

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

Ninetieth Legislature

OF THE

STATE OF MAINE



1941

KENNEBEC JOURNAL COMPANY
AUGUSTA, MAINE

An Act relating to the Taking and Sale of Clams in the town of Kennebunk (H. P. No. 1898) (L. D. No. 1122)

Finally Passed

Resolve to Repeal a Resolve providing for a State Pension for Bessie King (S. P. No. 401) (L. D. No. 1105)

Resolve to Repeal a Resolve providing for a State Pension for Mary A. Moulton (S. P. No. 402) (L. D. No. 1104)

Resolve to Repeal a Resolve providing for a State Pension for Johanna T. Kelleher (S. P. No. 403) (L. D. 1103)

Resolve to Repeal a Resolve providing for a State Pension for Amelia Rittal (S. P. 404) (L. D. No. 1102)

"Resolve to Repeal a Resolve Providing for a State Pension for Lot Edmund Whitman." (S. P. 405) (L. D. 1100)

"Resolve to Repeal a Resolve Providing for a State Pension for Mary Kane." (S. P. 469) (L. D. 1101)

Bill "An Act Providing for the Sale of Liquor at Wholesale Prices by the State Liquor Commission to Persons Licensed to Sell Liquor to be Consumed on the Premises." (S. P. 517) (L. D. 1066)

(On motion by Mr. Bishop of Sagadahoc, the bill was laid upon the table pending passage to be enacted.)

Bill "An Act to Encourage Safety on School Buses." (H. P. 1894) (L. D. 1109)

Orders of the Day

On motion by Mr. Chamberlain of Penobscot, the Senate voted to take from the table, House Report from the Committee on Taxation, "Ought Not to Pass" on bill An Act Imposing an Additional Gasoline Tax (H. P. 1475) (L. D. 615) tabled by that Senator on April 11th pending acceptance of the report.

Mr. CHAMBERLAIN: Mr. President, I move the report of the committee, "Ought Not to Pass" be accepted.

Mr. FRIEND of Somerset: Mr. President, I simply would like to make a brief explanation as to what the passage of this half-cent gasoline tax would do. This half cent tax would bring in an income of about \$790,000 a year. If this tax should pass the Ways and Bridges committee has a bill in its possession, called the Holman bill, which

with this income provided by the passage of a half cent tax, the Ways and Bridges Committee would report out unanimously "ought to pass" in favor of the Holman bill. If the gas tax does not pass there would be no income provided so that the Ways and Bridges committee could pass favorably on the Holman bill.

What the Holman bill does is relieve the real estate taxpayers of about \$932,000 a year. It does that by the state highway commission taking over maintenance and snow removal costs of state highways, which cost towns \$100 a mile, which would save \$272,000. The bill also provides the highway department would take over the town's share of maintaining state aid roads which cost the town \$30.00 a mile and would save the towns \$150,000 and it provides that the highway department would take over the cost which the towns now pay for cutting bushes and weeds etc., on the rights of way on all types of highway, state aid, state highways and third class. It also provides the state would take over maintenance charges on third class roads and would save the towns approximately \$260,000. On the bush item the towns would save about \$100,000. Also the highway department would take over the town cost of maintaining bridges under the Bridge Act, which would be \$100,000. The total saving to the town on direct real estate taxation would be a great saving to farmers and others owning real estate would be \$930,000 a year.

Another thing, if this tax did pass it would go along with an emergency on it and that would make the bill in effect two and one-sixth years before the next legislature comes in, which would yield about \$1,700,000 yet the Holman bill would be in effect only one year. So you would collect \$1,700,000 to take care of savings in towns on the Holman bill of \$930,000 which would leave a surplus of some \$800,000 over two years, if this tax goes through.

I just wanted to make that explanation to show what would be the result if the tax did go through. Of course, if it did go through, I understand the state of Maine would be paying a higher gasoline tax than any other New England state and as far as I know, north of the Mason-Dixon line or east of the Mississippi river, which might in-

dicate that automobiles are taxed enough.

I didn't want to take any particular side on this question but did want to give full information to the Senate as to what possibly the income from this tax would be used for.

Mr. CHAMBERLAIN of Penobscot: Mr. President and members of the Senate: In defending the action of the Taxation committee in reporting this bill unanimously "Ought Not to Pass", I would like to say the members of the committee were cognizant of all Senator Friend has spoken of but we did not consider we were in a position to tie it up with any other bill and so we reported it unanimously, "Ought Not to Pass", determining if the legislature thought differently, we would acknowledge at a later time, our error.

Mr. BRIDGES of Washington: Mr. President, I would like to ask the Senator from Somerset, Senator Friend, a question through the Chair.

The PRESIDENT: The Senator may ask his question of the Senator from Somerset, Senator Friend; and that Senator may answer if he wishes.

Mr. BRIDGES: The taxes for 1941 have already been assessed. Now the question is, what will the state do to reimburse the various towns for the money which they have raised and appropriated for the various items enumerated by you, Senator?

Mr. FRIEND: I intended to cover that in my explanation. The passage of the Holman bill would not cover the first fiscal year at all because the towns have had the town meetings covering that and received this money. It would cover only the second year of the next biennium. Yet if the tax did go through it would be in effect 2 1-6 years before the next biennium is over, which I say would yield \$1,700,000 whereas the one year of the Holman bill would cost \$900,000 although the tax yields about \$790,000 a year.

Mr. BRIDGES: May I ask another question, through the Chair?

The PRESIDENT: The Senator may ask a question and that Senator may reply if he wishes.

Mr. BRIDGES: Am I correct now in assuming that if this bill goes through that the tax will be on gasoline imposed this very year?

Mr. FRIEND: In answer to the question of the Senator from Washington, Senator Bridges, if the tax had the emergency clause on it would go into effect at once. As I understand it, the bill has not the emergency clause on it so it would not become effective until 90 days after the close of the legislature unless there is a referendum.

Mr. BRIDGES: And now this question, Mr. Senator, with the permission of the Chair. Assuming this takes effect, the tax on gasoline, 90 days after the adjournment of the legislature, and no referendum is on it, what becomes of the tax money collected for the balance of the year 1941?

Mr. FRIEND: In answer to that question, all of the income from the tax would go into the general highway funds and for that length of time it would be between \$1,500,000 and \$1,600,000.

Mr. BRIDGES: So this saving would not take place until 1942?

Mr. FRIEND: No.

Mr. BROWN of Aroostook: Mr. President, I wish to speak briefly on this matter because there is a tax problem here that has taken the attention of a great many people in the state of Maine during the past year. The association—rural tax association, has made a careful study of rural taxes in the State of Maine, tax on real estate, and tried to provide some method for relieving it and the result of their deliberation was this so-called Holman bill because it was introduced by Mr. Holman. The bill has the endorsement of the Maine State Grange, Maine Farm Bureau and all of the other agricultural associations in the State.

Now, a great many people think the gasoline tax builds all our roads. It does not. About \$4,000,000 of the money used to build roads is taxed directly to real estate. For instance, on every mile of highway which the State Highway Department builds through a small town, any town, that town has to take over maintenance and snow-breaking which amounts to \$100 a year. Then there are other classes of road they have to maintain and maintenance of roads and bridges. So the farmers and home owners are taking out of their pockets about \$4,000,000 a year for the support of highways which should belong and should be paid entirely by people who use the roads. There was a time years ago we

thought real estate should build the roads but with the demand for better roads and stronger bridges and because people from all over the United States are using the roads to truck over them, and because we have to build more expensive roads and because real estate is taxed to a point where they can no longer pay taxes and the farms are being surrendered, someone must pay for the maintenance and the building of roads. So they considered one of the best ways of helping the towns and cities, rural towns especially, was to have the state take over those activities for which the towns are paying. The cost is around \$960,000 a year.

Now this bill was very favorably considered by the committee and we desired to have it passed but unless the money could be provided there was no use in attempting to pass the bill because with the highway program as set up, there was no place where we could take that money without taking it out of maintenance and no one wanted it taken out of maintenance, so for that reason, because it is asked for by all rural associations in the state of Maine and it will be a direct relief to the taxpayers of the state, we approved the bill provided this half-cent tax could go through.

As has been stated, it would be collected two years and two months, 2 1-6 years, and there would be some money left over if we paid for the Holman bill. The Holman bill would be in effect two years only. If it goes on, more money will be necessary to meet it in years to come. It is my thought and of other members that this would help over the start of it and the extra money coming from this half cent gas tax, with other revenues we could take over other activities mentioned in the Holman bill. If we want to build a bridge the town and county help with it but the town has to take over the maintenance, the painting of it and the re-laying of surface; and these are things that should be paid for by the Highway Department and paid for by the gasoline tax, and that is why we advocate extra taxes.

It may be true we are paying more tax than other states but you must remember the State of Maine has as many miles of road as the state of Massachusetts and we have only about the population and wealth of the city of Boston. Therefore, if we

are going to maintain this great system of highways we have got to raise more money from gasoline and it might be also interesting to know while we have the highest tax on gasoline we have also the highest real estate tax of any state in the United States, not just east of the Mississippi, but in the United States. Although the tax on gasoline may be higher, if we can reduce the tax on real estate and get somewhere near other states in the United States, that is something that will offset the argument against the tax on gasoline.

Mr. BISHOP of Sagadahoc: Mr. President, I think gas is now being overtaxed. The wholesale price of gas at the present time is seven cents and the tax is five and a half cents. I am heartily in favor of the Holman bill but there are plenty of other sources from which to derive revenue. In regard to rural towns raising money—my town and other towns have voted to raise money but gave power to the municipal officers to rescind that power if they didn't need it.

Our real estate tax is way above other states. It is highest in New England, highest east of the Mississippi, highest north of the Mason-Dixon line. And so is our gas tax. There are other bills before the Taxation committee and they are taxes that are lower than in other states. For instance, our hard liquor tax is lower than in other states. A ten percent increase in tax on hard liquor will return \$600,000. I believe there is a place where we should attempt to get some of this money. We are one of the few states that has no cigarette tax. That would provide \$1,200,000. Our power companies, wealthy, with a three mill tax would provide \$400,000. That is where we can get money. Let's not tax gasoline any more.

Mr. HINMAN of Somerset: Mr. President, I had hoped that the report of this committee might be more generally defended by those other than myself because I realize it is a natural assumption that I, being a large user of gasoline, speak in my own defense, but I assure you my use of gasoline has no bearing upon anything I may say, or my thoughts on this particular matter. I am interested first, in the fact that if we can raise additional gasoline money and allocate it to some

definite purpose we are starting on the most dangerous kind of legislation that can be enacted and there are states in this Union where as much as three mills taken from gas tax money to support the schools and I submit to you in the face of what I believe is a general feeling, that gas tax money shall not be diverted, and we are diverting just as much in this case as though we added another cent and allocated it to some other state departmental activity. For that reason and only for that reason, I am interested in this measure. I do feel the motorist is paying all the tax he should. When you talk about equitable taxation, I think I can fairly state it must be agreed that gasoline at the present time is bearing its proportionate part of the burden. I have no grievance with the Holman bill or any part thereof. You may bring up many things for which we need money in the State of Maine, worthy causes, but I cannot see why we should increase the gas tax to take care of them. I hope it may be our good judgment and we may support the report of the committee, "Ought Not to Pass."

Mr. DOW of Oxford: Mr. President, I want to say I am opposed to this increase in the gas tax. I am thoroughly in sympathy with a desire on the part of this legislature to reduce real estate taxation but there is one thing I have heard a lot of this winter, and also heard in 1939 and in 1937, and that is that the folks who use the roads ought to pay for them. I believe the statement is fallacious, not correct at all. If a man does not own an automobile but a good road is built around his house, it increases the value of his property and he is benefitted. If he has a good road and it becomes necessary to call a doctor, that doctor can get there much more quickly and that is, of course a benefit. If the man has a horse and wagon he has a chance to haul over the road and has the benefit. If anyone doesn't have an automobile perhaps his neighbor or someone takes him for a ride and he gets the benefit of the good road. I think it is foolish to say that the man who owns an automobile should be the one to pay for the roads. I do not think that is correct at all.

Mr. CHAMBERLAIN: Mr. President, when the vote is taken, I ask for a division.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Penobscot, Senator Chamberlain, that the report of the committee, "Ought Not to Pass" be accepted. That Senator has asked for a division.

A division of the Senate was had. Twenty-seven having voted in the affirmative and three opposed, the "Ought Not to Pass" report was accepted in non-concurrence.

Sent down for concurrence.

On motion by Mr. Friend of Somerset, the Senate voted to take from the table, House Report of the Committee on Motor Vehicles on bill, An Act Exempting Farm Tractors from Registration Fees (H. P. 1458) (L. D. 628) tabled by that Senator earlier in today's session pending acceptance of the report; and on further motion by the same Senator, the bill and report were indefinitely postponed in concurrence.

On motion by Mr. Boucher of Androscoggin, the Senate voted to take from the table, House Report from the Committee on Legal Affairs, Majority Report, "Ought Not to Pass"; Minority Report, "Ought to Pass" on bill, An Act Creating a State Lottery Commission (H. P. 113) (L. D. 61) tabled by that Senator on April 11th pending acceptance of the majority report.

Mr. BOUCHER of Androscoggin: Mr. President and members of the Senate, I would like to move the substitution of the bill for the "Ought Not to Pass" report. In doing this, my reasons are these,—that I don't believe this legislature will pass any tax measure or agree on any tax measure. I believe this is an easy way of getting money for old age assistance. Although the other body has seen fit to turn this down, I believe this should be kept alive until final adjournment of this legislature. I am informed there is a possibility of realizing between a million and a half and two million dollars a year by such a bill. I also know that the money is needed for old age assistance. For that reason, I have made this motion and ask that when the vote is taken there be a division.

The PRESIDENT: The question before the Senate is on the motion of the Senator from Androscoggin, Senator Boucher, that the bill be