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ENACTORS Emergency Measure

An Act To Implement the Recommendations of the Initiative To Streamline State Government and To Make Other Necessary Changes to Law

> (H.P. 1177) (L.D. 1668) (C. "A" H-585)

Was reported by the Committee on **Engrossed Bills** as truly and strictly engrossed.

On motion of Representative DILL of Cape Elizabeth, the House **RECONSIDERED** its action whereby the Bill was **PASSED TO BE ENGROSSED**.

The same Representative **PRESENTED House Amendment** "A" (H-587) which was **READ** by the Clerk.

The SPEAKER: The Chair recognizes the Representative from Cape Elizabeth, Representative Dill.

Representative **DILL**: Thank you, Madam Speaker. Madam Speaker, Ladies and Gentlemen of the House. Good morning. I first just want to say thank you for all the hard work the Appropriations Committee did in reaching a consensus on LD 1668, which is the streamlining bill, and just briefly by way of background, as I'm sure many of you recall, we had a difficult budget session last year. We reached agreement on the budget and the biennial budget included a promise by this body to find \$30 million in structural savings and the Appropriations Committee did an incredible amount of work over the summer when some of us might have been at the beach or other nice places. They were here doing a lot of hard work and, again, I just want to thank them for that effort.

Part of the streamlining bill that I'm trying to, what I consider, improve for the benefit of our towns and cities is Part E. Part E essentially takes \$625,000 from the money that is dedicated to revenue sharing and puts it in the General Fund to meet this \$30 million goal that we set as a legislature.

I'm just going to briefly tell you a little bit of what I learned about revenue sharing in the last couple of days, because it's an issue that is of considerable concern to my community and I suspect to yours as well. Revenue sharing essentially is the state's sharing of income and sales tax with municipalities to help them provide services to the citizens of our districts. Roughly, the state, this is a very simplistic outline, but roughly what happens is the state collects sales and income tax and every month cuts a check to our towns and cities of five percent of that amount and distributes it among our districts. Last year, when we voted on the budget, in Part S, we made a little change in how the state distributes revenue sharing. In the past, we would collect all of the money, say, for example, in April and on the state books we would record the five percent check to our various districts in April, even though the check wasn't cut until the following month in May. So last year in order to balance the budget, recognizing that there was this lag effect that we were stating on our books a payment that wasn't actually being made until the following month, we, in our collective wisdom, changed that in the budget. And so what that meant was because we operate on fiscal years, so we go from July 1st, which is the beginning of the fiscal year and it runs 12 months, so June is the last month of the fiscal year, and how that helped us last year is because we were able to balance the budget because in June, instead of recording on the state books a payment to our districts for revenue sharing that wasn't going to be made until July, we didn't have to do it, and so that was good because it enabled us to balance our budget and we went home. But in doing that, it set up a new system and in the new system the budget director had to make certain assumptions about the next June, and our good budget director and our wonderful Appropriations Committee are not perfect and there was an error, and the error was to the tune of about \$625,000, and Part E of the streamlining bill attempts to correct that error, which is a good thing.

My amendment, it's a good thing that we're correcting the error but it's a bad thing because \$625,000 is being taken away from our cities and towns at a time when they can least afford to be cut. So what my amendment purports to do is to delete the section of the bill that takes the \$625,000 from revenue sharing and moves it over to the General Fund and plugs that hole with money that, as I understand it, I'm no expert and I'm sure there are experts in the room who are going to tell me differently, as I understand it, there is a balance in a salary account that could be used to correct this error and, therefore, this \$625,000 would not be cut from municipal revenue sharing.

You are, I believe, going to hear that I'm completely wrong, that this language in the bill does nothing for revenue sharing, that because of the natural decline in state revenues, the states are going to get what they're going to get and my amendment is useless, and so I will just simply state that if you look at the language, I don't think you have to be a lawyer to look at the language in Part E and see that we are, by enacting this amendment, taking \$625,000 from revenue sharing and moving it into the General Fund. I could go on and on and on, but I won't. I respectfully urge you to consider my amendment and I thank you very much for your time.

Representative CAIN of Orono moved that House Amendment "A" (H-587) be INDEFINITELY POSTPONED.

The SPEAKER: The Chair recognizes the Representative from Orono, Representative Cain.

Representative **CAIN**: Thank you, Madam Speaker. Madam Speaker, Men and Women of the House. The Representative from Cape Elizabeth is not all wrong and, in fact, I think her words about revenue sharing are expressing something that all of us are feeling right now, which is a great frustration with the state's revenue fluxes, up and down. Just yesterday we heard news, the December revenue forecast, that December revenues actually came in \$30 million above their newly projected amounts. That's good news. Some of it's a timing issue. We're not in any place where we're popping corks of champagne or anything like that, but I think we're all frustrated with the fact that we want these numbers to land so that we can start to make plans around them, both at the state level and at the municipal level.

What LD 1668 includes, as the Representative from Cape Elizabeth described, is a recognition of reality, a reality that the December forecast should have included an additional, approximately, \$633,000 total over '10 and '11 in revenue sharing deductions because of the natural rise and fall of state revenue. That's all true. What we are doing is recognizing that here. Part of our goals in the streamlining bill and I'll be happy to speak more to the whole bill upon Enactment very briefly, but I want to tell you that one of our goals was to be more transparent in our budgeting, to be more honest in the way we account things, to not take for granted the moving of money or of the lapsing of balances anywhere. This is one example of that. Nothing that went into the \$30 million bill, including this proposal, was arbitrary. Every bit of it went through a lot of rigorous debate and, in this case, was unanimously accepted by both parties, by all members of the Appropriations Committee. To me, this portion of the bill is honest. It says this is where revenues actually are.

I will acknowledge that there is another bill before all of us, in the form of the Chief Executive's supplemental budget, which I will not get into but just for the point of clarification that it is inherently in conflict with this proposal because that was also built on a revenue forecast that did not include this money, so I want to put you all on notice that this conversation is not going away. We are already starting to have it in Room 228, the Appropriations Committee room, we're having it with the Taxation Committee, we're having it across many of your committees and if you read any of the state's papers, you'll see that our municipalities are talking about it too.

I would ask you to join me in voting green and voting yes for Indefinite Postponement of this amendment, so we can enact the \$30 million bill as it was crafted by the Appropriations Committee in a unanimous way and, in my opinion, in this case, specifically recognizes what is reality for our towns and municipalities. I look forward to having a full and rigorous and lively debate about revenue sharing as we go forward in many other ways, but I ask that you support me in this Indefinite Postponement motion so that we can move past this \$30 million and get back to the other work we have to do. Thank you, Madam Speaker.

Representative DILL of Cape Elizabeth **REQUESTED** a roll call on the motion to **INDEFINITELY POSTPONE House** Amendment "A" (H-587).

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

The SPEAKER: A roll call has been ordered. The pending question before the House is Indefinite Postponement of House Amendment "A" (H-587). All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 252

YEA - Adams, Beaudette, Beaudoin, Beck, Berry, Blanchard, Blodgett, Briggs, Browne W, Bryant, Burns, Butterfield, Cain, Campbell, Carey, Casavant, Clark H, Cleary, Connor, Cornell du Houx, Cray, Crockett P, Curtis, Cushing, Dostie, Driscoll, Duchesne, Eaton, Edgecomb, Eves, Finch, Fitts, Flaherty, Flemings, Flood, Gifford, Gilbert, Giles, Goode, Hanley, Harlow, Harvell, Haskell, Hayes, Hinck, Hogan, Hunt, Innes Walsh, Jones, Kaenrath, Kent, Knapp, Knight, Kruger, Lajoie, Legg, Lovejoy, Magnan, Martin JR, Martin JL, Mazurek, McCabe, McFadden, Miller, Morrison, Nelson, Nutting, O'Brien, Pendleton, Peoples, Perry, Peterson, Pieh, Pilon, Piotti, Pratt, Priest, Rankin, Richardson D, Richardson W, Robinson, Rosen, Rotundo, Russell, Sanborn, Saviello, Schatz, Shaw, Sirois, Strang Burgess, Stuckey, Sutherland, Tardy, Tilton, Treat, Trinward, Tuttle, Valentino, Van Wie, Wagner J, Wagner R, Watson, Webster, Welsh, Wheeler, Wright, Madam Speaker.

NAY - Austin, Ayotte, Beaulieu, Bickford, Boland, Cebra, Chase, Clark T, Cohen, Cotta, Crafts, Crockett J, Davis, Dill, Eberle, Fletcher, Fossel, Greeley, Hamper, Hill, Johnson, Joy, Langley, Lewin, McKane, McLeod, Pinkham, Plummer, Prescott, Sarty, Sykes, Theriault, Thibodeau, Thomas, Weaver.

ABSENT - Bolduc, Celli, MacDonald, Millett, Nass, Percy, Smith, Stevens, Willette.

Yes, 107; No, 35; Absent, 9; Excused, 0.

107 having voted in the affirmative and 35 voted in the negative, with 9 being absent, and accordingly **House Amendment "A" (H-587)** was **INDEFINITELY POSTPONED**.

Subsequently, the Bill was PASSED TO BE ENGROSSED as Amended by Committee Amendment "A" (H-585).

Representative SYKES of Harrison REQUESTED a roll call on PASSAGE TO BE ENACTED.

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

The SPEAKER: A roll call has been ordered. The pending question before the House is Passage to be Enacted. All those in favor will vote yes, those opposed will vote no.

This being an emergency measure, a two-thirds vote of all the members elected to the House being necessary, a total was taken.

ROLL CALL NO. 253

YEA - Adams, Ayotte, Beaudette, Beaudoin, Beaulieu, Beck, Berry, Blanchard, Blodgett, Briggs, Browne W, Bryant, Burns, Butterfield, Cain, Campbell, Carey, Casavant, Clark H, Clark T, Cleary, Cohen, Connor, Cornell du Houx, Cotta, Cray, Crockett P, Curtis, Cushing, Dill, Dostie, Driscoll, Duchesne, Eaton, Eberle, Edgecomb, Eves, Finch, Fitts, Flaherty, Flemings, Flood, Fossel, Gilbert, Giles, Goode, Hamper, Hanley, Harlow, Harvell, Haskell, Hayes, Hill, Hinck, Hogan, Hunt, Innes Walsh, Jones, Joy, Kaenrath, Kent, Knapp, Knight, Kruger, Lajoie, Legg, Lovejoy, Magnan, Martin JR, Martin JL, Mazurek, McCabe, Miller, Morrison, Nelson, Nutting, O'Brien, Pendleton, Peoples, Perry, Peterson, Pieh, Pilon, Piotti, Plummer, Pratt, Priest, Rankin, Richardson D, Richardson W, Robinson, Rosen, Rotundo, Sanborn, Saviello, Schatz, Shaw, Russell, Sirois, Stuckey, Theriault, Strang Burgess, Sutherland, Tardy, Thibodeau, Tilton, Treat, Trinward, Tuttle, Valentino, Van Wie, Wagner J, Wagner R, Watson, Webster, Welsh, Wheeler, Wright, Madam Speaker.

NAY - Austin, Bickford, Cebra, Chase, Crafts, Crockett J, Davis, Fletcher, Gifford, Greeley, Johnson, Langley, Lewin, McFadden, McKane, McLeod, Pinkham, Prescott, Sarty, Sykes, Thomas, Weaver.

ABSENT - Boland, Bolduc, Celli, MacDonald, Millett, Nass, Percy, Smith, Stevens, Willette.

Yes, 119; No, 22; Absent, 10; Excused, 0.

119 having voted in the affirmative and 22 voted in the negative, with 10 being absent, and accordingly the Bill was **PASSED TO BE ENACTED**, signed by the Speaker and sent to the Senate. **ORDERED SENT FORTHWITH**.

The following items were taken up out of order by unanimous consent:

SENATE PAPERS

The following Joint Order: (S.P. 667)

ORDERED, the House concurring, that when the House and Senate adjourn, they do so until Tuesday, January 19, 2010 at 10:00 in the morning.

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

Bill "An Act To Clarify Safety Requirements in Acadia National Park"

(S.P. 666) (L.D. 1737)

Came from the Senate, **REFERRED** to the Committee on **CRIMINAL JUSTICE AND PUBLIC SAFETY** and ordered printed.

REFERRED to the Committee on **CRIMINAL JUSTICE AND PUBLIC SAFETY** in concurrence.

REPORTS OF COMMITTEE Change of Committee

Report of the Committee on **BUSINESS, RESEARCH AND ECONOMIC DEVELOPMENT** on Bill "An Act To Ensure the Availability of Alcohol-free Motor Fuels"

(S.P. 478) (L.D. 1320) Reporting that it be **REFERRED** to the Committee on **TRANSPORTATION**.