

MAINE STATE LEGISLATURE

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House of Representatives
One Hundred and Twenty-First Legislature
State of Maine

Volume II

First Regular Session

May 27, 2003 – June 14, 2003

First Special Session

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Second Regular Session

January 7, 2004 - January 30, 2004

Second Special Session

February 3, 2004 - April 7, 2004

Pages 777-1562

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

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

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

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

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

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

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

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

Now EPS, if I was a businessman I'd go out and borrow the money tomorrow to fund EPS. You know why, because it's going to be cost savings to the state and we would dump \$220 million into property tax relief and we'd jump start the economy. As a businessman, that's a good deal and I'd be willing to pay the interest for it, but apparently, I guess I'd call myself a politician, but as a politician, I see that this can not happen. I see over the 3 years that I've been here that nothing is going to happen in tax reform, nothing is going to happen in tax reform. If we pass the

bill that we have before us, it says in it that we can't raise taxes on the sales tax side and on the personal income tax side and we can't broaden the sales tax. So in sense, we're saying we can't do tax reform unless we come up with some money and what does that mean, if we're \$400 million shortfall in the next 2 years, it's going to come out of human services, it's going to come out of some of the other things that we dearly love. So when you look at this bill and you want to try to defeat the MMA bill, the way to do it is the way of the amendment, divide that by 5, equalize the payments over 5 years and I think you'll have the people of the State of Maine buying into it.

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

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

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

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

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

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

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

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

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

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

ROLL CALL NO. 256

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

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

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

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

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

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

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

Representative PERCY: Mr. Speaker, Ladies and Gentlemen of the House. I submitted this amendment after speaking to a number of my selectmen in my district in the last couple of days who were very concerned at the idea that we were being asked to create policy in a very short amount of time. I put in this amendment as a tool that we could use to review the Governor's proposal, if the Governor's proposal wins the referendum vote in November. Basically what my amendment says is that in 2010 the Bureau of Revenue Services and the Department of Education will review the effectiveness of this resolution in lowering property taxes and meeting the goals of education

funding and to report their finding to the Joint Taxation Committee and they will make a recommendation whether the plan has worked and it has lowered property taxes or its wounded and needs help or it should die. I think considering what we just went through in terms of hearing from our constituents that they would like us to continually review what kind of work we create up here, that it behooves us to let them know right from the start that we plan to look at this. The reason the year 2010 was picked is because the Office of the Revisors suggested that that would give us a 4-year period where we could actually chart and see if the program is relieving property taxes and helping with education. Thank you very much. I would greatly appreciate your support.

Committee Amendment "C" (H-601) as Amended by House Amendment "C" (H-608) and House Amendment "F" (H-612) thereto was ADOPTED.

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

Under further suspension of the rules the Resolution was **PASSED TO BE ENGROSSED as Amended by Committee Amendment "C" (H-601) as Amended by House Amendment "C" (H-608) and House Amendment "F" (H-612) thereto and sent for concurrence. ORDERED SENT FORTHWITH.**

SENATE PAPERS

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

JOINT RESOLUTION RECOGNIZING DEAN COLLEEN KHOURY, RECIPIENT OF THE AMERICAN BAR ASSOCIATION'S

MARGARET BRENT WOMEN LAWYERS OF ACHIEVEMENT AWARD

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

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

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

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

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

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

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

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

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