

MAINE STATE LEGISLATURE

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(EMERGENCY)
FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 1689

H. P. 1652

House of Representatives, June 9, 1981

Reported from the Joint Standing Committee on Taxation pursuant to Joint Order, H. P. 1619.

Reported by the Minority from the Committee on Taxation and Printed under Joint Rules No. 2.

EDWIN H. PERT, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Create a Fuel Efficiency Adjustment Program and Other Highway Revenue Adjustments.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the 90-day period will not terminate until after the beginning of the next fiscal year; and

Whereas, passenger vehicle efficiency has increased substantially resulting in a reduction of fuel taxes paid by the average motorist and which has caused a marked reduction in revenues needed to maintain highways during a period of continuing inflation; and

Whereas, these reduced revenues are estimated to be reduced further creating a dire emergency by severely limiting the ability to maintain the highway systems in our State; and

Whereas, certain fees and charges have failed to keep pace with escalating costs of administering and enforcing motor vehicle and highway protection and safety laws; and

Whereas, there is an immediate need to address these problems for both the short term and long term; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 29 MRSA § 246, first 2 paragraphs, as repealed and replaced by PL 1979, c. 439, § 11, are amended to read:

With each application for registration of a motor truck, tractors and truck tractors shall be paid an annual registration fee graduated as follows when equipped with pneumatic tires:

From 0 pounds gross weight to 6,000 pounds gross weight.....	\$ 20
From 6,001 pounds gross weight to 9,000 pounds gross weight.....	\$ 25
From 9,001 pounds gross weight to 11,000 pounds gross weight.....	\$ 40 \$ 44
From 11,001 pounds gross weight to 14,000 pounds gross weight.....	\$ 70 \$ 75
From 14,001 pounds gross weight to 16,000 pounds gross weight.....	\$ 92 \$100
From 16,001 pounds gross weight to 18,000 pounds gross weight.....	\$116 \$125
From 18,001 pounds gross weight to 20,000 pounds gross weight.....	\$144 \$156
From 20,001 pounds gross weight to 23,000 pounds gross weight.....	\$173 \$188
From 23,001 pounds gross weight to 26,000 pounds gross weight.....	\$201 \$229
From 26,001 pounds gross weight to 29,000 pounds gross weight.....	\$246 \$268
From 29,001 pounds gross weight to 32,000 pounds gross weight.....	\$277 \$301
From 32,001 pounds gross weight to 35,000 pounds gross weight.....	\$308 \$335
From 35,001 pounds gross weight to 38,000 pounds gross weight.....	\$338 \$368
From 38,001 pounds gross weight to 42,000 pounds gross weight.....	\$370 \$401
From 42,001 pounds gross weight to 46,000 pounds gross weight.....	\$400 \$435
From 46,001 pounds gross weight to 50,000 pounds gross weight.....	\$431 \$469
From 50,001 pounds gross weight to 55,000 pounds gross weight.....	\$471 \$519
From 55,001 pounds gross weight to 60,000 pounds gross weight.....	\$523 \$569
From 60,001 pounds gross weight to 65,000 pounds gross weight.....	\$570 \$619
From 65,001 pounds gross weight to 70,550 pounds gross weight.....	\$627 \$681
From 70,551 pounds gross weight to 73,280 pounds gross weight.....	\$690 \$750

A registration fee of ~~\$18~~ \$20 shall be paid for each thousand pounds or portion thereof of gross weight of vehicle is registered for in excess of 73,280 pounds.

Sec. 2. 29 MRSA § 532, 4th ¶, as amended by PL 1979, c. 738, § 2, is repealed and the following enacted in its place:

The fee for a motorcycle or motor driven cycle learner's permit shall be \$10, which shall include the first road test. The fee for all subsequent examinations shall be \$5.

Sec. 3. 29 MRSA § 524, first ¶, last sentence, as amended by PL 1979, c. 738, § 3, is repealed and the following enacted in its place:

The fee for such license shall be \$16.

Sec. 4. 29 MRSA § 542, 2nd ¶, last sentence, as amended by PL 1979, c. 738, § 4, is repealed and the following enacted in its place:

The fee for such license shall be \$8.

Sec. 5. 29 MRSA § 542, last ¶, last sentence, as amended by PL 1979, c. 738, § 5, is repealed and the following enacted in its place:

The fee for all 2-year licenses shall be \$8.

Sec. 6. 29 MRSA § 582, sub-§§ 1, and 2, as amended by PL 1979, c. 783, § 6, are repealed and the following enacted in their place:

1. Class 1 or 2 license. The examination fee for a Class 1 or 2 license shall be \$24, which shall include the first road test. All subsequent examination fees shall be \$12.

2. Class 3 license. The examination fee for a Class 3 license shall be \$10, which shall include the first road test. All subsequent examination fees shall be \$5.

Sec. 7. 29 MRSA § 582, sub-§ 4 is enacted to read:

4. Credit. Any person who was required to pay a fee of \$16 for a 4-year motor vehicle operator's license or \$8 for a 2-year motor vehicle operator's license between July 1, 1980, and February 28, 1981, shall receive a credit of \$6 toward the fee for renewal of his 4-year license or \$3 for renewal of his 2-year license.

Sec. 8. 29 MRSA § 2013, sub-§ 1, ¶ E, last 2 sentences, as amended by PL 1975, c. 589, § 22, are further amended to read:

A fee of ~~\$8~~ \$24 shall accompany the application for such examination. The fee for subsequent examinations shall be ~~\$5~~ \$12.

Sec. 9. 29 MRSA § 2352, sub-§ 1, as last amended by PL 1979, c. 738, § 7, is repealed and the following enacted in its place:

1. Fees. The Secretary of State shall be paid the following fees:

A. \$7:

(1) For a certificate of search of the records of the Motor Vehicle Division for each name or identification number searched against; and

(2) For a certificate of title issued pursuant to section 895-B;

B. \$6:

(1) For filing an application for a first certificate of title including security interest;

(2) For filing notice of a security interest after the first certificate of title has been issued;

(3) For a certificate of title after a transfer; and

(4) For a certificate of salvage pursuant to section 2377;

C. \$5:

(1) For a corrected certificate of title or certificate of salvage; and

(2) For duplicate certificate of title or certificate of salvage pursuant to section 2377; and

D. \$2.50:

(1) For each subsequent security interest noted upon a certificate of title;

(2) For filing an assignment of a security interest; and

(3) For an ordinary certificate of title issued upon surrender of a distinctive certificate.

Sec. 10. 36 MRSA § 2902-A is enacted to read:

§ 2902-A. Periodic adjustment of tax rate

The State Tax Assessor shall, on or before October 1, 1981; April 1, 1983; and April 1st each year thereafter, certify the average miles per gallon achieved by passenger vehicles registered in the State in the previous year. The Secretary of State and the Director of the Office of Energy Resources shall assist the State Tax Assessor by providing all necessary data on motor vehicle registrations, data available from the United States Environmental Protection Agency pertaining to the fuel efficiencies of motor vehicles and any other appropriate and reliable source of information needed by the State Tax Assessor to make his certification. The certification is considered rulemaking and is subject to the Maine Administrative Procedure Act, Title 5, chapter 375.

The State Tax Assessor, upon making his certification and prior to October 1, 1981, shall set a cents per gallon rate of tax to be effective on January 1, 1982, for the period January 1, 1982, to June 30, 1983, and prior to April 1, 1983, and April 1st of each subsequent year shall set a cents per gallon rate of tax to be effective for the following fiscal period July 1st to June 30th.

The cents per gallon rate shall be set by multiplying .661 times the average miles per gallon certified. The State Tax Assessor shall round off to the nearest cent.

Sec. 11. 36 MRSA § 2903, first sentence, as amended by PL 1977, c. 572, § 2, is further amended to read:

An excise tax is levied and imposed at the per gallon rate of ~~9¢ per gallon~~ established pursuant to section 2902-A upon internal combustion engine fuel sold or used within this State, including such sales when made to the State or any political subdivision thereof, for any purpose whatsoever, excepting such internal combustion engine fuel sold or used in such form and under such circumstances as shall preclude the collection of this tax by reason of the laws of the United States,

or sold wholly for exportation from the State, or brought into the State in the ordinary standardized equipment fuel tank attached to and forming a part of a motor vehicle and used in the operation of such vehicle within the State, except that the rate shall be 1¢ per gallon upon internal combustion engine fuel as defined in section 2902 bought or used by any person, association of persons, firm or corporation for the purpose of propelling jet or turbojet engine aircraft, not for international flights, including such sales when made to the State or any political subdivision thereof, and except that the rate shall be 2¢ per gallon upon internal combustion engine fuel as defined in section 2902 bought or used by any person, association of persons, firm or corporation for the purpose of propelling jet or turbojet engine aircraft for international flights excepting such fuel sold or used under such circumstances as shall preclude the collection of this tax by reason of the laws of the United States, or sold wholly for exportation from the State, or brought into the State in the fuel tanks of an aircraft.

Sec. 12. 36 MRSA § 2905, as last amended by PL 1971, c. 529, § 2, is further amended to read:

§ 2905. Charges and collections of distributors or importers

Each distributor or importer paying or becoming liable to pay the tax imposed by this chapter shall be entitled to charge and collect ~~9¢~~ **at the per gallon rate established pursuant to section 2902-A** only as a part of the selling price of the internal combustion engine fuels subject to the tax.

Sec. 13. 36 MRSA § 2906, 4th sentence is amended to read:

At the time of the filing of ~~said~~ **the** report, each distributor and importer shall pay to the State Tax Assessor a tax ~~of 9¢~~ **at the per gallon rate established pursuant to section 2902-A** upon each gallon so reported as sold, distributed or used and the State Tax Assessor shall pay over all receipts from such tax to the Treasurer of State daily.

Sec. 14. 36 MRSA § 2908, as amended by PL 1979, c. 549, is further amended to read:

§ 2908. Refund of 9/10 of tax in certain cases; time limit

Any person, association of persons, firm or ~~corporation~~ **corporation** who shall buy and use any internal combustion engine fuel as defined in this chapter for the purpose of operating or propelling commercial motor boats, tractors used for agricultural purposes not operating on public ways, or vehicles owned or operated by railroad companies while operating on rails or tracks, or in stationary engines, or in the mechanical or industrial arts, or for any other commercial use except in nonrailroad motor vehicles operated or intended to be operated upon any of the public highways of this State, or turnpikes operated and maintained by the Maine Turnpike Authority, or except as provided in section 2910, in the operation of aircraft, and who shall have paid any tax on internal combustion engine fuel levied or directed to be paid as provided by this chapter, either directly by the collection

of the tax by the vendor from the consumer, or indirectly by adding the amount of that tax to the price of that fuel and paid by that consumer, shall be reimbursed and repaid to the extent of ~~8/9~~ **9/10** of the amount of the tax paid by him upon presenting to the State Tax Assessor a sworn statement accompanied by the original invoices or other evidence as the State Tax Assessor may require showing those purchases, which statement shall show the total amount of the fuel so purchased and used by that consumer other than in nonrailroad motor vehicles operated or intended to be operated upon any of the public highways of the State and in the operation of aircraft. Applications for refunds shall be filed with the State Tax Assessor within 15 months from the date of purchase.

Sec. 15. 36 MRSA § 2910, as last amended by PL 1971, c. 529, § 6, is further amended to read:

§ 2910. Refund of 6/10 of tax to users of aircraft

Any person, association of persons, firm or corporation who shall buy and use any internal combustion engine fuel as defined in section 2902, for the purpose of propelling piston engine aircraft and who shall have paid any tax on internal combustion engine fuel levied or directed to be paid as provided by this chapter, either directly by the collection of such tax by the vendor from such consumer, or indirectly by adding the amount of such tax to the price of such fuel and paid by such consumer, shall be reimbursed and repaid to the extent of ~~5/9~~ **6/10** of the amount of ~~such the~~ tax paid by him upon presenting to the State Tax Assessor a statement accompanied by the original invoices showing such purchases. Applications for refunds must be filed with the State Tax Assessor within 12 months from the date of purchase.

Sec. 16. 36 MRSA § 3025, first sentence, as last amended by PL 1971, c. 529, § 7, is further amended to read:

An excise tax is imposed on all users of fuel upon the use of such fuel by any person within this State, only when such fuel is used in an internal combustion engine for the generation of power to propel motor vehicles of any kind or character on the public highways or turnpikes operated and maintained by the Maine Turnpike Authority, at the **per gallon rate of ~~9¢ per gallon~~ established pursuant to section 2902-A**, and to be computed in the manner set forth in this chapter.

Sec. 17. 36 MRSA § 3035, last 2 ¶¶, as last amended by PL 1971, c. 529, § 8, are further amended to read:

At the time of the filing of ~~said the~~ report, each use fuel dealer shall pay to the State Tax Assessor a tax ~~of 9¢ at the per gallon rate established pursuant to section 2902-A~~ upon each gallon so reported as sold or used, and the State Tax Assessor shall pay over all receipts from such tax to the Treasurer of State daily.

Each dealer paying or becoming liable to pay the tax imposed by this section shall be entitled to charge and collect **9¢ at the per gallon rate established**

pursuant to section 2902-A only as a part of the selling price of the fuels subject to the tax.

Sec. 13. Allocation from Highway Fund. The following allocations from the Highway Fund are made for the 1981-82 and 1982-83 fiscal years.

	1981-82	1982-83
PUBLIC SAFETY, DEPARTMENT OF		

State Police	—	(\$1,576,399)
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The allocation to the State Police is reduced by \$1,576,399 in fiscal year 1982-83.

TRANSPORTATION, DEPARTMENT OF

Amortization — office building

Unallocated	\$585,000	\$585,000
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SECRETARY OF STATE, DEPARTMENT OF

Motor Vehicle Division

All Other	—	\$120,000
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Sec. 19. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

		1982-83
PUBLIC SAFETY, DEPARTMENT OF		

All Other		\$1,576,399
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These funds are appropriated from the General Fund to increase General Fund support from 28% to 50% in fiscal year 1982-83

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

FISCAL NOTE

Holding the tax equivalent cost per mile at the 1975 level, it is estimated that the gas tax would be adjusted to 11¢ per gallon beginning January 1, 1982, resulting in an increase in revenues of approximately \$13,200,000 in the period January 1, 1982, to June 30, 1983.

Reenacting motor vehicle and other operator license increases enacted by the 109th Legislature which expired February 28, 1981, and adjusting the truck

registration fee increases to match the percentage increase applied to automobile registration will result in \$5,432,000 increased revenues in the biennium. The net General Fund impact of this bill is \$406,399.

STATEMENT OF FACT

The fees for operation of motor vehicles had not been increased since 1963 until the 109th Legislature enacted increases. These increases, however, were terminated on February 28, 1981, pursuant to the Act. This bill will continue those increases.

The registration fees for trucks have not been increased since 1957 with the exception of the increases enacted in the Second Regular Session of the 109th Legislature which will terminate on October 1, 1981, if not reenacted. Other legislation which may be enacted this session also affects these registration fees by extending them without adjusting them. It is the intent of the Legislature that the adjustments contained in this bill prevail and that the 2 laws, if both are enacted, not be considered to be in conflict.

The average fuel efficiency of passenger vehicles operating in 1975 was 13.61 miles per gallon, with a gas tax of 9¢ per gallon. As a result, the average motor vehicle operated in 1975 paid 9¢ to travel 13.6 miles, or .661¢ per mile. Vehicles operating in 1981 are achieving an estimated average fuel efficiency of 17.04 miles per gallon at the same tax rate and, therefore, are paying a reduced tax rate of .528¢ per mile.

This bill would create a fuel efficiency adjustment system whereby the tax rate per mile for those who purchase fuel in Maine would remain constant by annually evaluating the average fuel efficiency of the passenger vehicle fleet in Maine and adjusting the cents per gallon tax rate accordingly.