

MAINE STATE LEGISLATURE

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OF THE

***One Hundred and Fifth
Legislature***

OF THE

STATE OF MAINE

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the sponsor of this bill, unfortunately Representative Curran is, which is another reason why we wanted it tabled. We have spent a good deal of time with this. You have the amendments before you just as I do. I believe that we tried to satisfy your objection and we corrected that under the amendment; Mr. Curran did. But I am not certain of this.

I feel that this is important enough. If there are these problems, we have seen other things tabled here for a day, that we be allowed to table this so that we can correct some of these things to have it satisfactory to certain people.

Whereupon, Mr. Susi of Pittsfield moved that the matter be tabled until tomorrow and requested a division.

The SPEAKER: The gentleman from Pittsfield, Mr. Susi, moves that this matter be tabled until tomorrow pending the motion of the gentlewoman from York, Mrs. Brown, that the House recede and concur. All in favor of this matter being tabled will vote yes; those opposed will vote no.

A vote of the House was taken.

85 having voted in the affirmative and 29 having voted in the negative, the motion to table did prevail.

The Chair laid before the House the second tabled and later today assigned matter:

Bill "An Act to Encourage Improvement in Forest Growth by Creating a Method of Taxation Based upon the Productivity of Various Classes of Forest Lands" (H. P. 1419) (L. D. 1837)

Pending — Adoption of House Amendment "A."

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

Mr. ROSS: Mr. Speaker and Ladies and Gentlemen of the House: I am sure, as you all know, this is the bill which would change the wildland tax situation that we have now. The gentleman from Eagle Lake, Mr. Martin, questioned the amendment that was presented because he had not had time to study it.

I will go into the amendment now. The first part is concerned

with divided ownership. This has always been a stipulation under the present method of taxation that we have, called ad valorem tax. It was left out inadvertently. Most of the balance of the amendment refer to proper references to allow the one tax situation instead of the many that we have now.

Mr. Martin specifically mentions Section 9, which repeals Section 4 of 271 of 1967. This law required the Tax Assessor to set up the county tax separately on his list, and since this bill does away with all these special taxes we have to do that. 1145 again refers to these special taxes. 1146 refers to the forest fire tax, which is a special tax. 1147 is in Section 8 of the committee report, but it had to be relocated in the newest draft.

Section 13, the one tax provision will not become effective until January 1, 1973. In there you see one exception to Section 6. In Section 6 it is the trade growth tax law. This will allow the State Tax Assessor, Mr. Johnson, to make plans now for the eventual single fair tax. I assure him that nobody in the lobbyist agent group is trying to pull a fast one on us this time. If they were I would be the first one up here against them.

The SPEAKER: The Chair recognizes the gentleman from Pittsfield, Mr. Susi.

Mr. SUSI: Mr. Speaker and Ladies and Gentlemen of the House: I don't propose to speak either for or against the amendment. I don't have any more information on it than you do, perhaps not as much. However, after we have voted on the amendment, I do propose to move the indefinite postponement to the bill and all of its accompanying papers and hope at that time to be able to make some comments on the entire bill.

Thereupon, House Amendment "A" was adopted.

The SPEAKER: The Chair recognizes the gentleman from Pittsfield, Mr. Susi.

Mr. SUSI: Mr. Speaker, I move the indefinite postponement of the bill and all its accompanying papers and when the vote is taken I ask that it be taken by a roll call, and I would speak to my motion.

The SPEAKER: The gentleman

from Pittsfield, Mr. Susi, moves the indefinite postponement of L. D. 1837. The gentleman may proceed.

Mr. SUSI: Mr. Speaker and Ladies and Gentlemen of the House: We have just had an assurance that everything is on the up and up this time. I sincerely wish I could believe it. This morning in debate, I believe on this bill, it was mentioned that a bill was put through here last time and one of these nice little amendments came along, and after the Legislature had adjourned we learned that this harmless little amendment took away 98 per cent of the effect of the bill which we had passed.

Also this morning, in fact one of our fellow legislators here mentioned the Allagash Authority. I was down here when that was formed and these same people were involved in that. I can remember legislators standing and making statements on the floor here like statements that are being made in connection with this bill too, in effect what great guys we were, what smart fellows we were, and how we really put it over on them this time in setting up this Allagash Authority, and when the chips were all in a year or two later it turned out that we gave these owners \$120 an acre for **taxes which we had on the books** at \$14 an acre, and they reserved all the cutting rights and staffed the committee that was going to run the thing.

Now we are really pretty sharp characters down here to be dealing with these people. So if it seems that I am a little mistrustful I hope you will forgive me because I have been this route before.

To be a little more specific, I object to this bill because it doesn't provide for the portion of value in wildlands which would be represented by its potential as **recreational land**. In this connection, last Friday the Bangor paper in a considerable section on the front page referred to a land purchase that had been made in 1965 for land in the unorganized territory, I believe the purchase price was \$94,000. I think the amount of acreage was 3,700 acres. And tracing it down to 1971

the article commented that today a conservative value of this land, which was bought in 1965 for \$94,000, would be 700 and some odd thousand. This is a conservative value of it.

Now there has been no increase in the value of the wood growing on this land today, or practically none; today they have assessed it at around \$111,000 for the land and the wood, just as producing woodland. But the other some **\$300,000** would be valued as recreational land. Well now in effect if we adopt this thing, we will be excluding from consideration in the assessment of half of the State of Maine any value which may be accruing to the owners from its potential for recreational purposes.

It does look to me right now as though the owners of these lands have recognized that we are focusing attention upon the inequity of wildlands taxation in Maine and that there is a movement afoot and they are building a backfire against this by coming forward with this proposal, which may be a good proposal — I don't know. But I don't think any of us know really, because I don't think any of us — well we haven't drawn this, and no one has denied that it was drawn specifically and exactly by the people who own the lands.

In that connection I would like to comment further. Just recently the State of Maine received some publicity in connection with the visit by the Nader Research group, and as I understand them they are financed by a fund which they gather from the public; and I understand that they have rather limited resources and so they have to pick their targets and they operate throughout the United States. And they were of the opinion that here in the State of Maine was a situation which warranted their attention.

Their specific observations were to the effect that, first off, the wildlands owners had an inordinate effect on the proceedings of the State of Maine legislature, and secondly that these same people did not carry their fair share of the tax load in the State of Maine.

Now I concur with others who have come to the conclusion that

they did a lousy job on their report; I think they did. But I further believe that there was a basis for them to come here and study this. Now if you would agree with me that there was occasion for them to be concerned — and I think that we could further believe that if there is reason for them to be concerned there is reason for us to be concerned — then basically we would be turning over to those who are potentially the offenders in this situation the responsibility for making the corrections. And they have come back to us with a bill and said, "Okay, perhaps there is a problem here and this is what we propose as a solution and we are looking now to your endorsement for it."

It is so outrageous that I just had to speak to this today, because I feel that we would be abdicating our responsibility as legislators completely to accept from these people who have been identified as potential offenders in this situation as to those to whom we are looking today for a solution.

Just the other day one of the representatives of one of these companies came into my office and we talked about this and I made an observation to the effect of what I have just said, and this person said to me, "Well Roosevelt, there isn't anybody in state government who is truly qualified to prepare a tax program for the unorganized territory." And I said, "Stop right, I agree with you, there isn't. This has been your province completely. You folks have always run your own show and just set up the whole thing. We have just rubber stamped it in this Legislature, and I think it is time that we began to recognize our responsibilities in connection with one half of the State of Maine."

To summarize I would put it this way. If you can honestly here today say to yourselves, "I understand this bill, I understand what the impact of this bill is going to be on the State of Maine, the people in the State of Maine, that it will be to the benefit of the State of Maine," then I suggest that you vote for it. If you don't know, and I don't see how

you can because admittedly there is no one in state government who has been involved in this, then I think that you better take a good close look.

The SPEAKER: The Chair recognizes the gentleman from Madawaska, Mr. Cyr.

Mr. CYR: Mr. Speaker, Ladies and Gentlemen: Last week when we debated these items I told you what happened at the hearing. I fully endorsed the remarks made by Mr. Susi, and what has been troubling me about this bill is not the productivity formula on which this is based. I think probably we are heading the right way by using this productivity formula. However, at the hearing we had two bills on productivity. One was prepared by the Governor's Task Force, which was turned out unanimous "ought not to pass" by the committee. And then this one here which was prepared by industry.

Now the two bills, both bills, used the same productivity formula. Both bills used the same rate. However, the Governor's Task Force bill uses 100% valuation, while this bill reduces the valuation to 50%. Now I mentioned before in the debate that there are two things that can happen. Either the Governor's Task Force bill was overtaxing these people, or else this industry bill is asking for a tax exemption on their land. Now this is what is disturbing me, and I will vote for the indefinite postponement of the bill.

The other item that I brought to your attention in the debate last week was the fact that in this same bill they use 100% valuation for forest land in organized territory, but they drop it to 50% for the unorganized territory. I have been trying to find the reason why, and so far I haven't. Now figure it out for yourselves; this bill is presented to us by industry, and they ask us to cut the valuation down on unorganized territory which is their land, while they still maintain 100% valuation on organized forest land in organized territory. Figure it out for yourself.

The SPEAKER: The Chair recognizes the gentleman from Strong, Mr. Dyar.

Mr. DYAR: Mr. Speaker and Members of the House: During the past several days there have been comments to my unjustified concern over this piece of legislation. On page seven, under Section 583, Construction, I think we have one of the gems of the session as far as the vocabulary of bills. It states: "This subchapter shall be broadly construed to achieve its purpose. The invalidity of any provision shall be deemed not to affect the validity of other provisions."

Now what we are saying here, if there is one section in this law that isn't valid, that it doesn't make any other sections invalid. Now this is a pretty good tool in my mind to run a piece of legislation, once it became law, run it any way you want it to run.

Under this bill, under the powers and duties of the State Tax Assessor, it says, the rate shall be determined after passage of this subchapter, which refers to subchapter 576, after we pass this into law the State Tax Assessor shall determine the rates. I believe that he shall also, he and his staff shall also determine the valuation. It does give the public protection on the fact that the State Tax Assessor shall hold one or more public hearings.

I have been challenged on figures that I have quoted previously here in this session. But in the 1963 edition of the Report on Public Reserve Lands, you will find that there are 12,832,000 acres would come under this act. This is land owned by holders of more than 100 acres. This is owned by approximately 15,500 people. The 62,000 land owners with 100 acres or less can come under this act if they elect to come under it. I feel that there has been criticism of other bills before this House as far as restrictions are concerned. But when you get a bill that says the State Tax Assessor shall set the rate, and then says the Assessors shall determine whether the land is subject to taxation hereunder and shall classify such land as to forest type.

Now the bill also states that forest products will be set under four or five classifications: hardwood,

softwood, mixed wood, and unproductive lands. It also says it can be based on 16 counties. Well, 16 times four gives you a lot of classifications. Nowhere in this bill can I find any appropriation money attached. Now I believe in order for some 75 or 80 classifications to be set up by the State Tax Assessor's office it is going to take people to do this, and these people are going to request salaries. I don't think it would be voluntary. I certainly wouldn't like the people being taxed to send in their own resume of what they have as far as land is concerned, and the productivity of this land.

The lobbyists also told me that there will be some distinguishing feature between lands as far as the altitude of the land is concerned, because we find that heavier timber production will be growing at low altitude than it will be at high altitude. There will also be productivity based on the physical characteristics of the soil, where these forestry products are growing. So you have got a lot of features to be brought in, and I don't believe any ten men, 20 men, or 100 men in this state in two years can classify this land in the state as to productivity.

I have also been told that, say at Clayton Lake, if you have got rock maple stumpage growing up there where there is not much demand, that this rock maple stumpage might be assessed at \$2 a cord; where in my area it might be assessed at \$15 a cord. I believe that is a conflict of interest as far as the rate of stumpage is concerned. I think if you read through this seven or eight or nine page document here that you would find quite a bit of conflict of interest in one statement against another.

Now you have already heard that the unorganized towns will be based on 50% of the valuation, the neighboring organized towns will be based on 100%. This bill does repeal all existing laws as far as taxation is concerned in the unorganized towns pertaining to school districts, roads, bridges, unorganized town dumps, and also eliminates the forestry district tax. When this is set up, if it ever

gets set up and gets going, I understand the monies will be paid by the people taxed into the General Fund, and then the General Fund will reimburse the Forest Commissioner of the counties for whatever they have to do to them as far as the forestry district tax and school tax and so forth are concerned.

But I just wonder what the problem will be if we have an underestimate for the value of this land and there is a net loss. Are we going to ask the taxpayers of the State of Maine to come up with the additional money? Or are we going to cut back and not pay the Forestry Commissioner or the counties the rightful amount due? I feel there needs to be something done to give equity to the taxation of the wildland tax.

Possibly those of you here this afternoon are thinking that maybe I do not justifiably have the right to be on my feet. But I do represent a considerable acreage of wildlands in my district of which Brown Company, as I said the other day, owns 142,000 acres. I would like to bring to your attention a little incident that happened this weekend. Of course, it is hearsay, but two of my constituents did come in, they had been to King & Bartlett this last weekend, which is an unorganized township over in Representative Faucher's district. This township to my knowledge has been bought by IT&T as a recreational center for their employees.

One of the better fishing ponds in my district is Baker Pond. These people were in there fishing this past week and were told to be out by sunset and not come back. Now to my mind, Baker Pond is a great pond and should be available to access by the citizens of this state. They have also threatened to bulldoze up their roads and chain them off to keep people out.

Whether or not this bill is going to take care of this and lower their taxes where they can let these people in or not I don't know. But I hope this afternoon where this bill seems to be very inconclusive as to the problem at hand, I hope you will go along with the indefinite postponement.

The SPEAKER: The Chair recognizes the gentleman from Oak-

land, Mr. Brawn.

Mr. BRAWN: Mr. Speaker, Ladies and Gentlemen of the House: As I stated the other day, the owner, if he does not request to be taxed on the productivity basis, you cannot tax this land. They have the say on how it shall be taxed; not the assessors. This appears on page eight, paragraph six, line four.

Now gentlemen, if they see a chance that their taxes can be reduced, the remaining taxpayer in that municipality or in that county must pay this tax. When you appropriate so much money for a county or a town to pay, it must be paid by those remaining taxpayers. This could be very bad on those paying. And this afternoon because of this I hope you go along with Mr. Susi.

The SPEAKER: The Chair recognizes the gentleman from Portland, Mr. Cottrell.

Mr. COTTRELL: Mr. Speaker, Members of the House: I feel that as a member of the Taxation Committee, I must explain my thinking. I think this is a bill that has great possibility. It is a very revolutionary bill. It has been tried out in part of Minnesota. That is about the only state that has ever tried it out.

We on the Taxation Committee were very intrigued about it, but we felt that the budget this year was going to include a five mill tax in the funding, and we voted against both bills, because we felt that they had not been thoroughly understood with all their implications. Now I see that from the standpoint of taxing forest land, I see it along with the American Forestry Service, that the productivity basis for taxing is the most sound thing that you can get.

On the other hand, we are going to have two developing kinds of valuation, as our revolutionary world here and our country too unfolds, we are going to have the pressure of the recreational business. And it seems to me that any tax today that simply says, "We will value land today and we won't value it again for ten years under any conditions," and have just one base, the forest base for valu-

ation, it seems to me needs a little more study.

Now we have also introduced and accepted the Land Use Regulation. Now it seems to me there are going to be complexities in getting these two ideas together. While I am for the fundamental principle of productivity taxation in our forest land, I certainly think that it is the wrong time to bring it up at the end of the session when we really haven't had time to assimilate all the implications. Especially when we have to value now, and then have no future valuation for ten years.

The SPEAKER: The Chair recognizes the gentleman from Brunswick, Mr. Morrell.

Mr. MORRELL: Mr. Speaker and Members of the House: It is with some reluctance that I cannot support this legislation. I think it does make an effort of sorts towards solving a problem that we all recognize. I think the Taxation Committee made a serious error, as Mr. Cyr said, in too quickly killing 1666, which was a direct product of the research committee. I think it is possible very frequently on the Floor of the House, or outside of committees specifically, to at times amend very properly bills. But I think that when we are working in as complicated an area as this is that you have every right to expect that your committee charged with looking at a bill like this do the homework in revamping it. And I am here to tell you that we didn't.

Now I am not overly critical of those who have worked on the bill, because I think they have made an effort. But I frankly think that we are getting — we have recognized the problem, we perhaps are moving a little bit toward its solution. But I think the proper thing for us to do would be to support the motion of Mr. Susi with the definite thought in mind that either the Taxation Committee or some other group be specifically charged on behalf of the House, or the Legislature, in polishing off a proper bill that all of us can pass and be proud of.

I hope this afternoon that you will vote in favor of the motion to indefinitely postpone, not to forget

the problem, but really as a re-dedication to go back and work a little harder to find the solution.

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Lynch.

Mr. LYNCH: Mr. Speaker, Ladies and Gentlemen: The gentleman in the corner made a brief reference to the Nader report, and I think if you have read and examined the Nader report you will find that they are designed specifically for the most attention. They move into an area where they are going to get the greatest exposure. The report is given not in complete detail, but just enough inconsistency to stir up headlines.

That was done in Maine; it has been done in other areas of the country. I would like to read something to you. "It is in the public interest for the public benefit and for the good order of the people of this state to encourage the well managed multiple use of the privately owned forest land and timber resources and to encourage opening of these lands to the residents of Maine."

That was from the Maine Land Use Regulation Commission bill which you passed recently. In that same document: "It shall require landowners to develop effective and non-obtrusive land, air and water traffic movement, to develop effective routes, parking and loading provisions, including requirements with respect to frontage on or access to public roads, water, safety and other aspects." So you have already imposed upon the owners of the forest lands harsh and restrictive measures.

Now to be consistent, the document under consideration, 1837, is to encourage improvement in forest growth by creating a method of taxation based upon the productivity of various classes of forest lands. How inconsistent can you get? First you require almost the impossible from the land owners, you are not willing to accept their formula for taxation. How harsh do you want to get? This is not a perfect bill. I don't believe this Legislature has passed many perfect bills. But certainly it is a start. It can be modified, can be altered,

and hopefully would be of great benefit to the State of Maine.

The SPEAKER: The Chair recognizes the gentleman from Casco, Mr. Hancock.

Mr. HANCOCK: Mr. Speaker, Ladies and Gentlemen of the House: There has been quite a bit said here today, and in the prior debate, about the influence that the large land owners have had on this legislation. If my memory serves me correctly, the Governor's Task Force that studied this situation was composed of 20 people, and that only three of these people represented the large landowners; 17 did not.

Now I don't want to say out and out that this is correct. But if I am incorrect, I wish someone who had factual knowledge would stand up and explain to us the makeup of the Task Force that the Governor appointed for this study.

The SPEAKER: The Chair recognizes the gentleman from Brunswick, Mr. McTeague.

Mr. McTEAGUE: Mr. Speaker and Members of the House: Perhaps someone is fortunate enough to have the report of the study committee before it which lists the members of the committee and their occupations. I had the privilege of serving as one member of that committee, and I will be frank to say that my feeling on it was in the minority when it came to the method of taxation.

That committee came up with a report, one portion of which we recommended, that not taxation but land use control was the way to preserve our wildlands. Some very good friends on that committee got very enamoured with the idea of a productivity tax. And perhaps that is the best approach to it. But listening today during the debate to Mr. Cottrell, for example, talking about evaluation once during ten years, and then not evaluating again, and it would be evaluation upwards, of course, or it should be I expect, with inflation going on, sounds to me as senseless and like a gift to the large landowners.

I would like to call the attention of the House to a bill that we did pass last session in the 104th that to me takes care of the problem

which is the fundamental reason why I cannot vote for this bill today. Under a law we passed in the 104th when you considered market value — and ordinarily that is talking about the highest value, highest and best use — you may only consider legally permissible uses if these areas are zoned so that the only — or there is another form of land use control applied so that the only form of economic productivity possible on the land is growing trees, then they can only be valued for growing trees. In reality, we have under our current law productivity taxation by that indirect route now.

But I want to mention more in response to the question of Representative Hancock that there was, I thought, a division to some extent, on the bill between those people who had forestry orientation — this was on the committee rather — and those people who were concerned and had a concern for forestry taxation but also the taxation of the ordinary people, similar to a 15 or a 12, or a \$20,000 Cape Cod in Portland or Bangor or Brunswick. And those of us that took that view did not think that productivity taxation with the particular provisions, and Mr. Cottrell has described one of them, was any good or worthwhile idea. So that report from that committee I want to make clear was very far from unanimous. I think there are about six pages of dissents on it.

The SPEAKER: The Chair recognizes the gentleman from Lubec, Mr. Donaghy.

Mr. DONAGHY: Mr. Speaker and Members of the House: I do have that report. If it seems worthwhile I will try to answer Mr. Hancock's question. I am not sure I can pronounce the names, but one was first a Dr. John D. Coupe, Chairman of the Department of Economics at the University of Maine; Orlando E. Delogu, Professor of Law at the University of Maine; Madeleine R. Freeman, League of Women Voters, Orono; Ernest H. Johnson, State Tax Assessor; Vladek Kolman, President, Kolman Timberland Consultants — I happen to know he is a surveyor up in Bangor; James K. Martin, Senator,

from District 23, Guilford; Patrick N. McTeague, Representative from Brunswick; Robert G. Mohlar, M.D. of Augusta; Albert D. Nutting, Director, School of Forest Resources, University of Maine; Harold C. Pachios, Attorney at Law, Portland; Thomas S. Pinkham, Owner, Pinkham Lumber Company, Ashland; John L. Salisbury, Executive Secretary of the **M a i n e** Municipal Association, Hallowell; Phillip M. Savage, Director, State Planning Office, Augusta; Dr. William D. Shipman, Chairman of the Department of Economics, Bowdoin College, Brunswick; John G. Sinclair, Vice President and Manager, Seven Islands Land Company, Bangor; Rand N. Stowell, Jr., President, Timberlands, Inc., Dixfield; Robert S. Stuart, Senator from District 11, Brunswick; Elmer H. Violette, Senator, District 24, Van Buren; Dr. Harry J. Waters, Executive Director, ESCO Research Inc., Portland; Morris R. Wing, Regional Manager, International Paper Company, Livermore Falls. With consultants, Ellis T. Williams, Division of Forest Economics and Marketing Research, United States Department of Forest Service, Washington, D. C.; Charles F. Conlon, Executive Director, National Association of Tax Administrators, Chicago, Illinois; Zebulon White, Professor, School of Forestry, Yale University, New Haven, Connecticut.

Now Mr. Speaker and ladies and gentlemen, the opponents have been standing up here and admitting that we have a problem, that things are wrong with our taxation of our wildlands. They tell us that the valuation is inadequate and the method of taxation is poor. But they have assessed their own lack of knowledge of the problem, and yet they ask you to dig in your heels and do the same old erroneous method, or carry on with the same old erroneous method that we are presently carrying on with.

Now this doesn't seem to have very much logic to me. I am not going to tell you I am an expert in this field, but I do know that some of my constituents do have a problem. And at least one of

these problems can be solved through the fact that there will be seven taxes that are currently assessed against people who live in unorganized townships. These will be eliminated now if this productivity tax goes into effect.

I think that we can look back at this Task Force, any of you who bothered to stand up in the Taxation Committee heard Professor White of Yale University make quite a pitch for this type of thing, and I think we ought to go along 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 gentleman from Lubec has raised a point that ought to be answered. The bill that came out of the Governor's Committee on Wildland Taxes was sponsored by me. That bill received a unanimous "ought not to pass" from the Taxation Committee. The bill that we are presently discussing is the bill introduced by the gentleman from Perham, Mr. Bragdon, that was written by the industry. And they are willing to admit that. They have told me themselves.

While I have answered that question posed really by the gentleman from Casco, and while I am on my feet, I would add a few things perhaps to shed some light on the problem. Some of the background to this takes me back to the Allagash Wilderness Waterway Act, also two years ago, to wildland zoning. It has always bothered me for some time that the only information that we can get about the value of land has come from the landowners themselves.

I was involved in the Allagash Wilderness Waterway Study Committee that was created in 1966 in a special session. And I recall meeting with the landowners in Bangor, and their refusing to set a value on the land. Three years later, when we were arguing on taking over the land and trying to do it within the \$3 million that we had allocated to us, \$1.5 million from State funds and \$1.5 million in Federal funds, I can recall that hell broke loose when we tried

to suggest a price; and they said that we were giving them much less than what the land was worth.

Then it was suggested probably that they could go to court, and that the courts would then determine what the true value of that land was. For some very strange reason they withdrew from the court battle because, I think, they feared — and maybe I am wrong — but I think they feared that the courts were going to set a higher value on land than the State was willing to pay them under the Allagash Waterway Act.

Now I know that frankly I ought to perhaps say that I am in favor of the concept of productivity, and I have been since I have known anything about what it was. But there are a few points that I think ought to be added when we talk about this bill or any bill that deals with the wildlands.

One thing that has always bothered me has been the lobbying of the paper industry. And I am not saying that all of it has been bad or all of it has been good either way. Someone brought to my attention and said, "Are you arguing against them only because there are no Democrats that are lobbyists representing the paper industry?" Well, I certainly hope that I am not quite that narrow minded. I think maybe it would help, but I think that many of us every now and then stop and look at the number and who they are, and I think this bothers many people. I think the methods that are used also have bothered individuals.

The gentleman from Pittsfield, Mr. Susi, raised the point which also ought to be answered, or attempted to be answered, and this is the question of the staff. It is sad really that we have to rely on any industry, whether it is this one or the potato industry or any industry of this state when we have to rely on them to draft our legislation; we have to rely on them to do the redraft, and then we have to rely on them to even do the amendment.

Now obviously this is not a criticism aimed at the industry simply because they made the amendment, but really is a

criticism that ought to be aimed at us in good shape. Because we failed to do the job of really staffing ourselves to find out what is going on.

One of the questions that I had asked more than a month ago was really for comparisons of what would happen if we did impose a productivity tax. I got it this morning. It was given to me by one of the land operators of the state, and for that I am thankful. I have not had the opportunity to really review that as much as I would like. But one of the problems again is that we have not had the adequate information that we ought to have had.

The gentleman from Bath, Mr. Ross, said that this bill referred only to unorganized territory, and of course the bill does not. It applies to both organized and unorganized. And so one of the questions that I raised this morning was one of whether or not the effect would be so great on the small towns that tax wildlands, or forest lands as we call it, whether or not there would be a loss of revenue within those communities. And that question ought to be answered.

One other question that has been brought to the floor is one of staff within the Bureau of Taxation. Will there be adequate staff to do the job if we are going to change the system? I have a memorandum from the State Tax Assessor saying that he hopes he can do the job. But that is it. To be frank with you, I think that if we are going to pass this bill and if we are going to do a job of seeing that we are going to approximately reach a level where a true assessment could be made of the land in question, we ought to add staff to do the job. If we don't do that, then we are getting ourselves deeper and deeper in trouble.

The SPEAKER: The Chair recognizes the gentleman from Bridgewater, Mr. Finemore.

Mr. FINEMORE: Mr. Speaker and Ladies and Gentlemen of the House: In answer to one question that the gentleman from Eagle Lake has brought up that I would disagree with; I will agree that the unorganized towns are going

to go along with this value plus the state rate. But in the organized towns he stated it would be differently — it wouldn't be any different. But it is. In the organized town we will take their valuation, which will be greater than any town has now, but we would still hold our own town rate. We would make our own town rate, and we would — that is the rate that would be used. It wouldn't be the state rate whatsoever. In other words, the towns stand to gain under the taxation of this system than they do to lose.

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

Mr. ROSS: Mr. Speaker, Members of the House: First of all this is not a bill presented by industry, no matter what anybody says. It just implements the bill of the gentleman from Eagle Lake, Mr. Martin. It is a redraft of the bill from the gentleman from Perham, Mr. Bragdon, at the request of the Taxation Committee. We are trying to accomplish the objectives of our opponents.

I have been one of the outspoken opponents of the large landowners during this entire session. This is neither for nor against the paper companies. It is a fair approach to a new method of wildlands taxation. I hold no brief for the paper companies; I don't listen to the hue and cry of their lobby when they plead poverty, because this is not so.

Over the weekend, just for the interest of it, I looked up the net income for 1970 of some of these companies. International Paper Company, \$107 million; Scott Paper Company, \$63 million; Great Northern Paper Company, \$20 million; St. Regis, \$30 million. So I certainly am not pleading their case. I only want to straighten out an unfair taxation of our wildlands for the future generation of our children in the State of Maine.

If we adopt this one fair tax concept we will expect the paper companies to pay a higher and more equitable tax to relieve the average taxpayer in the State of Maine.

The SPEAKER: The Chair recognizes the gentleman from Pittsfield, Mr. Susi.

Mr. SUSI: Mr. Speaker and Members of the House: I just want to go on record as supporting and agreeing completely with the gentleman from Bath, Mr. Ross, in his objectives. However, I believe that in order to straighten the record out we ought to check with some of these people who represent some of the paper companies who claim this bill as being theirs, and I think they might have their feelings hurt a little bit to deny this.

At times it has seemed that those of us who were opposing the bill are opposing the concept of productivity, and I for one would like to endorse the concept of productivity as a major criteria in the formation of any tax program for wildlands, forest lands. I think this should be probably the top consideration. So I don't have any argument with the idea of productivity as one of the major considerations.

I do believe this, and perhaps you can draw a comparison with me. Considering that possibly we may have in this State of Maine, very possibly within a few years, a major oil industry with an investment of many many hundreds of millions of dollars, and if this were to take place, for us in this Legislature to accept from this industry and their people a tax program for the industry at a time when we had no one in our own administration capable or so inclined to draft one for us, then I would think that we would be extremely lax. And basically that is the position we are in with relation to this industry. The industry has drawn the tax program; they have offered it to us, and it is here now for us to dispose of.

The SPEAKER: The Chair recognizes the gentleman from Perham, Mr. Bragdon.

Mr. BRAGDON: Mr. Speaker, Members of the House: Many of the questions that have been raised with regard to this bill I somehow feel are hardly worth answering. They are the doubts, we will say, of different individuals with regard to what will happen and so forth. And with regard to the amount of revenue, Mr. Martin has

repeatedly worried about the loss of revenue to municipalities under this. I assured him and I assured others in the debate the other day that I had seen some tests that had been run on various towns. And I satisfied myself that the municipalities in the overall are going to gain money. And so I am not looking for any gripes from the municipal officers in the organized towns regarding loss of revenue. I think they are going to get more revenue than they have been previously.

I suppose you would have to run a test for every town in the state perhaps to really satisfy Mr. Martin and some of these others. However, the tests that I have seen satisfy me. And I would not have put my name on the bill had I not been assured that this thing that Mr. Martin fears would not have happened, because I know what the repercussions would be to a legislator. And every town that I represent does have forest land in its organized territory. And I know what would happen to me if it really mattered if these towns all lost revenue out of this bill. I have been satisfied that they will not.

With regard to a matter that Representative Cyr seems to keep bringing up, I don't know — I am not an expert in taxation matters the same as Mr. Cyr is, but it seems to me that he is bringing up a question whether or not perhaps the land in the unorganized territory where they have no schools, no roads — I might say no nothing — such as they have in the organized territory to provide for, if we are saying that the unorganized territories should provide for these police facilities, these roads, these schools, these everything in the organized towns. I don't think the most of us feel that this would be just taxation on wildlands. I think that is the question he is raising. I am not going to go into it any further, but I personally feel that this is a very fair bill.

Now with regard to pride of authorship, we will say, much has been said. I didn't happen to have the report of the Governor's Task Force when Mr. Hancock of Casco

raised the question with regard to the makeup of the Task Force. I went out and got this, and it has already been given to you.

Now with regard to authorship I would say this. This is my firm belief, that the landowners have no pride in authorship, we will say, in their bill as such. I think that they bought the thinking probably pretty much in toto of the findings of the Governor's Task Force. Obviously they may have made some corrections between their bill and the bill that came out of the Task Force and was sponsored by Mr. Martin. Also other changes were made as Mr. Ross has called attention to the fact that the Taxation Committee also has a part in the authorship of this bill.

So this bill is the combined efforts of, we will say, three groups: the Governor's Task Force, the wildland people and Ernest Johnson, knowledgeable in taxation matters. I am going to have to say four, and the Taxation Committee. So I agree with what they all say, we have needed this.

You fellows are opposing it, we all say we need this very thing. I think we have made a comprehensive study of it when we go back to the Governor's Task Force for the two years preceding this Legislature, a lot of work has been done on it. I trust the men — these men whose names are on this Task Force; I trust many of these men that I have seen here today who represent the timber interests in the state. I don't feel that they are trying to put anything over on you; they are just trying to come up with what you are all saying was something we needed, a good honest to goodness method of taxing the wildlands. I believe you have it in this bill.

It never can be accomplished perhaps when you come up with something new like this that everybody is going to be completely satisfied with every item in it is completely right. And I suspect there may be further changes made on this. But I believe it is a sincere, honest, and a well studied effort on the part of many groups of people interested in a common cause; namely the preservation of our forest lands,

and arriving at a sufficient and honest amount of revenue related to the revenues and the needs of the state. I hope you will — I don't know, I have always been told that you have to take some things on faith. I hope that you will do this with this bill, and go along and give it the passage which I feel it well deserves.

The SPEAKER: The Chair recognizes the gentleman from Livermore Falls, Mr. Lynch.

Mr. LYNCH: Mr. Speaker and Members of the House: I think the criticism in all of this debate is directed in the wrong direction. You are criticizing the paper companies for offering to sponsor or to offer a bill taxing the forest lands. It is a problem, and why? I think the criticism should be directed back towards this legislature and the preceding legislatures. You have not adequately staffed, nor have you adequately funded the Tax Assessor's office, and until you do so you have no alternative for taxing forest lands.

I think you have to recognize that you have to put some muscle instead of a lot of words.

The SPEAKER: The Chair recognizes the gentleman from Madawaska, Mr. Cyr.

Mr. CYR: Mr. Speaker, I would like to pose a question through the was aware of the Governor's Task Chair to the sponsor of this bill. I would like to know if the industry Force, and if so, why have they introduced a bill which was similar to the Governor's Task Force bill?

The SPEAKER: The gentleman from Madawaska, Mr. Cyr, poses a question through the Chair to the gentleman from Perham, Mr. Bragdon, who may answer if he chooses.

The Chair recognizes that gentleman.

Mr. BRAGDON: Mr. Speaker and Members of the House: They must have been aware of the study of the Task Force. I think we all were, to answer that part of the question. Perhaps the answer to the other part of it would be that they felt maybe along with the study of the Task Force that perhaps in the long combination of the findings of this group and the recommendations of this group, along with the knowledge which

they possessed with regard to the matters that were being discussed, I think could be very well used as a reason why they came up with another bill rather than perhaps attempting to implement any changes in, we will say, the bill that came out of the Governor's Task Force. They are very similar. There are very few changes. Mr. Martin himself will admit to that. And I don't know as I can answer your question any better than that.

The SPEAKER: The Chair recognizes the gentleman from Portland, Mr. Cottrell.

Mr. COTTRELL: Mr. Speaker and Members of the House: I have always felt it is an awesome responsibility to put your mouth up in front of one of these microphones on this floor, because as you have mentioned in the past, Mr. Speaker, every word we say is going down in history. And I have a sense of history in my bones.

But I want to say this. The Taxation Committee as a whole was not involved in this bill at all. We passed it out "ought not to pass." And the next thing we knew, in a very quick Executive Session, Representative Ross said, "I have a redraft, I am going to take it up to the Appropriations Committee." And we didn't even know what the redraft was and we have never discussed it, and that is a fact.

Now I would say this to you, Mr. Speaker, and to everybody in this House, I think for the record, this legislature could afford to have a tape recorder at our committee hearings. If you are not going to believe what the Taxation Committee members say at a Taxation Committee hearing, and what is reported, I guess we are in trouble. It would be very easy to run a recorder, have Mr. White, the Forestry professor at Yale, when questions were asked of him about the revenue involved, you would hear his answer. None of us can say — Representative Bragdon was asked that question. No one could tell us what the revenue possibilities with changes would be. And while we all agreed that the productivity tax was a great principle, we would have bought

a pig in a poke if we had come out and said let's pass it at this time.

Now I am for this measure, but not at this time. And I could say a lot more. I am getting to be a senior in this House, and I am not afraid to state my opinion before anyone. And I want to just graciously say that I have no vendetta against the paper companies, or their leaders, or their brains, or the great contribution that they are making to this state.

As I said before on the Floor of this House, I hope we can always favor them and give them the greatest break possible. But in my own humble little opinion, as a coach who has been mousetrapped in football many times, I am not going to be mouse-trapped on this little bill at this late period in our session. And if we can't act with more deliberation, and to me, judgment, and common sense and avoid the influences of this or that, if we haven't got guts enough to stand up here with our intelligence that God gave us and make up our own minds, God help our country and our state.

The SPEAKER: The Chair recognizes the gentleman from Madawaska, Mr. Cyr.

Mr. CYR: Mr. Speaker and Ladies and Gentlemen: All of us on Taxation tried to probe and tried to get questions in regards to this. I will accept the explanation of the sponsor of this bill, Mr. Bragdon, that both bills, the Governor's Task Force bill and this one are quite similar. And I mentioned that a while ago in my presentation.

There is only one difference, and that difference I would like to bring out to you because it is very significant. The Task Force called for a 100 per cent valuation to be applied to this productivity law as well as to the tax rate, which was similar for both bills. While this bill in question from the industry called to reduce this valuation to 50 per cent. Now I say this, the ingredients are good to make a good cake, but I say it is only half baked. Let's send it back to Legislative Research and finish the baking.

Mr. Norris of Brewer moved the previous question.

The SPEAKER: For the Chair to entertain a motion for the previous question it must have the consent of one third of the members present and voting. All members in favor of the Chair entertaining the motion for the previous question will vote yes; those opposed will vote no.

A vote of the House was taken, and more than one third of the members present having expressed a desire for the previous question, the motion for the previous question was entertained.

The SPEAKER: The question now before the House is, shall the main question be put now? This is debatable with a time limit of five minutes by any one member. All in favor of the main question, being put now will say aye; those opposed will say no.

A viva voce vote being taken, the main question was ordered.

The SPEAKER: The yeas and nays have been requested. For the Chair to order a roll call it must have the expressed desire of one fifth of the members present and voting. All members desiring a roll call vote will vote yes; those opposed will vote no.

A vote of the House was taken, and more than one fifth of the members present having expressed a desire for a roll call, a roll call was ordered.

The SPEAKER: The Chair recognizes the gentleman from Dover-Foxcroft, Mr. Smith.

Mr. SMITH: Mr. Speaker and Members of the House: In my capacity as vice president of Smith Timberlands, I believe I have a direct personal conflict of interest, private right as distinct from public interest is immediately involved.

The SPEAKER: The gentleman from Dover-Foxcroft requests permission to refrain from voting because of personal conflict under the rules. Is this the please of the House?

It is a vote.

The pending question is on the motion of the gentleman from Pittsfield, Mr. Susi, that Bill "An Act to Encourage Improvement in Forest Growth by Creating a

Method of Taxation Based upon the Productivity of Various Classes of Forest Lands," House Paper 1419, L. D. 1837, be indefinitely postponed. The yeas and nays have been ordered. If you are in favor of that motion you will vote yes; if you are opposed you will vote no.

ROLL CALL

YEA — Albert, Barnes, Bernier, Berry, P. P.; Binnette, Bourgoin, Brawn, Brown, Bustin, Call, Carter, Clark, Clemente, Cottrell, Curtis, A. P.; Cyr, Dow, Doyle, Drigotas, Dyar, Farrington, Faucher, Fecteau, Gauthier, Goodwin, Hall, Haskell, Hayes, Kelley K. F.; Kelley, P. S.; Lebel, Lewis, Littlefield, Lucas, Lund, Mahany, Marsh, Martin, McCormick, McTeague, Mills, Morrell, Orestis, Parks, Porter, Scott, Slane, Smith E. H.; Starbird, Susi, Theriault, Tyndale, Wheeler.

NAY — Ault, Bailey, Baker, Bartlett, Berry, G. W.; Berube, Birt, Bither, Boudreau, Bragdon, Bunker, Carey, Churchill, Collins, Conley, Cote, Crosby, Cummings, Curtis, T. S., Jr.; Dam, Donaghy, Emery, D. F.; Evans, Finemore, Fraser, Gill, Good, Hancock, Hardy, Hawkens, Henley, Herrick, Hewes, Hodgdon, Immonen, Jalbert, Jutras, Kelleher, Kelley, R. P.; Keyte, Kilroy, Lawry, Lee, Lincoln, Lizotte, Lynch, MacLeod, Maddox, Manchester, Marstaller, McKinnon, McNally, Millett, Mosher, Murray, Norris, O'Brien, Pratt, Rand, Rollins, Ross, Santoro, Shaw, Sheltra, Shute, Silverman, Simpson, L. E.; Simpson, T. R.; Tanguay, Trask, Webber, White, Williams, Wood, M. W.; Wood, M. E.; Woodbury.

ABSENT — Bedard, Carrier, Cooney, Curran, Dudley, Emery, E. M.; Gagnon, Genest, Hanson, Lessard, Lewin, McCloskey, Page, Payson, Pontbriand, Rocheleau, Smith, D. M.; Stillings, Vincent, Whitson, Wight.

Yes, 53; No, 76; Absent, 21.

The S P E A K E R : Fifty-three having voted in the affirmative and seventy-six having voted in the negative, with twenty-one being absent, the motion does not prevail.

Thereupon, the Bill was passed to be engrossed as amended by

House Amendment "A" and sent to the Senate.

From the Senate: The following Joint Resolution:

WHEREAS, the One Hundred and Fiftieth Anniversary of the State of Maine, commemorated during the past year, has passed into history; and

WHEREAS, the unqualified success of the year-long observance is a high tribute to the imagination, resourcefulness and dedication of the Maine State Sesquicentennial Commission which coordinated the efforts of the many different organizations and persons which worked so harmoniously with such complete success; and

WHEREAS, the spirit of the sesquicentennial celebration will live and grow through the many activities which it sponsored to inspire and benefit the people of Maine; now, therefore, be it

RESOLVED, that the Senate and the House of Representatives of the One Hundred and Fifth Legislature of the State of Maine extend their appreciation to the members of the Maine State Sesquicentennial Commission for their dedicated services in recalling the momentous events of Statehood and the history of the State which have already meant so much to the people of Maine and which will continue to inspire them with a deeper understanding and devotion to the State of Maine and its ideals; and be it further

RESOLVED, that an engrossed copy of this Resolution, duly authenticated by the Secretary of State, be immediately transmitted by the Secretary of State to the chairman and to each member of the commission. (S-673).

Came from the Senate read and adopted.

In the House, the Joint Resolution was read and adopted in concurrence.

Tabled and Assigned

From the Senate: The following Order:

WHEREAS, in order to provide an orderly method for the Legislature to exercise its constitutional authority under Article IV, Part Third, Section 1 of the Constitution of Maine, to convene upon the call