

MAINE STATE LEGISLATURE

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Senate Legislative Record
One Hundred and Thirtieth Legislature
State of Maine

Daily Edition

First Regular Session
beginning December 2, 2020

beginning at Page 1

Report **READ**.

On motion by Senator **VITELLI** of Sagadahoc, **TABLED** until Later in Today's Session, pending **CONSIDERATION**.

Senate at Ease.

The Senate was called to order by the President.

RECESSED until the sound of the bell.

After Recess the Senate was called to order by the President.

Off Record Remarks

Out of order and under suspension of the Rules, the Senate considered the following:

REPORTS OF COMMITTEES

House

Divided Report

The Majority of the Committee on **APPROPRIATIONS AND FINANCIAL AFFAIRS** on Bill "An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2021"

H.P. 155 L.D. 220

Reported that the same **Ought to Pass as Amended by Committee Amendment "A" (H-9)**.

Signed:

Senators:

BREEN of Cumberland
BAILEY of York

Representatives:

PIERCE of Falmouth
CARDONE of Bangor
CLOUTIER of Lewiston
FAY of Raymond
HYMANSON of York
MARTIN of Eagle Lake

The Minority of the same Committee on the same subject reported that the same **Ought To Pass as Amended by Committee Amendment "B" (H-10)**.

Signed:

Senator:

DAVIS of Piscataquis

Representatives:

ARATA of New Gloucester
COREY of Windham
FECTEAU of Augusta
MILLETT of Waterford

Comes from the House with the Majority **OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "A" (H-9)** Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-9)**.

Reports **READ**.

On motion by Senator **BREEN** of Cumberland, the Majority **OUGHT TO PASS AS AMENDED BY COMMITTEE AMENDMENT "A" (H-9)** Report **ACCEPTED**, in concurrence.

Bill **READ ONCE**.

Committee Amendment "A" (H-9) **READ**.

On motion by Senator **BREEN** of Cumberland, Senate Amendment "A" (S-18) to Committee Amendment "A" (H-9) **READ**.

THE PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Breen.

Senator **BREEN:** Thank you, Mr. President. Men and women of the Senate, almost one year ago the Maine Legislature came together in the face of the growing threat, one we did not fully understand, to pass an emergency Supplemental Budget and do what we could to help Maine families and small businesses weather the storm, and we did this unanimously despite not knowing the damage and loss that was coming. Over the past year every one of us in this Chamber has experienced and witnessed a scope of suffering, personal and economic and social, that none of us imagined last March. It's been profoundly painful and, as elected leaders, we've been called on time and time again to address the many hardships in our local communities and across the state. Across the board, we've all done our level best to respond to our communities. Now we're together again to once again pass a Supplemental Budget, pass new laws, and exercise legislative oversight. With the looming tax deadline around the corner, Maine workers and businesses are anxiously waiting for the Legislature's response to the immediate needs of this crisis and to put critical resources where our state needs them most. This Supplemental Budget proposal is something that every person in this Chamber should be able to get behind. It provides tax relief to more than 160 Maine workers who lost their jobs due to the pandemic. It provides tax relief to more than 28,000 Maine businesses that employ more than 250,000 Mainers, exempting every PPP loan from State income taxes. It provides relief to non-profit social service providers who have struggled to meet the needs of Maine people during this crisis.

However, the core of this proposal is the curtailments across State government pursuant to what Governor Mills ordered last September. Due to the pandemic, Maine's most recent revenue report has us facing a \$225 million shortfall which could leave us out of balance by June 30th of this year. As you know, we're not like the federal government. We can't spend more than what we have, much like most Maine families. We're legally required to have a balanced budget. This Supplemental Budget would put us back on track to do that.

In addition, quite frankly, the Administrations and the Executive Branch deserve a lot of credit for taking the shortfall head on by tightening and reorganizing their priorities. Hiring freezes, delaying projects, and looking under every rock for savings and/or federal funds largely have taken care of the projected shortfall. The other key components of the Supplemental Budget include supporting the Early College Aspirations Program for working class Maine kids; investing in the new Comprehensive Child Welfare Information System; taking steps to mediate pollution known as PFAS; promoting the construction of affordable housing by maximizing Maine's low income housing tax credit; and by setting the annual State contribution to public K-12 education, raising that contribution yet again.

On top of that, the Supplemental Budget proposal requires Legislative oversight for how new, unrestricted federal COVID 19 stimulus money is allocated. When Congress passed the Cares Act last April AFA hosted monthly briefings with parties from all over the state. As budget Chair, I fielded calls from representatives of almost every sector of our economy who made desperate and compelling cases for State relief. At the time, we were preparing for a Special Session, thinking that we might have some say in the spending of the \$1.25 billion of Corona relief funds. Unfortunately, that Special Session never happened and law makers had no formal, legal say in how those funds were allocated. Whether or not you agreed with how the State spent those funds, I think most of us can agree it was frustrating not to have any legal authority. This Supplemental Budget gives the Maine Legislature a seat at the table as we leverage federal funds and rebuild our communities and economy.

All four caucuses agree on most of the components in this proposal. It's a good compromise Supplemental Budget that prioritizes Maine people and businesses over politics. On January 8th, when the Governor first rolled out the Supplemental Budget proposal, there were no exemptions for PPP loans or unemployment benefits. A month later the Administration proposed exempting PPP loans under \$1 million. Last week we voted out of the Committee a report that exempts all PPP loans from State income taxes. My Democratic colleagues and I listened to the businesses in our districts. We listened to what the Chamber of Commerce had to say and we listened to what our Republican colleagues had to say. In the end, we decided that we could make this happen so long as unemployment benefits were also exempted. Both Maine businesses and Maine workers have been hit incredibly hard. Both deserve relief. With the tax deadline on the horizon, Maine people and businesses are once again counting on the Legislature to put politics aside and pass a Supplemental Budget proposal that puts resources where the state needs them most.

I want to address the amendment I just put in. As you know, the federal pandemic relief just passed today and it will sync up with the unemployment benefits tax exemption that's in both reports and so the amendment just makes some small language

changes so that we sync up in language with the State and the federal exemption and it also has a small appropriation so that Maine Revenue Services can do a mailing to Maine taxpayers and explain the changes in the tax law. So, I thank you for your patience in listening to my remarks. I hope you follow my light and support the Supplemental Budget. Thank you.

Senate at Ease.

The Senate was called to order by the President.

On motion by Senator **BREEN** of Cumberland, Senate Amendment "A" (S-18) to Committee Amendment "A" (H-9) **ADOPTED**.

Committee Amendment "A" (H-9) as Amended by Senate Amendment "A" (S-18) thereto, **ADOPTED**, in **NON-CONCURRENCE**.

Under suspension of the Rules, **READ A SECOND TIME**.

THE PRESIDENT: The Chair recognizes the Senator from Piscataquis, Senator Davis.

Senator **DAVIS:** Thank you very much, Mr. President. Mr. President, while I agree with about all my good colleague had to say we, our side of the aisle, believe there is a tax increase in this and therefore we will be opposing the issue, or I will. Thank you.

THE PRESIDENT: The Chair recognizes the Senator from York, Senator Bailey.

Senator **BAILEY:** Thank you, Mr. President. Is this on? Okay. Thank you, Mr. President. Mr. President, I rise today to speak in favor of the Supplemental Budget proposal before us. Throughout the discussions the Appropriations Committee had on the Supplemental Budget our goals were clear, to support those who had been most impacted by the COVID 19 pandemic, including Maine's small businesses and working families. As part of good faith negotiations, we listened to and believed our Republican colleagues when they told us their bottom-line was to allow all Maine businesses with forgivable PPP loans be exempt from State income tax. To keep things equitable and fair, we extended this exemption to workers who received unemployment benefits. To us, this just made sense. They say the sign of a good compromise is that no one is entirely happy. I'm proud of the work the Appropriations Committee put into crafting this compromise. While I'm sure not one legislator on the Committee is entirely happy with every detail of this budget, I know it contains measures that will help Maine businesses and people. It provides real relief to those who need it right now. I hope all of my colleagues in the Senate will see this proposal for the smart, fair, fiscally responsible compromise it is and vote in favor of its passage. Thank you, Mr. President.

THE PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Sanborn.