



Testimony in Opposition to LD 3, [“An Act to Establish the Winter Energy Relief Payment Program to Aid Residents with High Heating Costs and to Finalize the COVID Pandemic Relief Payment Program”](#)

Senator Jackson, Representative Talbot-Ross, and the distinguished members of the Committee on Appropriations & Financial Affairs, my name is Nick Murray and I serve as director of policy for Maine Policy Institute, a nonpartisan, nonprofit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to testify on LD 3.

The fact that this hearing is occurring is important. We are thankful that legislative leadership has shown that it is willing to bring the people’s voice and concerns to the discussion regarding how to spend nearly a half billion dollars in the first month of the new legislature, even if they initially expected lawmakers to roll over and blindly accept it.

Calling this bill an emergency measure is a case of false and misleading advertising. MaineHousing has said that LIHEAP is fully funded through the winter. Sending another round of checks will not solve our long-term issues. The only true emergency dealt with in this package is soon-to-be-lapsed emergency rental assistance (ERA) which could throw hundreds of families into homelessness. Lawmakers should present a clean bill to deal with this emergency, but the rest of the funds proposed to be spent here should be put toward tax reform in biennial budget negotiations, not for another round of giveaways.

Also, if the governor sees this as an emergency, why didn’t she call a Special Session last September or October, when MaineHousing said the ERA would soon run out? The struggles of this coming winter were known well before this legislature was sworn into service. Wouldn’t that have been the right time to deal with this problem? If this spending is truly an urgent solution, the governor could have made the case and brought legislators in to deal with it before the winter. The reason why she did not should be obvious.

Instead, two weeks ago, a brand new crop of lawmakers, immediately after being sworn in, were cajoled to support a massive spending proposal without any public deliberation. We all were mistaken to have called this legislation, since there was zero intention from proponents for it to be treated as such.

As Sen. Brakey explained, the Legislature is a co-equal branch of government. Legislators are not sworn in to rubber-stamp whatever the chief executive wants. Even a

minority of one deserves the right to ask simple questions about how a half-billion dollars will be spent.

Mainers can feel that their government takes too much from them in taxes. It's obvious. Over the last 18 months, General Fund revenues, both projected and realized, have been about 10% higher than expected. Lawmakers must remedy this by first lowering taxes before entertaining any other spending. It is silly to keep calling this type of spending “one-time” as it has come around several times in the last two years.

Whether in the form of permanent, direct rebate checks, or a plan to ratchet down actual tax rates commensurate with excess revenue, Mainers deserve to be able to plan for the future. They should know that they will have more money in their pockets from one year to the next. They should have confidence that they can move to Maine to successfully start their family or run their business.

Inflation has been punishing for residents of this state. Not only does it punish those who plan ahead and save money, it means that the government gets even more of our earnings. The Congressional Budget Office (CBO) [reported](#) in September 2021 that every 1% increase in inflation brings a 1.1% increase in income taxes.

Every day, Mainers are being financially squeezed from all sides, while the state has more in the bank than ever before. Why is the state doing better than its people? Our purchasing power on average is [46% less](#) than that of our neighbors in New Hampshire, and they pay [58% less per capita](#) in taxes than we do. Something is seriously wrong.

A [recent report](#) showed that a Maine household can bring in more money by taking advantage of all available state and federal welfare programs: nearly \$72,000 per year, than they can by working full-time at \$20/hour. No wonder our labor force participation rate has been lagging since the beginning of the pandemic, and especially so compared to our neighboring state.

Please clean up this bill to deal with the pressing emergency of right now: the lapse of emergency rental assistance, and finally face the tough truth that Maine needs real fiscal reform for its future. This should be a fundamental reality of this session's budget negotiations. Thank you.