

CONCERNED COLORADO BUSINESS LEADERS

July 14, 2006

Dale Hanington
Maine Motor Transportation
P.O. Box 857
Augusta, ME 04332

Dear Mr. Hanington,

On behalf of the Colorado business community, we encourage you to take an active and aggressive role in opposing the "Taxpayers Bill of Rights" (TABOR) initiative that will be on the ballot in your state this November. Maine's TABOR proposal is essentially the same as Colorado's TABOR that passed in 1992 because it would determine the growth in state spending based on a population-change-plus-inflation formula.

To date, Colorado is the only state to have adopted a TABOR. Having lived with its negative effects for more than a decade, we helped lead a successful \$10 million campaign in November, 2005 to suspend TABOR's formula for 5 years. Like most statewide campaigns, it was expensive and time-consuming. But as individual business leaders and as business organizations, we realized that such an investment was critical in order to move our state's economy forward.

If this TABOR suspension had *not* passed, the state would have had to cut over \$630 million from its general fund budget. Higher education would have borne the brunt of the cuts — zero funding by 2010 was its fate. And there would have been virtually no money for transportation or capital maintenance.

In recent years, prior to the TABOR suspension, national site selectors had indicated an unwillingness to recommend that a company consider Colorado. They saw TABOR as an increasingly serious impediment to the ability of companies located in Colorado to compete. However, as reported in the Denver Post on May 5th, 2006 the Denver Metro Chamber of Commerce recently announced that it saw a spike of activity of out-of-state businesses interested in relocating to the area *after* the passage of the TABOR suspension.

If it passes, TABOR will push Maine to the edge of the cliff as it did in Colorado. You have a chance to act now, save your state from years of artificial budgetary wrangling, and save yourselves the cost of an inevitable, expensive TABOR-reform fight.

As business leaders who have been analyzing, researching and evaluating TABOR for many years, we recommend strong and unified opposition to TABOR in Maine for the following reasons:

- TABOR caused major disinvestments in important public services such as higher education, transportation, and health care in CO and did nothing to help our economy;

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- TABOR does not allow the public sector to be an effective partner with the private sector in creating and maintaining a strong economic climate; instead it becomes an anchor that hinders businesses' ability to be competitive;
- TABOR does not improve a state's economy; it does not promote job growth or business expansion;
- TABOR does not create new efficiencies in the public sector;
- TABOR does not guarantee that state legislators will set the right priorities or be more accountable to the electorate;
- TABOR creates a hidden tax on Colorado businesses because of the need to subsidize services no longer provided by the public sector and finance the inevitable campaigns to override the limit.

Proponents of TABOR in Maine may try to claim that their proposal has been designed to avoid the problems TABOR brought to Colorado. However, the differences do not address the underlying problems of the inflation-based formula. In fact, Maine's proposed TABOR is more onerous than Colorado's in many ways, especially at the municipal level.

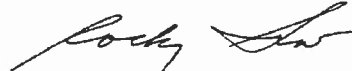
We strongly suggest that anyone who is considering supporting TABOR do the homework to become very certain that it will not negatively affect the public services upon which Mainers depend, such as health care, education, and public safety, as TABOR did in Colorado.

TABOR is a proven failure in Colorado. Maine can expect many of the same problems and more if TABOR passes. We strongly encourage that you do not repeat Colorado's mistake and work actively and publicly against TABOR's passage in Maine.

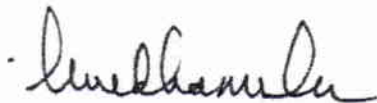
Sincerely,



Tom Clark
Executive Vice President
Denver Metro Chamber of Commerce



Rocky Scott
Former President
Greater Colorado Springs Economic
Development Corporation



Ilene Kamlser
President
Colorado Hotel and Lodging Association




Tamara Door
President
Denver Downtown Partnership

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