

# MAINE STATE LEGISLATURE

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

**Volume II**

**First Special Session**

May 26, 2005 – June 17, 2005

**Second Special Session**

July 29, 2005

**Second Regular Session**

January 4, 2006 - April 6, 2006

Pages 737-1487

**Non-Concurrent Matter**

An Act To Amend the Sex Offender Registration and Notification Act of 1999

(H.P. 997) (L.D. 1433)  
(C. "A" H-607)

**PASSED TO BE ENACTED** in the House on June 7, 2005.

Came from the Senate **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-607) AS AMENDED BY SENATE AMENDMENT "A" (S-387)** thereto in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

By unanimous consent, all matters having been acted upon were **ORDERED SENT FORTHWITH**.

**UNFINISHED BUSINESS**

The following matters, in the consideration of which the House was engaged at the time of adjournment yesterday, had preference in the Orders of the Day and continued with such preference until disposed of as provided by House Rule 502.

**HOUSE DIVIDED REPORT - Majority (7) Ought to Pass as Amended by Committee Amendment "A" (H-698) - Minority (6) Ought Not to Pass - Committee on TAXATION on Bill "An Act To Rebalance Maine's Tax Code"**

(H.P. 1131) (L.D. 1595)

**TABLED - June 16, 2005 (Till Later Today)** by Representative CUMMINGS of Portland.

**PENDING - Motion of Representative WOODBURY of Yarmouth to ACCEPT the Majority OUGHT TO PASS AS AMENDED Report. (Roll Call Ordered)**

On motion of Representative WOODBURY of Yarmouth, the Bill and all accompanying papers were **COMMITTED** to the Committee on **TAXATION** and sent for concurrence.

**Bill "An Act To Eliminate Pension Cost Reduction Bonding and Provide Replacement Budgeting Measures"**

(H.P. 1199) (L.D. 1691)

**TABLED - June 16, 2005 (Till Later Today)** by Representative CUMMINGS of Portland.

**PENDING - PASSAGE TO BE ENGROSSED.**

Representative THOMAS of Ripley **PRESENTED House Amendment "H" (H-715)**, which was **READ** by the Clerk.

The same Representative **REQUESTED** a roll call on the motion to **ADOPT House Amendment "H" (H-715)**.

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

Representative BRANNIGAN of Portland moved that **House Amendment "H" (H-715)** be **INDEFINITELY POSTPONED**.

The same Representative **REQUESTED** a roll call on the motion to **INDEFINITELY POSTPONE House Amendment "H" (H-715)**.

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 Ripley, Representative Thomas.

Representative **THOMAS**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. This amendment returns the ferry system to the general fund and frees up \$3 million a year for the highway fund so that they can spend it to improve our roads. Study after study tells us that Maine roads are getting worse and my constituents keep reminding me that

they want those roads improved. The fact is that if we keep using the highway fund to balance the general fund our roads are only going to get worse

I could stand up here all day and go on about the roads and bridges that need fixing and I am sure that you already know that and I am not going to waste your time. I do want to make sure that you know that construction prices are rising at more than double the rate of the consumer price index. That means that the longer we put off making the repairs our roads need the more it is going to cost us. If we don't fix them now then how are we ever going to find the money later? Not long ago we were spending 26% of all state revenue on roads. We are now down to less than 11%. That is not enough and the people I represent keep telling me that they can't afford to pay anymore in taxes. I would hope that we could make the roads of Maine a higher priority than they have been. Please vote for this amendment and let the people of Maine know that we all agree. Improving our roads is important. Mr. Speaker I ask for a roll call. Thank you.

The **SPEAKER**: The Chair recognizes the Representative from Waldoboro, Representative Trahan.

Representative **TRAHAN**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. A disturbing trend has evolved since 1988. Since 1988, \$107.70 million has been transferred out of the Highway Fund and into the General Fund. Sixty five million of that has been in the last two and three-quarter years, during the current administration.

Article 9, Section 19 of the Maine Constitution, passed on October 27, 1944 protects these funds from being transferred into the General Fund and it goes on in our Constitution in Section 19 to state "that all revenues derived from fees, excise and license taxes relating to the registration, operation and use of vehicles on public highways and on fuels used for the propulsion of such vehicle shall be expended solely for the cost of administration, statutory refunds and adjustments, payments, debts and liabilities incurred in the construction and reconstruction of highways and bridges and it shall not be diverted for any purpose."

To figure out why the State Legislature tried to protect this money you have to go back to March the 25, 1943 when Senator Elliot said, in support of passage of Article 9, Section 19 that "In the last few Legislatures the big problem before the legislators was the raising of new money in order to take care of the social security, old age assistance, pauper accounts and so forth." He went on to say that, "In no case were these attempts successful, but may be successful in the future." You see our Senators and Representatives were wise enough to recognize the traditional clash between social programs and the critical needs of and investments in our infrastructure. They designed our Constitution to protect this money.

The disturbing trend has been escalated in the last three years. If we allow this transfer, this use of highway money, it will bring to a total \$72 million that has been taken from our highways and used for our social programs. That is not to say social programs aren't important, but what it has done is turn our Highway Fund into a subsidy for our social programs. It is time that we put an end to this process.

To give you an idea of what this kind of money would have done for each and every one of your communities I would like to give you an example. If the unconstitutional transfer had not occurred a road could have been completely rebuilt stretching from Rockland to Portland, Maine. A road could have been repaved from Kittery to Millinocket. But even more disturbing is this fact: 8,513 miles of road could have been maintained. This represents a road stretching from Maine to California two and a half times. Ladies and Gentlemen of the House. This has to stop and it has to stop now. If we do not make a statement here in

this Legislature that these illegal transfers are to end then it will escalate. What it will do is that it will gobble up the new revenues that we seem to be encouraging to be generated through the indexing that we passed a few years ago. That is the automatic increase in the tax on gasoline. Since '04 \$22 million dollars was raised. Twenty seven million dollars was raised in '05, yet not a dollar of this increase in revenue has gone into Maine roads, but has gone into social programs.

Ladies and Gentlemen of the House I put before you the statement that if we can't afford our social programs then it is time to stop stealing money from places that we shouldn't be. Today I ask you to support this amendment and let's make a strong message for the people of Maine that these important infrastructure investments must continue. Thank you.

The SPEAKER: The Chair recognizes the Representative from Frenchville, Representative Paradis.

Representative PARADIS: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I too will support the defeat of Indefinite Postponement. I think that being on the Transportation Committee and by the Constitution and by statute that we have a duty to the people of Maine to apply, the funds that are needed for our roads and to delay that and to sink lower into the roads not being fixed is totally unacceptable to me. I would urge you on this motion to indefinitely postpone this and to vote red as I will. Thank you.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Marley.

Representative MARLEY: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. As the Chair of the Transportation Committee I am pleased to see so many people that are trying to protect our infrastructure and I can't disagree with the Representatives who spoke previously around the needs of our roads and our bridges. They are very significant and I think that all of us know that, but there are several things that should be pointed out. First of all, many states actually do this - I kiddingly call myself a Bubba by marriage because my wife is from Texas - and in Texas the ferry system is actually part of the highway system, so it is not something that we have invented for budgeting gimmicks if you will. I would also like to note that in the Minority Report you had the same language as far as transferring the operational costs from the General Fund to the Highway Fund.

I would love to see us spend more money on our roads and bridges and I think that is a policy discussion to have, but I think that when you look at the needs of the islands you can see that we can build a bridge to many of these islands like the confederate bridge to PEI and then this would pass muster. Those people who are currently proposing this amendment would support that, but this ferry system is the most efficient bridge for those communities and it is a lifeline for them. If you talk to the islanders they truly need this for their access. It is a safe way to move goods and services and there is actually an Attorney General's opinion that talks about this and let me read it briefly to you. "I am writing in response to your inquiry as to whether funds from the General Highway Fund established by Article 9 Section 19 may be used to support a ferry and related facilities. For the reasons which it is in the opinion of this department that the funds may be used for the ferry service, whose principle purpose is the transportation of motor vehicles as part of the highway system in the state, but that the funds may not be used for the purpose of supporting passenger ferries which are not part of that system." I have to be honest. In my area in Portland the majority of ferries don't move vehicles so they wouldn't fall under this. They are looking at service that really does act as a bridge and that is how I believe that it falls under this constitutional amendment.

The other piece of this is to look at transportation system holistically. I think we need to start having that broader conversation. The Transportation Committee in the interim is going to begin that because, as the other side also said, the gas tax is not keeping up. Even if we put this \$3 million back in you are talking about what I believe is \$1.3 billion in needs that are out there that are going unmet for the transportation and infrastructure, so this is very insignificant rather than the large policy issue of how we can continue to fund our roads and bridges. I am going to support the Indefinite Postponement and I hope that others will support that. Thank you.

The SPEAKER: The Chair recognizes the Representative from Waldoboro, Representative Trahan.

Representative TRAHAN: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I would also like to read from that same Attorney General's opinion and not just out of context. I want to tell you what it said before the previous statement. First, I must remind you that the only people who can define what is constitutional are the members of our Supreme Court. All we can get from the Attorney General is an opinion, but this is what the Attorney General's office said. "The question which you pose is whether a ferry may be considered a highway or a bridge within the meaning of this provision. This precise question has not been addressed by the Supreme Judicial Court or in any prior opinion of this office." Really, all that you have is an opinion of a previous Attorney General, but no decision and no case law to base this decision on. I think that this is a question for our courts and I think that a solemn occasion is appropriate.

I would like to talk a little bit about the State of New Hampshire. They had much the same debate that we are having today about the constitutionality of allowing highway funds to be used on their rail system. What happened was that the courts said that money couldn't even be used in the rail system in New Hampshire and I believe that we would get the same decision here. The reason is that it is public transportation and our Constitution doesn't allow it.

Just because there are few vehicles on a ferry going out to Vinalhaven doesn't mean that it meets our constitutional obligation. I think that this is a question that needs to be answered and I think that it needs to be answered soon so that the bleeding can stop. But, Ladies and Gentlemen of the House, I again revert to my previous point and that is that we should not be pitting social programs against our important infrastructure needs and investments and that is what has been going on over the last three years. We could make a very loud statement here today ladies and gentlemen that this must end.

The SPEAKER: The Chair recognizes the Representative from Wells, Representative Collins.

Representative COLLINS: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. The ferry service has always been funded. It is funded out of the General Fund. If this amendment passes, the ferry service will not end and it will stay in place. Each one of us back home has a project that we have been after the Department of Transportation to complete or to start and I wouldn't want to be in your shoes back home and say that we had an extra \$6 million, but we moved it out of the Highway Fund to fund the ferry service.

These highway funds are generated through dedicated revenue and we all know that, the gas tax. I have been a member of the Transportation Committee for all of my four terms and we have always worked together to strive and to save money and to better our roads and to repair the roads, build new bridges, and repair bridges. This \$6 million was a surplus and we have worked diligently to try and come up with a surplus and now

where is the incentive? If that money is taken away from the Highway Fund then where is the incentive for this committee that has pulled shoulder to shoulder in a bipartisan effort to find ways to save money within our committee of jurisdiction? Where is the incentive to try and do that again if every time that we come up with extra monies or a surplus it is taken away from us to do something else within state government. Clearly, we have drawn a line in the sand here today and we have got to stop this raiding of the Highway Fund in any way shape or form. This has to be preserved to do what it is intended to do and that is to maintain our transportation infrastructure here in the great State of Maine. Thank you.

The SPEAKER: The Chair recognizes the Representative from Vassalboro, Representative Browne.

Representative BROWNE: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I don't know if you have been reading the local newspapers lately, but a lot of the small towns are doing their annual town meeting and so forth and, invariably, in the KJ this morning there were three or four different communities that were over budgeted because of their roads and their roads are in very poor shape. We had a tough winter and we haven't been putting as much money aside as we perhaps should, but I believe that some of the money taken from the Highway Fund to finance this ferry service or to transfer the money to take care of the ferry service will have to be made up by some of our general obligation bonds if some of these road projects are going to be completed. If money is taken for the Highway Fund it is going to be at the expense of some of these other necessary bond proposals, such as Land for Maine's Future and some of the environmental issues and the municipal and water treatment facilities. I think that this is a very bad precedent in addition to what has been said about the transfer of these dedicated funds and I would urge you to defeat this motion. Thank you.

The SPEAKER: The Chair recognizes the Representative from Madison, Representative Curtis.

Representative CURTIS: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. Just to bring some closeness to where you live and the roads that you ride on to the reality of what \$3 million does picture in your mind that mile or mile and a half of road that goes by your house that you wonder why the state doesn't fix. The real dollars are that for every \$500,000 that is transferred out of the Highway Fund to somewhere else it means that one-mile of two-lane road does not get repaired. For \$3 million you are looking at six miles of road. Even though that is a small amount of money compared to \$130 million of repair remember that every mile of road gets repaired one mile at a time. I urge you to support this amendment and to return the money to the Highway Department where it is originally intended to go and to do what it is going to do. Thank you ladies and gentlemen.

The SPEAKER: The Chair recognizes the Representative from Belfast, Representative Ash.

Representative ASH: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. Just for a little information, State Route 176 starts up in the Liberty area and comes down through Searsmont, into Lincolnville, across the traffic light and to the ferry terminal. Three miles across the bay it picks up the state route again. You call it what you want.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Dudley.

Representative DUDLEY: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. Based on the documentation that I have from the committee both the majority and the minority supported making this shift.

The SPEAKER: The Chair recognizes the Representative from Waldoboro, Representative Trahan. Having spoken twice now requests unanimous consent to address the House a third time. Is there objection? Chair hears no objection, the Representative may proceed.

Representative TRAHAN: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I just wanted to respond to that statement that this is in both reports. I would like to just clear it up for the member who brought it up the second time that we never got an opportunity to vote on the minority report because it was indefinitely postponed. You would have seen my light be red on the Minority Report because of this transfer. I am kind of sad that the Representative from Biddeford, Representative Twomey is not here because I would like to talk about what it is like to have principles and to stand up for what you believe in and that to imply otherwise is, I think, unfair to the members of this chamber, because we never took action on that other budget. I would just like to say that I would have stood on principle if I had gotten the opportunity and I think that there would have been other members of this chamber that would have done the same. Thank you.

The Chair reminded all members that it was inappropriate to question the credibility and motives of other members of the House.

The SPEAKER: A roll call has been ordered. The pending question before the House is Indefinite Postponement of House Amendment "H" (H-715). All those in favor will vote yes, those opposed will vote no.

**ROLL CALL NO. 326**

YEA - Adams, Ash, Babbidge, Barstow, Beaudette, Blanchard, Blanchette, 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, Grose, Hanley S, Harlow, Hogan, Hutton, Jackson, Jennings, Koffman, Lerman, Lundeen, Makas, Marley, Marraché, Mazurek, Merrill, Miller, Mills, Moody, O'Brien, Pelletier-Simpson, Percy, Perry, Pilon, Pineau, Pingree, Piotti, Rines, Sampson, Saviello, Schatz, Smith N, Smith W, Thompson, Tuttle, Twomey, Valentino, Walcott, Watson, Webster, Wheeler, Woodbury, Mr. Speaker.

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

ABSENT - Brown R, Curley, Greeley, Norton, Patrick.

Yes, 75; No, 71; Absent, 5; Excused, 0.

75 having voted in the affirmative and 71 voted in the negative, with 5 being absent, and accordingly House Amendment "H" (H-715) was INDEFINITELY POSTPONED.

Representative MCKENNEY of Cumberland PRESENTED House Amendment "D" (H-703), which was READ by the Clerk.

The SPEAKER: The Chair recognizes the Representative from Cumberland, Representative McKenney.

Representative MCKENNEY: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. This amendment is a type of sunset for the ferry service transfer. The members of the Transportation Committee, and I suspect many members of

this body can grudgingly accept the fact that the ferry service funding is going to be transferred to the Highway Fund. We don't like it, but we realize that these are extraordinary times and sometimes you need to do extraordinary things. This amendment would make the transfer happen only for the next biennium. For future biennium's it would put it back into the General Fund and we feel that this is only fair to do.

I would like to point out that the reason that the Highway Fund can even absorb this expense is because of the way that the Transportation Committee has managed that budget and, I would point out, and you may be tired of hearing it, but I think I am going to say it since I am here, our gas tax is on autopilot. It increases automatically every year. In about two weeks it is going to go up another 7/10 of a cent. This is the reason that we have a surplus and are able to pay this bill. That may not happen in future bienniums. This may be a potential structural gap for us. We are willing to accept it. We don't like it, but we want to limit its scope to this biennium and I hope that you agree with me. Thank you.

Representative BRANNIGAN of Portland moved that **House Amendment "D" (H-703)** be **INDEFINITELY POSTPONED**.

The same Representative **REQUESTED** a roll call on the motion to **INDEFINITELY POSTPONE House Amendment "D" (H-703)**.

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 Portland, Representative Brannigan.

Representative **BRANNIGAN**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. This transfer to the ferry service from the Highway Fund for the islands was not done in a frivolous manner. It was not done without a great deal of thought and discussion with the people in the Department of Transportation and the people on the Transportation Committee.

To just do it for a year is not in keeping with the decisions that were made around this transfer. The people on the Transportation Committee are very strong about having control of those issues that are their issues and part of this budget transfers part of General Fund oversight to the Highway Fund. This is a package that gives them the control and the oversight that they want and that we agree is good to have. So, they want, I believe, this to be permanent and not that we continue giving and taking. Thank you.

The **SPEAKER**: A roll call has been ordered. The pending question before the House is Indefinite Postponement of House Amendment "D" (H-703). All those in favor will vote yes, those opposed will vote no.

**ROLL CALL NO. 327**

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

**NAY** - Annis, Austin, Berube, Bierman, Bishop, Bowen, Bowles, Browne W, Bryant-Deschenes, Campbell, Carr, Cebra, Churchill, Clough, Collins, Cressey, Crosthwaite, Daigle, Davis G, Davis K, Duprey, Edgecomb, Emery, Fitts, Fletcher, Flood, Glynn, Hall, Hamper, Hanley B, Hotham, Jacobsen, Jodrey, Joy,

Kaelin, Lansley, Lewin, Lindell, Marean, McCormick, McFadden, McKane, McKenney, McLeod, Millett, Moore G, Moulton, Muse, Nass, Nutting, Ott, Pinkham, Plummer, Rector, Richardson D, Richardson E, Richardson M, Richardson W, Robinson, Rosen, Seavey, Sherman, Shields, Stedman, Sykes, Tardy, Thomas, Trahan, Vaughan.

**ABSENT** - Brown R, Canavan, Curley, Curtis, Greeley, Marraché, Norton.

Yes, 75; No, 69; Absent, 7; Excused, 0.

75 having voted in the affirmative and 69 voted in the negative, with 7 being absent, and accordingly **House Amendment "D" (H-703)** was **INDEFINITELY POSTPONED**.

Representative **BIERMAN** of Sorrento **PRESENTED House Amendment "G" (H-706)**, which was **READ** by the Clerk.

The **SPEAKER**: The Chair recognizes the Representative from Sorrento, Representative Bierman.

Representative **BIERMAN**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. This amendment merely restores the funding that was taken from the BETR program and that is accomplished by using \$7 million of the \$19 million that comes from the revenue sharing push. BETR's tenth birthday is this year. Currently there are 1,800 businesses taking part in BETR. There are 300 receiving \$10,000 or more and not all of these are what we would call big business.

The BETR program is one of the few programs that deals with businesses in this state that actually works. In my district there is a company that has been around for a long time, Stinson's Canning Company in Prospect Harbor and they recently invested \$12 million into their factory, updating equipment that has made them competitive in today's seafood market.

At an open house recently, actually earlier in the session, the president and CEO took me aside and the governor was there as were many other dignitaries and he informed me that had it not been for BETR they would have located somewhere else that was not in Maine. If we damage BETR by reducing its funding we are going back on our obligation and our promise to small and large businesses in this state, businesses that are reliant on BETR to reinvest and to keep their companies competitive in today's economy.

Mr. Speaker and Ladies and Gentlemen of the House I would just like to close by reading a few testimonials. On the DECD page it states the "Business Equipment Tax Reimbursement (BETR). One of Maine's most successful economic development programs is the Business Equipment Tax Reimbursement. Adopted in 1995 the BETR program encourages business to invest in Maine."

The **SPEAKER**: The Chair recognizes the Representative from Portland, Representative Dudley.

Representative **DUDLEY**: Mr. Speaker, point of order.

The **SPEAKER**: The Representative may proceed.

Representative **DUDLEY**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. There are a number of us in this section of the House who do not have a copy of House Amendment "G".

The **SPEAKER**: The Representative may proceed.

Representative **BIERMAN**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. My Feng Shui is still in tact. As I was saying, Seligman Data Corporation stated in 2002 that they had announced they were moving from New York and relocating to South Portland and that they would be employing over 100 positions and they stated that their deciding factor was the fact that we had BETR. Another statement by the Executive Vice President from Maine & Company, a Mr. Wischerath, states that "Although there are a host of good ideas that should be entertained to improve Maine's business climate

the single largest one would be to stabilize the programs that we already have in statute, that being BETR." Mr. Speaker, Ladies and Gentlemen of the House, thank you for your time and your consideration.

Representative BRANNIGAN of Portland moved that House Amendment "G" (H-706) be INDEFINITELY POSTPONED.

Representative BIERMAN of Sorrento REQUESTED a roll call on the motion to INDEFINITELY POSTPONE House Amendment "G" (H-706).

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 Portland, Representative Brannigan.

Representative BRANNIGAN: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. Sorry that the people didn't have this and that the gentleman had to be interrupted. When we began this exercise of cutting we made a decision that everyone, except for the General Purpose Aid and the Debt Service, would receive some cuts, some pain and some sharing of what we were up against and what we were doing. These items that the Representative from Sorrento, Representative Bierman would like to reverse would take us away from that resolution. We didn't want to cut municipalities and we didn't want to cut business, but let me tell you that the cuts to BETR were at one time 75% for two years, 80% or two years, 80% for one year and now only 90% for one year, one time that is just to fulfill the promise that everyone would share. So, I ask you to indefinitely postpone this amendment so that we can maintain this balance.

The SPEAKER: The Chair recognizes the Representative from South Portland, Representative Glynn.

Representative GLYNN: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I rise in opposition to this pending motion because the BETR program is a tool that we need to maintain in our toolbox. As some of the members are aware, prior to my service here in the legislature I served three terms locally on the South Portland City Council and during my tenure we got to deal with the proposals that dealt with National Semiconductor and Fairchild Semiconductor locally. I can tell you that during those discussions they were tenuous to say the least. We were in competition between international communities. We were competing with Scottsdale, Scotland. We were competing with Arlington, Texas and of course the plant in South Portland as to whether or not to locate all of those jobs in my community, which is one of the largest employment opportunities for high paid, wonderful jobs in the greater Portland area.

We were able to piece together both a tax increment finance plan, a local TIFF, as well as partnering with the BETR program to entice National Semiconductor and Fairchild to expand and to create jobs in South Portland. Without that I can tell you unequivocally that we would not have those jobs today and we would not have the expanded growth. In fact, there has been additional talk of future expansions that is going to be taking place in our district and in our area of the state and we should support the BETR program and we should support keeping this money there.

I know that the success story of South Portland with National Semiconductor and Fairchild isn't a unique one and that there are other success stories around the state, but if we close the door and the chapter to this, especially in light of the base closures that are eminent, we could be closing the door to a lot of employment opportunities. Please do not support this indefinite postponement measure and support restoring these funds.

The SPEAKER: The Chair recognizes the Representative from Frankfort, Representative Lindell.

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

The SPEAKER: The Representative may pose his question.

Representative LINDELL: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. The question that I would ask is that it is my understanding that the Business Equipment Tax Reimbursement program in this budget is not counted as an expenditure and that it is instead a deduction from revenues and is considered a tax break and this is how the budget is purportedly only up 2.9% rather than the 7% that it would be up if it were indeed an expenditure. My question is, if this is really just a reduction in revenue isn't the reduction in the Business Equipment Tax Reimbursement Program really a tax increase?

The SPEAKER: The Representative from Frankfort, Representative Lindell has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Ripley, Representative Thomas.

Representative THOMAS: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. The Business Equipment Tax Reimbursement is a promise that we make to businesses that are willing to make the investment to employ more people and if we renege on this promise then lots and lots of businesses are going to say that you can't trust the State of Maine and that they will tell you one thing and do something else. Why would we want to make the kind of investments that are necessary to employ people if we are only going to get taxed and taxed and taxed some more? Thank you.

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

Representative DAIGLE: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. I just want to speak briefly to the fact that I will be supporting the present motion to indefinitely postpone this for a rather unusual reason. I believe everything that has been said about the importance of the Business Equipment Tax Rebate Program and our commitments and so forth, but the reality is that the business community is, I feel, letting us down in that so few of them encourage their employees to serve in the Legislature and to come to Augusta and to participate in government and this is a natural consequence when they believe that they can work in isolation from the political world here at the state capitol. So what happens? Well people don't understand how business works and we cut your programs out and the ability to change that rests within the business community as soon as they want to wake up and become friendlier to employees who serve in the Legislature. They deserve to lose this payment. Thank you.

The SPEAKER: The Chair recognizes the Representative from Millinocket, Representative Clark.

Representative CLARK: I am kind of glad that the good Representative made those kind of remarks and I think that he stole my cheat sheet when he made that statement. I totally agree with the statement that he made on employers, but I also see the good that BETR does for people and businesses in the State of Maine. I can tell you first hand that if it wasn't for BETR for the companies that I work for the doors might not be open today and I can't take the chance of having those doors close tomorrow. I will be voting for this amendment.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Dudley.

Representative DUDLEY: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. As a result of the budgets that we pass we make promises to a lot of people and



not just to the business community. We make promises to our state employees, we make promises to people to people with disabilities or to the elderly who rely on the low cost of drugs for the elderly programs and we make promises to the community of folks that take care of the Fund for a Healthy Maine and the important services that are offered through the Fund for a Healthy Maine. We make promises to the Maine people about a safe correctional system, about an adequate judicial system and we make promises to farmers. We have made promises all over the place. The hard reality about this budget is that we have got to cut. We have got to balance and everybody needs to share in the pain. That is what this exercise is about. Nobody gets favored. That is why I will be supporting the motion to indefinitely postpone.

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. During the past session in the Taxation Committee we had several bills that dealt with the changes to the Business Equipment Tax Rebate and we have heard testimony from dozens of companies who have participated, indicating to us that they would not have stayed in Maine or come to Maine had it not been for this program. I think that it is unwise to let ourselves believe that this program is not effective and that it doesn't deserve the funding that it gets. TamBrands is probably one of the fine examples of new jobs that have come to this state and they are a company that had an opportunity to locate somewhere else and this induced them to come here and they have grown and continue to grow since they have been here and I ask you to vote against the Indefinite Postponement and support this amendment.

The SPEAKER: The Chair recognizes the Representative from Topsham, Representative Crosby.

Representative CROSBY: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. Well, I wasn't going to speak on this, but my good friend from across the aisle mentioned that the BETR program would be safer if more companies allowed their employees to come here and I am testament to someone who is here from a large company, who had the BETR program eliminated under the Part I budget, which I voted for and that is why I am going to vote against this motion to indefinitely postpone because I would like to save some other businesses in Maine.

The SPEAKER: The Chair recognizes the Representative from Bar Harbor, Representative Koffman.

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

The SPEAKER: The Representative may pose his question.

Representative KOFFMAN: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I should know this. I haven't done my homework adequately as a legislator, but to anyone that may be able to answer with a qualified answer could you let me know how the BETR program has grown in terms of its cost to state government and is it holding the same, is it growing and by what percent might it be growing as an expense? Thank you Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Rockport, Representative Bowen.

Representative BOWEN: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. In answer to the Representative's question I don't have the statistics in front of me, but the cost of BETR has climbed rapidly in the last few years and is beginning to flatten out at this point and the reason is because the way that the program is structured. As new properties come on line, that is new equipment that businesses

buy that creates jobs, those become sheltered under the program. How it works is that they stay in the program for ten years. With these first few years we have been banking away all of this business equipment that is producing jobs all over the state. In a couple more years properties that started on the list are going to start coming off. So, we have been ramping up the program and now it is going to level off because as new properties come on, older properties are going to come off of the other end. That is how the program works. When you see that high growth, that means that people are investing and putting money into the state and creating jobs. That is what this program is supposed to do. On Appropriations we on the Republican side looked at BETR and we thought that we shared the same idea that everyone needs to feel a little bit of the pinch. The fact is, businesses are the only way that we can get out of this mess. We are cutting our own throats by going after these businesses. I do not share the opinion that we just heard that they somehow deserve this cut.

The cost of doing business is climbing and climbing in this state. I had distributed a few minutes ago an orangish colored sheet that shows the cost of doing business in the State of Maine from the Maine Development Foundation. This is our own people showing that we set a goal back in 1998 to begin to lower our cost of doing business and it has climbed dramatically in the other direction and we are killing ourselves with what we are doing to businesses in this state and cannot keep it up if any of us want jobs for ourselves or our children down the road.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Dudley.

Representative DUDLEY: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. To answer the question of the Representative from Bar Harbor, I do have the data in front of me. Since the program's inception the BETR program has grown by 1,495%. That is a lot and maybe that number isn't entirely fair. The first year was less than \$5 million and in the coming biennium it will be a little more than \$70 million a year. I prefer to look at it since I have been here and it is still an unduly large number. Since I have been here, and my first term here was in 1999 until now it has grown by 515. It has grown by half and over the next biennium it is slated to grow a total of 65%. Over my experience in the Legislature it will have been 65% growth in the program. That is considerable growth.

To emphasize my point earlier about asking businesses to share in the cuts that we are asking everybody who received services from state government to make, this is a small cut. It is a 10% cut in one year. It sunsets. It is one year, a 10% cut and it is fair and it is balanced. They should pay a fair portion just as everybody else who depends on state government is paying their portion.

The SPEAKER: The Chair recognizes the Representative from Augusta, Representative Lerman.

Representative LERMAN: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. Just a couple of quick points. First of all, as far as the BETR program is concerned, one of the things that you need to realize is that we spend \$80 million a year on this program at this point and it generates somewhere around \$2,300 a year. It is not a very good investment. It really needs to be reexamined so just bear that in mind. There are certainly some types of development that benefit from this program and I would be a strong supporter of that, but we are spending a lot of money right now on a program that is not fine-tuned and there is really not a good return on investment to Maine taxpayers.

Second, this is a minor cut. As you have heard from other people we, on a bipartisan basis engaged in a very serious



examination of how we could make up \$250 million worth of cuts. We got to \$110 million to \$115 million a piece and we said that one of the ground rules was that it was going to be even and that every program would be on the table and that we would make the cuts across the board and we fulfilled that mission. We parted the waves at some point because we couldn't go any further on this side of the aisle, but in good faith we negotiated on some fundamental principles including the fact that everybody would be subject to the examination of where we could make some cuts.

I also just want to make sure that everybody else is aware that there are other implications from this particular amendment that go beyond the BETR program. There are changes in the funding of the Municipal Efficiency Fund and there are changes in the Revenue Sharing Fund and I think that what this really does, in essence, is that it undoes the Part III Budget, so I ask you to join me in voting to indefinitely postpone this amendment and just caution you that if for some reason our effort fails that this really does undo the Part III Budget. Thank you very much Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Dudley. Having spoken twice now requests unanimous consent to address the House a third time. Is there objection? Chair hears no objection, the Representative may proceed.

Representative DUDLEY: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. I want to make a correction to an error that I reported to the Representative from Bar Harbor. I said that it was 51% and 65%. I was mistaken the number is 202% from the time I arrived here to now and over the next biennium it will be a total of 183%.

The SPEAKER: The Chair recognizes the Representative from Cumberland, Representative McKenney.

Representative MCKENNEY: Mr. Speaker, point of order.

The SPEAKER: The Representative may proceed.

Representative MCKENNEY: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I believe that the member should be addressing his remarks to the chair.

On POINT OF ORDER, Representative MCKENNEY of Cumberland asked the Chair if the remarks of Representative DUDLEY of Portland should be made through the Chair.

The SPEAKER: The Chair reminds the Representative that his remarks should be made through the Chair. The Representative may proceed.

The Chair reminded Representative DUDLEY of Portland to address his remarks through the Chair.

Representative DUDLEY: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. Through the Chair to the Representative from Bar Harbor I will restate my point. I was mistaken when I said that it was only 50% growth. It is over 200% growth. It has grown much larger than what I said in my first statement, considerably larger and what we are asking for is a small portion of it as a sacrifice to join in the larger sacrifice that all are making.

The SPEAKER: The Chair recognizes the Representative from Sanford, Representative Bowles.

Representative BOWLES: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I wish, very quickly, to remind all of us sitting here that when the Representative from Portland, Representative Dudley refers to "they", as though businesses were somehow detached from Maine citizens there is not a "they" it is a "we" and the good Representative from Millinocket knows very clearly that there is a "we" because when we do things that harm our business environment and cripple programs that aid businesses we are not hurting the business we are hurting the citizens of South Portland

who work at National Semiconductor and we are hurting the citizens of Millinocket and the citizens of Madison and Rumford and Jay and all the other communities around the state that benefit from this program, so please remember that it is not they, it is your neighbors and in some cases it is your seatmates.

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. I would like to remind you that many companies have benefited in many municipalities throughout the state through investments of hundreds of millions of dollars through this program. We have benefited the municipality, the people who live there and the employees, but further than that the vendors and suppliers throughout the state that get the ancillary business from these larger businesses that benefited and if they were not here there would be many more businesses that were closed down than just that one business that may be benefiting from BETR so I would still appreciate your vote in opposition to the pending motion.

The SPEAKER: The Chair recognizes the Representative from Gray, Representative Austin.

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

The SPEAKER: The Representative may pose his question.

Representative AUSTIN: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. At three o'clock this afternoon there is a ribbon cutting ceremony at First Park in Oakland/Waterville. If I recall from news coverage and from our very own legislative tour in February it was considered quite a coup to have T-mobile become an anchor at that park. I would like to pose a question to the representatives of this park and ask them if in the negotiations to bring T-mobile to this area if BETR was a factor in getting T-mobile to come to the State of Maine? Thank you Mr. Speaker.

The SPEAKER: A roll call has been ordered. The pending question before the House is Indefinite Postponement of House Amendment "G" (H-706). All those in favor will vote yes, those opposed will vote no.

#### ROLL CALL NO. 328

YEA - Adams, Ash, Babbidge, Barstow, Beaudette, Blanchard, Blanchette, Bliss, Brannigan, Brautigam, Bryant, Burns, Cain, Canavan, Craven, Cummings, Driscoll, Duchesne, Dudley, Dugay, Dunn, Duplessie, Eberle, Eder, Faircloth, Farrington, Finch, Fischer, Fisher, Gerzofsky, Goldman, Grose, Hanley S, Harlow, Hogan, Hutton, Jackson, Jennings, Koffman, Lerman, Lundeen, Makas, Marley, Marraché, Mazurek, Merrill, Miller, Mills, Norton, O'Brien, Paradis, Patrick, Pelletier-Simpson, Percy, Perry, Pilon, Pineau, Pingree, Piotti, Rines, Sampson, Schatz, Smith N, Smith W, Thompson, Tuttle, Twomey, Valentino, Walcott, Watson, Webster, Wheeler, Woodbury, Mr. Speaker.

NAY - Annis, Austin, Berube, Bierman, Bishop, Bowen, Bowles, Browne W, Bryant-Deschenes, Campbell, Carr, Cebra, Churchill, Clark, Clough, Collins, Cressey, Crosby, Crosthwaite, Daigle, Davis G, Davis K, Duprey, Edgcomb, Emery, Fitts, Fletcher, Flood, Glynn, Hall, Hamper, Hanley B, Hotham, Jacobsen, Jodrey, Joy, Kaelin, Lansley, Lewin, Lindell, Marean, McCormick, McFadden, McKane, McKenney, McLeod, Millett, Moody, Moore G, Moulton, Muse, Nass, Nutting, Ott, Pinkham, Plummer, Rector, Richardson D, Richardson E, Richardson M, Richardson W, Robinson, Rosen, Saviello, Seavey, Sherman, Shields, Stedman, Sykes, Tardy, Thomas, Trahan, Vaughan.

ABSENT - Brown R, Curley, Curtis, Greeley.

Yes, 74; No, 73; Absent, 4; Excused, 0.

74 having voted in the affirmative and 73 voted in the negative, with 4 being absent, and accordingly **House Amendment "G" (H-706)** was **INDEFINITELY POSTPONED**.

Representative **RECTOR** of Thomaston **PRESENTED House Amendment "B" (H-701)**, which was **READ** by the Clerk.

The **SPEAKER**: The Chair recognizes the Representative from Thomaston, Representative Rector.

Representative **RECTOR**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. This is a very simple amendment. It removes one small change that was added at the last minute for the Majority Budget. Part HHH designates \$210,000 annually for the fractionation center in the River Valley Technology Center with the money to come from the Maine Technology Institute Funds in the Department of Economic and Community Development. It is not a cut or an addition. It is merely a shuffle. Now this may seem like a modest sum in the context of our huge budget and it may seem like a fairly benign act, but it has enormous implications. Maine Technology Institute is one of the programs in which we can be most proud as legislators concerned about the economic development of our state. It has awarded funds that have increased jobs in Maine by the hundreds over the past few years. It has leveraged over \$26 in external financing for every dollar that we have invested. Seventy three percent of the recipients have fewer than 10 employees. These are our small businesses with great prospects for future success. Through MTI we provide the nudge and the nurturing support that makes the difference between success and failure for these micro businesses. MTI grants have helped Maine companies secure more than \$95 million in debt and equity. That is \$53 millions in equity and \$42 million in debt. We demonstrate our support and that provides the credibility and the assurance that others require because our granting system is rigorous, is complete and is recognized for its excellence. Award winners are located in all 16 counties and we have all shared in the benefits of this program and will continue to benefit in the future. While the largest number of awards were in Cumberland County, the largest number of awards per capita were in Lincoln and in Washington counties. State dollars have been carefully invested, leveraging huge private dollars and creating jobs and they have been doing it throughout the State of Maine.

Let me tell you a little bit about Riverview Technology Center and how many dollars that they have received over the past few years. In fiscal year '01 they received \$750,000 from DECD as an establishment grant. In fiscal year '02 they received \$50,000 from DECD through a management grant. In June of '02 they received a \$10,000 seed grant from MTI for building insulation materials. In November of '02 a \$10,000 seed grant for a forest biomass gasifier. In '03 they received \$500,000 targeted for the centers renovation. They received \$50,000 for management. In '03 they received a \$10,000 seed grant from MTI and on and on. Most recently they received \$98,000 in June of this year. Just this month they received a \$98,000 development award from MTI and \$84,000 from the Department of Energy Forest Bioproducts Matching Fund and a \$107,000 development award from MTI and \$106,000 from the Department of Energy Forest Biomass Matching Funds, which is a total of over \$2 million. These are merely a listing of grants granted to the very center who we are now carving out with special granting through the Legislature. I would suggest that the Riverview Technology Center has already been well recognized by both the competitive grant system and the non-competitive funding system through the State of Maine and they don't need our special intervention as provided in part HH of the budget.

The success of MTI comes from the independence of the award process. Through the new Office of Innovation, MTI

awards grants that have been carefully reviewed by a board of experts to assure that our dollars are as wisely spent as possible. In fact, on the BRED Committee, where I serve, we insist on a report on the success of leveraged dollars and jobs that are created every year. We should. It is our job to be effective stewards of taxpayer dollars. This amendment will remove a grant that is legislatively awarded by insisting that \$210,000 annually, \$420,000 in this budget, be taken from the MTI budget, a budget that has already suffered a significant share of cuts, as have all state programs. The fractionation program the Riverview Technology Center is welcome to apply for a competitive grant and they receive dollars based on its merits. It is not welcomed to have legislative intervention override our very own process and have the granting authority of the MTI board removed. Do we really think that we should be the judges of where the most effective technology grants would be provided? Do we really believe that we are best equipped to chart the innovation course for the State of Maine into the future? I would guess that many of you have never even heard of the most innovative businesses in your district until MTI identified them and made critical awards to assure their success.

If we fail to adopt this amendment we completely change the method of awarding funds from a competitive system to one where legislators bring their favorite projects forward regardless of their long term prospect of success and try to strong arm their colleagues into supporting it. This is wrong headed and will move us from a road to success onto a road of failure in our innovation initiatives. It politicizes a process whose very success depends on the lack of politics for that success. Please do not take this step backward. Please support this amendment and allow our most innovative businesses to grow, develop and make our economy a long-term success. Please maintain the integrity of the Maine Technology Institute. Thank you Mr. Speaker.

Representative **BRANNIGAN** of Portland moved that **House Amendment "B" (H-701)** be **INDEFINITELY POSTPONED**.

The same Representative **REQUESTED** a roll call on the motion to **INDEFINITELY POSTPONE House Amendment "B" (H-701)**.

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 Monmouth, Representative Smith.

Representative **SMITH**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I share the frustration that has been described by the good Representative from Thomaston. However, I will be voting for this indefinite postponement. I am confident that we will find a way to restore funds to the Maine Technology Institute. It is as wonderful as he describes, but it can't happen as part of the bill that is before us. We need to respect the process of the Appropriations Committee. Thank you.

The **SPEAKER**: The Chair recognizes the Representative from Dixfield, Representative Hotham.

Representative **HOTHAM**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. I rise on this occasion in support of the indefinite postponement of this amendment and I must tell you that I am very proud to hail from an area that has been at the leading edge of the development of fractionization, as an opportunity not only for the river valley, but also for all of those mill communities out there who have biomass left sitting in the woods and in their yards wondering what to do with it. This is an opportunity for more than just the river valley. The Technology Center and the effort put forth to develop a Fractionation Development Center at the River Valley Technology Center has literally led the way in this effort, but we are at a critical juncture.

Having enjoyed many competitive awards from MTI, I would interpret that to mean that this is a viable project, but the critical juncture is one of being able to maintain the people necessary and the administration necessary to promote the idea and shepherd that idea through the minds of people that have the investment dollars to bring to the State of Maine and that can help to bolster the forest products industry. I ask for your support in the Indefinite Postponement. Thank you Mr. Speaker.

The SPEAKER: A roll call has been ordered. The pending question before the House is Indefinite Postponement of House Amendment "B" (H-701). All those in favor will vote yes, those opposed will vote no.

**ROLL CALL NO. 329**

YEA - Adams, Ash, Babbidge, Barstow, Blanchard, Blanchette, Bliss, Brannigan, Brautigam, Bryant, Burns, Cain, Canavan, Clark, Craven, Cummings, Driscoll, Duchesne, Dudley, Dugay, Dunn, Duplessie, Eberle, Eder, Faircloth, Farrington, Finch, Fischer, Gerzofsky, Goldman, Grose, Hamper, Hanley B, Hanley S, Harlow, Hogan, Hotham, Hutton, Jackson, Jennings, Jodrey, Koffman, Lerman, Lundeen, Makas, Marley, Marraché, Mazurek, McFadden, Miller, Millett, Mills, Moody, Moore G, Norton, O'Brien, Paradis, Patrick, Pelletier-Simpson, Percy, Perry, Pilon, Pineau, Pingree, Piotti, Richardson M, Rines, Sampson, Saviello, Schatz, Smith N, Smith W, Tardy, Thompson, Tuttle, Twomey, Valentino, Walcott, Watson, Webster, Wheeler, Woodbury, Mr. Speaker.

NAY - Annis, Austin, Beaudette, Bierman, Bishop, Bowen, Bowles, Bryant-Deschenes, Campbell, Carr, Cebra, Churchill, Clough, Collins, Cressey, Crosby, Crosthwaite, Daigle, Davis G, Davis K, Duprey, Edgecomb, Emery, Fitts, Fletcher, Flood, Glynn, Hall, Jacobsen, Joy, Kaelin, Lansley, Lewin, Lindell, Marean, McCormick, McKane, McKenney, McLeod, Merrill, Moulton, Muse, Nass, Nutting, Ott, Pinkham, Plummer, Rector, Richardson D, Richardson E, Richardson W, Robinson, Rosen, Seavey, Sherman, Shields, Stedman, Sykes, Thomas, Trahan, Vaughan.

ABSENT - Berube, Brown R, Browne W, Curley, Curtis, Fisher, Greeley.

Yes, 83; No, 61; Absent, 7; Excused, 0.

83 having voted in the affirmative and 61 voted in the negative, with 7 being absent, and accordingly **House Amendment "B" (H-701) was INDEFINITELY POSTPONED.**

Representative BISHOP of Boothbay **PRESENTED House Amendment "C" (H-702)**, which was **READ** by the Clerk.

The SPEAKER: The Chair recognizes the Representative from Boothbay, Representative Bishop.

Representative BISHOP: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. This amendment is to rectify what was, hopefully, an unintentional slap in the face. At the state level we tend to treat our sixteen county governments like small brothers. They are noisy but most times inoffensive and we are really not sure what to do with them. Now and then we throw a little bit of change at them and a word of praise. They know and we know that whatever we tell them is what we must do. The state always holds the best cards and most of the chips and this is especially true when it comes to the county jails, the same county jails that constitute the biggest part of each of their county budgets. If we have state prisoners waiting for trial, we house them in a county jail. If the state prisoners are serving less than 90 days, they serve their time in county jails. Instead of the state paying for guards, administration and additional prisons we merely amend our statutes and with the simple power of pen to paper we force our counties to take our prisoners, but that isn't even the best part. We also make them pay most of the bill.

How do we make them do it? We compensate them based

on an out of date, unfair formula that ends up transferring most of the burden of the cost of state prisoners to the county and hence to the county taxpayers. This is how we reward our little brothers, the counties for cleaning up the mess that we have created. But the beat goes on. Not only do we reward them with most of the bill for keeping the prisoners, but now we have also legislated a limit to their budgets. We have created caps for their expenses. So, even though the counties will never know in advance how many of our prisoners they will have to house and even though they have no way of knowing ahead of time what the medical expenses will be for those state prisoners and even though they have no way of estimating the totally unpredictable we are now, by law, forcing them to do exactly that and while doing it we are also telling them that they must stay within the limits we have established for them.

Now, with this budget we are adding to that burden additional fees. Simply, state government and you and I are not owing up to our responsibility. Instead we are pushing it off onto the counties, making them tow the line and now we are even assessing additional costs.

The amount of money that we are talking about in this amendment is not large by state standards, but the importance of this amendment is more significant if we look at its passage as a bit of needed aid for our counties rather than an additional burden. The amount of money that we are talking about is \$100,000. That is right, it is only \$100,000 and what it represents is a refund of the charges made to the counties for high-risk state prisoners being held by the county. To give this money back to the counties is like giving them a nod of thanks and a bit of a reward for the dirty job that our counties do for us and maybe, just maybe it might even be a little bit of help to keep them within their state established budget caps. One hundred thousand is not much to pay for the belated recognition and a bit of budget help that our sixteen little brothers have rightfully earned. Thank you Mr. Speaker.

The same Representative **REQUESTED** a roll call on the motion to **ADOPT House Amendment "C" (H-702)**.

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

Representative BRANNIGAN of Portland moved that **House Amendment "C" (H-702) be INDEFINITELY POSTPONED.**

The same Representative **REQUESTED** a roll call on the motion to **INDEFINITELY POSTPONE House Amendment "C" (H-702)**.

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 Farmington, Representative Mills.

Representative MILLS: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. I share the previous speakers' concerns about the relationship between the county jails and the state prison system and it is my fervent hope that in the next few years, due to a commission that is to be done between the state and the counties and other officials that we will see a new partnership developing and stop quibbling about whose prisoner is who's. In this particular instance we are talking about a very small number of prisoners and not from one in particular county or from one particular jail or are of the state. There are a small number of prisoners who, while waiting for trial or sentencing, become too unruly to be held safely at the county level. There has been a law on the books for some time permitting the state correctional department to charge for boarding such prisoners once a judge orders a prisoner to be boarded at the state level for safe keeping rather than at the jail or county level. This is not a large number of people and it may

well not even happen that a \$100,000 will be passed on, but the state has been permitted to charge this amount all along and what they propose to charge is much less than what the jails charge each other when they board each others prisoners. It is my hope that you will vote with me in moving to indefinitely postpone this particular amendment.

The SPEAKER: The Chair recognizes the Representative from York, Representative Moulton.

Representative **MOULTON**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. Like the Representative from Boothbay, Representative Bishop I also sit on State and Local Government. I guess that the easy thing to say Mr. Speaker is that what is good for the goose is good for the gander. If the state wants to charge the counties to board their prisoner then the state can pay its fair share. If the state is unwilling to do that, which it hasn't been for quite a number of years than we should vote against this motion to indefinitely postpone and vote in favor of Representative Bishop's motion. Thank you Mr. Speaker.

The SPEAKER: A roll call has been ordered. The pending question before the House is Indefinite postponement of House Amendment "C" (H-702). All those in favor will vote yes, those opposed will vote no.

#### ROLL CALL NO. 330

YEA - Adams, Ash, Babbidge, Barstow, Beaudette, Blanchard, Blanchette, Bliss, Brannigan, Brautigam, Bryant, Burns, Cain, Canavan, Clark, Craven, Cummings, Driscoll, Duchesne, Dudley, Dugay, Dunn, Duplessie, Eberle, Eder, Faircloth, Farrington, Finch, Fischer, Fisher, Gerzofsky, Goldman, Grose, Hanley S, Harlow, Hogan, Hutton, Jackson, Jennings, Koffman, Lerman, Lundeen, Makas, Marley, Marraché, Mazurek, Miller, Mills, Moody, Norton, O'Brien, Patrick, Pelletier-Simpson, Percy, Perry, Pilon, Pineau, Pingree, Piotti, Rines, Sampson, Smith N, Smith W, Thompson, Tuttle, Twomey, 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, Cressey, Crosby, Crosthwaite, Daigle, Davis G, Davis K, Duprey, Edgecomb, Emery, Fitts, Fletcher, Flood, Glynn, Hall, Hamper, Hanley B, Hotham, Jacobsen, Jodrey, Joy, Lansley, Lindell, Marean, McCormick, McFadden, McKane, McKenney, McLeod, Millett, Moore G, Moulton, Muse, Nass, Nutting, Ott, Paradis, Pinkham, Plummer, Rector, Richardson D, Richardson E, Richardson M, Richardson W, Robinson, Rosen, Schatz, Seavey, Sherman, Shields, Stedman, Sykes, Tardy, Thomas, Trahan, Vaughan.

ABSENT - Berube, Brown R, Curley, Curtis, Greeley, Kaelin, Lewin, Merrill, Saviello.

Yes, 73; No, 69; Absent, 9; Excused, 0.

73 having voted in the affirmative and 69 voted in the negative, with 9 being absent, and accordingly **House Amendment "C" (H-702) was INDEFINITELY POSTPONED.**

Representative **BOWLES** of Sanford **PRESENTED House Amendment "E" (H-704)**, which was **READ** by the Clerk.

The SPEAKER: The Chair recognizes the Representative from Sanford, Representative Bowles.

Representative **BOWLES**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. The amendment that I am presenting is identical in content to LD 1311, which was a bill sponsored by every member of legislative leadership. I was pleased to be a co-sponsor of the original legislation, which was designed to bring awareness and transparency to attempts by either political party to divert or

otherwise use for some other purpose funds that were specifically earmarked for the Fund for a Healthy Maine. The dollars invested in the Fund for A Healthy Maine, comes from the 1998 Tobacco Settlement Lawsuit, which has resulted in Maine receiving \$40 million to \$50 million a year since the awarding of that judgment. These dollars have been used for a variety of programs, which have addressed healthcare related issues particularly involving the prevention of chronic disease. Because these investments eventually result in substantial savings to Maine taxpayers and to state government and reduced MaineCare costs, we should be very hesitant to divert their use to other programs.

Let me state clearly that both parties have, unfortunately, been guilty of proposing use of these dollars for other purposes and we have, in fact, in the past, utilized proceeds from this fund in past budget cycles. I wish to emphasize that this amendment will not restrict our ability to use the funds differently if need be. After an affirmative vote we will retain the ability to divert resources elsewhere if we feel that it is in the best interest of Maine people to do so. This amendment simply causes us to recognize our actions and in so doing will hopefully give us pause to closely examine whether or not our decision is, indeed, a wise one. The Fund for a Healthy Maine is important for our future and I urge you to support this amendment and, Mr. Speaker, I will not be requesting a roll call in the hopes that this motion will be adopted unanimously. Thank you.

Representative **BRANNIGAN** of Portland moved that **House Amendment "E" (H-704) be INDEFINITELY POSTPONED.**

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Brannigan.

Representative **BRANNIGAN**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. It is correct that this is a mirror of a bill that is in the Appropriations Committee. It is a bill that we have decided to carry over to the second regular session. It is a bill that is not being hurried. If it were in need of being hurried like this amendment, given the sponsorship, we were just reminded that all leaders are the sponsors of the bill and if they had felt that we had to hurry than you can bet that it would be out here and be carried over. The reason that there is pause in discussing and dealing with this bill is that it requires that if certain things are being done with the Fund for a Healthy Maine in the budget then they must be plucked out, put in a separate bill and run out here for special consideration. Now that is good for those who would propose that the Fund for a Healthy Maine never stray from the purposes for which everyone wants it to perform. But, my belief at this point is that we will be discussing it next time and next time it will come out for a vote. My concern and the concern of others in my committee and the concern of some of the sponsors is that this is the beginning of something that I don't think we want happening, that special funds begin to be run out of the budget for special votes and I am sure I will probably lose all of the votes of the Transportation Committee, but am sure that they are next in line and that they will want their funds taken out of the budget and run in a special bill. Then IF & W will do the same. Yes Terry, I know you feel that way. Then there are a lot of special groups that have special funds. The funding of the budget will not prevail in the future if this begins. This will be taken care of. How would you like it if you had bills in your committee right now and someone tries to amend your bill to get around the work that you are doing. I hope that you will support the indefinite postponement and that we will discuss this issue next winter. Thank you Mr. Speaker.

The same Representative **REQUESTED** a roll call on the motion to **INDEFINITELY POSTPONE House Amendment "E" (H-704).**

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 "E" (H-704). All those in favor will vote yes, those opposed will vote no.

**ROLL CALL NO. 331**

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

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

ABSENT - Brown R, Curley, Curtis, Greeley, Makas, Moore G, Pelletier-Simpson, Saviello, Walcott.

Yes, 71; No, 71; Absent, 9; Excused, 0.

71 having voted in the affirmative and 71 voted in the negative, with 9 being absent, and accordingly the motion to **INDEFINITELY POSTPONE House Amendment "E" (H-704) FAILED.**

Representative DUPLESSIE of Westbrook **REQUESTED** a roll call on the motion to **ADOPT House Amendment "E" (H-704).**

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 Waldoboro, Representative Trahan.

Representative **TRAHAN**: Mr. Speaker, Point of order.

The SPEAKER: The Representative may proceed.

Representative **TRAHAN**: Didn't we just have a roll call on adoption?

The SPEAKER: You had a roll call on Indefinite Postponement of the House Amendment. It now would be in a posture of adopting it and so we are now at Adoption and a roll call has been ordered.

The SPEAKER: The Chair recognizes the Representative from South Portland, Representative Glynn.

Representative **GLYNN**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I will be opposing this motion because a number of these cuts pushes increased fees, approximately \$36 million, which represents about 30% of the so called reductions in overall state spending and they are going to be born by the municipalities and we are balancing this budget on the backs of the municipalities.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Dudley.

Representative **DUDLEY**: Mr. Speaker, Point of Order.

The SPEAKER: The Representative may proceed.

Representative **DUDLEY**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. The Representative from South Portland appears not to be debating the motion at hand. He appears to be debating the bill and not the amendment.

On **POINT OF ORDER**, Representative **DUDLEY** of Portland asked the Chair if the remarks of Representative **GLYNN** of South Portland were germane to the pending question.

The Chair reminded Representative **GLYNN** of South Portland to stay as close as possible to the pending question

The SPEAKER: The Chair recognizes the Representative from Sanford, Representative Bowles.

Representative **BOWLES**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I wish to just remind you that this was an amendment that costs nothing and it really causes no hardship. It simply causes us to pause and reflect on what we are doing before we take funds from a highly successful program, which has benefited all of Maine's people and I know that this is a program that has had widespread support on both sides of the aisle and I hope that you will continue to support this program by adopting this amendment.

The SPEAKER: A roll call has been ordered. The pending question before the House is Adoption of House Amendment "E" (H-704). All those in favor will vote yes, those opposed will vote no.

**ROLL CALL NO. 332**

YEA - Annis, Austin, Berube, Bierman, Bishop, Bowen, Bowles, Browne W, Bryant-Deschenes, Campbell, Carr, Cebra, Churchill, Clark, Clough, Collins, Cressey, Crosthwaite, Daigle, Davis G, Davis K, Duprey, Eder, Edgecomb, Emery, Fitts, Fletcher, Flood, Glynn, Hall, Hamper, Hanley B, Hotham, Jacobsen, Jodrey, Joy, Kaelin, Lansley, Lewin, Lindell, Marean, McCormick, McFadden, McKane, McKenney, McLeod, Millett, Moulton, Muse, Nass, Nutting, Ott, Pinkham, Plummer, Rector, Richardson D, Richardson E, Richardson M, Richardson W, Robinson, Rosen, Seavey, Sherman, Shields, Stedman, Sykes, Tardy, Thomas, Trahan, Vaughan.

NAY - Adams, Ash, Babbidge, Barstow, Beaudette, Blanchard, Blanchette, Bliss, Brannigan, Brautigam, Bryant, Burns, Cain, Canavan, Craven, Crosby, Cummings, Driscoll, Duchesne, Dudley, Dugay, Dunn, Duplessie, Eberle, Faircloth, Farrington, Finch, Fischer, Fisher, Gerzofsky, Goldman, Grose, Hanley S, Harlow, Hogan, Hutton, Jackson, Jennings, Koffman, Lerman, Lundeen, Makas, Marley, Marraché, Mazurek, Merrill, Miller, Mills, Moody, Norton, O'Brien, Paradis, Patrick, Pelletier-Simpson, Percy, Perry, Pilon, Pineau, Pingree, Piotti, Rines, Sampson, Schatz, Smith N, Smith W, Thompson, Tuttle, Twomey, Valentino, Walcott, Watson, Webster, Wheeler, Woodbury, Mr. Speaker.

ABSENT - Brown R, Curley, Curtis, Greeley, Moore G, Saviello.

Yes, 70; No, 75; Absent, 6; Excused, 0.

70 having voted in the affirmative and 75 voted in the negative, with 6 being absent, and accordingly the motion to **ADOPT House Amendment "E" (H-704) FAILED.**

The SPEAKER: The Chair recognizes the Representative from South Portland, Representative Glynn.

Representative **GLYNN**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. My apologies for rising a little bit too fast on speaking to the full bill. I will be opposing the following motion because the majority or a good portion of these cuts pushes fees to \$36 million, which represents about 30% of the overall reductions in this amendment and they are going to be born by the municipalities which means higher property taxes in local districts. I want to go over very quickly

those items that directly affect municipal budgets, which will be negatively impacted and decreased if you vote for this. This amendment eliminates the local government efficiency fund for the next two years. The local government efficiency fund was created by the voters of this state in June of 2004 and would set aside \$4.8 million in revenue sharing funds over the biennium to fund a competitive grant program for municipalities. It reduces municipal revenue sharing in fiscal year 2007 by \$5 million and that is out of the fiscal year '07 revenue sharing distribution and that represents a 4% cut. It cuts \$6.3 million in tree growth and veterans exemption reimbursements under the so-called push in the budget. The state reimbursements to municipalities under these two exemptions will be delayed and instead of being provided in fiscal year '06 and '07 the payments are going to be made a month late, pushing them into the subsequent fiscal year. There is a \$460,000 reduction in the state park fees sharing program. Currently, the state share is 15% of state park revenues with municipalities that hold state parks. This proposal is going to cut that share down to 7%, quarter of a million dollar cut in state support to county jails, which we debated earlier in an amendment. Additional elements that are going to affect local property taxes is that the counties are to pay the state \$100,000 a year for certain prisoners. We have increases in education costs in this budget and it delays the phase in and increases towards 100% of special education funding. Under the terms of LD 1 the state would have phased in its assumption of 100% of the EPS of special education over a four-year period. This bill would freeze that phase in process in fiscal year '07 costing \$1.5 million to be borne by the municipal school districts and it cuts the state's school bus subsidies by \$3.2 million. It delays new school construction funding by \$5.1 million, the pull of \$5.9 million out of the school renovation fund and increases teacher and non-teacher certification fees by \$1 million a year statewide, which will be borne by the local school districts and is essentially another budget that the Legislature is considering passing based on balancing it on the backs of local tax payers. Please oppose that pending motion.

The SPEAKER: The Chair recognizes the Representative from Waldoboro, Representative Trahan.

Representative TRAHAN: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I also rise in opposition to this budget, but before I speak of why I oppose it I would like to thank the people of Maine who circulated petitions across our state to force this Legislature to fix this borrowing package that we are fixing today. I think that if we had gone down that road it would have caused significant future damage to this state. To those folks around this state I thank them for having collected the signatures that have forced us to do this today. Although I don't agree with this fix I do think that it is a good day for Maine. I would like to tell you why I think that our job is undone here today. I don't think that we have done a good enough job looking for places in state government where we can find deficiencies and recognize waste.

I would just like to list a few things that we are going to be spending money on and that I think we could have reduced. Item number one: In state and out of state travel budget. We have a \$17.5 million travel budget and I think that we could have cut a little bit out of that. I think that we could have eliminated the three positions that are now down in the Senate and have been approved. That would have been a \$300,000 savings. I think that we could have looked at the bonuses that we are paying state workers. That totaled \$14 million. We could have at least reduced some of those bonuses and we could have done a freeze on unfilled positions that were two to five years old. You can see from the handout that I have given you that there are 385

positions that are unfilled that are two to five years old and I think that we could have either froze or eliminated some of those. We could have saved \$14.3 million. We could have frozen unfilled positions that were five years old or older. That is a \$4.4 million savings. There are 123 of those. There are 508 state positions that we could have looked at least briefly freezing for one year but we didn't. Ladies and Gentlemen there is much that we could have done to look at places where we could save in state government. I just spent about an hour sitting down and asking some questions of the fiscal office and came up with almost \$50 million that we could have looked at for a reduction, but I guess that we are not going to have that opportunity.

In the real world, in my logging business, when times get tight I look at reducing my overhead. I try to find ways to save money and one of the biggest ways that business does that is that they reduce their workforce. You have another handout that I have given you that shows the history of state worker positions in state government. Looking back to the year 2000 we have more positions in state government then we did in the year 2000. That is not a workforce deduction. That is a workforce increase and I don't think that the taxpayers of the State of Maine can take that. I don't think that our work is done. I can't support this budget and I wouldn't have supported the Minority Budget because I think that we could have done better. It is a shame that the people of the State of Maine are going to have to pay for that with a tax increase. Thank you.

The SPEAKER: The Chair recognizes the Representative from Presque Isle, Representative Fischer.

Representative FISCHER: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. Six months ago I stood in this seat and said that we must honor the east and the west of our political spectrum and the north and south of our state while coming together in the center. Today, with this vote, we have that opportunity to turn our good words about eliminating the borrowing package into good deeds by voting to do it. This will be our opportunity, our only opportunity to do this. We have decided to do it very fairly, half through spending reductions and half through revenue increases. This is coming together in the center. Today, with this vote, we can change the paradigm from right versus left to right versus wrong. Our alternatives are the wrong direction for the state of Maine.

To close this budget without new revenue we would have had to eliminate access to health coverage for 40,000 Maine citizens under the Dirigo Health Program and under MaineCare. This would have increased the ranks of the uninsured in the State of Maine by one-third. Just imagine going to bed one night with health insurance and waking up the next morning without it. Forty thousand Mainers would have had that experience had we closed this budget without revenue increases. That would have been a \$300 million cost shift to Maine's healthcare providers and to our private insurance. Ladies and Gentlemen of the House that is wrong.

Today with this vote, we as a legislature can send a clear and unambiguous message to the citizens of this state. We do not support the government programs. We support the purpose and the people they serve. This Majority Report that we are being asked to vote on right now makes government more efficient and it also restructures and redesigns the way that we deliver services. So, Mr. Speaker and Men and Women of the House, let us now summon our greatest gifts of statesmanship, of cooperation and of compromise and not call forth our darkest demons of partisanship and of divisiveness. Let us vote for compromise; let us vote for a solution that finds the center – a solution that leads Maine in the right direction. Thank you Mr. Speaker.



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

Representative **SAMPSON**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. As you all know I had some quite colorful language about the revenue bonding and I just wanted to thank our leadership in Appropriations for coming together and reviewing this. It is easy for some of us who did not spend hours and hours in the Appropriations room trying to negotiate what we would cut to come to terms with this borrowing package and I want to personally thank your leadership for not putting a line in the sand and saying that we have already dealt with that, but to come back and really hear those of us who are not happy with the borrowing plan. I thank you and I am in full support of this. I know that the cuts were not easy and I believe that Maine will be better off going forward with this budget. Thank you sir.

Representative **JOY** of Crystal **REQUESTED** a roll call on **PASSAGE TO BE ENGROSSED**.

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 Sanford, Representative Bowles.

Representative **BOWLES**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. This is better. It is a step in the right direction. I commend the work of the Appropriations Committee. They didn't have an easy task before them. There was a problem. That problem was created a couple of months ago and it was not responsible to close the budget a couple months ago with a borrowing package. I think many people on both sides of the aisle recognize that and Maine people certainly recognize that and Maine people have let their feelings be known.

I was interested just a little while ago in a handout that appeared on our desks. It was distributed by the good Representative from Portland, Representative Dudley and it says, "Fiscal sanity can start with a cigarette tax hike." A couple of the excerpts from this really jumped out at me. It was talking about the Part I budget and it said, "have lead to some awful decisions in Augusta these past four months" and goes on to say that "the politics behind this are flim-flam" referring to the borrowing package and it further says, "it is bad policy and reflects poorly." I think that all of those things are true and that we recognize that those things were true and that is what has brought us to where we are today.

One of the things about where we are today that is important is that, I think, we are at a place where it points out the fundamental differences in philosophy between the political parties. We don't doubt for a second that all of you are here to do the right thing by Maine people. We are certainly here for that reason. We do have a different vision of what the right thing is. We do believe in a smaller government. Republicans do feel that the state government has grown too large and that our spending is somewhat out of control. We don't believe that government is the answer to all of our problems and we think that left to their devices, Maine people will solve many of their own problems.

We have a difference in philosophy about tax burden. We know that many people in this chamber believe that increasing taxes on Maine people is a good thing because it allows the state to collect money and then redistribute it in a way that the state feels is beneficial to those people. We would prefer on the other hand to let people keep their money and distribute it in a manner that they see fit. This budget relies heavily on increased taxes. Is that borrowing? Yea, it probably is, it probably is, but is it the right thing to do in a state that already has the highest tax burden in the nation? I think that we could have done something

different and I think that we could have done something better. We have \$126 million in cigarette taxes and some would justify that by saying cigarette smoking is not a good thing for people to be doing and I don't think that anybody would deny that. I am a former smoker. I am pleased to say that I quit smoking 37 years ago, two days after my son was born, because I didn't want him to grow up watching me smoke. I didn't want to take the chance of him becoming a smoker. Cigarette smoking is not good, but should it be the policy of the state to use the tax code to punish people for indulging in habits in which we, ourselves would not indulge or in some cases do indulge?

We had another distribution a few minutes ago from a columnist in Portland, Jim Brunelle and many of you are familiar with his writing. He said, "Maine's political leaders would have us believe that the cigarette tax was invented for the purpose of correcting society's bad habits. We know that that is not really true. The cigarette tax was invented as a means to raise revenue." He goes on to say, "The power of taxation really ought to be used primarily to raise revenue in support of important public programs and not to regulate the personal behavior of any particular class of people. "As an ordinary person however" he continues, "I am disturbed by the use of taxation powers to affect behavior among the poorer members of society. For the time being it is still possible for lawmakers to raise new revenues and to discourage smoking simultaneously, but it is not possible to do so fairly and honestly." The Majority Budget also contains a small tax; \$2 million on malt liquor and it contains a \$9 million on corporate income. What is perhaps more disturbing to many members of this chamber, witnessing the debate that we just had, is that it contains \$7 million in a roll back of the BETR Program, which has prove itself time and time again to have either created or at least saved jobs in nearly every town or community of any size in this state. We don't think that a \$16 million tax on businesses right now is the right approach. We just don't think that that is the right thing to be doing.

The cigarette tax is an easy target. There are surveys that show that there is a great deal of support for cigarette tax. When cigarette tax proceeds are used for smoking cessation programs, not when cigarette tax dollars are simply used in the general fund to put gas into state vehicles or to pay for state workers to go on seminars or whatever. There is a certain amount of hypocrisy I think in raising the tax on the pretext that we are accomplishing a social good. The fact of the matter is that we are raising revenue.

The Part I budget and its borrowing package were irresponsible. The part III budget and this tax package still doesn't address the real problem, it simply perpetuates a bloated and inefficient state government. Republicans can't support this Majority Budget, but we at least commend people for working on it and for improving the situation over the original budget, but we can't vote for it.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Cummings.

Representative **CUMMINGS**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I will be brief. The good Representative from Sanford was right on two counts and they are important counts. This is a step in the right direction and this budget strongly depicts the philosophical differences between the two parties. Our party does not believe that Mainers, by themselves and left to their own devices, can be as successful alone as they can be together and that is a fundamental belief. You and I know that there are people across this state that cannot control the cost of escalating healthcare premiums and they cannot control the economic conditions that are affecting them from all the way across the world and they cannot control the cost of prescription drugs and that is part of



our responsibility in being here to do. They cannot control the basic elements of their life to every single degree unless they unite and work together and ask of each other, those of us in this state, to support their ability to move ahead. This budget reflects the third straight decrease of our structural gap. Just two and a half years ago we had a \$1.3 billion gap, a year and a half ago we had a \$737 million gap and this structural gap, after the passage of this budget will now go to \$350 and that is certainly a step in the right direction. But, fundamentally, I think what the Appropriations Committee ended up dividing on in good terms this time is that philosophically the impact of up to 40,000 Mainers being left off the healthcare rolls, has a direct impact on our ability to function in this state whether we are a small business, a single mother or we are just somebody who needs basic medical care. That, ultimately, is a place that we proudly choose not to go.

The SPEAKER: The Chair recognizes the Representative from Rockport, Representative Bowen.

Representative **BOWEN**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I think that we established yesterday that the 40,000 number is what some people are projecting that some programs in state government that have not achieved such numbers yet, will someday, we hope, if the stars align, be achieved. We do have a different approach on healthcare. We know that we can adopt regulatory changes like New Hampshire and like dozens of other states and lower healthcare costs for every single person in this state without a costly, wasteful, state program. So, there is a philosophical difference here, but the 40,000, I believe the Representative from Portland even admitted, was a bit inflated.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Dudley.

Representative **DUDLEY**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. I remember making no such confession yesterday. In fact, I believe very strongly that the result of this budget protects 40,000 people from losing healthcare. The difference that I think the Representative is talking about is 8,000 people who are quite clearly going to be eligible under the parents' expansion, 8,000 people. The expansion began May 1 and there are almost 1,900 people already enrolled in a month and a half. I don't think that it is any stretch of the imagination to understand that by the end of the biennium we are going to hit that 10,000 mark. But, I will agree with him on this much. There are only 32,000 people who actually have healthcare now that would lose it under the Minority Plan. But, if you take into account those 8,000 people that are going to enroll the number is 40,000. Frankly, I don't think that it makes a big difference. Thirty-two thousand or forty thousand, I don't know anybody in this chamber who really wants to go home and say that they voted for a budget that cut 32,000 people off of their healthcare, healthcare that they are receiving today. That is not the way to the future for Maine. Thank you very much Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Waldoboro, Representative Trahan.

Representative **TRAHAN**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I think you actually have to have something before you can lose it. I have heard this statement, heard it on the radio and I heard it on the floor, about how we want to cut 40,000 people from healthcare. Well, if I understand the issue correctly and maybe somebody can stand and correct me if I am wrong, really all that we are trying to do is to freeze the expansions of our Medicaid system into the future. These people don't exist right now and they aren't on our system. There is an expansion that has been created by

this legislature but there aren't actual people on the system and I think it is responsible, given the numbers that the Representative who is the Majority Leader spoke about, that was our structural gap.

If we don't have money to pay our current bills should be expanding the fastest growing item of our budget, which is Medicaid? Should we be expanding our programs when we can't pay our current bills? Should we be cutting Medicaid reimbursements to those very weak and feeble that need our Medicaid system in order to pay for those expansions? Should we? Should we increase taxation on all of our Medicaid facilities and providers? Should we withhold payments to those providers so that we can pay for those expansions? What I think that we should do is that we should do the responsible thing and that is to pay for those people that are currently on the system and once we have met that responsibility then if we can expand it is appropriate, but our Medicaid system is a mess. It is a dizzying mess.

In the last three years we have had \$125 million in mismanaged Medicaid monies, money that fell into a DHHS black hole never to be seen again. We have had hospitals sue the State of Maine because we have defrauded them through their Medicaid provider payments. Our DHHS workers cooked our books to book the savings to expand Medicaid. That is what the court said, that is not what I said. Our Chief Executive settled with those hospitals for over \$100 million to be paid into the future. Guess what! We already owe for past provider payments, honest payments that we haven't made. That is not responsible. All that I take as a position on this issue is that we be honest, provide for those who truly need it, provide properly and then if we can move forward we will do that.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Brannigan.

Representative **BRANNIGAN**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. I hope that we will do the responsible thing and vote for this budget. Thank you.

The SPEAKER: The Chair recognizes the Representative from Ellsworth, Representative Crosthwaite.

Representative **CROSTHWAITE**: Thank you Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I rise in opposition to LD 1691 today. From January 4th to today I have heard it said let's make history. It seems like we are more interested in this body in making history than we are in making sense. In response to one of the earlier debaters, voting for tax and spend policies doesn't take guts; neither do they look prettier because they are couched in nice neat clichés and sound bytes. Let's really do something historic. Everyone knows that we have tried hard to rewrite history for five months now so let's do something historic and let's stop run away spending and let's do something historic, let's trim bloated state government departments. Let's do something historic and let's slow the rate of government growth. Let's do something historic. Let's end the thirty-year slide into bankruptcy and be good managers of the public trust. Let's do something historic. Let's set the example for individuals and businesses and other government units to emulate. Let's do something historic. Let's take the burden off the backs of the consumers, the hospitals, the small businesses and most importantly, Mr. Speaker, off the backs of the only viable industry still surviving in this state. At the beginning of the '05 tourist season this is just plain deplorable.

I was just looking at the buff colored notice that came to our desk yesterday and was referenced by a member of this body and came from a member of the other body and of the party opposite and in it the author says that this is a typical sales receipt from a typical trip to Sam's Club. "I go every couple of

weeks and the items may change but it is always around \$100.00 per trip." So, I looked at the total and it was \$129.51. Ladies and Gentlemen of the House, \$129.51 is not around \$100.00. Here is the crux of the matter and this is the philosophical divide. When some people say \$100 they mean \$100. When others say \$100 they mean something far different, in this case 29.5% different. So, mark the date dear colleagues, of June 17, 2005. If you persist on this action to approve passage this will, in deed, be a red-letter day in the annals of Maine history, but not in the way that any of us will ever want to remember. To vote against such an effort will take genuine intestinal fortitude, steel like resolve and honest accounting of your principles. I urge the body to rise to the occasion and to do something historic today and to reject the message of LD 1691. Thank you Ladies and Gentlemen and thank you Mr. Speaker.

The SPEAKER: The Chair recognizes the Representative from Lewiston, Representative Craven.

Representative **Craven**: Thank you Mr. Speaker. Mr. Speaker, Men and Women of the House. As you all know our jobs as Representatives to the people of Maine first and foremost is to listen to those whom we represent and secondly, to respect their wishes. Yesterday I attended a breakfast sponsored by the Chamber of Commerce with over 600 people attending the event. Later in the morning I attended a business fair that, according to the organizers, was the largest business fair in the State of Maine. As a member of Appropriations I went to these events fully expecting to be beaten on for the actions that we took this past week in Appropriations, but I have to say that I was pleasantly surprised to hear the responses of the folks that I met with. In most part, feedback was pretty positive. Some were enthusiastic and others were cautiously supportive, but nobody I met expressed dissatisfaction with the Majority Report. It is my understanding that the business community offered their tax plan as their concession to this budget with the Executive Officer.

What I took from the event yesterday after talking with many people there was that those who were in attendance, on both sides of the aisle understood quite well the problems that we encountered while trying to craft a responsible budget. I got the same sense that folks at the event, like most people in Maine, want those who represent them in Augusta to act responsibly as well as compassionately in crafting public policy. They readily acknowledge that we who work with the state's finances are obligated to provide services and to support our most vulnerable populations. I believe that they also understand the extent to which we have worked away the needs of the business community against competing needs in putting together this budget. Finally, being true Mainers, some expressed distaste for borrowing and the fact that the budget eliminates the need to borrow was one reason among them. They generally expressed approval for the elimination of the borrowing. Again, our objective in crafting this budget was to maintain balance among competing needs to best of our ability and to adhere to our commitment to meet the needs of the poor, the elderly and the handicapped. I truly believe that we achieved those objectives and I would, therefore, ask for your support in this budget. It is this well-balanced bill or we go back to borrowing. Thank you Mr. Speaker.

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

**ROLL CALL NO. 333**

YEA - Adams, Ash, Babbidge, Barstow, Beaudette, Blanchard, Blanchette, Bliss, Brannigan, Brautigam, Bryant, Burns, Cain, Canavan, Clark, Craven, Cummings, Driscoll, Duchesne, Dudley, Dugay, Dunn, Duplessie, Eberle, Faircloth,

Farrington, Finch, Fischer, Fisher, Gerzofsky, Goldman, Grose, Hanley S, Harlow, Hogan, Hutton, Jackson, Jennings, Koffman, Lerman, Lundeen, Makas, Marley, Marraché, Mazurek, Miller, Mills, Moody, Norton, O'Brien, Paradis, Patrick, Pelletier-Simpson, Percy, Perry, Pilon, Pineau, Pingree, Piotti, Rines, Sampson, Schatz, Smith N, Smith W, Thompson, Tuttle, Valentino, Walcott, Watson, Webster, Wheeler, Woodbury, Mr. Speaker.

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

ABSENT - Brown R, Curley, Curtis, McFadden, Moore G, Saviello.

Yes, 73; No, 72; Absent, 6; Excused, 0.

73 having voted in the affirmative and 72 voted in the negative, with 6 being absent, and accordingly the Bill was **PASSED TO BE ENGROSSED** and sent for concurrence.

**SENATE PAPERS**

**Non-Concurrent Matter**

Bill "An Act To Correct Errors and Inconsistencies in the Laws of Maine" (EMERGENCY)

(H.P. 1145) (L.D. 1622)

**PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-692) AS AMENDED BY HOUSE AMENDMENT "A" (H-699)** thereto in the House on June 16, 2005.

Came from the Senate **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-692) AS AMENDED BY HOUSE AMENDMENT "A" (H-699) AND SENATE AMENDMENT "A" (S-378)** thereto in **NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

**ENACTORS**

**Acts**

An Act To Transfer Funds to the Maine Milk Pool from the General Fund To Fund Dairy Stabilization Programs

(H.P. 1200) (L.D. 1692)

Reported by the Committee on **Engrossed Bills** as truly and strictly engrossed, **PASSED TO BE ENACTED**, signed by the Speaker and sent to the Senate.

By unanimous consent, all matters having been acted upon were **ORDERED SENT FORTHWITH**.