

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

*One Hundred and Sixth
Legislature*

OF THE

STATE OF MAINE

Volume III

June 6, 1973 to July 3, 1973

Index

KENNEBEC JOURNAL
AUGUSTA, MAINE

An Act Relating to Protective Services for Incapacitated Adults (S. P. 152) (L. D. 386)

An Act to Coordinate and Effectively Utilize Resources Available to Maine's Elderly (H. P. 1228) (L. D. 1618)

An Act Creating the Office of State Fire Marshal (H. P. 1483) (L. D. 1910)

Were 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.

Mr. Gahagan of Caribou was granted unanimous consent to address the House.

Mr. GAHAGAN: Mr. Speaker and Ladies and Gentlemen of the House: Just being distributed now is an order which I was considering putting in relating to the Social Services Program which we enacted. I realize what is happening to the joint orders. They are all being defeated, so I would just like to call your attention to the serious problems that the bureaucracy is following up on the emergency measure which was passed last March by us, the clear intent of which was to have these social services set up by July 1.

As of last Friday, only one application for continued funding was in the hands of Mr. Wyllie, head of the Resource Development Office set up to handle these programs. There are in the range of 40 programs eligible to apply, but in the absence of departmental guidelines, there was no way for these agencies to apply for the \$3.5 million that was made available by this legislature.

Furthermore, the distribution of these social services is a matter of historical accident. Distribution is not coordinated according to need but rather according to the areas with the most imaginative agencies.

In the Homemaker Program, for example, in areas where the program is not offered, the only alternative for potential beneficiaries is to either die or go into nursing homes.

The intent of this order, and I hope it will be adopted by leadership as an assignment to the joint standing committees, is to examine the pattern of social services distribution in Maine and to explore ways in which these programs could be distributed more equitably across the state.

Supplement No. 9 was taken up out of order by unanimous consent.

Passed to Be Enacted

An Act Reforming the Administration of the Property Tax and Replacing the Tax on Inventories with an Increased Corporate Income Tax (H. P. 1384) (L. D. 1862)

Was reported by the Committee on Engrossed Bills as truly and strictly engrossed.

The SPEAKER: The Chair recognizes the gentleman from Bangor, Mr. Kelleher.

Mr. KELLEHER: Mr. Speaker and Ladies and Gentlemen of the House: I wish someone on the Taxation Committee would just explain what all these amendments are and what they do. I don't mind voting for the bill, but I would like to know what I am voting for.

The SPEAKER: The gentleman from Bangor, Mr. Kelleher, poses a question through the Chair to anyone who may answer if he or she wishes.

The Chair recognizes the gentleman from Farmington, Mr. Morton.

Mr. MORTON: Mr. Speaker and Ladies and Gentlemen of the House: I will do my best. The bill, the original bill under 1862 is an act reforming the administration of property tax and replacing the tax on inventories with an increased corporate income tax. That is still being done but it is being done in a little bit different way than was originally contemplated.

What this bill does, in summary, what these amendments do is eliminate the municipally collected inventory tax as we now know it. This bill will impose an additional one percent corporate tax on all corporate income from zero up. It will also initiate a state inventory tax at the state mill rate for

three years, and at the end of this three years, the state inventory tax will be terminated. The state inventory tax will be administered and collected by the towns on the basis of the 1973 commitment.

That is the very basics of the thing. If you want more detail, Mr. Speaker, I will cease and desist and let somebody answer some other questions.

The SPEAKER: The Chair recognizes the gentleman from Bath, Mr. Ross.

Mr. ROSS: Mr. Speaker and Ladies and Gentlemen of the House: I have another question for the gentleman from Farmington, Mr. Morton. Are the towns actually going to be relieved from this and the state take over the burden or are the towns still going to have to assume some of the burden?

The SPEAKER: The gentleman from Bath, Mr. Ross, poses a question through the Chair to anyone who may answer if he or she wishes.

The Chair recognizes the gentleman from Farmington, Mr. Morton.

Mr. MORTON: Mr. Speaker and Ladies and Gentlemen of the House: The towns will be reimbursed the full amount of the 1973 commitment for item for item as long as the state continues to fund it. The funding is set up for three years. At the end of three years, there will be a shortage of approximately — it's estimated anywhere from six to eight million dollars. This will have to be made up by the state.

The SPEAKER: The Chair recognizes the gentleman from Fairfield, Mr. Lawry.

Mr. LAWRY: Mr. Speaker and Ladies and Gentlemen of the House: Made up by the state, does the Taxation Committee have any idea from what source?

The SPEAKER: The gentleman from Fairfield, Mr. Lawry, poses a question through the Chair to anyone who may answer if he or she wishes.

The Chair recognizes the gentleman from Eagle Lake, Mr. Martin.

Mr. MARTIN: Mr. Speaker and Ladies and Gentlemen of the House: Basically, the legislature

in three years could decide to go back to what we are presently doing or the legislature could choose to fund it from a source that it wanted to. That means that it could choose any source that it particularly wanted to go into. I suspect, and I have no way of knowing what the legislature at that time is going to do, it will depend on the membership of those members that are here when that occurs. I do think, however, that it does set up a period of time, a three year period, when everyone has an opportunity to take a look at existing tax sources to see what the returns are and what the results are going to be. As you know, we are doing a number of things during this session that deal with property tax reform, equalization of education — bill that was sponsored by the Education Committee, the bill that was introduced by the gentleman from Skowhegan, Mr. Dam, which transfers the cost of purchase of equipment from the sales tax to the corporate income tax. I think that we are just going to have to take a wait and see attitude to see how the funds are going to be coming in.

One of the things that we have and we are talking about, the revenues, either coming in or going out, is that our estimates seem to vary a great deal. Mr. Speaker, I think it is time perhaps when we ought to pass a noise law in Maine, even though we failed to do so in the past with trucks.

I do seriously feel that we are trying to set up a more fair system of how taxation ought to be based around the state, not only for individuals of property but as well for the industries, so that we don't literally price them out from coming into the state. I think it is important that we give them at least a "good faith" effort that this is our intention, and I think this is what we are doing with the passage of this bill this afternoon.

The SPEAKER: The Chair recognizes the gentleman from Oakland, Mr. Brawn.

Mr. BRAWN: Mr. Speaker and Ladies and Gentlemen of the House: Do I understand this correctly, that the state is only going to fund this for three years? Then

is this going to be kicked back onto these little towns and they get stuck the full amount of this?

The SPEAKER: The Chair recognizes the gentleman from Eagle Lake, Mr. Martin.

Mr. MARTIN: Mr. Speaker and Ladies and Gentlemen of the House: The gentleman is correct in assuming that it is funded for three years. At that time, as I indicated when I spoke and perhaps I didn't make myself clear, the legislature would then decide whether or not the towns ought to assume it. I am assuming that the legislature would not choose to do that. If it is inequitable today, it will be inequitable in three years.

What we are doing is saying to the legislature, to this one and the next one that will be coming in, we are giving them a period of time that they can take a look at the situation to see what the funding procedures are.

The gentleman might be interested at some point to take a look at a report that was put out by the Federal Reserve Bank of Boston a few years ago in which it pointed out that the State of Maine had the worst system in terms of taxation for new industry that wanted to come into the state, that we were really forcing industries to go into other states rather than come into Maine. I think if we are serious about allowing industries and wanting industries to come into this state, we have to sort of help them so that the tax that they pay is based on their ability to pay and on the profits that they make rather than simply based on the fact that once they are here you are going to tax it as far as you can get, and when they come into your community you are going to take every dime out of their hide that you possibly can and when they leave, only the community suffers.

I just point out what has happened in areas such as North Berwick and Easton and a couple of others where industries have been and have gone and the tremendous effect that it has had on their local systems, both in terms of government and in terms of services that can be provided by individuals.

The SPEAKER: The Chair recognizes the gentleman from Oakland, Mr. Brawn.

Mr. BRAWN: Mr. Speaker and Ladies and Gentlemen of the House: If the legislature sees fit to do nothing after these three years are up, let me ask him again, who is going to get stuck with it?

The SPEAKER: The Chair recognizes the gentleman from Eagle Lake, Mr. Martin.

Mr. MARTIN: Mr. Speaker and Ladies and Gentlemen of the House: The answer is very simply, the municipalities would be stuck just like they are now.

The SPEAKER: The Chair recognizes the gentleman from Hampden, Mr. Farnham.

Mr. FARNHAM: Mr. Speaker, what is the motion before the House?

The SPEAKER: Passage to be enacted of L. D. 1862.

Mr. FARNHAM: Mr. Speaker, I so move.

Thereupon, Mr. Perkins of South Portland requested a vote.

The SPEAKER: The pending question is passage to be enacted. All in favor of that motion will vote yes; those opposed will vote no.

A vote of the House was taken. 102 having voted in the affirmative and 10 having voted in the negative, the motion did prevail.

On motion of Mr. Simpson of Standish, the House voted to take from the tabled the first tabled and unassigned matter:

Resolution Proposing an Amendment to the Constitution Relative to Apportionment of the House of Representatives" (H. P. 606) (L. D. 804)

Tabled — June 12, by Mr. Simpson of Standish.

Pending — Passage to be engrossed.

On motion of Mr. Simpson of Standish, the Resolution was indefinitely postponed and sent up for concurrence.

By unanimous consent,
All matters acted upon in concurrence and all matters requiring Senate Concurrence were ordered sent forthwith to the Senate.