

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

*One Hundred and Fourth
Legislature*

OF THE

STATE OF MAINE

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KENNEBEC JOURNAL
AUGUSTA, MAINE

Mr. BELIVEAU of Oxford: Mr. President and Members of the Senate: To tell you the truth, I don't believe we considered that issue. It is well taken, my leader, and I don't know what we can do about it. I don't want to give Senator Mills any more ammunition for his motion, but this was brought up in the last waning days of our committee meetings and executive sessions. It was brought up as an alternative to the several documents that we had before us, and it appeared to be probably the most harmless and quickest and simplest compromise of all the documents that were before us, and I don't recall that that was ever discussed. I don't know what would happen. The one man - one vote would be out the window; I think you would have one man - two votes possibly.

The PRESIDENT: Is the Senate ready for the question? The pending question before the Senate is the motion of the Senator from Franklin, Senator Mills, that Resolve, Proposing an Amendment to the Constitution to Provide for Election of Members of Executive Council, be indefinitely postponed. A "Yes" vote will be in favor of indefinite postponement; a "No" vote will be opposed.

The Secretary will call the roll.

ROLL CALL

YEAS: Senators Anderson, Barnes, Bernard, Berry, Dunn, Greeley, Hanson, Hoffses, Katz, Mills, Minkowsky, Moore, Peabody, Quinn, Sewall, Stuart, and Tanous.

NAYS: Senators Beliveau, Boisvert, Cianchette, Conley, Duquette, Gordon, Kellam, Letourneau, Levine, Logan, Martin, Reed, Violette, Wyman and President MacLeod.

A roll call was had. Seventeen Senators having voted in the affirmative, and fifteen Senators having voted in the negative, the motion prevailed and the Resolve was Indefinitely Postponed in concurrence.

Senate - As Amended

Bill, "An Act to Correct Errors and Inconsistencies in the Public Laws." (S. P. 366) (L. D. 1248)

Which was Read a Second Time.

The PRESIDENT: The Chair recognizes the Senator from Franklin, Senator Mills.

Mr. MILLS of Franklin: Mr. President and Members of the Senate: I have got an amendment I want to offer later, the one I was talking about yesterday, and I would like to have this bill stay, with the good graces of the joint leadership, if it could, without getting down to engrossment, because once you get it engrossed and then you have got to amend it you are spending money and a lot of time going back and forth with it. I would like to have it stay unengrossed for a while and then get it engrossed along about the end of the session. And it can be used as a vehicle for anything necessary in the way of legislation. Therefore, Mr. President, staying within the admonitions that we have had, I would now move that it be placed on the table until later in today's session, and perhaps be able to confer with leadership about having it stay on the table a little longer.

The PRESIDENT: The Chair would inform the Senator that his motion is out of order.

The Chair recognizes the Senator from Kennebec, Senator Katz.

Thereupon, on motion by Mr. Katz of Kennebec, tabled pending Passage to be Engrossed.

Orders of the Day

The President laid before the Senate the first tabled and specially assigned matter:

Resolve, Proposing an Amendment to the Constitution Providing for Valuation of Certain Lands at Current Use. (H. P. 878) (L. D. 1121)

Tabled — June 24, 1969 by Senator Barnes of Aroostook.

Pending — Passage to be Engrossed.

The PRESIDENT: The Chair recognizes the Senator from Aroostook, Senator Barnes.

Mr. BARNES of Aroostook: Mr. President and Members of the Senate: I have Senate Amendment "A" here to present, and I think this will overcome most of the objections to this particular resolve, but it is in conflict with the present House Amendment "A" that we

have now on the resolve. In order to pave the way for the presentation of this amendment I would move the indefinite postponement of House Amendment "A".

The PRESIDENT: The Senator from Aroostook, Senator Barnes, now moves that under suspension of the rules the Senate reconsider its action whereby it adopted House Amendment "A". Is this the pleasure of the Senate?

The motion prevailed.

Thereupon, on further motion by the same Senator, House Amendment "A" was Indefinitely Postponed in non-concurrence.

The same Senator then presented Senate Amendment "A" and moved its Adoption.

Senate Amendment "A", Filing No. S-323, was Read.

The PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Katz.

Mr. KATZ of Kennebec: Mr. President and Members of the Senate: This amendment does something that perhaps is not absolutely essential in a constitutional amendment but it certainly will make a lot of people feel better. What it says, in effect, is that if any land is just held for appreciation purposes, and is then sold at a price that reflects the fact that it really wasn't properly farmland or coastal property, but was development property, at that time that it is sold there will be a kind of lien against the property for the difference in taxes for the previous five years. I think this should reassure many members of the Senate.

The PRESIDENT: The Chair recognizes the Senator from Aroostook, Senator Barnes.

Mr. BARNES of Aroostook: Mr. President, I apologize, I should have explained that amendment, and I thank the good Senator from Kennebec for doing so.

The PRESIDENT: Is it now the pleasure of the Senate to adopt Senate Amendment "A"?

The Chair recognizes the Senator from Oxford, Senator Beliveau.

Mr. BELIVEAU of Oxford: Mr. President and Members of the Senate: Yesterday we discussed this at some length with certain individuals who were concerned with this document, and it appeared that

those of us who were objecting to it were opposed to that portion of Section 1 which would permit timberlands, woodlands, in effect our wildlands, to occupy the present position which they do in our tax structure. That is, we know, for instance, that there are thousands of acres of timberlands and wildlands in the State that are being taxed as wildlands but, as a practical matter, are being used for recreational purposes, and the companies involved and the individuals involved, who own these tracts of land, realize substantial income from them through leases and other devices.

I was hoping that we would adopt the amendment which we were considering yesterday, which would amend the first section by limiting it to operating farms, in other words, farms that were presently being used, and farms in areas that were not being purchased for the sole purpose of resale at a higher price at a later date.

This amendment before us can create some very real administrative problems. I fail to see how this can be properly enforced. The minimum penalty equal to the tax which would have been imposed over the five years; does this mean that the local tax assessors are going to make a determination of whether a parcel of land which was purchased for \$1,000 today and ten years from now or five years from now was sold for \$1,500, whether in fact that property was held for the sole purpose of resale at a higher price? Again, we are going to be placing language in our Constitution which is not necessary.

Now, I can envision Section 1 and Section 2, farms and agricultural lands, timberlands and woodlands, open space lands which are used for recreation of the enjoyment of scenic or natural beauty, can be abused and exploited by companies, particularly the wildlands, the millions of acres that we have in this State which are being taxed at a very minimum rate today. I don't believe we should amend our Constitution to give this limited group, or limited number, at least, who possess millions of our acres, this prerogative.

We all have a genuine concern for the farmers and their plight. Of course, one solution could be that if the towns and areas where the farmers are concerned, if they could resort to some form of zoning and they could in fact designate a certain area as an agricultural area, they would not be exposed to taxing for other purposes.

I don't believe the amendment clarifies the problem. If we are concerned with the farmers, we should strike out all of Section 2, all of Section 3, and all the language, including timberland and woodland, in Section 1. It is quite apparent to me at least, that this bill is not designed to protect the farmers, but its purpose is to protect owners of our woodlands, timberlands and wildlands prevent them from paying a tax on the value of the land today. They have succeeded to date in avoiding paying taxes in many areas and this, of course, would just compound the problem and give them immunity which they do not have. I would oppose the amendment and the adoption of this L.D.

The PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Katz.

Mr. KATZ of Kennebec: Mr. President and Members of the Senate: Let me paint a slightly different picture. Yesterday the Senator from Sagadahoc, Senator Reed, got up and expressed his deep confusion of mind, and I think this is pretty much true of all of us. We have a couple of problems facing us today, one of which is: Are we going to force the chopping up into subdivisions of vast sections of our State into—I think the expression was—a Coney Island? Are we going to make it absolutely impossible for lands to be kept in reserve for future development? Are we going to, by our taxing policies, force the coast and force the woodlands up north to be developed into holiday homes on small lots? Are we going to destroy the wilderness? On the other hand, very properly, Senator Beliveau raises the question as to whether we are falling into the trap of building substantial equities for these woodland owners in the north who need some understanding but who certainly don't

need this kind of financial help from us? I think this paints the picture pretty much.

I have avoided mentioning the farmers because they certainly have been mentioned adequately in previous debate.

But I think this constitutional amendment, upon ratification by the people, will make future legislators more capable of responding properly. I don't have any notion of what the answer is for the future development of our undeveloped lands, but I do have the feeling that future legislatures really need the tool to react to changing conditions. I think this amendment this morning allays many of the misgivings that were expressed by the Maine Municipal Association and, on that basis, I would say that this legislature would be acting responsibly if it passed this amendment and, subsequently the constitutional amendment.

The PRESIDENT: The Chair recognizes the Senator from Sagadahoc, Senator Reed.

Mr. REED of Sagadahoc: Mr. President and Members of the Senate: I guess I was confused and maybe I still am today, but I think that one of the points that the Senator from Oxford, Senator Beliveau, mentioned was the wildlands in our State which is owned by relatively few people, and it comprises some ten million acres.

Now, in this session—I hope it has gone through, but I don't know whether the Governor has signed it or not—what we have done is to say that any great pond within one mile of a public road will be zoned and taxed accordingly as far as development is concerned. Secondly, we said that any great pond in the State that had more than five cottages on it, within 500 feet of the shoreline, would be then zoned and taxed accordingly. It seems to me that this isn't as far as I possibly would like to have gone but, at the same time, it is a step in the right direction that this land that is being developed will be taxed, not as wildland, but as developed land. Therefore, I think this somewhat takes care of this ten million acres which he is concerned with and I am also concerned with.

I do agree and I feel it is one of my objectives to try to keep Maine as Maine and, at the same time, have good sound economic development. I think that this is a tool that may be needed and I would like to see it go on further. Again, I think there is one thing we can be sure of, as far as every other place in this country is concerned, that when there has been a clash between sane development, what I call sane development, and the dollar, the dollar has always won out. At least in the long run I don't think that it is an economic gain, but immediately it is. And I just feel as if our Constitution right now pretty well limits it and gives the big advantage to the developer and to the fast buck seeker, and I would like to see something like this passed along. Maybe it will have to be further amended but, at least at this time, I will vote for this amendment and the bill as amended.

The PRESIDENT: The Chair recognizes the Senator from Oxford, Senator Beliveau.

Mr. BELIVEAU of Oxford: Mr. President and Members of the Senate: I don't really know what impact this constitutional amendment will have on this L. D. that Senator Reed was referring to, but I do know, or I can envision, at least, that there could be some conflict between this amendment and this other bill. If we pass this document, there is nothing that would prevent subsequent legislatures from enacting legislation to amend that document to permit that property to be used and valued and taxed at its present value.

This document is very broad in scope, it is very comprehensive, and we haven't been given, in my opinion, a satisfactory answer as to why there is a very real need for it. The argument is that farms and agricultural lands must be protected, we must protect their interest, fine, I don't deny that either, but I don't believe we need that additional language in there. I am very reluctant to tamper with our Constitution because we all know that once a section of our Constitution has been amended

it is practically impossible to amend it further or to repeal that section at a later date. We still haven't recovered, as I mentioned yesterday, I believe, from the constitutional amendment which provides for dedicated revenue for our gas tax. I think, if we were confronted with that legislation again, the legislature would pursue a different course. I think we better consider it very seriously and think very seriously before we enact this type of legislation. I therefore, move, Mr. President, that this L. D. and its amendment be indefinitely postponed.

The PRESIDENT: The Senator from Oxford, Senator Beliveau, now moves that Resolve, Proposing an Amendment to the Constitution Providing for Valuation of Certain Lands at Current Use and all accompanying papers be indefinitely postponed.

The Chair recognizes the Senator from Washington, Senator Wyman.

Mr. WYMAN of Washington: Mr. President and Members of the Senate: I am in agreement with the good Senator from Sagadahoc, Senator Reed. I know of a considerable amount of shore property in our area that is being taxed very heavily and, as a result, is being sold to the speculators and then it is immediately subdivided and closed off to the public, whereas before the public has had the use of it. This seems to me as though this is forcing land into the hands of the speculators and depriving the public of a good many privileges they have at the shore. I am most heartily in agreement with Senator Reed's thinking.

The PRESIDENT: The Chair recognizes the Senator from Aroostook, Senator Barnes.

Mr. BARNES of Aroostook: Mr. President and Members of the Senate: If I understand this resolve and amendment that I proposed correctly, it is nothing more than enabling legislation to provide in our Constitution whereby in the future we can legislate something to implement this so that land could be taxed on its

current use. Now, this amendment, if I interpret it correctly, and understand it correctly, does two things. It does this and it also protects the community interests so that if land is sold for a higher value the community can collect the proper revenue for a five-year period, plus the interest. I can't see any harm with changing the Constitution to make provision for future legislation in case they want to change it one way or the other, as they see fit.

The PRESIDENT: The Chair recognizes the Senator from Kennebec, Senator Levine.

Mr. LEVINE of Kennebec: Mr. President and Members of the Senate: I had a little experience this spring with land on the coast. I bought a place in Castine — I don't want to give any figures, but it was in the very high figures. The person that had it bought it fourteen years ago for eight or nine hundred dollars, or a thousand dollars — I might as well tell you the figures — I bought it from her for \$60,000, but she backed out on me. Somebody else offered her \$65,000 for it. Now, are we going to pass legislation that will allow people to speculate so much on land? We allow them now five years, but they can keep it ten years and they will get a quarter of a million dollars for it. Why shouldn't somebody be able to buy it and be able to use it? What we are doing now is that we are not going to tax them for the land. They are not going to sell it. They have got money enough, most of the people.

I looked around that section there and most of the land has been bought by people from out-of-state. Farms that they paid \$1,000 or \$1,200 for, it is worth \$100,000 now. They will keep it ten years instead of five, and it might be worth a quarter of a million unless something happens and land goes down.

I spoke yesterday with a gentleman, I think he was in the House or the Senate from Washington County, and he bought a farm last year for \$10,000, and he sold it within a month or two — he is now, I think, in the real estate

business, and maybe Senator Wyman would know who he is — I think he was in either the House or Senate last legislature — and he sold it for \$18,000. And the person that he sold it to for \$18,000 sold it now for \$45,000 and he didn't want to sell it at all. I guess there is hardly any tax on it.

There is a farm that I tried to buy on the coast and I offered \$65,000. They are asking \$66,000, and there is \$110 taxes on it. I think that person can keep waiting for ten years and he is going to get \$200,000 for it or something. We are protecting speculators. That is what we are doing. I am giving you straight figures, and I can give you the names if you want me to. I will give you the telegram from the lady in California. She wired me a telegram that she was sorry she couldn't let me have it because she was changing her plans. Now somebody else has offered her \$65,000 for the same piece of land. I guess she is not willing now to sell for \$65,000 because she got scared that she wasn't asking enough. She is going to keep it and then ask \$100,000. That is straight. If you want, I will give you the figures and names and everything you want to know.

The PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Kellam.

Mr. KELLAM of Cumberland: Mr. President and Members of the Senate. I think the good Senator from Kennebec is sort of a hard act to follow, but I would like to say a couple of words.

I agree with Senator Beliveau in the fears that he expressed as to the possible impact of this particular bill. I think the legislation reflects the approach that many people or all people take to taxation. They usually fuss about the tax they have to pay, the valuation on the property and so forth, when actually the real problem is the rate of the tax. The difficulties we have in the State of Maine, the difficulties we have everywhere, with taxation programs, income, property and otherwise, is the high rate of tax. I really feel that we would all be

far better off if we put our attention to possible methods of reducing the rate of tax and not try to do what I really feel is corrupting the law by changing the method of valuation placed on property.

The property has a certain value, and the only thing we really can ascertain is what that valuation is through the regular assessment practices, and I am very much opposed to jockeying and changing the valuations. I have a good many instances myself that I can recall, as Senator Levine has recalled, where property is pretty much sort of held in the bank, and the rest of us people in this State are boosting up the value of that property. I think we all know that those people in this country who got rich on property have gotten rich at the expense of his fellow citizen, because it is the population in the country that creates the value on these properties. I really feel that if a person has property which is legitimately valued at a certain value that they should pay the tax, and their complaints should be directed toward the rate and not the valuation. If the valuation is inaccurate, I believe there are ample procedures under the law to dispute that valuation.

In this particular instance, I am sure that we can dispute valuations through the regular channels of filing your valuation figures in April, and then, of course, going right through to the courts if you need to. So, if people do have property which is not worth as much as it is being valued at, they have a remedy, and I can't see changing the valuation just to suit these people because they want to hang onto the property.

The PRESIDENT: The Chair recognizes the Senator from Sagadahoc, Senator Reed.

Mr. REED of Sagadahoc. Mr. President and Members of the Senate: I suppose maybe my motives are somewhat selfish here. Ten years ago I would go down on the coast and I could land on an island or something like that, have a picnic lunch and have a good time. I guess I am a loner

and I like to get off by myself sometimes with the family. Now I don't think there is more than half a dozen places that I can go without being driven off, and I suppose that affects my thinking.

I feel as if what the Senator from Kennebec said, Senator Levine, is so true, that property along the coast is just going sky-high, and people who hold land now can't hold it any longer because, although it is only valued for maybe \$100 now, because of the subsidies and the pressure that has been brought upon them these town officials are going out and they are putting a real price on it.

Now, I do not feel that we should give tax shelter to the speculators. It seems to me the State has two alternatives. No. 1 is to go along and buy up a third of the coast, or maybe less, but a good chunk so that the people in our State can enjoy it. Certainly we have bought Reid Park down our way and Popham, and I commend the State. I think we have made great efforts here, but this isn't anywhere near enough if the State is going to be industrialized. And I hope it is so we can keep our young people here. We have got to provide more access than we have now to the coast.

I feel that this is possibly an alternative in which people who have large tracts of land can somehow, if they are willing, to set this aside for public use and not be taxed to death by it, this might be a good economic alternative for the State. Now, if they cash in and make a killing on it, why, this is unfair, and I hope that future legislatures or the towns would enact some type of laws to prevent people from doing this. But I do feel that this is one alternative possibly that the State might have instead of purchasing large tracts of coastal land, which I think they should, for the common good of the people and enjoyment and so on. Therefore, I haven't changed my mind by what has been said. In fact, I think they have strengthened the argument that something is going to have to be done or else there is not going to be any va-