new spending. At a time when we are experiencing job losses all across this state at an alarming rate, I'm very concerned about the timing of increasing taxes on many small businesses and on the tourism industry. A lot of smaller operations are just holding on. We all know people who are just holding on to their jobs. We know people who have already lost their jobs, by the thousands. There's a lot riding on the decisions we make here. It's not just about whether an increase in taxes, on tourism for example, will prevent people from coming to Maine. The problem that many in the industry identify is that when those taxes are increased and people do come, they have less money to spend on purchases, on amusements, on staying another night. All of that in turn hurts our economy. That's one reason why so many small businesses and small business organizations have gone on record in opposition to this bill. Groups like the National Federation of Independent Businesses, the Maine Auto Dealers, the Maine Campground Owners, the Maine Innkeepers Association, the Maine Merchants Association, the Maine Realtors Association, the Maine Restaurant Association, the Southern Maine Mid-coast Chamber, the Bar Harbor Chamber and others. The Maine Chamber of Commerce tells us that many taxpayers, as the Senator from Oxford noted, will now notice a tax increase because of this bill. All of us in the chamber at one time or another have said, and I believe meant, that we want to help our small businesses survive in Maine. Raising taxes on so many of them, especially when these businesses are telling us that these proposed new and increased taxes will threaten their survival in this bleak economic climate, flies in the face of the goal of every member of this chamber to have a better climate for our small businesses in Maine. It astounds me that even in this time of enormous economic upheaval that has already taken away the livelihood of thousands of Mainers, and threatens the economic futures of thousands more, that we would impose this kind of potential upheaval on struggling marginal small businesses. Do we learn nothing from our mistakes? Must we continue to plow headlong into making another one that puts more jobs for Maine people at risk? At this precarious time how can we take an action that could undermine any of Maine's small businesses? I hope you will join with me in voting against the pending motion.

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

Senator **SCHNEIDER**: Thank you, Madame President. Men and women of the Senate, when I went door to door on my first campaign I promised to support and work on tax reform which many people requested I work toward. I've waited to vote on this and I'm very glad this day has come. I'm fully aware this initiative has been worked on for dozens of years and thousands of hours. Today we are scrutinized for a tax rate and condemned for it, especially on national tax rating surveys. We have an opportunity to change that today. When we pass this legislation we will be showing we have the courage to make change which will overall benefit our state and especially small business. Over and over I have seen my colleagues on this side of the aisle, that is the side of the aisle on which I am standing and now speak, in favor of lowering our income tax rate. However, we must pay for such a reduction. Those specifics are not forthcoming from this side of the aisle. When I have asked, it was suggested by the Senator from York, Senator Nass, that we increase class sizes, cut child development services, and of course then the Senator from Cumberland, Senator Davis suggested cutting the Clean Elections Fund, which by the way, was voted in by the people of the state of Maine. These will not come close to filling the hole made when they voted for the income tax decrease recently, and I frankly don't think the people of the state of Maine would support those changes anymore than the ones perhaps that I feel are acceptable in this particular package. It's not exactly the way I would craft the bill, but I'm not a dictator, I'm a legislator. I can tell you as a consumer, of for example candy, which I happen to enjoy, an increase on that tax, as long as it results in lowering our income tax, is still desirable. This change, although it may be difficult, is positive and will position our state productively as we come out of this economic downturn. I would just say a couple of more things before I sit down. One is, if not now, then when? To my colleague, the Senator from Washington, Senator Raye, I say that you may still make this bipartisan by voting with me on this side of the aisle in favor of this step forward and vote green. Thank you.

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

Senator **DIAMOND**: Thank you, Madame President. Men and women of the Senate, I first want to congratulate the Senator from Penobscot, Senator Perry and the committee for their tenacity. Certainly we've all witnessed the work, the hundreds of hours, literally, that he and they all put into this, and I thank them for that. Obviously the motivation was all for the right reasons. I also want to thank him for putting this bill on hold for six or seven weeks while we did the budget. It wasn't really underground at all, it was just being held at the request of many of us who are working on this budget so we would not conflict the two. I extend my appreciation for that to the Senator as well. I feel like I owe my caucus in this chamber an explanation of my vote on this issue. This bill has been highly touted and promoted and rightly so, as being an export tax bill, that is a bill that would ask the tourists and the tourism industry basically to pick up a lot of the slack. In an effort to make it neutral, I think that was a good effort. However, today I have to speak for my district. My district half circles Sebago Lake, as well as 10 or 15 other lakes and ponds, and my district's population triples in the summertime. My office is on Route 302, and the daily traffic is 19,000 cars a day, and when the tourism season starts it goes to 35,000 cars a day, on

their way to the lake and the lake region. The people who make their living in my district rely almost 100% on the tourism industry. We have over 500 businesses, all small, just in the town of Windham, and if you go to Casco, Raymond, and Standish, you'll find hundreds more. These business people are literally frightened about what will happen when this effort asks the tourists to pick up the tab. Now that may just be perception, it could very well be perception, but to them it's reality. They're on the bubble and they're worried that any kind of distraction at this point would be a tremendous problem for their existence. I've talked to several of them, 20 or 30 maybe, who have called me and I asked them in detail, if they really think another cent-and-a-half on the lodging, on amusements, on campgrounds, whatever it may be as all are contained in this area, will make a difference in tourism and the tourists coming into Maine and our district? They didn't really know, they couldn't say absolutely for sure, but they were worried that it might. That again is the perception. I'm here today to explain my vote and let you know that I'm here to give the voice of those business people, mostly very, very small, are concerned and worried about this. Maybe this won't hurt, and I hope that it won't. But to them it might, and a might is a very big word for them. Thank you very much.

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

Senator **TRAHAN**: Thank you, Madame President. Ladies and gentlemen of the Senate, this is probably the fifth or sixth time that either the Majority Leader or somebody in here has basically called me a hypocrite for voting to cut the income tax, so I feel an urge to rise and tell you that if I was in a perfect world.

**THE PRESIDENT**: Let's be very careful. I heard the word hypocrite.

Senator **TRAHAN**: Thank you, Madame President. I apologize. My policy vote may be in conflict with the item that was on the floor and I apologize. I don't mean to degrade the Senator, I apologize Madame President.

**THE PRESIDENT**: Thank you, Senator.

Senator **TRAHAN**: Thank you, Madame President. I would like to rise and explain why I voted that way. For those in the Majority, being in the Minority and having been there in my tenure here, the part of the state government that we get to run in the Minority is the caboose on the train. If I was in power and I was in control, I would pay for income tax reduction by making it part of the budget process. In good times when we had revenue coming in, I would make an income tax deduction a priority. I wouldn't do it overnight. I wouldn't do it in one year. I would look at a 10-year plan and I would reduce it in increments with that new revenue that was coming in. I wouldn't do it as we're doing it today, after the budget has passed, at the end of the session when there's no money left, and my only option is to vote to increase taxes to reduce taxes. I would make it a priority day one, and I would make it part of the discussions. On the record, Madame President, I do believe it's a bad time with the budget the way that it is and the revenues coming in the way that they are, to make income tax reduction a part of the budget. I don't think it's the time for income tax reduction in that scenario I just described. We will recover in the future and revenues will be coming in, and

that is the time I believe income tax reduction should be part of that overall discussion. Thank you, Madame President.

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

Senator **NUTTING:** Thank you, Madame President. Ladies and gentlemen of the Senate, it's been a very interesting debate for me, a good healthy debate so far. I've heard that this plan is not straightforward and yet I'm supporting it because unlike other plans we've seen this session, at least it has courage enough to propose how they're going pay for it. I think that should be rewarded, and I think that is straightforward. Now I've heard already this morning that the time isn't just right yet for this. That leads me to believe that possibly some members want to wait on this subject, possibly until the cows come home. My vote is affected by the fact that the Portland Chamber of Commerce, the Androscoggin County Chamber of Commerce, the Bangor Chamber of Commerce, and the Mid-coast Chamber of Commerce, the four biggest Chamber of Commerce in this state are all supporting this Majority Report. Those small business owners have looked at this and realized that the best way to develop our economy and stimulate small business growth is to lower the income tax rate, and I agree with them. I'm also supporting this bill because it closes one of our worst sales tax loopholes of all, and some here have heard me talk about this before; however, I know there are a few freshmen in this chamber. I'm talking about recreational services. When our kids were small we used to rent a place on the coast for a week every summer, it's just an hour away from the farm so if something went wrong we could be home in an hour. I spent quite a bit of time hanging around the harbor of this mid-coast community and most years we were there, Jimmy Dean of Jimmy Dean's sausage was there with his 131 foot long yacht that has a crane on the top of it that lowers the 30 foot boat into the water for day trips. I discovered that the 42,000 luxury yachts on our coast every day, all summer, the docking and mooring fee they pay are totally exempt from sales tax, totally exempt. If you look at the states of New Hampshire through Florida, and I've looked at every one of them, tourists in those states for docking and mooring pay between 11% and 18%. Frankly I think they should be at least 8.5% on this bill, but at least they're at 5%. They need to begin to pay their fair share, and they do under this bill. Ladies and gentlemen of the Senate, remember a few years ago we passed a bond issue for cleaning up our coastline for overboard discharge and the many CSO bonds we've passed. If we're going to run the state like a business, I believe those who come to use and enjoy our state and our coast should contribute toward cleaning up that coast. Yet we give them a total of zero percent sales tax on their docking and mooring fees. Maine is the only state in the United States that still does this practice. I've talked to hundreds of constituents and I've asked them the same question, 'If you're going somewhere on vacation, do you check ahead of time on what the state's sales tax is, what the county's sales tax is, the city sales tax is, and the borough sales tax is?' I've not found one constituent yet who has told me, 'Yes, that determines where I go on vacation.' I don't believe they check, and I don't believe our 8.5%, which is still less than the rest of New England, is going to affect tourism at all. I think the overall economy may affect tourism, but I don't believe this bill is going to. I'm supporting this measure and I'm more comfortable supporting it this year than in previous years because the four

largest Chamber of Commerce in Maine are supporting this package, this morning. I urge your favorable support of the pending motion. Thank you.

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

Senator **PERRY:** Thank you, Madame President. Ladies and gentlemen of the Senate, I rise a second time, hopefully not to say anything inflammatory, and carry this debate on with rebuttal. I just want to respond to some of the stuff I've heard and hopefully we can close this debate out. One of the arguments I heard against this bill is that there were dozens of proposals that taxed in other ways or did tax reform in other ways. Heating oil, for example, why not do it? It's only 60 bucks a year, a dollar a week, who's that going to hurt? A dollar a week isn't anything. It's remarkable the difference in perspective when we're talking about going up a dollar a week or coming down a few bucks a week. I don't see a difference. We're coming down a few bucks a week for most families. Well to me that's a good thing. The credits are not more complicated. Instead of figuring out what your income is, your net taxable income, and going through the charts and finding out the tax, you take your income and multiply by 6.5% and then you go through the chart to find out how much your credit is and deduct it. It's no more complicated. You have either your standard credit or your itemized credit, simply a percentage of the one you already figured to do your federal taxes, so that's not any more burdensome. I heard the potential of \$500 or \$600 a year in additional car repair costs, but if you consider that parts are half the bill, that's \$20,000 to \$24,000 a year, and I'd suggest it's time to start shopping for a new one, you just can't keep the old clunker going anymore. We did everything possible to exempt business-to-business transactions because they can parallel and multiply and outstrip the benefit of this bill. I think that's probably why we have so many Chamber of Commerce supporting this bill. Admittedly 70% of the meal tax does come from Mainers, but 100% of that 30% that does not come from Mainers is shared with us only. That's where the burden reduction comes from. We've heard all sorts of anecdotal evidence or stories that this might not work. I honestly think it just comes down to the hundreds of hours that have gone into this, and the dozens, and dozens and dozens of financial runs from Maine Revenue and trusting their PhD economists, the multimillion dollar computer, their extremely sophisticated modeling software, their ability to look at every single tax return that's filed in the state of Maine and take a snapshot of what it would be under the new law, would we feel it's something different? I tend to trust the numbers we're getting. We didn't just give them a bill and get the numbers and call it good. We had to prove that this worked by giving them hundreds of runs to do that didn't work. As far as when this is implemented, it's not easy, I get it. We're all scared of change. Change is not easy. In fact I was a little nervous moving from the House to the Senate, but come to find out, I'm a natural. Change wasn't that bad. We'll be there as a Tax Committee to oversee this and smooth our way through it every step of the way. If we were talking about expanding into diapers, clothing, shoes and over-the-counter medicine, I could understand the outrage as we're already taxing that stuff. Everything that's a necessity in our life is taxable. Things that are discretionary or highly exportable, or a service that wasn't around years ago when this tax code was written is tax exempt. When this is done we'll still have one of the most

narrow sales tax codes in the nation. Other states are doing this and then some. It's working out and they're doing well. Many states are doing well, some better than us, who tax more things than we do. Just one last thing, I get the numbers. It's not life changing, the numbers we're giving back to people, it's the structural changes that we're making that go well beyond the numbers, well beyond the numbers. It is perception in many ways. It's a huge perception gain for this state going from 8.5%, one of the top rates in the nation, to 6.5%. It's our sales pitch to the rest of the country. Admittedly the structural changes, the softening of our revenue cycle from this boom and bust, it's the image, doing a bit for Mainers, that's what this package is all about. And the 3 or 4 or 5 bucks for most families is the icing on the cake. One last note, I hear constantly about credibility. We don't have the credibility to do this. I don't know where and how we get the credibility because I hear things like, 'All you guys do is raise taxes, that's why you're not credible.' Well, what taxes? 'Well you know that's what you do.' You know the story. We cut the sales tax, we created the homestead exemption, we doubled the circuit breaker, repealed the personal property tax on business equipment, and on and on, I won't go down the list. The reason we don't have credibility is because we've talked about it for years and we haven't done it and today's our chance. If it's not perfect, if it's not the end all be all, we'll be back next year looking for step 2 and 3 and 4 to continue us down this path. With that, Madame President, I certainly would advocate that my colleagues here vote for the Ought to Pass report and let's get things going. Thank you.

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

Senator **McCORMICK:** Thank you, Madame President. Men and women of the Senate, I'll be brief. I would like to just respond to the previous speaker's comments about trust and the accuracy of projections and numbers. We don't have a high credibility level here, and speaking for myself only, I was trusting when we got the supplemental budget earlier this session that we were solving a problem for this fiscal year only to find that 60 days later we're off by \$160 million. Some of these people are the same people making these projections and I don't have that trust level. Thank you, Madame President.

**THE PRESIDENT:** The Chair recognizes the Senator from Aroostook, Senator Sherman.

Senator **SHERMAN:** Thank you, Madame President. Ladies and gentlemen of the Senate, I'll try to be very quick because Senator McCormick sort of said what I wanted to say. We seem to have forgotten that we took \$500 million out of the budget. In my district, Presque Isle down through Houlton, down through Sherman, there are going to be people laid off, five here, 10 there. There's an organization that's trying to reorganize itself in Houlton, and they had to meet with DHS for the proposal they perform for DHS. DHS scratched their heads and said, 'Well maybe you can't do that. Sorry about the money you lost.' I guess that's ongoing so I won't talk about that. We've taken, in a sense, if you divide the \$500 million that's five million dollars a week that we're not sending out. We're saying, 'Gee, let's throw tax reform on top of that and why don't you run around the countryside and figure out whether you're going to go into an amusement ride. If you want to stir the pot, which we seem to be

doing, you get inside this building and it's so isolated that it doesn't face the reality of what people are dealing with. I mentioned before, and Senator Trahan said the same thing, about managing this over time. We did school consolidation. Are schools happy with what you did? Are they raising more money or less money? We're attempting to do tax reform, which we all agree should be done, but it's how we manage that as we do it. We seem to think this has to be like Instant Breakfast. Get your oatmeal out. Throw it in the microwave and away you go. It's like instant taxes, stir it up a little bit, a cent here, a cent there, it doesn't amount to much. Ask someone who's on unemployment and their unemployment runs out. Perception is reality, I heard someone say that. You're adding on top of the school consolidation, well-intentioned tax reform. Think what you said three years ago when you said you were going to come back and fix that particular one. There's more politics running around, money here, money there, raise this evaluation, do that evaluation, I guess, I'm just making these things up, I've never heard such things before. You're going to throw this bill onto 1.3 million people and if you think people are angry about school consolidation, throw this little bit of gasoline on top of it and see what they have to say about that.

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

Senator **GERZOFSKY:** Thank you, Madame President. Ladies and gentlemen of the Senate, the last time I rose to speak on this subject, was six or seven years ago in the 121<sup>st</sup> Legislature. That night, in the dark of night, at about 2:00 in the morning, I gave a rather loud speech. It was one of the first times I ever spoke in the other Body, and I didn't know how loud my voice could get. I found out that night because I looked at what they were trying to do then in the dark of night, wasn't the best thing for the people of Maine, and it certainly wasn't the best thing for people in my district, the beautiful downtown of scenic Brunswick. It's now grown to being still the beautiful downtown of scenic Brunswick, the rolling hills of Pownal, the seacoast of Harpswell, and the shopping Mecca of Freeport. This bill has been in front of us all year. I languished over it, and I talked to my friends on both sides of the aisle about it. My seatmate back when I was in the other Body, sits behind me now, the good Whip of the Republican party. He was very happy with my speech that night, he thought it was pretty good when I said that I stuffed envelopes for Adlai Stevenson the first time he ran against Eisenhower and I earned the right to say what I was going to say that night. Now of course that was long before my seatmate now was born. It doesn't make me any less concerned about the people of my district and I have been around my district speaking. I don't know if anyone in this building knows quite as many mechanics as I might. I normally have my signs out in front of their shops, whether big or little. Freeport has an awful lot of retail stores that depend almost wholly on tourism, and I've gone to talk to them because I wanted to get a sense of just how this is going to affect my district. My party has caucused several times and I have not been willing or able to commit to this tax increase that people on one side of this aisle are talking about so loudly today. If you're cutting somebody's income taxes, I call that a tax decrease. We're going to pay a little bit more in sales tax in some places, and the people of Freeport are concerned about that, but they're also concerned about their income taxes. Today, in the full light of day, in the morning, not dark at night with very little talk about this, I'm going

to support this motion today. This might surprise some people on my side of the aisle and somebody sitting behind me, but I feel very, very committed to this, that it is a first step. We have to start going down that road sooner or later, and today is a darn good day to start down that road. When they write the history books or when they print palm cards, one or the other, I want it to be on record that I was willing to stand up and represent the people of Senate District 10 in the progressive move to go down that road to create a better state, a better tax system and a better life for the people of Maine. Thank you very much, Madame President.

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

Senator **DAMON:** Thank you, Madame President. Ladies and gentlemen of the Senate, I was going to say that it's very difficult to rise after my seatmate and good friend, the good Senator from Penobscot, Senator 'Natural' and try to add any more to this debate. In fact now I have just heard words that are even deeper than that from my esteemed colleague from Cumberland, Senator Gerzofsky. My observations having listened to this debate boils down to a couple of things. One was an analogy that was used in terms of being in leadership and by that fact, having perhaps more control over what goes on in this Body, and the gentleman talked about being in the caboose. If that train goes in reverse, those who are riding in the caboose are actually leading. If the train stops and the people look at that train, we don't know who is in the leadership position. It's not all about leadership, it's not all about where we sit, it's about the train. It's about the people of Maine and how we are going to affect them. One of my good friends and esteemed colleagues across the aisle in a debate, not on this day or in the Legislature, but in a previous one, made a comment that I presume, I marvel that it was his alone, but in fact it has come that he was paraphrasing, but nonetheless I was impressed that he used it and I'm going to take a bit of it now. We have talked about the imperfections in this bill before us. We have talked about the tremendous amount of work that has gone on to get us where we are, and some think we are still short of where we need to be. Whether you agree with that or not, we have before us what we have before us. I look at it as an opportunity and I would hope that the rest of my colleagues would view it as an opportunity, as that glass being half full and not half empty. I urge you to please not let perfection be the enemy of the good. Thank you, Madame President.

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

Senator **SULLIVAN:** Thank you, Madame President. Ladies and gentlemen of the Senate, I do not rise, I stand in order to voice my support for this plan. I am from a district that has a lot of tourists, and I have received e-mails. However, I also understand economic development. I have heard for the 11 years that I have been in one of these two chambers that the thing that stops us is our high income tax. Businesses won't come here, people won't invest, on and on. I've been to Florida several times and it's about 13% tax down there, and it doesn't seem to stop people from going. I just called my friend in Colorado this morning and she couldn't quite believe I was up as early as I was; however, I explained that our presiding officer had decided to start us a little early. She said she was amazed that I was going to make it, and I was too. I said, 'Cathy, could you tell me what you're sales and

lodging tax is?' She said, 'Colorado's fairly heavy right now, we've had some problems, but I really don't know. We have the mountains and we have the beauty and they'll come and visit. Remember, when we went to Florida, we paid 13%.' We have the quality of life. We have the pristine shores. We have the little quaint lobster villages. We have the mountains. We've got it all, all of it. This bill does give more money to the promotion of tourism. I understand tourism is our number one source of economic development right now, but I also understand lot's of other things. We need investment. We need people to come and buy those homes. We need to move on. Eleven years and we've had no discussion? I know nothing about taxes, I just know that I'm supposed to have more money in my checking account than I do bills when the end of the month comes and that doesn't always work out that way. The fact remains, the one thing I understand after 11 years, lower the income tax and attract small businesses. The first thing people do is look at you on-line and say, 'What's the income tax?' So I am going to support this bill and I am convinced it's not perfect, no doubt about it, but I'm not sure that we pass any bill the first time around that's perfect. In fact, sometimes we don't even get to enactment before we have a correction on a mistake that was made on the bill we just passed. This is huge. Finally, finally Maine is going to catch on and we are going to say, 'We are proud of what we have. Every single piece of Maine, we are proud of. We're proud of our schools, we're proud of our teachers, we're proud of our professional people, the doctors, the healthcare.' Yes, it's expensive to live in Maine and we're remote, but we have an income tax that immediately shuts people off. Now we're going to change that and I will cast my vote and I will go home and explain to my good friends in tourism, and I will do anything to help them to promote what they do have and what they can continue to have in the state of Maine. Thank you, Madame President.

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

Senator **MILLS:** Thank you, Madame President. Men and women of the Senate, just one point. It's very easy to get bogged down in this bill and all the details and trying to figure out what forms of candy will have flour sprinkled on them and the like, but the major point is this, this state used to be a fairly wealthy state when I was growing up in it during the 1950's and 1960's. We had a lot of capital being invested in this state. People came here to invest in paper mills and shoe factories, textile factories. There was a lot going on. It was a vibrant economy. It is not that today. It is not the same state that I grew up in by a long stretch. One of the problems we have in this state is that we punish capital for coming here. Anybody with a green eye shade down in Manhattan who is trying to figure out whether to invest in a wind farm in Maine or some other enterprise has a little burden that he places on the excel sheet at 8.5% and it's flat across the board. That comes right off the top of the return on any investment that you make. We, in this state, got drunk on it in the 1980's and 1990's. We spent all of the money that came in on the capital gains tax and then it collapsed in 2001 and we got a real slap across the face because we realized it wasn't just the sales tax that was volatile, it was this capital gains tax that was going up and down and, frankly, mostly going down. It went up again in the mid part of this past decade and then collapsed again this past year. We cannot afford, frankly, to run a state budget that relies on a volatile capital gains tax as well as a volatile sales tax

and we cannot continue to expect to attract business here with an 8.5% capital gains punishment. It just isn't going to happen. This is the big picture of this bill. Forget about all the flour on the candy. We need capital back here. We're not going to get it by tossing little TIFs at them and ETIFs and Pine Tree Zones and little BETR concessions. We're going to get it when we take the capital gains tax down by 23% and say, 'Come on back.' Bring us back the state of Maine that I grew up in. This is a step in that direction.

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

Senator **COURTNEY:** Thank you, Madame President. Men and women of the Senate, if this is a step in the right direction, look at the fiscal note. If it was going to have this major impact, all we'd have to do is look at the fiscal note and we'd see that. We heard earlier today that if we enacted this two years ago, we would not have this desperate shortfall. If that's the case, how could something like this be revenue-neutral? We talked about perception and if you look at the fiscal note, I would just submit today that perception without substance is nothing. Thank you.

**THE PRESIDENT:** The pending question before the Senate is the motion by the Senator from Penobscot, Senator Perry to Accept the Majority Ought to Pass as Amended Report. A Roll Call has been ordered. Is the Senate ready for the question?

The Doorkeepers secured the Chamber.

The Secretary opened the vote.

**ROLL CALL (#173)**

YEAS: Senators: ALFOND, BARTLETT, BLISS, BOWMAN, BRANNIGAN, BRYANT, CRAVEN, DAMON, GERZOFISKY, GOODALL, HOBBS, JACKSON, MARRACHE, MILLS, NUTTING, PERRY, SCHNEIDER, SIMPSON, SULLIVAN, THE PRESIDENT - ELIZABETH H. MITCHELL

NAYS: Senators: COURTNEY, DAVIS, DIAMOND, GOOLEY, HASTINGS, MCCORMICK, NASS, PLOWMAN, RAYE, RECTOR, ROSEN, SHERMAN, SMITH, TRAHAN, WESTON

20 Senators having voted in the affirmative and 15 Senators having voted in the negative, the motion by Senator **PERRY** of Penobscot to **ACCEPT** the Majority **OUGHT TO PASS AS AMENDED** Report, in concurrence, **PREVAILED**.

**READ ONCE.**

Committee Amendment "A" (H-530) **READ**.

House Amendment "A" (H-537) to Committee Amendment "A" (H-530) **READ** and **ADOPTED**, in concurrence.

Committee Amendment "A" (H-530) as Amended by House Amendment "A" (H-537) thereto, **ADOPTED**, in concurrence.

Senator **RAYE** of Washington **OBJECTED** to **SUSPENSION OF THE RULES** for the purpose of giving this Bill its **SECOND READING** at this time.

**ASSIGNED FOR SECOND READING AT 12:15 TODAY.**

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Senate at Ease.

Senate called to order by the President.

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Senator **RAYE** of Washington was granted unanimous consent to address the Senate off the Record.

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Senator **BARTLETT** of Cumberland was granted unanimous consent to address the Senate off the Record.

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

After Recess

Senate called to order by the President.

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Off Record Remarks

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**ORDERS OF THE DAY**

**Unfinished Business**

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

The Chair laid before the Senate the following Tabled and Later (5/19/09) Assigned matter:

**Emergency**

An Act Relating to the TransCap Trust Fund  
H.P. 654 L.D. 951  
(C "A" H-123)

Tabled - May 19, 2009, by Senator **DAMON** of Hancock

Pending - **ENACTMENT**, in concurrence

(In House, May 18, 2009, **PASSED TO BE ENACTED.**)

(In Senate, May 13, 2009, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-123)**, in concurrence.)

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

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

Senator **RAYE:** Thank you, Madame President. Men and women of the Senate, I think it would be helpful to members of the Senate if there's someone in the Body who could give a brief explanation of this bill. I understand that the Department was not in favor of it at the public hearing and I just would like to get a little bit of sense of where things are at.

**THE PRESIDENT:** The Senator from Washington, Senator Raye poses a question through the Chair to anyone who may wish to answer. The Chair recognizes the Senator from Hancock, Senator Damon.

Senator **DAMON:** Thank you, Madame President. Ladies and gentlemen of the Senate, yes, I will be happy to explain to you what this bill does, but if you will indulge me just a bit I have to go back away from today, away from prior to this legislative session and all the way back to the last legislative session when we enacted a thing called L.D. 1790, An Act to Secure Maine's Transportation Future. That was a very comprehensive bill, I believe in my remarks on the floor at the time, when I was urging your support of the bill, I referred to it as the most important piece of transportation legislation in the last half century for Maine, because what it did, and what it does, and what it's intended to, and will do if we allow it to continue to work, is it sets a strategy for our transportation infrastructure and how we are going to address that need and how we're going to monitor that need and how we're going to fund that need. I often talk about, and people throw out the term, Maine's transportation infrastructure or Maine's transportation system. How many in the Body know exactly what that term encompasses? It encompasses 8,392 miles of State highway, you can go from here to Miami and back. It encompasses 2,962 major bridge spans. It encompasses six seaports and intermodal facilities necessary for our domestic and international trade, our commerce. It encompasses 300 miles of State-own railroad, rail track and rail line. It encompasses 36 public airports, at least six of which have regularly scheduled air service, and all of which provide an opportunity for our flying public. It encompasses seven ferry vessels for our Maine state ferry system and the terminals to support those ferry runs, and it has 279 transit vehicles. These transit vehicles are then used by 26 rural providers and four city transit systems that will actually carry passengers taking cars and trucks from our roads. Finally, often not mentioned but certainly often used, are a series and a system of trails where people can walk, jog, ride a bicycle and snowmobile or whatever else. So that's the overall magnitude of our transportation system. TransCap is, to get more to the Senator's question, an often used term that I don't like but I can't come up with another one, like a lockbox. It was providing a place where money can go, 7.5% of our fuel tax revenues, like revenue sharing, will go into that fund to fund transportation capital projects. Those projects, as this bill describes, would have

a useful life of 10 years at least, or if they are funded by a bond issued out of that TransCap fund, they must have a recognized life of at least the length of the bond. These are not short-term projects. These are capital projects and I'm sure everybody in the chamber knows the difference between the two. So that's what we have before us. That is the TransCap component of our Act to Secure Maine's Transportation Future. There are other component pieces in it, but rather than perhaps confuse you or bore you with those explanations, let's leave it to suffice to say that that TransCap that we're voting on today is an area where money goes to be used to pay for projects in cash, or to use to service bonds, revenue bonds, if those projects are larger than what we have to pay for them. So I hope that answers the gentleman's question. Thank you, Madame President.

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

Senator **COURTNEY:** Thank you, Madame President. Men and women of the Senate, there is an argument to be made on this that because of the downturn in the revenues that maybe we ought to take a couple of years off and just look at trying to get through the next couple of years without losing that 7.5% for more simple, basic maintenance?

**THE PRESIDENT:** The Senator from York, Senator Courtney poses a question through the Chair to anyone who may wish to answer. The Chair recognizes the Senator from Hancock, Senator Damon.

Senator **DAMON:** Thank you, Madame President. Ladies and gentlemen of the Senate, yeah I suppose there is one to be made for doing that, and then the argument could be had or, would be appropriate, what is the sense to try to develop a long-term strategy for the greater need that we have if we don't have the discipline, if we don't have the willingness to continue on our course? One of the frustrations that I have had in serving in the Legislature of the State of Maine and becoming more familiar with it, is the fact that if we do need a long-term course, a long-term solution, whether it be for our transportation needs or our economy or our healthcare system, any of the other bigger needs that we have, is that we talk about it ad nauseam, and if we ever do anything about it, the next day seemingly, or the next Legislature certainly, we look at trying to undo it because it's there and it's available. I would submit to you that we must have the discipline, we must have the courage, and we must have the determination to follow through on the goals of L.D. 1790. To keep that money where it was designed. To make it do what it was proposed to do. I have heard often that we don't like to borrow money to do projects. That's reasonable. We now have an opportunity to pay cash for money to do projects. If, in our own budgets, we were to set some money aside on a regular basis because we wanted to buy a new car sometime in the future, and before that new car purchase came up we saw that we might want to buy a new boat, or do something else and we took the money out of that account that we had set aside for a new car, can we have the new car too? That's not simply a rhetorical question. You know that you can't. You can't have it both ways. This is the way that we had designed it, this is the way that it should happen and this is the way that I hope we have the discipline to keep it and have it. Thank you, Madame President.

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

Senator **RAYE:** Thank you, Madame President. Men and women of the Senate, I find myself at the moment of this vote feeling a sense of doubt and reluctance. To cast this vote, or at least a vote in favor of it, when we still have, I think, unanswered questions with respect as to how we're going to proceed with funding for our highways. We have the bonds that are still out there, and I think that there's really a sense that I have gotten from members on both sides of the aisle, that we want to find a solution that will allow us to move forward to the maximum extent that we can, given the economy, given what our constituents are going through, to ensure that we have safe highways and that we can put some people to work and do what we need to do for our roads. And I feel like this is a piece of the puzzle that is perhaps not ready to be dealt with until we have everything in context. So, that being the case, I don't think I can vote in favor of this, at least at this juncture.

**THE PRESIDENT:** The Chair recognizes the Senator from Franklin, Senator Gooley.

Senator **GOOLEY:** Thank you, Madame President. Men and women of the Senate, I hesitate to get up after the previous speaker, but here I am. L.D. 951 is important to us and as the speaker from Hancock mentioned, the TransCap trust fund was designed to hold funds that are dedicated exclusively for capital improvements. Monies cannot be used for non-capital purposes such as administrative, maintenance or operation expenses. TransCap has enabled the State to sequester funds for a four-year bridge initiative which will provide up to \$160 million for desperately needed bridge improvements starting July 1<sup>st</sup> of this year. The bridge program's in better shape than the paving program. We need to expressly reserve all TransCap funds, whether bonds or cash, for longer-term capital uses such as bridge or highway reconstruction. We cannot skinny mix our way to prosperity. I probably should, you want me to say that one again? I won't. In the next two-year DOT work plan they only have 34 miles scheduled for highway reconstruction, that's 17 miles a year for a system of 8,300 miles. Eleven of the 34 miles is in urban areas, which means only 12 miles a year is available for fixing roads in rural areas. We have a huge problem ahead of us and TransCap does give us the discipline to at least fix some of these 8,300 miles of roads that we are responsible for and I urge you to vote in favor of L.D. 951. Thank you.

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

Senator **PLOWMAN:** Thank you, Madame President. Men and women of the Senate, I hesitate to stand to oppose my seatmate, but I'm going to. I heard a great word this morning, 'discipline.' It's too bad we didn't have discipline in the 80s when the State budget grew by 13% to 17% every year. That would have been the time to put away some money and really get into taking care of the State of Maine. It's too bad we didn't have any discipline in the 90s when we recovered, because that would have been the time to put away money and actually use the growth in the budget to take care of our roads. Instead we expanded more programs, incredibly extended more programs. In 1992, when I first arrived

here, the budget was \$2.6 billion. It didn't take very long for that to reach \$6 billion. None of that was highway money. The reviews of the revenues that are coming in to go to the Transportation fund show that they haven't dropped dramatically, they've been reallocated dramatically. \$50 million put aside into a lockbox to do the work that it's suppose to do creates a need for new taxes to come in to pay for what has to be done for the administrative and the paving and the offices down the street. Do I want to raise this? The other night I heard at the session that I went to that next year we'll only be able to bond \$35 million based on what we're taking in, but I figure that if you raise it another five cents, that shows a greater revenue coming in and then you can borrow more money next time. What a great plan. Just give us a little more money so we can do some, but on the other side, guess what, that little bit of money coming in pumps up the total amount raised so we can take out a bigger bond next year and dedicate more of the revenue stream to bond repayment. Sort of like conspiring with a predatory loan, maxing out your credit cards and only being able to make the minimum payments and wondering why you're in trouble, and then we don't even worry about driving up the costs for the businesses who do the work. Slam them with another workers' comp problem. Hit them with another independent contractor mandate. Drive up the cost of their health insurance. It's all going to be absorbed with the next bond, don't worry about it. Don't worry about it. The money won't go as far, but we're going to make sure there's a bond for you. Don't even object to the increase in the different things that we do to the costs of businesses, because there's a bond to back you, and we don't mind if it doesn't go as far as it should, because the people are going to pick that up and there'll be a bond. The attitude of the Maine State Legislature, and it's not everybody sitting here today, I it's the people who sat here in 1980, 1990, 2000, this year and next year. No long-term planning. TransCap, the first mention of long-term planning. What does it do? It yanks the money right out of the revenue stream. I'm tired of hearing we're between a rock and a hard place. The problem is this Legislature made that problem and yes, the good times ended, did nobody ever think that was going to happen? I don't know. But I tell you, it's been 30 years of spend every dime, every time. Who are we going to hurt now? You're going to be hitting up these people for another dime and if you don't think it's happening, I don't know what your neighbors are doing, I don't know what your high school seniors are doing right now, but right now they're trudging into classes, changing their college plans because dad got laid off, another dad got laid off and mom got laid off. Brother's tuition is going up so high, but he's already in so they're going to make a decision, brother keeps going to the good school and somebody else has to take a back seat. Who do we hurt? We're hurting the poorest of the poor who are trying to drive the clunker back and forth. If you're driving a Prius, you've got it made. So I don't think this is the place that I want to be. I want businesses to succeed in Maine. You should, too. Throwing a bond at them every year at the end of the year is not helping businesses succeed in Maine. You need to have a business-like attitude every single day that you're here. You need to say, 'The 5% increase in Workers' Comp, how much less paving will that get us with next year's bond?' You need to say, 'Huge increase in electricity rates to run the offices, how much will that contribute to having less paving done with next year's bond?' Let's raise their health insurance rates 2.4%, how much less paving will you get next year with next year's bond? Let's up some of the fines, how much will they get done with next year's

paving? Let's raise their taxes on getting things fixed so they work, that's going to contribute to less paving with next year's bonds. So when you ask us to put out a bond without thinking how you, with your votes, narrowed and struck back any advances that could have been made with that money, then I don't think the responsibility should be on the people of the State of Maine to pony up. Legislators across the United States have successful business venues, successful business environments because they're steady, they're consistent, and they follow a plan. They're not reactive, they're proactive. Investors in New York do not say, 'Go to Maine, they're steady, they don't make these unbelievable decisions.' They say, 'Go to North Carolina, they've been doing it for 30 years.' They say, 'Go somewhere else.' When we get off that list, the list that says, we don't want to know what they do in Maine. It can't be guaranteed that this is the policy today and this is not the policy tomorrow. It can't be guaranteed, don't go there. So here we are again, how much money do we want to put into TransCap to take out of the revenue stream so that we have to raise more money for the revenue stream? I don't want to. I want you to put it right back in this year's budget and use it, and hope to God in 2011 that you can do something like that. To ask the people of the State of Maine to keep paying for the bad decisions of the Legislature of the State of Maine, isn't right. So guess what, I'll be voting no.

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

Senator **ROSEN:** Thank you, Madame President. Men and women of the Senate, I appreciate the review from the good Senator from Hancock, Senator Damon and I'm trying to actually get myself up to speed on the proposal 951 and the policy component of it just so that I am clear. If I understand it correctly the posture we're in right now with this proposal, we had the legislation that passed in the last session, LD 1790, which established TransCap and there were two borrowing components that have already been issued. One related to the bridges list so to speak, and the other one for capital projects and the 7.5% continues to flow in, into the fund. So the bill, LD 951, as I read it, is an effort to further restrict the utilization of those funds that would flow in. In other words, this bill is saying, requiring, that 20%, not more than 35% of the revenue collected must be utilized for grants with the useful life of at least 10 years. So, if that's kind of where we're at, I guess my question then is, would we not be better off to simply continue with the mechanism that we already passed last session, which is moving forward this session and allow flexibility, or adopt the measure that's before us and further restrict the kinds of projects that should be utilized, the capital projects? Am I getting the gist of the proposal that is before us, Madame President?

**THE PRESIDENT:** The Senator from Hancock, Senator Rosen poses a question through the Chair to anyone who may wish to answer. The Chair recognizes the Senator from Hancock, Senator Damon.

Senator **DAMON:** Thank you, Madame President. Ladies and gentlemen of the Senate, yes I believe the gentleman is getting the gist except that I would say that it was the unanimous vote and the intention of the Committee to make sure, rather than to restrict, to make sure that the funds that were going into TransCap were used for the purpose of TransCap and not to

allow them to be used for any other purpose. We did restrict that there would be only so much that could be bonded out of TransCap and thus the rest had to be used as grant money, as actual cash, that also preserved the integrity of the fund for those who might want to issue the bonds later on. Those are all very sound principles and none of them should be undone by a need that is a short-term need, one that would in the good words of my colleague on the Committee, skinny mix our way to oblivion.

**THE PRESIDENT:** The pending question before the Senate is Enactment. A Roll Call has been ordered. Is the Senate ready for the question?

The Doorkeepers secured the Chamber.

The Secretary opened the vote.

**ROLL CALL (#174)**

**YEAS:** Senators: ALFOND, BARTLETT, BLISS, BOWMAN, BRANNIGAN, BRYANT, CRAVEN, DAMON, DIAMOND, GERZOFSKY, GOODALL, GOOLEY, HASTINGS, HOBBS, JACKSON, MARRACHE, MCCORMICK, MILLS, NASS, NUTTING, PERRY, RECTOR, SCHNEIDER, SIMPSON, SULLIVAN, TRAHAN, THE PRESIDENT - ELIZABETH H. MITCHELL

**NAYS:** Senators: COURTNEY, DAVIS, PLOWMAN, RAYE, ROSEN, SHERMAN, SMITH, WESTON

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

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

**SECOND READERS**

The Committee on **Bills in the Second Reading** reported the following:

**House As Amended**

Bill "An Act To Modernize the Tax Laws and Provide over \$75,000,000 to Residents of the State in Tax Relief"  
H.P. 750 L.D. 1088  
(H "A" H-537 to C "A" H-530)

**READ A SECOND TIME.**

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

The Doorkeepers secured the Chamber.

The Secretary opened the vote.

**ROLL CALL (#175)**

YEAS: Senators: ALFOND, BARTLETT, BLISS, BOWMAN, BRANNIGAN, BRYANT, CRAVEN, DAMON, GERZOFISKY, GOODALL, HOBBS, JACKSON, MARRACHE, MILLS, NUTTING, PERRY, SCHNEIDER, SIMPSON, SULLIVAN, THE PRESIDENT - ELIZABETH H. MITCHELL

NAYS: Senators: COURTNEY, DAVIS, DIAMOND, GOOLEY, HASTINGS, MCCORMICK, NASS, PLOWMAN, RAYE, RECTOR, ROSEN, SHERMAN, SMITH, TRAHAN, WESTON

20 Senators having voted in the affirmative and 15 Senators having voted in the negative, was **PASSED TO BE ENGROSSED AS AMENDED**, in concurrence.

Senator **BARTLETT** of Cumberland moved the Senate **RECONSIDER** whereby the Bill was **PASSED TO BE ENGROSSED AS AMENDED**, in concurrence.

The Chair ordered a Division.

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

Senator **RAYE** of Washington moved to **TABLE** until Later in Today's Session, pending the motion by Senator **BARTLETT** of Cumberland to **RECONSIDER** whereby the Bill was **PASSED TO BE ENGROSSED AS AMENDED**, in concurrence.

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

The Doorkeepers secured the Chamber.

The Secretary opened the vote.

**ROLL CALL (#176)**

YEAS: Senators: COURTNEY, DAVIS, GOOLEY, HASTINGS, MCCORMICK, MILLS, NASS, PLOWMAN, RAYE, RECTOR, ROSEN, SHERMAN, SMITH, TRAHAN, WESTON

NAYS: Senators: ALFOND, BARTLETT, BLISS, BOWMAN, BRANNIGAN, BRYANT, CRAVEN, DAMON, DIAMOND, GERZOFISKY, GOODALL, HOBBS, JACKSON, MARRACHE, NUTTING, PERRY, SCHNEIDER, SIMPSON, SULLIVAN, THE PRESIDENT - ELIZABETH H. MITCHELL

15 Senators having voted in the affirmative and 20 Senators having voted in the negative, the motion by Senator **RAYE** of Washington to **TABLE** until Later in Today's Session, pending the motion by Senator **BARTLETT** of Cumberland to **RECONSIDER** whereby the Bill was **PASSED TO BE ENGROSSED AS AMENDED**, in concurrence, **FAILED**.

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

Senator **TRAHAN:** Thank you, Madame President. Ladies and gentlemen of the Senate, I know this is my first year in the Senate and I sit here confused and my head seems to be spinning on what's going on here. I was wondering if the person who made the motion could explain the reason and perhaps I could support it. I request permission to pose a question through the Chair.

**THE PRESIDENT:** The Senator from Lincoln, Senator Trahan poses a question through the Chair to anyone who may wish to answer. The Chair recognizes the Senator from Penobscot, Senator Plowman.

Senator **PLOWMAN:** Thank you, Madame President. Men and women of the Senate, this is a parliamentary procedure. You may only reconsider a piece of legislation once; therefore, it was held by the prevailing side, there will be a motion to reconsider and then it will be sent down to the House in order that we may not ask for it to be reconsidered again.

**THE PRESIDENT:** The pending question before the Senate is the motion by the Senator from Cumberland, Senator Bartlett to Reconsider whereby the Bill was Passed to be Engrossed as Amended. A Roll Call has been ordered. Is the Senate ready for the question?

The Doorkeepers secured the Chamber.

The Secretary opened the vote.

**ROLL CALL (#177)**

YEAS: Senators: COURTNEY, DAVIS, GOOLEY, PLOWMAN, RAYE, RECTOR, ROSEN, SHERMAN, SMITH, TRAHAN, WESTON

NAYS: Senators: ALFOND, BARTLETT, BLISS, BOWMAN, BRANNIGAN, BRYANT, CRAVEN, DAMON, DIAMOND, GERZOFISKY, GOODALL, HASTINGS, HOBBS, JACKSON, MARRACHE, MCCORMICK, MILLS, NASS, NUTTING, PERRY, SCHNEIDER, SIMPSON, SULLIVAN, THE PRESIDENT - ELIZABETH H. MITCHELL

11 Senators having voted in the affirmative and 24 Senators having voted in the negative, the motion by Senator **BARTLETT** of Cumberland to **RECONSIDER** whereby the Bill was **PASSED TO BE ENGROSSED AS AMENDED**, in concurrence, **FAILED**.

**PASSED TO BE ENGROSSED AS AMENDED**, in concurrence.

The Chair moved the Bill be sent to the other Body pursuant to Senate Rule 517.

On motion by Senator **RAYE** of Washington, supported by a Division of one-fifth of the members present and voting, a Roll Call was ordered.

The Doorkeepers secured the Chamber.

The Secretary opened the vote.

**ROLL CALL (#178)**

YEAS: Senators: ALFOND, BARTLETT, BLISS, BOWMAN, BRANNIGAN, BRYANT, CRAVEN, DAMON, DIAMOND, GERZOFISKY, GOODALL, HOBBSINS, JACKSON, MARRACHE, NUTTING, PERRY, ROSEN, SCHNEIDER, SIMPSON, SULLIVAN, THE PRESIDENT - ELIZABETH H. MITCHELL

NAYS: Senators: COURTNEY, DAVIS, GOOLEY, HASTINGS, MCCORMICK, MILLS, NASS, PLOWMAN, RAYE, RECTOR, SHERMAN, SMITH, TRAHAN, WESTON

21 Senators having voted in the affirmative and 14 Senators having voted in the negative, the motion to send to the other Body pursuant to Senate Rule 517, **PREVAILED**.

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Senate at Ease.

Senate called to order by the President.

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**ORDERS OF THE DAY**

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

HOUSE REPORTS - from the Committee on **UTILITIES AND ENERGY** on Bill "An Act To Simplify the Assessment of E-9-1-1 Surcharges on Prepaid Wireless Telecommunications Service" H.P. 731 L.D. 1056

Majority - **Ought to Pass as Amended by Committee Amendment "A" (H-270)** (10 members)

Minority - **Ought To Pass as Amended by Committee Amendment "B" (H-271)** (3 members)

Tabled - June 5, 2009, by Senator **RAYE** of Washington

Pending - motion by Senator **HOBBSINS** of York to **ACCEPT** the Majority **OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "A" (H-270)** Report, in concurrence (Roll Call Requested)

(In House, June 4, 2009, the Majority **OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "A" (H-270)** Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-270)**.)

(In Senate, June 5, 2009, Reports **READ**.)

On motion by Senator **RAYE** of Washington, supported by a Division of one-fifth of the members present and voting, a Roll Call was ordered.

The Doorkeepers secured the Chamber.

The Secretary opened the vote.

**ROLL CALL (#179)**

YEAS: Senators: ALFOND, BARTLETT, BLISS, BOWMAN, BRANNIGAN, COURTNEY, CRAVEN, DAMON, DIAMOND, GOODALL, HASTINGS, HOBBSINS, MARRACHE, MILLS, NUTTING, PERRY, PLOWMAN, RECTOR, SCHNEIDER, SIMPSON, SULLIVAN, TRAHAN, WESTON, THE PRESIDENT - ELIZABETH H. MITCHELL

NAYS: Senators: DAVIS, GOOLEY, MCCORMICK, NASS, RAYE, ROSEN, SHERMAN, SMITH

ABSENT: Senators: BRYANT, GERZOFISKY, JACKSON

24 Senators having voted in the affirmative and 8 Senators having voted in the negative, with 3 Senators being absent, the motion by Senator **HOBBSINS** of York to **ACCEPT** the Majority **OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "A" (H-270)** Report, in concurrence, **PREVAILED**.

**READ ONCE.**

Committee Amendment "A" (H-270) **READ** and **ADOPTED**, in concurrence.

Senator **RAYE** of Washington **OBJECTED** to **SUSPENSION OF THE RULES** for the purpose of giving this Bill its **SECOND READING** at this time.

**ASSIGNED FOR SECOND READING AT 1:55 TODAY.**

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Senate at Ease.

Senate called to order by the President.

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

Bill "An Act To Provide Funding for the Highway Fund Biennial Budget" (EMERGENCY)

H.P. 1042 L.D. 1487

Tabled - June 5, 2009, by Senator **DAMON** of Hancock

Pending - **REFERENCE**, in concurrence

(In House, June 4, 2009, **REFERRED** to the Committee on **TRANSPORTATION** and ordered printed.)

**READ ONCE**, without reference to a Committee.

Senator **RAYE** of Washington moved to **INDEFINITELY POSTPONE** the Bill and accompanying papers, in **NON-CONCURRENCE**.

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

Senator **DAMON:** Thank you, Madame President. Ladies and gentlemen of the Senate, I would urge you to vote against the pending motion for the following reason. The Highway Fund budget, the biennial budget which will be coming to this Body for our vote before we adjourn is dependent upon the revenues which have been negotiated and are reflected in this bill. The Highway Fund as it currently exists without this bill, I'm not sure if this is too strong language, it is fiscal insolvency. We are funded in the Highway Fund for our roads and bridge capital programs and our roads and bridge maintenance programs through the fuel tax, the tax that we place on each gallon of gasoline and diesel, which is sold in the state that money, combined with what money we get from the federal government, is what we use. That money, even though it has been indexed, that is tied to the rate of inflation. The rate of inflation for our road and bridge projects, for our construction projects and even for our maintenance projects, has increased at a far greater rate, a steeper line on that graph, than have the revenues, and it's because of a number of things. It's because of the petroleum situation in the world, it's because of steel prices and concrete prices and a number of other things that are tied to our construction and our maintenance. It became apparent to the members of the committee that we needed to do something. We needed to do something in this budget. I appointed a subcommittee of the committee of the whole to see if we could negotiate where we should be with regard to what the fix should be for this problem that we have. That committee met for I believe five days, and consisted of members from each of the caucuses in this Legislature, members from the Department of Transportation, that's the Executive Branch. It also consisted of members from the industry, those people who do the work on our roads or who use them. What came out of that negotiation was a proposal that I believe you are familiar with, at least in concept, and that is that there should be an adjustment to the fuel tax and that adjustment should have been 3.5¢ and 2¢ and 2¢, over four years. For that, the proposal was to eliminate fuel tax indexing, which has sometimes been controversial, it was to equalize the taxation rate on both gasoline and diesel fuel, which also has been an area of controversy. It was to provide additional money to the truckers for an enforcement and education program, that money coming out of the diesel tax, and it was to substantially reduce the fee schedule for fines for overweight and over axle trucks. That proposal, as well intentioned and as well negotiated

as it was, it became apparent that it was not going to get the support that we had hoped for. So the committee asked to reconsider that proposal and we did. During the reconsideration, we came up with the proposal that is before us today. That is that we not make any adjustment to the fuel tax indexing, but that we simply put a surcharge, a surtax on that fuel tax of 5¢, one-time 5¢, that would become effective on July 1 of this year and would end on June 30<sup>th</sup> of 2011, at which time we would go back to where we are now. It was agreed to do that because of the need that we have for, in particular, our maintenance surface treatment. It is calculated that we need to provide that treatment to 1,200 miles of roads in Maine each biennium, 600 miles per year, and this was the way that we could do it in the biennium. The other thing that it does, and this is a real need, is that the Department has already sought, requests for proposals and bids for many paving projects in this paving season. There are 12 of them that have been received and are pending an award based on if we can come up with the money. What will defeating this proposal mean to those 12, companies which were already planning to do the work? I suspect their workforces were configured to do that work. They were hiring people, jobs at this time in the economy when jobs are desperately needed. If we don't have the funding we can't do the projects. It's a very integral piece of our transportation needs. We've talked today about borrowing, about TransCap, about all kinds of other things, this in fact is simply how we're going to get the job done. I had hoped for, I need bipartisan support. The Chief Executive has said that will be key to his acceptance of any kind of an increase. I have had extraordinary support from within the committee but the support now needs to come to this whole chamber. We have a motion before us to Indefinitely Postpone this. I would ask members of this chamber to vote against that motion and to support, in fact, in a true bipartisan manner, the need that's before us to keep people hired, and to get our roads and our bridges where they need to be. It's our Maine stimulus to go along with the federal stimulus. It's our road to economic development. It's all of those things that we have talked about before. It's for a nickel. It's for 5¢. By the way, it also goes to the URIP program. The URIP program is the program where the Highway Fund helps to support the local road initiatives, and the urban road initiatives. We presently don't have money to do that, and whether or not we can do that is going to be dependent upon whether a bond passes. I have gotten a tremendous amount of e-mails and communications from municipalities from throughout this state saying, they don't want that money dependent upon some bond. That money needs to come to us, we're planning on it. It can't if this proposal before us is defeated. The final piece, in balancing both this budget that we have until the end of June and the next biennial budget, because of the change packages we have had to take out \$13 million of other projects. Those \$13 million of other projects, road projects that are ready to go, would be available and would be ready to fund if this 5¢ moves forward. So, with all of that, I would urge that we defeat the pending motion, we move on to pass this, we then subsequently move on to pass our budget, and we start working on the road to recovery that we should have. Thank you, Madame President.

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

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

Senator **BARTLETT:** Thank you, Madame President. Men and woman of the Senate, I want to thank the Senator from Hancock for his extraordinary work on the committee and the work of the committees to look for bipartisan solutions to what is an extraordinary problem. I had hoped that we would be able to get to a place, and I still hope that we can get to a place where we can come together, Republicans and Democrats, and agree that we've got to fix our roads. This is of paramount importance to the people of this state. At the end of the day though, I know that it will take bipartisan support for us to go out to voters and explain why this is important and to put this policy into place. So, for that reason I intend to follow the lights of my good friends across the aisle, and I'm hopeful that we can come together around this bill, but it does require bipartisan support and I look forward to following your light.

**THE PRESIDENT:** The Chair recognizes the Senator from Franklin, Senator Gooley.

Senator **GOOLEY:** Thank you, Madame President. Men and women of the Senate, I wrote this little speech here this morning at about 5:00 a.m. when I seem to have my more brilliant thoughts. This is emergency legislation and in order to pass it as an emergency it's going to take 25 votes. I have copies of my speech available for anyone who wants one afterwards. I stand before you today in support of L.D. 1487, An Act to Provide Funding for the Highway Fund Biennial Budget. I am the Republican minority lead on the Transportation Committee, and I'm the one and only Minority member. I have not missed any of the discussions concerning the funding problems facing the Maine Department of Transportation. I have had my say about what to do and I have carried several proposals to my Republican caucus. These are tough decisions in tough economic times, and I think what former Senator Christine Savage would have opted to say about this, I called her this morning and spelled everything out to her and she said, 'Walter, I would have voted your way.' Maine has 8,300 miles of highway road surface to maintain and each year the Department of Transportation carries out a mission to maintain this road system for our use and the use of seasonal visitors and tourists. The highway system is our ticket to a healthy economic way of life. The current situation is desperate. We can argue the handling of monies derived from bonding, and we have, until frustration has taken over the discussion, and really it has, but the bottom line right now is motorists are driving fewer miles and more efficient vehicles. The gas tax revenues have declined. Currently DOT has enough funding, as has been mentioned, to provide about 100 miles of paving for state roads this summer. Normally funding would provide for 600 miles, which DOT says we really need to do each year. So it's vitally important to maintain a minimum of 600 miles each year. DOT has the bids for a full summer maintenance program, but the program hinges on the funding package before us today, LD 1487, and it is emergency legislation so that the 5¢ surcharge can begin July 1<sup>st</sup> of this year. The surcharge would be continued for two years only, ending June 30<sup>th</sup> of 2011. Now this L.D. is more about paving of roads rather than bridge maintenance. Funding for bridges is currently in a better situation than the paving program. Meanwhile, paving equipment sits idle, workers are drawing unemployment and the road system is deteriorating. I

know when I'm between a rock and a hard place, but we need to do something. The discussions have taken place, and I will be voting in support of L.D. 1487. It will cost the average motorist about \$30 per year or 75 cents per week, which is less than a cup of coffee. I'd like to have you follow my light and lastly I'd like to say that your front end on your car is important to you, and a front end job costs a few hundred dollars. Thank you.

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

Senator **RAYE:** Thank you, Madame President. Men and women of the Senate, I hesitate to rise after the stellar remarks from my good friend from Franklin County, but I do want to just say in response to the Senator from Cumberland, that I share the hope, as I said when I spoke earlier on the TransCap issue, I believe these things need to all be determined in context and I hope that before we adjourn for the session we will come together on an agreement that will allow us to move forward in addressing the very serious needs that I think all of us recognize in terms of our roads and highways.

**THE PRESIDENT:** The pending question before the Senate is the motion by the Senator from Washington, Senator Raye to Indefinitely Postpone the Bill and accompanying papers. A Roll Call has been ordered. Is the Senate ready for the question?

The Doorkeepers secured the Chamber.

The Secretary opened the vote.

#### ROLL CALL (#180)

YEAS: Senators: ALFOND, BARTLETT, BLISS, BOWMAN, BRANNIGAN, BRYANT, COURTNEY, CRAVEN, DAVIS, DIAMOND, GERZOFISKY, GOODALL, HASTINGS, HOBBS, MARRACHE, MCCORMICK, MILLS, NASS, NUTTING, PERRY, PLOWMAN, RAYE, RECTOR, ROSEN, SCHNEIDER, SHERMAN, SIMPSON, SMITH, SULLIVAN, TRAHAN, WESTON, THE PRESIDENT - ELIZABETH H. MITCHELL

NAYS: Senators: DAMON, GOOLEY

ABSENT: Senator: JACKSON

32 Senators having voted in the affirmative and 2 Senators having voted in the negative, with 1 Senator being absent, the motion by Senator **RAYE** of Washington to **INDEFINITELY POSTPONE** the Bill and accompanying papers, in **NON-CONCURRENCE, PREVAILED.**

Ordered sent down forthwith for concurrence.

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

**PAPERS FROM THE HOUSE**

**Non-Concurrent Matter**

SENATE REPORTS - from the Committee on **EDUCATION AND CULTURAL AFFAIRS** on Bill "An Act To Permit Charter Schools in Maine"

S.P. 522 L.D. 1438

Majority - **Ought Not to Pass** (8 members)

Minority - **Ought to Pass as Amended by Committee Amendment "A" (S-283)** (5 members)

In Senate, June 4, 2009, the Majority **OUGHT NOT TO PASS** Report **READ** and **ACCEPTED**.

Comes from the House, 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-283)**, in **NON-CONCURRENCE**.

Senator **ALFOND** of Cumberland moved the Senate **ADHERE**.

On motion by Senator **WESTON** of Waldo, **TABLED** until Later in Today's Session, pending the motion by Senator **ALFOND** of Cumberland to **ADHERE**.

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

**ENACTORS**

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

**Emergency Resolve**

Resolve, Regarding Legislative Review of Portions of Chapter 22: Standards for Outdoor Application of Pesticides by Powered Equipment in Order To Minimize Off-target Deposition, a Major Substantive Rule of the Department of Agriculture, Food and Rural Resources, Board of Pesticides Control

H.P. 349 L.D. 494  
(C "A" H-508)

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

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Off Record Remarks

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

**ENACTORS**

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

**Acts**

An Act To Amend the Laws Governing Alien Big Game and Turkey Hunters and Nonresident Hunters

H.P. 199 L.D. 253  
(C "A" H-396)

An Act To Expand Representation on the Animal Welfare Advisory Council

S.P. 157 L.D. 454  
(H "A" H-501 to C "A" S-243)

An Act To Increase Consumer Choice for Wine

H.P. 696 L.D. 1008  
(H "A" H-526 to C "A" H-366)

An Act To Improve the Maine Clean Election Act

S.P. 445 L.D. 1197  
(S "A" S-246; S "B" S-291  
to C "A" S-214)

An Act Regarding the Operation of County Jails and the State Board of Corrections

H.P. 844 L.D. 1224  
(C "A" H-439)

An Act Regarding Curriculum Requirements and Standards for Awarding a High School Diploma

H.P. 929 L.D. 1325  
(C "A" H-512)

An Act To Promote Economic Development and Reduce Reliance on Automobiles through Transit-oriented Tax Increment Financing Districts

S.P. 511 L.D. 1392  
(C "A" S-295)

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

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An Act To Ensure a Uniform Comprehensive State Policy Regarding Residency Restrictions for Sex Offenders

H.P. 292 L.D. 385  
(C "A" H-474)

On motion by Senator **COURTNEY** of York, the Senate **SUSPENDED THE RULES**.

Same Senator moved the Senate **RECONSIDER** whereby the Bill was **PASSED TO BE ENGROSSED AS AMENDED**, in concurrence.

On further motion by same Senator, **TABLED** until Later in Today's Session, pending motion by same Senator to **RECONSIDER** whereby the Bill was **PASSED TO BE ENGROSSED AS AMENDED**, in concurrence.

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Off Record Remarks

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An Act Regarding the Transfer of Licenses for Energy Recovery Facilities

S.P. 551 L.D. 1476  
(C "A" S-292)

On motion by Senator **HOBBS** of York, **TABLED** until Later in Today's Session, pending **ENACTMENT**, in concurrence.

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

**ENACTORS**

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

**Resolves**

Resolve, To Further Regulate the Use of Tanning Booths by Minors

S.P. 137 L.D. 395  
(H "A" H-519 to C "A" S-227)

Resolve, To Examine Environmental Effects of the Resource Recovery System

S.P. 270 L.D. 733  
(S "A" S-284 to C "A" S-195)

Resolve, To Examine Concepts and Competencies from Family and Consumer Science for Achieving Educational Goals

H.P. 702 L.D. 1027  
(C "A" H-462)

Resolve, Directing a Study of Domestic Violence and Parental Rights and Responsibilities

H.P. 787 L.D. 1143  
(C "A" H-472)

Resolve, To Facilitate Disclosure of Information to Taxpayer Representatives

S.P. 479 L.D. 1321  
(C "A" S-297)

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

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

**PAPERS FROM THE HOUSE**

**Non-Concurrent Matter**

Bill "An Act To Amend the Maine Certificate of Need Act of 2002" (EMERGENCY)

H.P. 974 L.D. 1395  
(C "B" H-497)

In Senate, June 3, 2009, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "B" (H-497)**, in **NON-CONCURRENCE**.

Comes from the House, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "B" (H-497) AS AMENDED BY HOUSE AMENDMENT "A" (H-541)** thereto, in **NON-CONCURRENCE**.

On motion by Senator **BRANNIGAN** of Cumberland, the Senate **RECEDED** and **CONCURRED**.

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

**ENACTORS**

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

**Act**

An Act To Clarify the Beano and Bingo Laws as They Apply to Federally Recognized Indian Tribes

H.P. 371 L.D. 526  
(C "A" H-442)

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

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Senate at Ease.

Senate called to order by the President.

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

**ENACTORS**

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

**Act**

An Act To Modernize the Tax Laws and Provide over \$50,000,000 to Residents of the State in Tax Relief  
H.P. 750 L.D. 1088  
(H "A" H-537 to C "A" H-530)

On motion by Senator **RAYE** of Washington, supported by a Division of one-fifth of the members present and voting, a Roll Call was ordered.

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

Senator **NASS:** Thank you, Madame President. Ladies and gentlemen of the Senate, may I pose a question through the Chair?

**THE PRESIDENT:** The Senator may pose his question.

Senator **NASS:** Thank you, Madame President. I have in front of me a copy of the bill, a copy of the Majority amendment, which is most of the bill, and a copy of the current statute. It appears to me that under Title 36, §5111, if we vote for this, and obviously I'm not going to, we will have eliminated the income tax for non-residents. That's my question, is that true?

**THE PRESIDENT:** The Senator from York, Senator Nass poses a question through the Chair to anyone who may wish to answer. The Chair recognizes the Senator from York, Senator Courtney.

Senator **COURTNEY:** Thank you, Madame President. Men and women of the Senate, may I pose a question through the Chair?

**THE PRESIDENT:** The Senator may pose his question.

Senator **COURTNEY:** Thank you, Madame President. Not knowing the answer to that question, is it the intent of this Body to pass it anyway?

**THE PRESIDENT:** The Senator from York, Senator Courtney poses a question through the Chair to anyone who may wish to answer. The Chair recognizes the Senator from Penobscot, Senator Plowman.

Senator **PLOWMAN:** Thank you, Madame President. Men and women of the Senate, may I pose a question through the Chair?

**THE PRESIDENT:** The Senator may pose her question.

Senator **PLOWMAN:** Thank you, Madame President. If that is the intent, would someone tell me how much money we will lose when we stop charging income tax to non-residents?

**THE PRESIDENT:** The Senator from Penobscot, Senator Plowman poses a question through the Chair to anyone who may wish to answer. The Chair recognizes the Senator from Cumberland, Senator Diamond.

Senator **DIAMOND:** Thank you, Madame President. Men and women of the Senate, I can answer the last question regarding the fiscal note if that would be helpful. The fiscal note for 2009-

2010 is a savings of \$8,166,927 and the cost in 2010-2011 of \$8,111,091, so there's a net savings.

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

Senator **PERRY:** Thank you, Madame President. Ladies and gentlemen of the Senate, perhaps I should have risen to answer that first question. The answer is, no we have not eliminated the income tax for non-Maine residents. In fact we're not even sharing the Maine resident credit with them. Thank you.

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

Senator **NASS:** Thank you, Madame President. Ladies and gentlemen of the Senate, under the bill, as I said, in Title 36, subsection 5111, it's where the tax is imposed. In fact it says that, 'A tax is imposed for each taxable year,' and then it lists a bunch of things under the current statute. This is the place where we've essentially lowered the tax rate to a flat tax from 8.5% to 6.5%. When you compare the two and only look at the amendment, because hopefully they fixed it in there, but they didn't, there is no other place. There are other references to non-residents, but in no place else in the current statute is the tax imposed. I say that because if you look at the current statute, Title 36, subsection 5111 section 4. Additional Tax, that's where the tax on non-residents, an apportioned tax depending on how much time and money you earn here, is actually imposed. While there are references elsewhere, the words, 'A tax is imposed,' is missing. My contention is that if you vote for this you are essentially reducing the burden of non-residents.

**THE PRESIDENT:** The pending question before the Senate is Enactment. A Roll Call has been ordered. Is the Senate ready for the question?

The Doorkeepers secured the Chamber.

The Secretary opened the vote.

**ROLL CALL (#181)**

YEAS: Senators: ALFOND, BARTLETT, BLISS, BOWMAN, BRANNIGAN, BRYANT, CRAVEN, DAMON, GERZOFSKY, GOODALL, HOBBS, HOBBS, MARRACHE, MILLS, NUTTING, PERRY, SCHNEIDER, SIMPSON, SULLIVAN, THE PRESIDENT - ELIZABETH H. MITCHELL

NAYS: Senators: COURTNEY, DAVIS, DIAMOND, GOOLEY, HASTINGS, MCCORMICK, NASS, PLOWMAN, RAYE, RECTOR, ROSEN, SHERMAN, SMITH, TRAHAN, WESTON

ABSENT: Senator: JACKSON

19 Senators having voted in the affirmative and 15 Senators having voted in the negative, with 1 Senator being absent, was **PASSED TO BE ENACTED** and having been signed by the President was presented by the Secretary to the Governor for his approval.

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

**SECOND READERS**

The Committee on **Bills in the Second Reading** reported the following:

**House As Amended**

Bill "An Act To Simplify the Assessment of E-9-1-1 Surcharges on Prepaid Wireless Telecommunications Service"  
H.P. 731 L.D. 1056  
(C "A" H-270)

**READ A SECOND TIME** and **PASSED TO BE ENGROSSED AS AMENDED**, in concurrence.

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

**PAPERS FROM THE HOUSE**

**Non-Concurrent Matter**

Bill "An Act To Require Citizen Notification of Pesticide Applications Using Aerial Spray or Air-carrier Application Equipment"  
H.P. 896 L.D. 1293  
(C "A" H-522)

In Senate, June 4, 2009, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-522)**, in concurrence.

Comes from the House, **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-522) AS AMENDED BY HOUSE AMENDMENT "A" (H-543)** thereto, in **NON-CONCURRENCE**.

On motion by Senator **NUTTING** of Androscoggin, the Senate **RECEDED** and **CONCURRED**.

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Senate at Ease.

Senate called to order by the President.

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

**PAPERS FROM THE HOUSE**

**House Paper**

Bill "An Act To Provide Free Admission to State Parks to All Maine Veterans" (EMERGENCY)  
H.P. 1043 L.D. 1488

Comes from the House, **REFERRED** to the Committee on **AGRICULTURE, CONSERVATION AND FORESTRY** and ordered printed.

On motion by Senator **NUTTING** of Androscoggin, **REFERRED** to the Committee on **AGRICULTURE, CONSERVATION AND FORESTRY** and ordered printed, in concurrence.

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Senator **BLISS** of Cumberland was granted unanimous consent to address the Senate off the Record.

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On motion by Senator **BARTLETT** of Cumberland, **ADJOURNED**, to Monday, June 8, 2009, at 10:00 in the morning.