ONE HUNDRED AND TWENTY-SEVENTH LEGISLATURE
SECOND REGULAR SESSION
11th Legislative Day
Tuesday, February 9, 2016

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

Prayer by Pastor Mark Allen Doty, Hammond Street Congregational Church, UCC, Bangor.

National Anthem by Honorable Gay M. Grant, Gardiner.

Pledge of Allegiance.

Doctor of the day, Robert G. Carpenter, M.D., Kennebunk.

The Journal of Thursday, February 4, 2016 was read and approved.

SENATE PAPERS

The following Joint Order: (S.P. 631)

ORDERED, the House concurring, that the Joint Standing Committee on Criminal Justice and Public Safety shall report out, to the Senate, a Bill, "An Act To Strengthen the Laws on Operating a Motor Vehicle under the Influence of Intoxicants."

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

READ and **PASSED** in concurrence.

COMMUNICATIONS

The Following Communication: (H.C. 438)

STATE OF MAINE
ONE HUNDRED AND TWENTY-SEVENTH LEGISLATURE
COMMITTEE ON AGRICULTURE, CONSERVATION AND FORESTRY

February 4, 2016
Honorable Michael D. Thibodeau
President of the Senate
Honorable Mark W. Eves
Speaker of the House
State House
Augusta, Maine 04333
Dear President Thibodeau and Speaker Eves:
Please accept this letter as the report of the findings of the Joint Standing Committee on Agriculture, Conservation and Forestry from its review and evaluation of Maine Dairy and Nutrition Council under the State Government Evaluation Act, Title 3 Maine Revised Statutes, chapter 35.
The Committee received a completed program evaluation report on October 27, 2015. Following this submission, the Committee reviewed the report and received a presentation from Cheryl Beyeler, Executive Director of the Maine Dairy and Nutrition Council.
After conducting this review, the Joint Standing Committee on Agriculture, Conservation and Forestry finds that the Maine Dairy and Nutrition Council is currently operating within its statutory authority and recommends no statutory changes at this time.
Sincerely,
S/Senator Peter E. Edgecomb
Senate Chair
S/Representative Craig V. Hickman
House Chair

READ and **ORDERED PLACED ON FILE**.

The Following Communication: (H.C. 439)

STATE OF MAINE
ONE HUNDRED AND TWENTY-SEVENTH LEGISLATURE
COMMITTEE ON AGRICULTURE, CONSERVATION AND FORESTRY

February 4, 2016
Honorable Michael D. Thibodeau
President of the Senate
Honorable Mark W. Eves
Speaker of the House
State House
Augusta, Maine 04333
Dear President Thibodeau and Speaker Eves:
Please accept this letter as the report of the findings of the Joint Standing Committee on Agriculture, Conservation and Forestry from its review and evaluation of the Maine Dairy Promotion Board under the State Government Evaluation Act, Title 3 Maine Revised Statutes, chapter 35.
The Committee received a completed program evaluation report on October 27, 2015. Following this submission, the Committee reviewed the report and received a presentation from Cheryl Beyeler, Executive Director of the Maine Dairy Promotion Board.
After conducting this review, the Joint Standing Committee on Agriculture, Conservation and Forestry finds that the Maine Dairy Promotion Board is currently operating within its statutory authority and recommends no statutory changes at this time.
Sincerely,
S/Senator Peter E. Edgecomb
Senate Chair
S/Representative Craig V. Hickman
House Chair

READ and **ORDERED PLACED ON FILE**.

The Following Communication: (H.C. 440)

STATE OF MAINE
ONE HUNDRED AND TWENTY-SEVENTH LEGISLATURE
COMMITTEE ON AGRICULTURE, CONSERVATION AND FORESTRY

February 4, 2016
Honorable Michael D. Thibodeau
President of the Senate
Honorable Mark W. Eves
Speaker of the House
State House
Augusta, Maine 04333
Dear President Thibodeau and Speaker Eves:
Please accept this letter as the report of the findings of the Joint Standing Committee on Agriculture, Conservation and Forestry from its review and evaluation of the Land for Maine's Future Board under the State Government Evaluation Act, Title 3 Maine Revised Statutes, chapter 35.
The Committee received a completed program evaluation report on December 21, 2015. Following this submission, the Committee reviewed the report and received a presentation from Jonathan LaBonte, Director of the Maine Office of Policy and Management.
After conducting this review, the Joint Standing Committee on Agriculture, Conservation and Forestry finds that the Land for Maine's Future Board is currently operating within its statutory authority and recommends no statutory changes at this time.
Sincerely,
S/Senator Peter E. Edgecomb
Senate Chair

S/Representative Craig V. Hickman
House Chair

READ and **ORDERED PLACED ON FILE**.

The Following Communication: (H.C. 441)

STATE OF MAINE
ONE HUNDRED AND TWENTY-SEVENTH LEGISLATURE
COMMITTEE ON AGRICULTURE, CONSERVATION AND FORESTRY

February 4, 2016
Honorable Michael D. Thibodeau
President of the Senate
Honorable Mark W. Eves
Speaker of the House
State House
Augusta, Maine 04333

Dear President Thibodeau and Speaker Eves:

Please accept this letter as the report of the findings of the Joint Standing Committee on Agriculture, Conservation and Forestry from its review and evaluation of the Maine Milk Commission under the State Government Evaluation Act, Title 3 Maine Revised Statutes, chapter 35.

The Committee received a completed program evaluation report on December 28, 2015. Following this submission, the Committee reviewed the report and received a presentation from Tim Drake, Executive Director of the Maine Milk Commission.

After conducting this review, the Joint Standing Committee on Agriculture, Conservation and Forestry finds that the Maine Milk Commission is currently operating within its statutory authority and recommends no statutory changes at this time.

Sincerely,
S/Senator Peter E. Edgecomb
Senate Chair
S/Representative Craig V. Hickman
House Chair

READ and **ORDERED PLACED ON FILE**.

The Following Communication: (H.C. 443)

STATE OF MAINE
127TH MAINE LEGISLATURE

January 25, 2016
Honorable Paul R. LePage
Governor of Maine
1 State House Station
Augusta, Maine 04333

Dear Governor LePage:

On behalf of the 127th Maine Legislature, we would like to invite you to deliver or present your State of the State address. At your direction, we will call for a Joint Convention of the Legislature on either Tuesday, February 9th or Thursday, February 11th at 7:00 p.m. Should you be unable to attend those dates, please advise us if you would be available on another date.

We look forward to coordinating any details necessary to see that your address is received by the Legislature.

Sincerely,
S/Michael D. Thibodeau
President of the Senate
S/Mark W. Eves
Speaker of the House

READ and **ORDERED PLACED ON FILE**.

The Following Communication: (H.C. 444)

STATE OF MAINE
OFFICE OF THE GOVERNOR
1 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0001

February 8, 2016
Honorable Michael D. Thibodeau
President of the Senate
3 State House Station
Augusta, Maine 04333
Honorable Mark W. Eves
Speaker of the House
2 State House Station
Augusta, Maine 04333

Speaker Eves, Senate President Thibodeau and Members of the 127th Legislature:

As you know, I have chosen to forego the pomp and circumstance of a live speech so we can spend our time and energy on what truly matters: getting work done for the Maine people.

The Legislature has already wasted so much time over the past year-and with Mainers dying every day from the drug crisis-now is not the time to let pageantry distract you from your important work.

Legislators claim they come to Augusta to work for the Maine people, but far too many have come to play political games that have nothing to do with the Maine people and everything to do with their next election.

For the past year, socialist politicians in Augusta have been dragging my Administration's employees before a kangaroo court and plotting meaningless impeachment proceedings. While your colleagues were engaged in these silly public relations stunts, Mainers were literally dying on the streets.

Socialists, career politicians and their allies in media have criticized my Administration every single day for the past five years, but the Maine people are tired of the games. They're not interested in sound bites and photo ops. They want to hear what we're doing to make our state prosper.

That's why I'm holding town hall meetings around the state until Election Day in November. The Maine people need to know that for five years we've been trying to convince the Legislature to move our state from poverty to prosperity. This is what our state deserves-the Maine people deserve it.

We know our proposals and reforms will stimulate the economy. We've seen similar initiatives work all over the country. In the past 45 years, I've implemented similar reforms in many businesses, large and small, and they do work.

The Top 10 most prosperous states in the nation have embraced these common-sense policies. The Top 10 least prosperous states-including Maine-have absolutely refused them. It's not about good policy. It's about ideology.

First, it was liberal ideology. Now it's socialism. The steadfast adherence to ideology above all else, including prosperity for the Maine people, has prevented opportunities for our state to succeed and grow.

The current ideology is far out of the mainstream and has failed miserably in countries around the world. The efforts by Maine socialists to turn our state into Greece, Cuba, Venezuela or the former Soviet Union are moving us backwards at a rapid pace. Socialism is blockading our path to prosperity. It's time to put it aside and work toward prosperity for all Mainers.

I've talked to thousands of Maine people in the past five years. They want us to work to reduce their tax burden, reform welfare so it benefits the truly needy, lower electricity rates so employers

can create jobs, find ways to keep our young people here and eradicate the drug crisis that is ravaging our state.

The Maine people know I'm in my office every day, working hard to keep them safe and to move this state from poverty to prosperity. Way too much effort in Augusta is spent taking properties off the local tax rolls, which only raises local property taxes.

If you stop the gamesmanship, we can work together to accomplish great things. We know what the problems are, and we have solutions for them. But we need to work together to get it done. If you join me in moving Maine forward, you can take all the credit and do the photo ops. I just want what's right for the Maine people.

Welfare Reform

We have been working on common-sense welfare reform for five years, but liberal-and now socialist-politicians still refuse to finish the job. Despite their opposition, we have reigned in the state's formerly out-of-control Medicaid spending. No longer is there a budget-wrecking crisis every year because of runaway Medicaid spending. The Legislature and the media have purposely ignored just how significant this achievement has been to the state's budget.

We now adhere to federal law when providing TANF and SNAP benefits. No longer can you spend a lifetime on TANF, and no longer can you get food stamps without working, volunteering or going to school. However, we need to either pay the federal government $29 million in fines or change our laws to comply with federal statutes. The days of ignoring federal law are over. Even President Obama has lost patience with the Maine socialists.

We put photos on EBT cards and cracked down on where you can use them. They no longer show up at drug busts. We now drug test welfare recipients who are suspected of or who have admitted to prior drug use. You use, you lose. If you need help, we will be there to assist you. But if you want to keep using, taxpayers are not going to pay for your out-of-control habit.

In 2015, the welfare fraud unit at DHHS sent 105 cases to the Attorney General's Office for prosecution, totaling $1.2 million in theft of welfare benefits. The Maine people know welfare fraud is not anecdotal. It is real, and it is costing hard-working Mainers millions of their tax dollars.

However, the Attorney General only prosecuted 36 cases. She is ignoring the desire of the Maine people to eliminate welfare fraud. Instead, she tries to run the state through legal machinations from her partisan position.

Despite our success, Maine has fallen from the Number 1 welfare state in the nation only to the Number 3 slot. We need to be in the middle of the pack, not in the top tier. There is much more work to be done, and we cannot do it without your help.

However, the Legislature has been resistant to enacting meaningful welfare reform. So we will continue to push to completely reform Maine's welfare system once and for all. We will not provide welfare benefits that go over and above those allowed by federal law.

The Maine people demand it. These common-sense reforms are:

- Able-bodied adults must seek work before qualifying for welfare benefits.
- No TANF spending on tobacco, liquor, gambling, lotteries, tattoos, bail, travel services or sending money to foreign nations using services like Western Union.
- Alternative aid limited to 60 months, like TANF is.
- No use of EBT cards at smoke shops.
- No General Assistance, TANF, SNAP and SSI for non-citizens.
- No broad exemptions for federal work requirements in TANF. *(The domestic violence exemption will remain.)*
- A waiver to eliminate junk food from SNAP.
- No TANF and SNAP for felons convicted of drug-trafficking.
- Drug testing for all welfare recipients, not just those suspected of or who admitted to prior drug use.

These reforms will free up resources for Maine to create a safety net for our most vulnerable: the mentally and physically disabled and, most importantly, our elderly who have worked so hard their whole lives and now need our help to live out their final years in safety and comfort. **The current wait list must be eliminated.**

At my town halls, I urge all Mainers to tell you to support these common-sense welfare reforms. And remember, elections have consequences. Make sure your rhetoric on welfare reform matches your voting record.

Lowering the Income Tax

I've been saying it for five years: Maine's tax structure is outdated, it is holding us back, and it needs to be fixed. The solution is simple: just look at the most prosperous states in the nation and do what they are doing.

States with the most prosperity have the lowest income tax rates or no income tax, including Alaska, Florida, South Dakota and Texas-even our neighbor New Hampshire. This is not anecdotal; it's fact.

Rather than debating a minimum wage, I want to give a pay raise to all working Mainers: eliminating the income tax will put $900 million back in the paychecks of Mainers. It's the biggest wage increase they can get.

Despite what the socialists-and the media-say, we aren't trying to eliminate the income tax all at once. We can do it over time. We can reduce Maine's individual tax rate to 4% over four years, from 2018 to 2021.

The income tax cut can be aligned with the natural growth of revenue for state government. We do not need to rely on the politicians' typical budget gimmicks or unrealistic revenue projections. We do not have to increase spending or grow the size of government.

Beginning in 2024, we can use the revenue from the new liquor contract we negotiated-which has already far exceeded expectations-to lower the individual income tax rate to 0% over time. We will also need a moderate adjustment to the sales tax.

We can export this moderate sales tax increase to the tens of millions of visitors who come to Maine every year. It's a very small price for them to pay to come enjoy all our wonderful state has to offer. We also need to eliminate the death tax once and for all. It is driving away Maine's wealthiest job creators.

You all know some of these people. Many have told me they want to remain as Maine residents, but we tax them too much. Why should they leave behind an estate they worked to build over their lifetime, only to have it unfairly confiscated by state government?

So they go to Florida, become residents there and take their wealth with them. How does this help the Maine economy?

We must send the message that we appreciate them, we are thankful for the jobs they have created and we want them-and their assets-to stay in Maine.

High Electricity Prices are Costing Mainers Good Jobs

We've been saying it for five years: Maine's electricity prices are not competitive. My Administration has made progress to lower heating costs with modern heating systems, and lower oil prices

are providing some relief. But the high cost of electricity in the manufacturing and industrial sectors continues to kill good jobs for Mainers.

We have dozens of letters from well-respected Maine companies telling us that high energy costs make it difficult-if not impossible-to do business here. Maine's electric rates are 12th highest in the country, and the Legislature is making it worse. Special interests are constantly lobbying for carve-outs and above-market contracts to benefit themselves. Incredibly, last year the Legislature thought it was a good idea to sign more long-term contracts for above-market rates.

Current market rates are at 4 to 5 cents per kilowatt on average. But the Legislature **forced** the PUC to sign long-term contracts for 20 years at prices ranging from 8.3 to 10 cents per kilowatt before distribution and transmission. Now we know the exact price of their failure to protect Mainers: $38 million has been added to your costs for the above-market contracts.

Instead of artificially increasing electric bills, legislators should focus on lowering rates for the Maine people. Lower electricity rates would help attract employers to our state and lower the cost of living and working in our state. The Maine people deserve a break, not the wealthy special interests in Augusta, who profit off our hardworking middle class.

Socialists love to subsidize new wind and solar energy projects because they think it will save the earth, but that kind of expensive and inefficient energy benefits only a few wealthy investors, and our electrical generation is already one of the cleanest in the country. Instead, let's support the existing Maine-based biomass infrastructure that is already in place to take advantage of our plentiful natural resource: wood.

The biomass industry creates good jobs for Mainers, ranging from loggers and truckers to mill workers and lumber yard crews. Biomass facilities are often the largest taxpayers in small towns, and biomass reduces our reliance on fossil fuels. Let's help our economy and all Mainers, rather than artificially limiting sources of inexpensive energy.

Meanwhile, my Administration continues to make progress working with other New England states to expand hydropower and natural gas into our region. Right now there is construction underway to expand our pipelines into New England, and clean and affordable hydropower is right next door in Quebec.

It's time to switch off expensive energy. We must plug into the affordable reserves of nearby natural gas and hydropower. We must be willing to transmit hydropower to the states south of us.

How many more Mainers must lose their jobs before the Legislature wakes up and takes action?

Reducing Student Debt, Attracting Youth

We continue our focus on reducing taxes, lowering energy costs and attracting companies that create good jobs. When successful, those businesses will need workers. We must make sure our young people can stay here to fill those jobs.

Student debt is crippling our young people. Some have so much debt, they cannot afford to buy homes and start families. Too many have moved out of state to find better-paying jobs so they can manage their debt. We need to keep them here.

We have worked with FAME so they can now consolidate or refinance student loans at very low interest rates. We would like to see FAME sell a $10 million bond so they can issue no-interest student loans – the state can pick up the interest.

We need a commitment from Augusta politicians to help relieve student debt. Socialists want government to provide free education for everyone-and they will hike your taxes to pay for it. My plan would pay for itself and grow the economy.

We think the private sector should be a partner in reducing student debt and attracting young workers. We submitted a bill that offers a dollar-for-dollar tax credit to any business that pays off a student loan for an employee. Not-for-profit employees will be given the credit directly.

If a business pays off $100,000 in student loans, it will get a $100,000 credit on its income tax. We need bold initiatives and immediate action to keep young Mainers here and attract other young people to our state. This is the only way to lower the median age of the Maine people.

Fighting the Drug Crisis

We cannot wait any longer to find and arrest drug dealers. They are killing the very young people we need to live and work in Maine.

Heroin and other deadly drugs are raging in our state, and it is killing Mainers every week. You have seen the terrifying statistics from 2015:

- 231 people died from drug-related overdoses.
- 265 heroin-related arrests-plus the ripple effect of domestic violence assaults, burglaries and other crimes.
- 1,013 babies born drug addicted and/or affected.
- 56 meth lab incidents.

Why has the Legislature been so slow to act on this pandemic? If 231 Mainers died of food poisoning last year, the legislators would have immediately hired an army of food inspectors, passed laws for stricter penalties and somehow found millions in their budget to fund their initiatives, all the while patting themselves on the back for a job well done.

But with Mainers literally dropping dead on the streets, where is your outrage? The Legislature delayed for a year-and-a-half the hiring of just 10 MDEA agents-when we really need 20. The State Police are 45 positions short, mainly because their pay is so low. The same is true for all law enforcement officers in other state agencies.

Legislators found millions to adorn their "Christmas tree" with pet projects last July, but they only funded a Band-Aid approach to a crisis that is killing hundreds of our friends and neighbors. Either they are so intent on depriving the Administration of credit for actually fighting this crisis or they are so focused on their socialist ideology they are ignoring the reality surrounding them.

We absolutely agree Maine needs a multi-pronged approach to this crisis, involving law enforcement, treatment and education. The Legislature is moving too slowly on all three fronts, so we are working on a comprehensive plan. It should be approved this session.

However, we can get more law enforcement agents on the street much more quickly to hunt down and arrest these dealers from out-of-state, highly organized and ruthless drug gangs who are using Maine as their street corner. We can disrupt the supply and make Maine the toughest state in nation on drug crimes with much stronger penalties.

We must send a strong message that Maine has zero tolerance for drugs. If a dealer sells the drug that kills a Mainer, we should treat it as a homicide. The penalty for dealing drugs should be decades behind bars. You won't deal death in our state.

We need fewer sound bites on this deadly pandemic and much more action. The lives of your constituents quite literally depend on it. This plague is not contained by socioeconomic status-it affects every family in the state, including yours. Next week, it could be your brother or sister, son or daughter, cousin or friend.

Again, I am urging the Maine people to find out who their legislators are. If you want lower taxes, more welfare reform, reduced energy costs, affordable student debt and a get-tough approach to the drug crisis, Mainers must contact their elected officials and hold them accountable.

Politicians are supposed to represent the Maine people, not special interests, not lobbyists and not a foreign socialist ideology.
To the Maine people, I say this: If you want to improve our economy, if you truly want to prosper, then you have to change the culture in Augusta. Vote for those candidates who will work for you. Hold them accountable; demand their attention.
Finally, this is no longer about the State of the State. With a staggering $20 trillion of debt, the state of our country is in crisis. The federal government is in danger of further eroding its credit due to the principal and interest payments required to service this massive, almost unimaginable, debt. We are approaching national insolvency. This is not the kind of country we envisioned for our children and grandchildren to live in. They deserve better-much better.
Now, let's get to work.
Sincerely,
S/Paul R. LePage
Governor
READ and **ORDERED PLACED ON FILE**.

The Following Communication: (H.C. 437)
STATE OF MAINE
CLERK'S OFFICE
2 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0002
February 9, 2016
Honorable Mark W. Eves
Speaker of the House
2 State House Station
Augusta, Maine 04333
Dear Speaker Eves:
Pursuant to Joint Rule 310, the following Joint Standing Committees have voted unanimously to report the following bills out "Ought Not to Pass:"
Labor, Commerce, Research and Economic Development
L.D. 429 An Act To Modify the Disbursement from the Maine Economic Improvement Fund
Transportation
L.D. 1507 An Act To Authorize a Person Whose Operator's License Is Suspended Due to Failure To Pay Child Support To Drive to and from a Place of Employment
Sincerely,
S/Robert B. Hunt
Clerk of House
READ and with accompanying papers **ORDERED PLACED ON FILE**.

The Following Communication: (H.C. 442)
MAINE MUNICIPAL AND RURAL ELECTRIFICATION COOPERATIVE AGENCY
February 5, 2016
Honorable Mark W. Eves
Speaker of the House
2 State House Station
Augusta, Maine 04333
Honorable Michael D. Thibodeau
President of the Senate
3 State House Station
Augusta, Maine 04333
Dear Speaker Eves and President Thibodeau:
Pursuant to 5 MRSA, §12023, please consider this the letter of transmittal for the required report from the Maine Municipal and Rural Electrification Cooperative Agency.
Please contact me if you have any questions or need additional information.
Thank you.
Sincerely,
S/Scott M. Hallowell
MMRECA
READ and with accompanying papers **ORDERED PLACED ON FILE**.

The Following Communication: (S.C. 717)
MAINE SENATE
127TH LEGISLATURE
OFFICE OF THE SECRETARY
February 4, 2016
Honorable Mark W. Eves
Speaker of the House
2 State House Station
Augusta, Maine 04333
Dear Speaker Eves:
In accordance with 3 MRSA §158 and Joint Rule 506 of the 127th Maine Legislature, please be advised that the Senate today confirmed the following nominations:
Upon the recommendation of the Committee on Labor, Commerce, Research and Economic Development, the nomination of Carol S. Bell of Presque Isle for reappointment to the Loring Development Authority of Maine.
Upon the recommendation of the Committee on Labor, Commerce, Research and Economic Development, the nomination of Mark L. Wilcox of Mapleton for reappointment to the Loring Development Authority of Maine.
Upon the recommendation of the Committee on Labor, Commerce, Research and Economic Development, the nomination of Michael L. Edgecomb of Spruce Head for appointment to the Loring Development Authority of Maine.
Upon the recommendation of the Committee on Labor, Commerce, Research and Economic Development, the nomination of Janet A. McGillan of Fort Fairfield for reappointment to the Loring Development Authority of Maine.
Upon the recommendation of the Committee on State and Local Government, the nomination of Timothy L. Thompson of Cape Elizabeth for reappointment to the Maine Governmental Facilities Authority.
Upon the recommendation of the Committee on State and Local Government, the nomination of Robert W. Bower Jr., Esq of Cumberland for reappointment to the State Civil Service Appeals Board.
Best Regards,
S/Heather J.R. Priest
Secretary of the Senate
READ and **ORDERED PLACED ON FILE**.

PETITIONS, BILLS AND RESOLVES REQUIRING REFERENCE

Bill "An Act To Continue To Provide Group Exemption Passes to State Parks for Persons with Disabilities"
(H.P. 1075) (L.D. 1584)
Sponsored by Representative TUELL of East Machias.
Cosponsored by Senator BURNS of Washington and Representatives: ALLEY of Beals, CRAFTS of Lisbon, FOLEY of

Wells, GERRISH of Lebanon, HEAD of Bethel, MAKER of Calais, McCLELLAN of Raymond, PETERSON of Rumford.
Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Committee on **AGRICULTURE, CONSERVATION AND FORESTRY** suggested and ordered printed.

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

Sent for concurrence.

Bill "An Act To Improve Services for Persons Who Are Deaf or Hard of Hearing by Updating the Laws Governing Qualifications for Certain Members of the Telecommunications Relay Services Advisory Council"

(H.P. 1076) (L.D. 1585)

Sponsored by Representative BEAVERS of South Berwick.
Cosponsored by Senator MASON of Androscoggin and Representative: ESPLING of New Gloucester, Senator: BREEN of Cumberland.
Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Committee on **ENERGY, UTILITIES AND TECHNOLOGY** suggested and ordered printed.

REFERRED to the Committee on **ENERGY, UTILITIES AND TECHNOLOGY** and ordered printed.

Sent for concurrence.

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

SPECIAL SENTIMENT CALENDAR

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

Recognizing:

Aldermere Farm, in Rockport, and members of the Aldermere Achievers 4-H Club, who won the Premiere Breeder Award for their Belted Galloway livestock at the National Belted Galloway Show at the 2015 North American Livestock Exposition in Kentucky, as well as many individual 1st and 2nd place awards. We extend to everyone at the Aldermere Farm and the members of the Aldermere Achievers our congratulations and best wishes;

(HLS 1012)

Presented by Representative WELSH of Rockport.
Cosponsored by Senator MIRAMANT of Knox.

On **OBJECTION** of Representative WELSH of Rockport, was **REMOVED** from the Special Sentiment Calendar.

READ.

The SPEAKER: The Chair recognizes the Representative from Rockport, Representative Welsh.

Representative **WELSH**: Thank you, Mr. Speaker, Men and Women of the House, if you've ever been to Rockport, you probably know of Aldemere Farm and its lovely "Belties," the Belted Galloway cattle that are raised there, often known as the "Oreo" cattle. We're proud of Aldemere Farm and the famous Belties, captured many times in photos and paintings. We're also grateful to the Maine Coast Heritage Trust that now protects this working farm.

So, it's especially heartwarming to know of the wonderful work of the Aldemere Achievers 4-H members who work with the cattle and who had a fantastic year competing last summer and fall at four fairs and 14 shows in Maine. The high point was taking their cattle to Kentucky to the International Livestock Exposition and National Belted Galloway Show and bringing home the Premier Breeder Award. The members also took 1st and 2nd place in various classes. Nine of the 18 members are servings as pages today, so congratulations to all of you and also to the adults who nurture and support your wonderful work. Thank you.

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

REPORTS OF COMMITTEE
Refer to the Committee on Judiciary
Pursuant to Statute

Representative HOBBINS for the **Joint Standing Committee on Judiciary** on Bill "An Act To Implement Recommendations of the Right To Know Advisory Committee Concerning Remote Participation in Public Proceedings"

(H.P. 1077) (L.D. 1586)

Reporting that it be **REFERRED** to the Committee on **JUDICIARY** pursuant to the Maine Revised Statutes, Title 1, section 411, subsection 6, paragraph G.

Report was **READ** and **ACCEPTED** and the Bill **REFERRED** to the Committee on **JUDICIARY**.

Sent for concurrence.

Ought to Pass as Amended

Report of the Committee on **ENERGY, UTILITIES AND TECHNOLOGY** on Bill "An Act To Revise the Charter of the Rumford Water District"

(S.P. 580) (L.D. 1482)

Reporting **Ought to Pass as Amended by Committee Amendment "A" (S-347)**.

Came from the Senate with the Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-347) AND SENATE AMENDMENT "A" (S-349)**.

Report was **READ** and **ACCEPTED**. The Bill was **READ ONCE**.

Committee Amendment "A" (S-347) was **READ** by the Clerk and **ADOPTED**. **Senate Amendment "A" (S-349)** was **READ** by the Clerk and **ADOPTED**. The Bill was assigned for **SECOND READING** Thursday, February 11, 2016.

Divided Reports

Majority Report of the Committee on **ENVIRONMENT AND NATURAL RESOURCES** reporting **Ought Not to Pass** on Bill "An Act To Reestablish Recreational Use of a Historic Trolley Line in the Town of Gray" (EMERGENCY)

(S.P. 576) (L.D. 1478)

Signed:
Representatives:
WELSH of Rockport
BUCKLAND of Farmington
CAMPBELL of Orrington
CHIPMAN of Portland
DUCHESNE of Hudson
HARLOW of Portland
MARTIN of Eagle Lake
TUCKER of Brunswick
WHITE of Washburn

Minority Report of the same Committee reporting **Ought to Pass** on same Bill.

Signed:
Senators:
SAVIELLO of Franklin
BRAKEY of Androscoggin
BREEN of Cumberland

Representative:
HANLEY of Pittston

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

READ.

Representative WELSH of Rockport moved that the House **ACCEPT** the Majority **Ought Not to Pass** Report.

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

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

The SPEAKER: The Chair recognizes the Representative from Gray, Representative Austin.

Representative **AUSTIN**: Mr. Speaker. Thank you, Mr. Speaker and Ladies and Gentlemen of the House, as some of our House Members will recall, my Town of Gray is home to the Maine Wildlife Park. This past season, which closed in November, saw the grand total of 122,000 guests that passed through the brand new life-sized Inland Fisheries and Wildlife entrance to the park. I believe that we can all agree that 122,000 guests in a 6-month period, very short season, is no small pickin's to our community.

The bill that is before the chamber this morning most likely took into consideration the presence of the park, the Shaker community just up the road on Shaker Road, the completely remodeled, enhanced Pineland Campus, when it made the decision to move the Narrow Gauge Railway to Gray; to declare it their new home, and permanent home. Any one of your towns would have given that initiative their attention in hopes of landing this acquisition. Simply put, the Narrow Gauge Railway, which has also hosted the very popular Polar Express for years as an added feature during the holiday season of the train ride along Portland's scenic harbor, has found it necessary, due to commercial development on that very site, to find a new, vibrant location to reestablish itself.

Gray was a very likely site due to the abandoned historical electric train railbed, which frequented passing through Gray in the interchange of the old Portland, Lewiston interurban, in the early 1900's. The railbed site, as it sits exactly today as it was left, and is a particularly inviting amenity to reestablish the Maine Narrow Gauge Railway. This bill was to enhance the right-of-way along the sides of the present bed to accommodate other small recreational vehicles, which frequent that trail now. The bill was respectfully heard, but the notion of any sense of a small variance to present zoning was not so admissible. Add to that the concern that there was mention of a particular bird and a particular species of small rabbit that may frequent that location, and the bill was voted out, as you see today.

Ladies and Gentlemen, I'm a simple gal with a simple point that I suggest you ponder. Rules are rules and they are made to set the bar and a standard. I would only ask that consideration that there are times and instances when a small dash of salt of human discretion is noteworthy and well-placed. There is no question that this project could create an inviting cluster of recreational amenities within the small radius of Gray Village.

Ladies and Gentlemen, I present to you a conundrum. We, who sit in these seats, have heard of the "Three Senators Vote Rule": three negative votes and a bill is doomed to the graveyard of unpassable bills. I submit to you today an interesting irregularity with regards to that voting pattern. This bill actually received a three Senator vote to pass. Now, what say we? Let's vote this Ought Not to Pass down and move ahead. Thank you very much Ladies and Gentlemen.

The SPEAKER: The Chair recognizes the Representative from Hudson, Representative Duchesne.

Representative **DUCHESNE**: Thank you, Mr. Speaker and Men and Women of the House, every committee gets this bill—a bill that says, "If you just exempt us from the law that everybody else has to follow, great things will happen." And it happens in every one of your committees, doesn't it? You know this bill.

It would be hard to find a worse place to do this project. I think we can all agree that this is actually a very good project and I would agree with the Representative from Gray, Representative Austin, that this is a worthwhile project that could help the community. It just happens to be this piece of it is in a rather bad place and I do hope they can find a way to move around this sensitive area where it would actually win a permit.

Because here's the problem: this bill exempts this project, not just from one environmental law, but all of them—The Natural Resources Protection Act, shoreland zoning, even the Endangered Species Act—and that's without even knowing what the details of the proposal are. So, it's a blanket exemption on a proposal that we don't even know the details on. Even if we did this, the Army Corp of Engineers is not going to let this happen; it's in a flood zone. It would not win the federal permit, so the only result of actually passing this bill is to stick it to the ENR Committee because if the Legislature's going to legislate by broad exemption, the Environment and Natural Resources Committee will see 20 exemption bills next year and I'm sure there will be bipartisan support within the committee to find some way to get even. So, Mr. Speaker, I would urge a vote of Ought Not to Pass. Thank you.

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

ROLL CALL NO. 471

YEA - Alley, Babbidge, Bates, Beavers, Beebe-Center, Bickford, Blume, Brooks, Bryant, Burstein, Campbell J, Chapman, Chenette, Chipman, Cooper, Daughtry, Davitt, DeChant, Devin, Doore, Duchesne, Dunphy M, Evangelos, Farnsworth, Fecteau, Fowle, Gattine, Gideon, Gilbert, Gillway, Golden, Goode, Grant, Guerin, Hamann, Harlow, Herbig, Hickman, Higgins, Hobbins, Hogan, Hubbell, Hymanson, Kinney J, Kornfield, Kruger, Kumiega, Lajoie, Longstaff, Luchini, Martin J, Martin R, Mastraccio, McCabe, McCreight, McLean, Melaragno, Monaghan, Moonen, Morrison, Nadeau, Ordway, Peterson, Pickett, Pierce T, Powers, Rotundo, Russell, Rykerson, Sanborn, Saucier, Schneck, Short, Stanley, Stuckey, Tepler, Tipping-Spitz, Tucker, Verow, Warren, Welsh, White, Mr. Speaker.

NAY - Austin, Battle, Black, Buckland, Chace, Corey, Crafts, Dunphy L, Edgecomb, Espling, Farrin, Foley, Fredette, Gerrish, Ginzler, Greenwood, Grohman, Hanington, Hanley, Harrington, Hawke, Head, Herrick, Hilliard, Hobart, Kinney M, Lockman, Long, Lyford, Maker, Malaby, Marean, McClellan, McElwee, Nutting, O'Connor, Parry, Picchiotti, Pierce J, Pouliot, Prescott, Reed, Sanderson, Sawicki, Seavey, Sherman, Sirocki, Skolfield, Stearns, Stetkis, Theriault, Timberlake, Timmons, Tuell, Turner, Vachon, Wadsworth, Wallace, Ward, Winsor, Wood.

ABSENT - Beck, Campbell R, Dillingham, Dion, Frey, Jorgensen, Sukeforth.

Yes, 83; No, 61; Absent, 7; Excused, 0.

83 having voted in the affirmative and 61 voted in the negative, with 7 being absent, and accordingly the Majority **Ought Not to Pass** Report was **ACCEPTED** in concurrence.

Majority Report of the Committee on **TAXATION** reporting **Ought to Pass as Amended by Committee Amendment "A" (S-351)** on Bill "An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes" (EMERGENCY)

(S.P. 616) (L.D. 1564)

Signed:

Senators:

McCORMICK of Kennebec
DAVIS of Piscataquis

Representatives:

BICKFORD of Auburn
CHACE of Durham
SEAVEY of Kennebunkport
SKOLFIELD of Weld
SUKEFORTH of Appleton

Minority Report of the same Committee reporting **Ought to Pass as Amended by Committee Amendment "B" (S-352)** on same Bill.

Signed:

Senator:

LIBBY of Androscoggin

Representatives:

GOODE of Bangor
MOONEN of Portland
RUSSELL of Portland
STANLEY of Medway
TEPLER of Topsham

Came from the Senate with the Majority **OUGHT TO PASS AS AMENDED** Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-351)**.

READ.

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

Representative FREDETTE of Newport **REQUESTED** a roll call on the motion to **ACCEPT** the Minority **Ought to Pass as Amended** Report.

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

The SPEAKER: The Chair recognizes the Representative from Kennebunkport, Representative Seavey.

Representative **SEAVEY**: Thank you, Mr. Speaker, Men and Women of the House, while it is important that we conform for the 2015 tax year, it is critical that we conform for years to come. We should not make tax policy based on the past but public policy with the future in mind. The state needs public policy that will attract and keep investment, tax policy that will attract and keep jobs.

I'm concerned about the story that broke recently about General Electric in which they will move part of their operation from Connecticut to Massachusetts, and take with them 800 jobs. That's not a light move. That's a costly move for a company like that, but it's the tax policy of Connecticut that forces these people to relocate. Our state cannot afford to have business relocate.

In our state many companies have facilities in other states—multi-states. What's to prevent them from growing up and moving to another state? Over the last 50 years, we have lost much heavy manufacturing. The pulp and paper industry is gone. We have been fortunate to start to bring in this state light manufacturing—cheaper, more efficient, environmentally more friendly. Light manufacturing can be as good as heavy manufacturing. In my district, I toured two of these plants recently: Volk Packaging, the maker of boxes, and Sterling Rope. Their products are sent worldwide. Light manufacturing can help balance Maine's economic scale with tourism.

The equipment that these businesses purchase—the equipment that they want the tax credit for—are critical to their operations. It's not just some company truck, but it relates to important things like: improved safety technologies, better environmental impacts, food safety, information technology, and labor efficiency.

This conformity issue is an issue that we have had to deal with for many years in the past, annually. And now we can deal with it just once and for all and will conform for a long time. And I know it costs money and that's what these Divided Reports are about—money. And money can always be spent somewhere else, but Maine's economy is critical to the way of life for Maine citizens. If we drive business, if we drive jobs away, if no one will relocate to this state as Connecticut is doing, there won't be any money for anyone. We must conform, not just for the last year as the Minority Report asks, but for next year and the next decade, or none of us will have jobs. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Dedham, Representative Ward.

Representative **WARD**: Thank you, Mr. Speaker. Mr. Speaker, I stand to speak in opposition to the pending motion. LD 1564, on its face, is a bill similar to those typically submitted annually by the Department of Administrative and Financial Services to update Maine's tax laws to conform to the United States Internal Revenue Code in Title 36. Like 42 other states, Maine has a state income tax and to the maximum extent possible, we always want to fully conform to federal tax policy.

By fully conforming, we allow individual and small business tax payers to take the same deductions allowed in their federal return and carry them over to their state returns. We benefit because it's simpler. The problem is, is that this bill as amended does not conform fully and if we fail to conform, then those same individuals and small businesses have to back these deductions out of their state returns resulting in what amounts to a tax increase on small businesses and families.

Mr. Speaker, as a business owner in my construction company, employing 40 Mainers, and my wife, who runs her own small business with 17 employees, we can't afford a tax increase and we don't understand why this is creating a controversy. Why are we threatening to increase taxes on Maine families and small businesses? This has always been agreed to, always been bipartisan, during the King administration, the Baldacci administration, and the current LePage administration. And just last week full conformity passed in the Maine Senate under the hammer. This resistance to conformity defies history and it is a significant departure from the past.

And, Mr. Speaker, it's inexplicable because on Friday, December 18th, less than two months ago, in a compromise bill agreed to by Speaker Paul Ryan, President Obama, like the Maine Senate, signed into law permanent tax conformity, adopting the very tax provisions that some wish to reject. And if it's good enough for President Obama, why isn't it good enough for the Maine Legislature and Maine people and Maine business? Now, who are we to stand in the way of that?

And again, if we refuse to do what we have always done, if we reject full conformity, if we decouple from the federal statute, then not only do we hand down a massive tax increase to Maine families and small businesses, we cut off the municipal property taxes that would've come from these business investments and we send Maine business a message. And as a business owner in the State of Maine, I can tell you what that message will be to me and to my colleagues in the construction trade, that despite all of the rhetoric and the election year claims to be pro-business and pro-economic growth and pro-family, when it comes right down to it, it's nothing but a lot of talk. And if you ask the Maine State Chamber of Commerce, the Maine Motor Transport Association, the Maine Associative Builders and Contractors, the Maine Associate General Contractors, the Bangor Region Chamber of Commerce, and virtually every true pro-business organization in the State of Maine, they will agree with this contractor.

Mr. Speaker, I believe that there are many crafts, even in this chamber, who believe that running a small business in Maine is a piece of cake. But statistics show that over two-thirds of new business start-ups fail in the first three years. That is especially true here in Maine, which is widely known to be inhospitable to business. We already do not treat our businesses well. I remember vividly being in Providence, Rhode Island at a business owners' round table of constructors and when they heard that I was from Maine, people were aghast. I remember one person telling me they thought about moving a branch office to southern Maine and they had decided against it and specifically because the Maine Legislature isn't consistent. And that explains why many other businesses choose to close, leave, why they stagnate, why they decide not to come here in the first place. It's why our wages are low. It's why our taxes are high. It's why we are now the oldest, grayest state in the Union and getting older. It's why our population is actually shrinking.

We've created a demographic winter north of Portland and, Mr. Speaker, that has to stop. It's time we start treating Maine business like we value them, appreciate them, and want them to stay. It's time we provide Maine business the consistency and the clarity that they need to help reduce their perceived risk of, "What will our tax policy be next year?" Because there will be no more temporary fixes from DC to prompt us to action in the future. Mr. Speaker, they made it permanent. It's time to encourage Maine entrepreneurs to take these risks, to buy that equipment, to invest in their companies, to build their businesses larger and stronger, generating more jobs, better benefits, and helping their local economy by buying local, like I do on every single project that I build.

It's time to say we are totally and truly serious about making Maine competitive again and giving our companies a level playing field. And I can tell you, Mr. Speaker, that if Maine business is given a fair deal, there isn't anyone that we can't beat. No one. It's time that we stop kicking the can down the road. It's time to stop leaving Maine business in limbo and giving tax managers fits, and thereby limiting the investment Mainers are willing to make. It's time to say "no" to a tax increase on Maine business and families and say "yes" to a vision of a more prosperous future for all Mainers so our kids, like my two oldest kids, won't have to leave anymore to find greener pastures in another state.

Mr. Speaker and Ladies and Gentlemen of this House, with this vote you can send a clear message all across this great state and to all of the families and businesses that we each have in the districts back home. Tell them you support them. Vote against this amended motion so that we may then embrace our President's action and fully conform. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Glenburn, Representative Guerin.

Representative **GUERIN**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House, as a former school teacher who spent well above the $250 deduction a year that is allowed in this bill, I say thank a teacher and follow my light. As a business owner, I see very clearly the benefits of tax conformity for the State of Maine, being assured that my business investment will benefit both my business and the state.

If I am able to count on a deduction, and thus invest in buying a new delivery truck, the state benefits in the generated sales tax. The truck salesman may take his family out to eat at a locally owned restaurant to celebrate the sale, benefiting the restaurant and the server. Then, when the truck is delivered, I will need to hire an additional delivery team, thus employing more Mainers. Please follow my light and support Maine's teachers and small businesses.

The SPEAKER: The Chair recognizes the Representative from Turner, Representative Timberlake.

Representative **TIMBERLAKE**: Thank you, Mr. Speaker and Ladies and Gentlemen of the House, the definition of insanity is doing the same thing over and over and expecting a different result. That seems to be what we're doing here with tax conformity. Every year about this time, we try to rush tax conformity bill through to match the federal government.

They waited until the last minute every year, but this year, the federal government has decided to pass the tax package on December 18th of 2015. But not only did they do that, they did something better. They figured out the definition of insanity by now passing a tax package permanently. They stopped the insanity. Now this will be one of the few times that the President, President Obama, and I have agreed on anything. He signed this bill into law because the federal government understood how important this was. I think it's time the Maine Legislature also understands how important it is to pass conformity permanently. That's why I'm opposing this pending motion.

Ladies and Gentlemen, this is a jobs bill. Maine has traditionally always conformed with the federal tax code. Because we typically conform, both small and large businesses and taxpayers can plan accordingly. The money that Maine companies save allows them to make more capital investments in Maine and hire more Mainers. If we, as a body, choose not to conform, it would mean a $38 million tax increase to the working people of Maine and Maine businesses.

We were not elected to create an unstable, unpredictable climate for Maine businesses to operate. It's time that we feed this economic engine—the business community, the mom-and-pop shops, the farmers, and other businesses throughout the State of Maine and the individual taxpayers. My good friend, the Representative from Scarborough, has loaned me her goose—the goose that lays the golden egg. The goose being the businesses of the State of Maine and the individual taxpayers, we need to feed that goose. If we don't feed it, that goose stops laying eggs and our business climate goes away along with all the incomes of our constituents. Ladies and Gentlemen, we didn't feed that goose much in 2014 and in 2015 and it was on a diet. And it was created uncertainty in our business environment.

Mr. Speaker, we need to feed that goose in 2016. We need to feed that goose and fatten it up so it lays more golden eggs for our businesses and the people and State of Maine. That is again why I'm not supporting this pending motion. I beg you, Ladies and Gentlemen, don't let this happen again. We have the opportunity to move tax conformity to permanently. Conformity means stability. Stability in business means jobs and job creations, plain and simple. Businesses want predictable

environments to work in. If we pull the rug out from underneath them now, what kind of message is that sending the business community? We're supposed to be creating incentives for our businesses, not come here to be scaring them away.

Mr. Speaker, multiple articles regarding tax conformity appeared in the newspapers this weekend and one of them appears on your desk today. Most of those articles reference the Maine Capital Investment Credit and whether or not that credit is working. Well, let's take a look at it for a minute. Let's use $400,000 as the profit for the year for the business. If I was paying my taxes for that year, it would come to about $32,000. However, if you let me invest that in my building, an addition to my business, the value of my property increases and all those tax dollars stay within my local community to the tone of about $8,000 a year in property tax. It doesn't take long to figure out that I'm going to pay back more than that $32,000 and my community makes more money.

That is not just business that stands to be the big losers here. If this bill fails, our teachers, homeowners, and college students are among the everyday Mainers who will also be left out in the cold. We are elected to make sure things like this don't happen. It's been suggested in committee that we conform for one year; that we would be conforming 100 percent. Well, that's poppycock. I understand the politics of this debate, but we need to conform 100 percent with the federal government. A one year deal brings us to a 25 percent conformity with the federal government and that is unacceptable. We need to do 100 percent and conform permanently. That is why I will be opposing the pending bill.

Delaying this important measure is holding up tax returns for thousands of Maine people and Maine small businesses. Those refunds put Mainer's money into Maine economy at a time when it's needed more than ever. This folks, is not your money we're talking about. It belongs to the working people of the State of Maine. Let's let them keep it and reinvest it in our communities. Please join me in voting down the pending motion. Thank you.

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

Representative **SIROCKI**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House, the pending motion will provide tax conformity for one year. Last year. This not full conformity.

I would like to draw your attention to a recent article promoting this proposal. A copy has been delivered to our desks. One of the statements in the article caught my eye and I highlighted it in yellow. It reads: "It's worth noting that no other New England state is adopting a program like this." Maine should be the power house of New England. She has it all: natural beauty and resources with her long ocean shoreline, rivers, lakes, mountains, farm land, and hardworking people.

But, Mr. Speaker, Maine lags behind her New England neighbors, which brings me to another document that I distributed: the 2014 New England State Median Incomes. Why is our median income so low compared to other New England states? The average 2-person family in Maine earns about $55,000, while our neighbor, New Hampshire, with her similar demographics, has 2-family average income at $70,000. Making the disparity even worse is our high rate of income tax, and we are trying to compete with states that have no income tax or lower income tax.

Maybe the reason Maine's economy has been struggling is because so many view business as an afterthought, if they think about it at all. I live in Scarborough and I think about business. We are home to more than 1,300 small businesses. It is plain to see that one of the geese laying Maine's golden eggs lives in Scarborough. Our property valuation is among the highest in the state, and while our aging demographics do mirror the rest of the state and the country with our declining student population, relative to the rest of the state, Scarborough is a boom town. And while we have glimmers of good news—unemployment, for instance, is down to 3 percent in Cumberland County—many of the new jobs are just part-time starter jobs.

When I knock on doors and talk to those in my community, I see a different story. The average Scarborough constituent may be "rich" on paper compared to the average Maine constituent, but there are many families living paycheck to paycheck. As communities like Scarborough shoulder more and more of the burden locally, it seems a slap in the face to be told that commonsense business tax incentives that provide a measure of certainty in the unpredictable world we live in, are somehow irresponsible.

As the federal government struggles with almost $20 trillion in debt and is projected to climb to $26 trillion in just a few years, Congress has been forced to control spending and has been cutting back money that had been funneled into Maine. This puts the squeeze on our budget. Just last week's newspaper headlines cringed with the disappointing news of our "anemic" numbers. *Reuters*, *Wall Street Journal*, *New York Post*, reported a paltry .7%—less than 1% of growth—in the last quarter. This not a robust recovery, Mr. Speaker, and the Chief Executive of our country knows it.

The money that runs the show, the money that pays for everything, is not growing. As you all know, the private sector is the only engine that produces new wealth. Doesn't it make sense to do everything we can to send a strong message to the private sector that we not only want them to expand, we need them to expand? There are many business owners in my district that are worried about the future—holding back on expanding, holding back on important investments that help keep them competitive—with so much uncertainty in the market, with growth in our GDP stalled, with so much debt piling up, and the news that President Obama joined Democrats and Republicans to make a number of conformity changes permanent and also extend bonus depreciation retroactively to include 2015, and into the future until 2018 was more than welcome news.

By only offering a one-year retroactive for the tax year 2015 incentive, is like looking back from today, February 9, 2016, and saying to the hard-working geese laying the golden eggs, "Well, you could have enlarged your nests to accommodate more eggs. But this proposal only applies to last year's goose." If we want the goose to lay more eggs, we might want to encourage it to feather its nest.

So I ask: do we want a healthy, vibrant economy with more job opportunity? Congress does. The President does. The business owners in my district do. I do. Large businesses start as small businesses. On behalf of the business community, I beseech you to look at this from another angle. If our constituents are working in a vibrant, healthy economy, one where businesses are investing in the future, we all benefit. The motion before us is very limited and looks to the past; it is not forward looking. The business community is watching us. We have the opportunity to send a strong message to the people that hire our constituents, but the pending motion falls short. Thank you.

The SPEAKER: The Chair recognizes the Representative from Arundel, Representative Parry.

Representative **PARRY**: Thank you, Mr. Speaker, Ladies and Gentlemen of the House, I rise in opposition to this motion. I was very disappointed when this motion was put up on the board. As somebody that actually went and did his taxes, had his taxes

done yesterday, and benefits from tax conformity, I think that conforming for last year is very important. But as every business owner knows, you're always looking to the future. You're not looking to the past.

I, in the next few years, will probably be looking at replacing my lobster boat. And every one of us represents businesses—if it's an excavation company, or whatever small business—that buys equipment fairly regularly. And what we're doing if this motion was to pass, is we're signaling to every one of those companies that we don't think that you should expand. We don't think that you should invest in your company. We will turn Maine's business climate into businesses will only expand or replace equipment, like myself, when I absolutely have to. And what that will do, that will deter business spending throughout the state.

What it'll also do, and I'll put it in these terms: if we have small businesses or medium-sized businesses in our district, but they have multiple locations—they have one in York county or in Aroostook County, or wherever they might be, but they also have a plant in some other state. And looking into the future, if that company buys a large piece of equipment and that company, we're going to tell them that you can deduct $25,000 on that in Maine, or in your other state you can deduct $500,000 of that. How long will it be before that business, over the next few years, if they're required to buy equipment regularly, how long will it be before they transfer their business to the other state? It's not going to take very long.

We have a tough enough business climate without signaling to business that we're not going to support you and I really think that, I really worry if this passes, if this motion passes, we are signaling to our business community that we don't really care about you. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Durham, Representative Chace.

Representative **CHACE**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House, I hear the same word over and over from a lot of our partners in at least this side of the aisle. Predictability. As a business owner, every December, I would be sitting with my accountant—and I know that sounds like some rich guy explanation, trust me, it's not. This was a business that we ran four years, and every year, we were trying to decide if new computer systems or phone systems to enhance our customer service and our business was going to be deductible or not. And my accountant, every year, would have to say, "Well, we've complied the last four or five years. I don't see any reason why we won't this year."

This is a really important issue for a lot of businesses in Maine. When we were sitting in the Tax Committee, we heard from a lot of businesses that had to make long-term commitments for very expensive equipment—very expensive equipment that would take two or three weeks to order. And their clients are going to back out on them if they know that this deduction is gone. This is an extremely important initiative to foster development and growth. If I could put a new drive-thru in my business, I have to hire somebody to run that drive-thru. I am able to bring more customers through the door, through my service. I, therefore, have to buy more goods.

You know, the company I work for has 79 stores in this state and 98 percent of the income stays in this state. The 20 people that work in each of those stores stays in this state. Every time we enhance our economic benefit as a business, it goes into the workers. The company takes about one percent profit out of this state. One percent. So, we have to stop this big business/small business issue. It's more small businesses that are going to get benefits from this in the State of Maine because we comprise a lot of small businesses.

Mr. Speaker, I beg of all of us to stop and think about what we're doing. This indecision absolutely affects how we are looked at from outside the state. I've worked in corporate offices outside this state and I'm embarrassed to say, we are a joke to a lot of folks. They will make comments. I used to have a gentleman that would regularly call me every week and say, "What are you guys doing up there?" This is not a bunch of rich people pleaing to try to keep their millions and billions. This is regular people that own flower shops and other businesses and ice cream shops that are trying to predict, predict whether they have the ability to expand and keep up with today's market, with today's technology. It's moving at a breakneck pace. We have to try to be in compliance with that aspect.

Business is what is going to fund our Medicaid system because businesses are going to put more people to work, and therefore maybe we'll be more equitable with the states that have fewer people on welfare. We should not accept this minimum Ought to Pass as Amended motion. It is not right. If we take a one-year backwards look at 2015 for this conformity, it does not come back before us again. Every year, in a bipartisan fashion, we have said, "yes," "yes," "yes," "yes," every year in January. If we say "no" now, if we say "yes" to this motion, in other words, we will stop. Nothing's going to come before us next year or the following year. It ends. There's no more conformity.

I need people to think about what that means. Unless somebody decides to put in a bill to match conformity with the government again. So, I, please, I respectfully ask people to think about this. This sends a stronger message than I think a lot of folks realize. I appreciate the time. Thank you.

The SPEAKER: The Chair recognizes the Representative from East Machias, Representative Tuell.

Representative **TUELL**: Thank you, Mr. Speaker, I wanted to add a few words in about the loggers and fishermen because that's what we have down home in Washington County. We have a lot of folks that work in the woods and on the water and they have to buy a lot of equipment and it's a lot of expensive equipment. And I'm sure you've all seen the news of late how the logging industry is in distress, how biomass is in distress. We have plants closing, we have mills closing. We're all in a panic and I'm not pointing fingers here at a single soul because I think we all want to help those folks out. If we pass this motion, we are creating even more uncertainty for those folks at a time when they don't need that uncertainty and they don't need that grief.

Another point I would make is last week I attended a public hearing downstairs that Representative Fecteau, I apologize, I do not know your town, presented a bill on investing in equipment for career technical educational facilities. Ironically, enough, the business—well, not ironically enough—but the business community supported that, thought it was a great thing. And, you know, I'm not saying I support it or I don't, but I certainly think if we're going to go invest in a bond for equipment to stimulate Maine's economy, we ought to at least be willing to conform to the federal standards and stand behind businesses and their feeder systems. I think it's a little bit disingenuous if we don't. Thank you, Mr. Speaker.

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

ROLL CALL NO. 472

YEA - Alley, Babbidge, Bates, Beavers, Beebe-Center, Blume, Brooks, Bryant, Burstein, Campbell J, Chapman, Chenette, Chipman, Cooper, Daughtry, Davitt, DeChant, Devin,

Doore, Duchesne, Dunphy M, Evangelos, Farnsworth, Fecteau, Fowle, Frey, Gattine, Gideon, Gilbert, Golden, Goode, Grant, Grohman, Hamann, Harlow, Herbig, Hickman, Hobbins, Hogan, Hubbell, Hymanson, Kornfield, Kruger, Kumiega, Lajoie, Longstaff, Luchini, Martin J, Martin R, Mastraccio, McCabe, McCreight, McLean, Melaragno, Monaghan, Moonen, Morrison, Nadeau, Peterson, Pierce T, Powers, Rotundo, Russell, Rykerson, Sanborn, Saucier, Schneck, Short, Stanley, Stuckey, Tepler, Tipping-Spitz, Tucker, Verow, Warren, Welsh, Mr. Speaker.

NAY - Austin, Battle, Bickford, Black, Buckland, Campbell R, Chace, Corey, Crafts, Dunphy L, Edgecomb, Espling, Farrin, Foley, Fredette, Gerrish, Gillway, Ginzler, Greenwood, Guerin, Hanington, Hanley, Harrington, Hawke, Head, Herrick, Higgins, Hilliard, Hobart, Kinney J, Kinney M, Lockman, Long, Lyford, Maker, Malaby, Marean, McClellan, McElwee, Nutting, O'Connor, Ordway, Parry, Picchiotti, Pickett, Pierce J, Pouliot, Prescott, Reed, Sanderson, Sawicki, Seavey, Sherman, Sirocki, Skolfield, Stearns, Stetkis, Theriault, Timberlake, Timmons, Tuell, Turner, Vachon, Wadsworth, Wallace, Ward, White, Winsor, Wood.

ABSENT - Beck, Dillingham, Dion, Jorgensen, Sukeforth.

Yes, 77; No, 69; Absent, 5; Excused, 0.

77 having voted in the affirmative and 69 voted in the negative, with 5 being absent, and accordingly the Minority **Ought to Pass as Amended** Report was **ACCEPTED**.

The Bill was **READ ONCE**. **Committee Amendment "B" (S-352)** was **READ** by the Clerk.

Representative TIPPING-SPITZ of Orono **PRESENTED House Amendment "B" (H-516)** to **Committee Amendment "B" (S-352)**, which was **READ** by the Clerk.

The SPEAKER: The Chair recognizes the Representative from Orono, Representative Tipping-Spitz.

Representative **TIPPING-SPITZ**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House, I, first, want to start by saying I agree with many of my colleagues that stated we should work to make our tax code predictable and we should work towards consistency. That doesn't mean we should be blindly accepting ineffective policy, especially when it's expensive.

This amendment conforms to all federal changes and funds them for the next two years. Changes that were made permanent under federal law would become permanent under the state's tax code, including the Section 179 piece that would help, I think, almost all the businesses mentioned up to this point during floor speech—businesses like the one the Representative from Turner, Representative Timberlake mentioned and other businesses like the flower shops, ice cream shops, plumbers, carpenters, fishermen and loggers previously mentioned on the floor. It also ensures that all other provisions would remain in line with the federal expiration, keeping us in line with the package passed by Congress. And if I may take a second to editorialize, I don't think I've ever heard such praise for President Obama's leadership on this side of the aisle before as I have today.

The amendment would accept the Maine Capital Investment Credit for tax year 2015 so that businesses can file their taxes now, but does not go as far as to extend it to 2016. I would like to read a small portion of a handout that's on everyone's desk, an article from the *Bangor Daily News*. It says, quote, "Even as a temporary incentive, bonus depreciation's effectiveness is minimal at best. According to a 2014 Congressional Research Service review of the policy, bonus depreciation influenced the timing of equipment investments at small firms, but most of the financial benefits flowed to the largest businesses. Leaders of those businesses say that bonus depreciation rarely factors into their decision-making." And I'm quoting here directly from the Congressional Research Service, "'Overall, bonus depreciation did not appear to be very effective in providing short-term economic stimulus compared to alternatives.'"

That said, I believe that due diligence demands that we at least hit the pause button on that particular portion of this law. This amendment goes further though, by also taking action to confront another threat to our future prosperity. This amendment also provides approximately $23 million in K-12 funding to ensure that 133 school districts that are facing loss in school funding due primarily to statewide valuation changes are held harmless for the next year.

I ask you to support this amendment because it allows the Legislature to address the immediate needs in the current tax filing season, it conforms to all federal changes providing clarity to Maine taxpayers, it addresses the looming loss of school funding to over 130 school districts across the state to keep property taxes down, and it allows for a thoughtful review of the Maine Capital Investment Credit—a new credit proposed by this—to ensure that public funds are being spent in the best possible way to promote business growth. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Newport, Representative Fredette.

Representative **FREDETTE**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House, the good Representative from Orono says that we shouldn't be quote, unquote, "blindly accepting unacceptable policies." I don't see how a bill that has worked its way through committee, a bill that has been signed into law at the federal level is in any way "blindly accepting unacceptable policies."

The good Representative from Orono also indicates, I recall correctly, that businesses don't look at depreciation when buying equipment. I don't think, that's just not even logical. People buy equipment, people are in businesses to make money. And so when they are looking at whether or not to buy a piece of equipment, whether it is a flower shop or a big construction company, of course they look at depreciation. It's only reasonable and rational that they would. Otherwise, their business just wouldn't last very long.

Today is February 9th, folks. We have people out there that need to file their tax returns, want to file their tax returns. While we sit down here talking about tax policy on whether or not to conform to the federal budget that was recently passed. They're expecting us to provide leadership on this issue so that they can continue to file their returns properly for 2015 and plan on their businesses for 2016. We're nine days after January 31st, when people should be filing those business tax returns.

And in addition to that, the bill put before us, the amendment, talks about, essentially, ripping out approximately $20 million from this bill and shifting it over to education without any hearing, Mr. Speaker. I mean, yes, I think we probably all understand that there's an issue that we probably need to talk about in regards to education funding. But to put a bill out today with an amendment to suggest that we simply are going to take $20 million from this silo over here and put it over into education over here without the education policy even hearing it? That's blindly accepting unacceptable policy, Mr. Speaker.

The Maine Chamber of Commerce, which is a well-respected group, and if I may read very quickly, Mr. Speaker. This was from the Maine State Chamber of Commerce dated January 21, 2016, and I'm quoting directly, it says, "The Maine State chamber plans to testify in support of LD 1564 and encourages businesses from around the state to attend and offer testimony as well." That's the Maine State Chamber of Commerce that represents big businesses and small businesses all throughout Maine. And

so while we sit down here and play tit for tat, we have businesses out there, real people running real businesses having real impact on real lives, not being able to give them predictability or security in running their business. I think we're doing a disservice to those folks.

It's time that we deal with this issue. We need to deal with it in a timely fashion and we need to get this done for the businesses of the people of Maine. I urge you to vote against this amendment so that we can get back to the original bill and talk about what we need to do for businesses here in Maine. Thank you, Mr. Speaker.

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

Representative **ROTUNDO**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House, I rise in support of the pending motion. A strong middle class, a solid foundation for the future of our children, support for our local businesses, and a secure retirement for seniors should be front and center at every policy debate. Tax conformity is no exception.

We recognize that Maine families and businesses need to file their taxes in a timely way and that businesses need predictability to succeed. We embrace, for both years, the parts of the tax conformity legislation that helps Maine's middle class grow and thrive. The mortgage interest deduction helps Mainers become homeowners and establish their financial security. The deductions for higher education costs help young Mainers gain the skills to compete in the global economy. The incentives for small business help them grow and create jobs right here in Maine. And deductions for teachers who use their own hard-earned money to provide supplies in their classrooms.

We must seek the best deal for Maine and any tax conformity legislation that we adopt. When the Chief Executive put forward his bill, it did not simply mirror the changes in the federal tax code. It included the Maine Capital Investment Credit, which changes the federal version of bonus depreciation. These types of programs were intended to help the economy during the Great Recession. But it's not at all clear how effectively they truly are in creating jobs and whether they're still needed. That ought to give us pause as we decide whether this is the most fiscally responsible use of 23 million taxpayer dollars that would go toward the Maine Capital Investment Credit.

Right now, we know that many school districts will be getting less—sometimes significantly less—in state funding in the upcoming school year. Property tax payers in those communities face a total gap of $23 million. School committees need certainty and predictability as well, as they put their budgets together. We must protect our classrooms and we must protect property tax payers—the families, local businesses and seniors who find it harder to stay in their homes when their property taxes spike. Local property tax payers need certainty and predictability as well.

We should not put our communities and their property tax payers in the position where they must choose among cuts to education, reduced municipal services, and higher property tax bills when we have this option before us. I urge you to follow my light and support the pending motion. Thank you.

The SPEAKER: The Chair recognizes the Representative from Deer Isle, Representative Kumiega.

Representative **KUMIEGA**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House, I rise in support of the pending motion. I support it because it makes permanent some changes to the tax code that I know are good things. I know that, as a parent, I know that the Child Tax Credit is a good thing. As a parent of a college student, I know that the American Opportunity Tax Credit is a good thing. A couple weeks ago, I spoke about the benefits of the Earned Income Tax Credit. It's a great thing for low-income working families.

I don't think it's right that teachers have to spend money out-of-pocket for school supplies, but they do and the least we can do is to give them a tax credit for it. As a small business owner, I know that the Section 179 depreciation program is a good thing; I've used it many times. I don't know, and no one can tell me, if the Maine Capital Investment Credit is a good thing. So, if we continue it for the past year and we have another year and somebody can prove that it's a good thing, then I'll support it for another year, but I just don't know. And I don't want to support something that I don't know the answer, don't know if it's good or not. Thank you, Mr. Speaker.

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

Representative **FECTEAU**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House, I support the amendment before us. How many Mainers can say they received a job in 2015 because a multi-state corporation purchased equipment in excess of $2.5 million? How many Mainers can say they received a property tax bill in 2015 that was higher than the year prior? Or perhaps their monthly rent increased a bit more?

I'm supporting the amendment as presented because folks in my district are not interested in finding higher property tax bills or higher rents in the coming year. Instead of extending our limited spending to pay for a tax credit over two years for multi-state businesses, I am supporting this amendment to extend Section 179 and Maine Capital Investment Credit for one year and using our limited capacity to spend tax dollars to close a $23 million school funding gap for 133 school districts in our state, and thus, the burden on our municipalities to close the gap by raising property taxes on home owners in my district and others. And by the way, Mr. Speaker, businesses, as well, who pay property taxes will be relieved.

Also, Mr. Speaker, according to GE officials cited in a recent *Boston Globe* article, they decided to move their headquarters from Connecticut to Massachusetts because, and I quote, "Greater Boston's concentration of elite universities and nimble tech firms," end quote. I found this statement particularly interesting given this tax credit at the crux of today's debate incentivizes the purchases of equipment. Yet, as my astute colleague from Dedham, noted earlier, Maine is one of the grayest states in the nation. But this does not mean we are bankrupt of young people. We have young people attending classes at career and technical schools across the state. There are 27 of them in fact. However, they aren't benefitting from a tax credit that incentivizes $2.5 million in equipment purchases. In fact, many of them are operating with small grants of $70,000-$80,000. They are waiting for the last hum in a piece of equipment before replacing it, if stressed budgets allow them to do so.

So, what's my point, Mr. Speaker? We have young people—the very young people that could comprise the future workforce of a company like GE learning on equipment that does not reflect the equipment being used by Maine businesses. So, let's put the horse before the goose I heard about earlier.

I'm going to stand by this amendment that closes the education funding gap, that subsequently prevents the need to close the gap locally with property tax hikes, and sets the stage for standing behind Section 179 and other tax credits included in this amendment, which largely help Maine owned and operated small businesses. I urge my colleagues to stand behind this amendment, to stand behind education, small businesses, and

property tax payers and rent payers here in Maine. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Hancock, Representative Malaby.

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

The SPEAKER: The Representative may pose his question.

Representative **MALABY**: For those of you who served, either on Education or perhaps Appropriations, I'm wondering if you can tell me the difference that we allocated in Fiscal Years '14 and '15 for our GPA versus the sum that we allocated in Fiscal '16 and '17. Thank you.

The SPEAKER: The Representative from Hancock, Representative Malaby, has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Bar Harbor, Representative Hubbell.

Representative **HUBBELL**: Thank you, Mr. Speaker, to answer the question, we have not allocated funds for '16-'17 yet, but I believe that the projected figure suggested by the Department of Education include, essentially, flat funding for GPA, the same time that the cost of education as mandated by the state is rising by approximately $20 million.

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

Representative **KORNFIELD**: Thank you, Mr. Speaker, Men and Women of the House, I rise in support of the pending motion. This amendment addresses the fact that many Maine communities are facing the prospect of a decrease in the state education funding. In all, we're talking about $23 million gap that property tax payers in those communities would have to fill to keep their schools funded at current levels.

For some communities, the decrease is dramatic. Bangor is projected to lose $744,000 and across the river, Brewer is expected to lose $245,000. And this isn't an issue limited to my area of the state. For Calais, it's $360,000. For Eastport, it's $188,000. Lisbon, $478,000. Orrington, also $478,000. Scarborough, $1.6 million. Districts just can't absorb these kinds of cuts without repercussions.

You may know that before I served in the Legislature and before I was House Chair of the Education Committee, I taught for 37 years—30 at Bangor High. I can tell you that if superintendents are forced to do with less, classrooms will feel the squeeze. For example, it'll affect classroom size, availability of materials, electives will be threatened, positions unfilled after they become vacant because of attrition, professional development for teachers during a very dynamic and changing time in educational policy, a time when teachers need to keep up to date so they can serve their students well.

Unless we act, communities will have to pick among some unsatisfactory options. For example: allow education to suffer, cut back on municipal services, raise property tax to maintain education and services, or a combination of these. I hear from my constituents frequently on property taxes. They are families with kids, grandparents that want to age in their homes, and small businesses that are looking for ways they can make the next step and expand. They're already having a hard time keeping up with property taxes. We cannot, in good conscience, pass along a property tax hike to them. For me, this is about our priorities. It's about supporting Maine kids, families, and small businesses, and making sure that when we provide tax breaks to large corporations based outside our state, we take a good look at whether it's performing as it should, whether it's creating jobs here in Maine. Please support this amendment. Thank you.

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

Representative **GOODE**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House, I rise in hopes to explain some of my position on this bill. I'm going to support this amendment that's before us today. You all know that I serve on the Policy Committee that initially heard this bill.

When I think about all the decisions we make on tax policy, I think about how they impact all the decisions that we're going to make. Tax policy certainly impacts large businesses and small businesses. It also impacts regular people who are concerned about jobs, about education, and about property taxes. The initial bill before us had a fiscal note of $38 million. That's a lot of money and we have a lot of priorities before us this session, many of which will impact education and property taxes. We delved into this a little bit in our committee and it is a very confusing policy area, so I appreciate you all bearing with me as I attempt to explain what we're dealing with today.

First off, it's my understanding that no other New England state has a Maine Capital Investment Credit. Myself and many people in this room support Section 179 for small businesses. Many of the people who are supporting this amendment own small businesses, use 179, and I stand before you totally supportive of 179, totally supportive of helping teachers, totally supportive of homeowners, and I think that voting for this amendment today is the perfect compromise to make sure that everybody can fix this problem and help make sure that those populations are served well.

There is a separate part of conformity called the Maine Capital Investment Tax Credit. There is not a Maine Capital Investment Tax Credit or a Massachusetts Capital Investment Tax Credit in Massachusetts. There isn't one in New Hampshire. There isn't one in Connecticut. My understanding is that 31 states in the country do not decouple and then re-conform to the federal tax code in the way that it's proposed through the Capital Investment Credit in the bill that's before us.

The amendment before us, I believe, saves $11 million from the fiscal note. That's $11 million that can go to education, it can go to property taxes, or the many needs that we're going to deal with the rest of this session.

A little bit of history around conformity, which I think many of us know a lot about, many of us know more about it than we did last week. People support bonus deprecation and that's something that's widely supported in our committee in this body. What we're debating now is accelerated depreciation or regular depreciation. So, a business is going to get their depreciated money one way or another. It's whether they get it now or later and I think that all of us need to be very careful about this decision because we're going to be asked to fund lots of different things this session and there's going to be lots of needs before us.

And, you know, for me, I want to represent regular people. I want to represent everybody in my district and I want to do the best job possible and that doesn't mean saying yes whenever large businesses that are going to benefit from the Capital Investment Tax Credit come to us. That means thinking about the issues that we have at Riverview, the issues that we have with property taxes, with education, there's veterans issues that have comes out of the Veteran's Affairs Committee. And to blindly give $11 million to fund the Capital Investment Credit right now seems like we're really ignoring a lot of other pressing needs that we're going to have.

Lastly, this is stimulus era public policy. This is a new credit based on bonus depreciation called the Maine Capital Investment Credit. When I checked the red book, I didn't even see the Maine Capital Investment Credit in the red book—not even in the tax expenditure report. And I think that there's so many other things

that we can do with the $11 million and it reminds me of the Cash for Clunkers program, which was a part of the stimulus package. We all heard about Cash for Clunkers. It was a one-time thing, which is what this type of policy was intended for. It was intended to be a one-time thing. And I couldn't imagine us all renewing Cash for Clunkers every single year because it worked once because that's not the way it would work. Cash for Clunkers would not work if you did it every single year and renewing a new credit, called the Maine Capital Investment Credit, at the expense of the needs we have for education, for property taxes, it just seems like we're saying yes to big powerful people that are dangling a carrot in front of us while ignoring a lot of other needs that we have. So, I hope you all vote for the amendment before us. Appreciate the debate today. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Newport, Representative Fredette.

Representative **FREDETTE**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House, apologize for rising a second time. Good Representative from Bangor indicates that this bill, as originally proposed had a $38 million fiscal note to it and I would suggest to the people before the body today that should we fail to pass the underlying conformity measures, it'll be a $38 million tax increase on Maine businesses and those folks that work in those businesses and own those businesses.

The amendment before us, folks, as the good Representative from Bangor indicated, is not a compromise. In fact, the amendment before us is a high-jacking of the bill. It's a high-jacking of a bill that takes roughly half of that $38 million—matter of fact more than half of that amount—slides it over to education without a hearing before the Education Committee, with barely a conversation before the Appropriations Committee, with barely a conversations before the Taxation Committee.

So, Ladies and Gentlemen, the amendment before us is not a compromise, it's a high-jacking of the bill. I believe people on this side of the aisle think that there is a fair conversation to be had about funding of education. But this is not the proper instrument to be doing that. There will be real consequences if we don't pass this bill and I will suggest to you that folks on this side of the aisle will be steadfast in their support for this bill because they believe in the importance of small businesses and businesses that want to make investments in Maine, that want to stay in Maine, and that want to move to Maine. Other states that are conforming to the federal law, if you think companies that are looking to locate in those states aren't looking whether or not Maine has conformed to the federal law. Course they are.

We passed a budget roughly six months ago, seven months ago, with a $300 million increase in spending, Ladies and Gentlemen of the House. $300 million more in spending. And the conversation today is how can we add another $22 million in spending to that $300 million without it going to committee, without Appropriations talking about it, without Education talking about it, without Taxation talking about it. It's silly, folks. There is absolutely no nexus here between conformity and education funding. We need to stay on the bill and the bill before us alone without amendments that want to spend over half of the amount of money proposed for tax conformity on other issues. We all have other issues that we'd like to invest in. Lots of issues. This is not the proper forum to be doing that. Mr. Speaker, I'll be voting against the amendment and, Mr. Speaker, I request a roll call.

The same Representative **REQUESTED** a roll call on the motion to **ADOPT House Amendment "B" (H-516)** to **Committee Amendment "B" (S-352)**.

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

The SPEAKER: The Chair recognizes the Representative from Bridgton, Representative Ginzler.

Representative **GINZLER**: Thank you, Mr. Speaker, I would like to start by saying "amen" to the good Representative from Newport, but I am rising to rebut a comment that was made earlier. As many in this chamber know, I come from the private sector and in that private sector, I worked for almost 25 years helping businesses in information technology. I sold capital equipment to small, medium, and large businesses and I can tell you that depreciation is a critical figure in the decision whether to go ahead with an investment, capital improvement, or moving forward to expand a company.

It enters into two calculations that are always part of that decision process. One is rate of return and the other is the payback period. And sometimes the payback period is the most important. Some companies say that their payback period must be less than five years, some companies kill a project if it's more than two. So I would just like to rebut the notion before that depreciation is not important.

And lastly, just to underline what the good Representative, the very good Representative from Newport just had to say, we are dealing with two separate issues here. The bill that is before us, the overall bill that is before us is a business growth initiative and to link it with education right now is, at best, disingenuous. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Hodgdon, Representative Sherman.

Representative **SHERMAN**: Thank you, Mr. Speaker, I think this is my first time up and probably my last. This isn't Alice in Wonderland. It's unbelievable, what I'm listening here. And I want to relate it to the fact that a school teacher for 29 years. People talk about, "Let's have good kids come through school," that sort of thing.

I taught in a number of places—Calais, I was there for a while. Taught in mostly Aroostook County. I counted the other day and I had almost 2,900 kids going through my classes. I taught chemistry and a law course and that sort of thing. Now, when I go to Houlton, they have businesses guys there and I say, "Blaine Lincoln, where are you going?" "I'm going out to Ohio." And I say, "Why you going out there?" "Visit my family." There's a group of kids, there are 12 kids in the family. None of them are staying in this state. Going to Florida. Some are going to Hawaii. It's great that every once in a while they come back for 20th anniversary or graduation. None of them are in the State of Maine.

So, I ask you, as you talk about the schools, you focus on schools. To those kids that are going to stay here or come back, you have to have a situation where you have a good economy in this state. And so I would ask us to talk about that before we talk about some of these other things.

The SPEAKER: The Chair recognizes the Representative from Gardiner, Representative Grant.

Representative **GRANT**: Thank you, Mr. Speaker, Ladies and Gentlemen of the House, I rise to support the amendment on the floor. It's simple. Yes, yes to tax conformity. Yes to tax conformity in 2015. Yes to tax conformity, ongoing. Yes, yes. I don't know how "yes" can be phrased more clearly. What we are putting the brakes on after 2015 is something that we've referred to as the Maine Capital Investment Credit.

As many of you know, I serve on Appropriations and we asked Maine Revenue Services about the effectiveness. Where is the data for the effectiveness on this credit? We were told that information is proprietary. I think every tax expenditure we

make—and let's be clear, this is an expenditure—we must be clear that it is the right incentive to grow businesses, that it is the right help to Maine businesses, before we continue doing it year after year, as has been stated on both sides of the aisle. Putting the brakes on this until we can examine it for its effectiveness does not, in any way, change what businesses are going to get in depreciation over the life of the piece of equipment they purchase.

So, I just ask you to listen to the word "yes," see where we are in such agreement on so much of this amendment. Let's take some time that we have this session, show that this is an effective credit, and if it is, I will support it. But for now, people are waiting to file their taxes. We've said yes to 2015. Let's get this done and then talk about the bigger issue on the Maine Capital Investment Credit. I ask you to follow our light. I ask you to listen to yes. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Norridgewock, Representative Farrin.

Representative **FARRIN**: Thank you, Mr. Speaker, Ladies and Gentlemen of the House, lot of conversation back and forth about tax conformity and obviously the ideology of how small businesses work and the planning that goes along with it. What I'm really troubled about is how we're talking about spending this money going forward.

This has been an eye opening through this entire process in the last year and I just want to remind everybody in this chamber—I'm getting on my soap box again—but we passed LD 1343, which is provide tuition waivers for our soldiers and airmen and that raise their hands for two constitutions and we did this under the hammer, passed it, send it to Appropriations, and it's still sitting there. And we owe that commitment to those people. And before we talk about additional spending and moving along with education, maybe we ought to live up to the promises we already made. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Turner, Representative Timberlake.

Representative **TIMBERLAKE**: Thank you, Mr. Speaker, Ladies and Gentlemen of the House, the answer is no. No. This does not make for a good decision for the State of Maine. We dumped, added, put, however you'd like to say it, another $20 million a year into the school budget above the Chief Executive Officer's recommendation last year. And now they're telling us we're still coming up short. Doing this bill now, without having a public hearing and going through the committee, by trying to add this amendment on, is the very wrong thing to do. It's wrong for the people of the State of Maine. It's wrong for everything that we stand for over here. Ladies and Gentlemen, we need to pass conformity continuously through like it was passed from the other body and continue on. We can't continue this show as it is going on the way it is and I say that we vote this down and move to where we should be. Thank you very much.

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

Representative **TEPLER**: Thank you, Mr. Speaker, Men and Women of the House, I rise in concern and opposition to some of the statements of the good Members from the other side of the aisle. I disagree that it is irrelevant to discuss the funds available for education in this particular circumstance. We are not looking at a supplemental budget. We do not have an idea of how to prioritize one item against another.

This item that we are choosing, the only part of this we are disagreeing with our colleagues on, is the extension of the upper part of this so-called tax conformity, in which Maine doesn't conform to federal law, the Maine Capital Investment Credit, on the second year of that extension. If we take this entire package and don't leave that piece out, we will sweep many of the available funds for any program that any of us on any side of the aisle care about, or that the people of Maine care about.

I truly believe that making a wise and rational choice to hold off on funding a capital investment credit for pieces of equipment or types of equipment that cost more than $2.5 million in a single year, is a very reasonable decision for the people of Maine to save $11 million and to stop property taxes from rising. Without a supplemental budget, the only way we can talk about our priorities is to compare one set of expenditures with another set of expenditures. Thank you, Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Norway, Representative Winsor.

Representative **WINSOR**: Thank you, Mr. Speaker, Men and Women of the House, couple of things. First, there's a lot of talk about the Maine Investment Tax Credit. It is unique to Maine in the following way, and I'll read: "Maine Capital Investment Credit is the State of Maine's version of bonus depreciation. Rather than conform to the federal bonus depreciation, the Maine Capital Investment Credit targets bonus depreciation and those investments were made by companies in Maine. If we were to simply conform to the federal bonus depreciation, a company with a presence in more than one state could receive a tax break in Maine for an investment made elsewhere." So I just, you know, I hear a lot of this, but it's, I fail to understand why we wouldn't want people to invest in Maine, which is what you'd have to do to get the credit.

The second question I have is, and I think I would look to somebody from the Education Committee to answer this question, and I don't think it's been asked for answered. (1) There's a proposal that we allot, if I read the amendment correctly, that we send $23 million over to the Department of Education, the General Fund, and that we change the proposal that's been published and certain around to reduce the local mill rate expectation back down to 8.23 mills. The question that I can't seem to understand is, what is the real impact of the distribution formula? I've been around here long enough to understand that every time we tinker with educational funding, we get all sorts of unintended consequences if we're not careful. And I suspect, although I don't know that, and this is what I would hope that somebody from the Education Committee would be able to help me with, is are we just going to, if we lower the mill rate, I understand that that means that the local communities would have to raise a little less money, and we add $23 million to the formula and then we distribute it out according to the formula, my guess is, is that we're not going to really, we're going to give a little bit of money to the folks that are losing money and we'll give a lot more to the folks that aren't, but I don't know that and that's my basis of my question and hope somebody can help us. Thank you.

The SPEAKER: The Representative from Norway, Representative Winsor, has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Bar Harbor, Representative Hubbell.

Representative **HUBBELL**: Thank you, Mr. Speaker, I rise to answer the question that's just posed. Conceptually, it's a fairly simple result. As I understand, the amendment before us is to add $23 million to GPA, which would allow the reduction of the minimum mill rate as the good Representative has just suggested from 8.44 to 8.23, with the consequence that local property tax payers would not have to raise additional money to pay for flat services within the EPS funding formula. We're not talking about changing any aspect of the school funding formula, the calculation through EPS, or the distribution formula. All that's being suggested is eliminating the tax shift that otherwise would

go into place from state subsidy to local property tax payers in the amount of $23 million.

The SPEAKER: A roll call has been ordered. The pending question before the House is Adoption of House Amendment "B" (H-516) to Committee Amendment "B" (S-352). All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 473

YEA - Alley, Babbidge, Bates, Beavers, Beebe-Center, Blume, Brooks, Bryant, Burstein, Campbell J, Campbell R, Chapman, Chenette, Chipman, Cooper, Daughtry, Davitt, DeChant, Devin, Doore, Duchesne, Dunphy M, Evangelos, Farnsworth, Fecteau, Fowle, Frey, Gattine, Gideon, Gilbert, Golden, Goode, Grant, Grohman, Hamann, Harlow, Herbig, Hickman, Higgins, Hobbins, Hogan, Hubbell, Hymanson, Kornfield, Kruger, Kumiega, Lajoie, Longstaff, Luchini, Martin J, Martin R, Mastraccio, McCabe, McCreight, McLean, Melaragno, Monaghan, Moonen, Morrison, Nadeau, Peterson, Pierce T, Powers, Rotundo, Russell, Rykerson, Sanborn, Saucier, Schneck, Short, Stanley, Stuckey, Tepler, Tipping-Spitz, Tucker, Verow, Warren, Welsh, Mr. Speaker.

NAY - Austin, Battle, Bickford, Black, Buckland, Chace, Corey, Crafts, Dunphy L, Edgecomb, Espling, Farrin, Foley, Fredette, Gerrish, Gillway, Ginzler, Greenwood, Guerin, Hanington, Hanley, Harrington, Hawke, Head, Herrick, Hilliard, Hobart, Kinney J, Kinney M, Lockman, Long, Lyford, Maker, Malaby, Marean, McClellan, McElwee, Nutting, O'Connor, Ordway, Parry, Picchiotti, Pickett, Pierce J, Pouliot, Prescott, Reed, Sanderson, Sawicki, Seavey, Sherman, Sirocki, Skolfield, Stearns, Stetkis, Theriault, Timberlake, Timmons, Tuell, Turner, Vachon, Wadsworth, Wallace, Ward, White, Winsor, Wood.

ABSENT - Beck, Dillingham, Dion, Jorgensen, Sukeforth.

Yes, 79; No, 67; Absent, 5; Excused, 0.

79 having voted in the affirmative and 67 voted in the negative, with 5 being absent, and accordingly **House Amendment "B" (H-516)** to **Committee Amendment "B" (S-352)** was **ADOPTED**.

Representative MELARAGNO of Auburn **PRESENTED House Amendment "A" (H-515)** to **Committee Amendment "B" (S-352)**, which was **READ** by the Clerk.

The SPEAKER: The Chair recognizes the Representative from Auburn, Representative Melaragno.

Representative **MELARAGNO**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House, this amendment pertains specifically to Maine Capital Investment Credit. It's a program that was started as a result of the recession. It offers tax credits to companies that purchase equipment for their businesses. But it only applies to companies that spend $2.5 million or more—not exactly designed to benefit your local neighborhood businesses.

When this tax credit was originally created, the federal government intended for it to be temporary. In Maine, we have the option of ending it whenever we want, yet even with no evidence that it is helping the economy, lawmakers and strong lobbies have successfully pushed to renew this program every year. Moreover, because Maine has paid out these credits retroactively every year, it is no longer functioning as an incentive, as it was originally intended to.

This is why it makes better sense to put an end to this credit now, or it seems it will never go away. There's no reason to continue to waste our constituents' money by giving tax breaks to these already successful companies. We don't have to wait one more year to end this credit. Today, we can show Mainers that we can be fiscally responsible with their hard-earned money, and finally put an end to this recession era corporate tax break. I respectfully request that the Ladies and Gentlemen of the House please follow my light. Thank you, Mr. Speaker.

Representative FREDETTE of Newport **REQUESTED** a roll call on the motion to **ADOPT House Amendment "A" (H-515)** to **Committee Amendment "B" (S-352)**.

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

The SPEAKER: The Chair recognizes the Representative from Wells, Representative Foley.

Representative **FOLEY**: Thank you, Mr. Speaker, I just rise to remind the Speaker of our visit to Pratt & Whitney down in North Berwick, who invest between $8-$10 million a year in their new technology. They now have openings for between 70 and 100 jobs, paying $45,000-$55,000 a year. That investment credit is what is keeping them alive here in Maine. They could take that down to Connecticut if they'd like.

I think that the Speaker was very gracious when he was down there and understood the benefits that Pratt & Whitney has for the local economy down there, and I think people need to start thinking about what the big companies do bring to this state—the technology, they built the machinery shop that's now affiliated with York County Community College, training a lot of the new manufacturing jobs down on York county, which is also going to the Naval Shipyard in Kittery. I think this is an important tax credit that these companies take and I just want the folks to remember those that visited Pratt & Whitney and other big companies around the state, the benefits that it has to our state. Thank you, Mr. Speaker.

The SPEAKER: A roll call has been ordered. The pending question before the House is Adoption of House Amendment "A" (H-515) to Committee Amendment "B" (S-352). All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 474

YEA - Bates, Beebe-Center, Chapman, Chipman, Cooper, Devin, Evangelos, Farnsworth, Gilbert, Harlow, Kumiega, Melaragno, Monaghan, Moonen, Morrison, Russell, Stuckey, Tipping-Spitz, Warren.

NAY - Alley, Austin, Babbidge, Battle, Beavers, Bickford, Black, Blume, Brooks, Bryant, Buckland, Burstein, Campbell J, Campbell R, Chace, Chenette, Corey, Crafts, Daughtry, Davitt, DeChant, Doore, Duchesne, Dunphy L, Dunphy M, Edgecomb, Espling, Farrin, Fecteau, Foley, Fowle, Fredette, Frey, Gattine, Gerrish, Gideon, Gillway, Ginzler, Golden, Goode, Grant, Greenwood, Grohman, Guerin, Hamann, Hanington, Hanley, Harrington, Hawke, Head, Herbig, Herrick, Hickman, Higgins, Hilliard, Hobart, Hobbins, Hogan, Hubbell, Hymanson, Kinney J, Kinney M, Kornfield, Kruger, Lajoie, Lockman, Long, Longstaff, Luchini, Lyford, Maker, Malaby, Marean, Martin J, Martin R, Mastraccio, McCabe, McClellan, McCreight, McElwee, McLean, Nadeau, Nutting, O'Connor, Ordway, Parry, Peterson, Picchiotti, Pickett, Pierce J, Pierce T, Pouliot, Powers, Prescott, Reed, Rotundo, Rykerson, Sanborn, Sanderson, Saucier, Sawicki, Schneck, Seavey, Sherman, Short, Sirocki, Skolfield, Stanley, Stearns, Stetkis, Tepler, Theriault, Timberlake, Timmons, Tucker, Tuell, Turner, Vachon, Verow, Wadsworth, Wallace, Ward, White, Winsor, Wood, Mr. Speaker.

ABSENT - Beck, Dillingham, Dion, Jorgensen, Sukeforth, Welsh.

Yes, 19; No, 126; Absent, 6; Excused, 0.

19 having voted in the affirmative and 126 voted in the negative, with 6 being absent, and accordingly **House Amendment "A" (H-515)** to **Committee Amendment "B" (S-352)** was **NOT ADOPTED**.

Subsequently, **Committee Amendment "B" (S-352) as Amended by House Amendment "B" (H-516)** thereto was **ADOPTED**.

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

Under further suspension of the rules, the Bill was **PASSED TO BE ENGROSSED as Amended by Committee Amendment "B" (S-352) as Amended by House Amendment "B" (H-516)** thereto in **NON-CONCURRENCE** and sent for concurrence. **ORDERED SENT FORTHWITH**.

CONSENT CALENDAR
First Day

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

(S.P. 567) (L.D. 1469) Bill "An Act To Promote Private Fund-raising for the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf" Committee on **EDUCATION AND CULTURAL AFFAIRS** reporting **Ought to Pass**

(H.P. 999) (L.D. 1458) Resolve, Regarding Legislative Review of Chapter 30: Prior Approval Process and Stop Work Orders, a Major Substantive Rule of the Department of Agriculture, Conservation and Forestry, Bureau of Forestry (EMERGENCY) Committee on **AGRICULTURE, CONSERVATION AND FORESTRY** reporting **Ought to Pass**

(H.P. 1028) (L.D. 1505) Bill "An Act To Facilitate Student Loan Repayment by Allowing Graduates To Claim Educational Opportunity Tax Credits on Eligible Portions of Consolidated Loans" (EMERGENCY) Committee on **TAXATION** reporting **Ought to Pass as Amended by Committee Amendment "A" (H-512)**

There being no objections, the above items were ordered to appear on the Consent Calendar tomorrow under the listing of Second Day.

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

CONSENT CALENDAR
Second Day

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

(S.P. 572) (L.D. 1474) Bill "An Act To Provide for the 2016 and 2017 Allocations of the State Ceiling on Private Activity Bonds" (EMERGENCY) (C. "A" S-348)

(H.P. 704) (L.D. 1021) Bill "An Act To Amend the Laws Pertaining to the Maine Public Employees Retirement System" (C. "A" H-511)

(H.P. 967) (L.D. 1421) Bill "An Act To Establish a Tax-free Savings Program for Individuals with Disabilities" (C. "A" H-509)

(H.P. 1029) (L.D. 1506) Bill "An Act To Make Additional Technical Changes to Recently Enacted Tax Legislation Concerning Pension Income" (EMERGENCY) (C. "A" H-510)

No objections having been noted at the end of the Second Legislative Day, the Senate Paper was **PASSED TO BE ENGROSSED as Amended** in concurrence and the House Papers were **PASSED TO BE ENGROSSED as Amended** and sent for concurrence.

ENACTORS
Acts

An Act Regarding the Maine Arts Commission
(H.P. 1013) (L.D. 1490)

An Act To Provide a Private Support Organization for the Maine Arts Commission
(H.P. 1016) (L.D. 1493)

An Act To Allow the Kennebec Sanitary Treatment District To Establish and Maintain a Capital Reserve Fund
(H.P. 1018) (L.D. 1495)

Reported by the Committee on **Engrossed Bills** as truly and strictly engrossed, **PASSED TO BE ENACTED**, signed by the Speaker and sent to the Senate.

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

On motion of Representative DAUGHTRY of Brunswick, the House adjourned at 1:45 p.m., until 10:00 a.m., Thursday, February 11, 2016, in honor and lasting tribute to Gordon L. Kimball, Sr., of Gray, Susan H. Fitzgerald, of Brunswick, and Brent Emery West, Sr., of Holden.