

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

**Legislative Record**  
**House of Representatives**  
**One Hundred and Twenty-Second Legislature**  
**State of Maine**

**Volume III**

**Second Regular Session**

April 7, 2006 - May 24, 2006

**Appendix**  
**House Legislative Sentiments**  
**Index**

Pages 1488-2248

hardworking freshman worked with many wonderful old timers with this issue of what do we do to help people be able to stay in homes, their primary residences. It was an incredibly emotional end of the session as this is turning out to be and we had incredibly support, Representative Carr worked with Representative Bowen, worked with Representative Watson, with Representative Woodbury, with Senator Damon, with Senator Peter Mills, with Representative Henry Joy and we all worked and worked on this idea, how can we help people who are being really challenged with high property taxes, not because of where they chose to live, but because of what's happening right now to land that has anything, that is anywhere near a beautiful view or water, whether it be a lake, a swamp, a vernal pool, a river, the ocean, the Kennebec River. So that is where this original idea came from. The marvelous thing was when we finished the 121st Legislature Representative Henry Joy came up to me and I was crushed because we didn't get anywhere with LD 2 and he said, don't give up Leila, don't give up, it is a good idea, you've got to keep working on it. Little did we know that the Chief Executive would come back to us in the 122nd and say, we can do something with LD 2. It may not be in the original flavor, but the original concept is there, how are we going to help people who every week are having new residences going up, millionaires building next to them and we can't help them with their property taxes. So here is a way to do it and the Taxation Committee, thank you, thank you, thank you. You came up with something that we can offer these people, it's a Constitutional Amendment, and it requires 2/3rds. We just worked very hard in support of the Taxation's Committee on helping the businesses, now please help us with that group of people who are in danger of losing their homes because of these crazy property taxes. This is your chance, send it back to the Taxation Committee in the 123rd and let's see how they craft it because look at what they did with BETR, look at what they did with the working waterfront. They can do it, so please, I ask you with all my heart and for all the people in the State of Maine who are terrified because of rising valuation, please support this motion. Thank you.

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

Representative **SEAVEY**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. I urge you to vote no on the pending motion. We had comments during the Taxation Committee that this proposal is both unworkable and intrusive. We had those comments from the Maine Municipal Association and the Bureau of Revenue Services. We already tie the property system with the income tax system through the Circuit Breaker Program, but I think the manner in which this amendment ties the two tax systems together is really unworkable. As argued by the two people that would administer the program, our local assessors and Maine Revenue Services. I think this is an expansion of Big Brother at its worst when we now would have to provide a copy of our income tax to the local tax assessors. This is the Chief Executive's original companion bill to LD 1 which we have had in our Committee since December of 2004. The proposal before you now does nothing to address, which I believe is one of the problems with property taxes and that's the general problem of assessing. During our Committee deliberations the State Planning Office put through an excellent compromise to address the assessing problems which is more in line with the Chief Executive's original intent. Ironically the State Planning Office compromise is Report B which is supported by all of the Republicans. I urge you to vote no on this amendment so we may get to the other report and get to addressing the real problems of property tax which is the assessing issues.

The SPEAKER: The Chair recognizes the Representative from Bath, Representative Watson.

Representative **WATSON**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. Thank you for the opportunity to speak a second time. The comments just made go to how this is to be implemented, how it's to work. We're not talking about having to bring an income tax form to the assessor that is statutory implementation and that's the task of the Taxation Committee in the 123rd, it is not something that we've got to concern ourselves with and it's certainly not something that you should base your decision today on; this one opportunity to bring real tax relief to the people who need it the most in the State of Maine. Thank you, Mr. Speaker.

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

#### ROLL CALL NO. 548

YEA - Adams, Ash, Babbidge, Barstow, Beaudette, Blanchard, Bliss, Brannigan, Brautigam, Bryant, Burns, Cain, Canavan, Clark, Craven, Crosby, Cummings, Driscoll, Duchesne, Dudley, Dugay, Dunn, Duplessie, Eberle, Eder, Faircloth, Farrington, Finch, Fischer, Fisher, Gerzofsky, Goldman, Hanley S, Harlow, Hogan, Hutton, Jackson, Joy, Koffman, Lerman, Marley, Marraché, Miller, Mills, Moody, Norton, O'Brien, Paradis, Patrick, Percy, Perry, Pilon, Pingree, Piotti, Rines, Saviello, Schatz, Smith N, Thompson, Tuttle, Valentino, Walcott, Watson, Webster, Wheeler, Woodbury, Mr. Speaker.

NAY - Annis, Austin, Bierman, Bishop, Bowen, Bowles, Browne W, Bryant-Deschenes, Campbell, Carr, Cebra, Churchill, Clough, Collins, Cressesey, Crosthwaite, Curley, Curtis, Daigle, Davis G, Davis K, Duprey, Edgecomb, Emery, Fitts, Fletcher, Flood, Glynn, Hall, Hamper, Hanley B, Hotham, Jacobsen, Jodrey, Lansley, Lewin, Lindell, Lundeen, Marean, Mazurek, McCormick, McFadden, McKane, McKenney, McLeod, Merrill, Millett, Moulton, Muse, Nass, Nutting, Pinkham, Plummer, Rector, Richardson D, Richardson E, Richardson M, Richardson W, Rosen, Sampson, Seavey, Sherman, Shields, Smith W, Stedman, Sykes, Tardy, Thomas, Trahan, Twomey, Vaughan.

ABSENT - Berube, Blanchette, Brown R, Greeley, Grose, Jennings, Kaelin, Makas, Moore G, Ott, Pineau, Robinson, Simpson.

Yes, 67; No, 71; Absent, 13; Excused, 0.

67 having voted in the affirmative and 71 voted in the negative, with 13 being absent, and accordingly the Majority **Ought to Pass as Amended Report was NOT ACCEPTED.**

---

Under suspension of the rules, members were allowed to remove their jackets.

---

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

The SPEAKER: The Chair recognizes the Representative from Yarmouth, Representative Woodbury.

Representative **WOODBURY**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. This other version of the bill would limit the growth of the valuation used for property tax purposes on primary residences. It's an extremely appealing concept, the Committee spent a great deal of time considering this concept. Here are some of issues that it raises that made many members of the Committee concerned. One is

that this imposes a tax shift between long term residence and new home buyers, new home buyers would need to pay more in property taxes to make up for the tax benefit that is given to longer term owners. We wanted to make a tax shift toward new home buyers and toward business owners. Second this type of program can lead to two identical properties with the same underlying market value that have dramatically different tax bills, there are questions of fairness associated with that. Third, if somebody is subject to a controlled valuation over time, they may be reluctant to downsize their home, because downsizing their home; their property tax bill would go up. Fourth, Mr. Speaker, this is a tax reduction precisely for people who have had the greatest increase in the housing wealth associated with their property. Now I know there are lots of appealing reasons to move ahead with a limit on property tax valuation growth, but these complications gave many members of the Committee pause in thinking that we should move ahead with this particular measure. So I would recommend voting against this Minority Ought to Pass as Amended Report.

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

Representative CLOUGH: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. This amendment is in keeping with the true meaning of LD 2. My good friend from Yarmouth Representative Woodbury is correct; this amendment proposes to amend the Constitution of Maine to cap the homestead land valuation at the current just value maintained by Maine courts to be the market value for the property. It permits municipalities to further cap the just value of other homestead real property, such as the house on the homestead land. That doesn't require that, it permits it. It permits increases in the cap valuation only to capture improvements or degradations to the property of inflation which ever changes in valuation is lower. Upon changing ownership or to the homestead use the property must be reassessed at current just value and a penalty must be assessed equal to the property tax that would have been imposed over the proceeding 5 years minus property taxes paid over that period, plus interest. So this provides a recapture when property moves out of this category which will be an offset to any tax shift that might have occurred on a piece of property that was in it. So this is, I think the direction that we had intended to go in with LD 2 and I hope you will support this version today. Thank you.

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

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

The SPEAKER: The Representative may pose his question.

Representative SHIELDS: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. For anyone who wishes to answer it. A man is living in a house that has taxes on \$100,000 valuation, things have gone up and I buy the house from him for \$200,000 and I have to pay a penalty of 5 years difference when I buy that house, plus paying the increased taxes on the \$200,000, is that correct?

The SPEAKER: The Representative from Auburn, Representative Shields has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Auburn, Representative Clough.

Representative CLOUGH: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I would answer the good Representative from Auburn, Representative Shields that he could elect to do that if he so chose, I guess, but it would be the requirement that the seller who is making the change would pay the penalty.

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

Representative DAIGLE: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. Just to be an equal opportunity malcontent; I also urge you to oppose the pending motion. In addition to all the reasons mentioned by the Representative from Yarmouth, Representative Woodbury I have the scenario of going to a town meeting in sometime in the future and having all these wonderful ideas brought up before the town meeting that would require money and all of us old timers who have been around for a long time say, well what the heck go ahead because my taxes will barely, barely climb up, but that new couple that dares move in town, but heaven forbid that daughter of mine if she ever hopes to buy and afford to live in a house near my neighborhood would just be priced out of the market. When the consequences of bad judgment and approving spending is falling evenly on all of us it perhaps would give great pause to that and I don't think that will be the case when I'm paying less taxes than my neighbor simply because I've been there longer.

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 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. 549

YEA - Austin, Bishop, Bowles, Bryant-Deschenes, Campbell, Carr, Cebra, Churchill, Clough, Collins, Cressey, Crosthwaite, Curley, Davis G, Davis K, Edgecomb, Fischer, Fletcher, Flood, Glynn, Hamper, Hanley B, Hotham, Jacobsen, Jodrey, Lansley, Lewin, Lindell, Mazurek, McCormick, McKane, McKenney, McLeod, Merrill, Nass, Nutting, Plummer, Rector, Richardson M, Rosen, Seavey, Smith N, Stedman, Trahan, Tuttle.

NAY - Adams, Annis, Ash, Babbidge, Barstow, Beaudette, Bierman, Blanchard, Bliss, Bowen, Brannigan, Brautigam, Browne W, Bryant, Burns, Cain, Canavan, Clark, Craven, Crosby, Cummings, Curtis, Daigle, Driscoll, Duchesne, Dudley, Dugay, Dunn, Duplessie, Duprey, Eberle, Eder, Emery, Faircloth, Farrington, Finch, Fitts, Gerzofsky, Goldman, Hall, Hanley S, Harlow, Hogan, Hutton, Jackson, Jennings, Joy, Koffman, Lerman, Lundeen, Makas, Marean, Marley, Marraché, Miller, Millett, Mills, Moody, Moulton, Muse, Norton, O'Brien, Paradis, Patrick, Percy, Perry, Pingree, Pinkham, Piotti, Richardson D, Richardson E, Richardson W, Rines, Sampson, Saviello, Schatz, Sherman, Shields, Smith W, Sykes, Tardy, Thomas, Thompson, Twomey, Valentino, Vaughan, Watson, Webster, Wheeler, Woodbury, Mr. Speaker.

ABSENT - Berube, Blanchette, Brown R, Fisher, Greeley, Grose, Kaelin, McFadden, Moore G, Ott, Pilon, Pineau, Robinson, Simpson, Walcott.

Yes, 45; No, 91; Absent, 15; Excused, 0.

45 having voted in the affirmative and 91 voted in the negative, with 15 being absent, and accordingly the Minority Ought to Pass as Amended Report was **NOT ACCEPTED**

On motion of Representative WOODBURY of Yarmouth the RESOLUTION and all accompanying papers were **INDEFINITELY POSTPONED** and sent for concurrence.