

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1804

S.P. 704

In Senate, April 29, 2025

An Act Concerning Funding and Oversight of Transportation Matters

Received by the Secretary of the Senate on April 25, 2025. Referred to the Committee on Transportation pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read "D M Grant", is positioned above the printed name of the Secretary of the Senate.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator FARRIN of Somerset.
Cosponsored by Representative PARRY of Arundel and
Senator: HARRINGTON of York, Representatives: ALBERT of Madawaska, BISHOP of
Bucksport, MASON of Lisbon, WHITE of Guilford.

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

2 **Sec. 1. 3 MRSA §521**, as enacted by PL 1981, c. 702, Pt. S, is repealed and the
3 following enacted in its place:

4 **§521. Committee**

5 **1. Oversight of financial matters.** The joint standing committee of the Legislature
6 having jurisdiction over appropriations and financial affairs is authorized to provide
7 oversight of financial matters, excluding those items over which the Legislative Council
8 has statutory authority.

9 **2. Oversight of Highway Fund.** The joint standing committee of the Legislature
10 having jurisdiction over transportation matters is authorized to provide oversight of all
11 legislative matters related to the Highway Fund, including all allocations and subdivisions
12 of an allocation from the Highway Fund and excluding those items over which the
13 Legislative Council has statutory authority.

14 **Sec. 2. 3 MRSA §522-C**, as enacted by PL 2011, c. 392, Pt. L, §1, is amended to
15 read:

16 **§522-C. Meetings of the joint standing committee of the Legislature having**
17 **jurisdiction over transportation matters**

18 The joint standing committee of the Legislature having jurisdiction over transportation
19 matters shall oversee the transfer of funds in accordance with Title 23, section 1652 and
20 block grant changes in accordance with Title 5, section 1670 and any related fiscal matters.
21 The committee shall oversee all other allocations or subdivisions of allocations to the
22 Department of Transportation or the Secretary of State, Bureau of Motor Vehicles. The
23 committee shall also review all other financial orders related to the Highway Fund that
24 have been submitted to the Office of Fiscal and Program Review since the committee's last
25 meeting. The committee may meet monthly or as often as is determined necessary by the
26 chairs.

27 **Sec. 3. 5 MRSA §1665, sub-§7**, as repealed and replaced by PL 1999, c. 127, Pt.
28 A, §6 and affected by §7, is amended by enacting at the end a new first blocked paragraph
29 to read:

30 On or before September 1st of even-numbered years, beginning in fiscal year 2030-31 and
31 each biennium thereafter, the State Budget Officer shall adjust the minimum level of
32 funding amounts outlined in Title 23, section 1656 by the percentage change in the
33 Consumer Price Index from the 2 complete calendar years preceding the biennial budget.

34 **Sec. 4. 23 MRSA §52**, as amended by PL 2023, c. 516, Pt. B, §43, is further amended
35 to read:

36 **§52. General powers and duties**

37 The Department of Transportation, referred to in this chapter as "the department," may
38 from time to time make and shall enforce rules and regulations relating to the planning,
39 design, engineering, construction, improvement, maintenance and use of transportation
40 infrastructure. The department may from time to time make and shall enforce rules relating
41 to the manner of conducting all investigations and hearings and the administration of its
42 office, powers and duties. The department shall direct the expenditure of all money for the

1 planning, design, engineering, construction, improvement, demolition, maintenance and
2 use of all transportation infrastructure for which state funds are provided by law. The
3 department may conduct traffic survey interviews and other statistical studies on the state
4 highway system as considered necessary for the use in planning and development of the
5 statewide highway system. The department may obtain leases for such land and office
6 space as the department considers necessary for the performance of its duties. As used in
7 this section, "transportation infrastructure" ~~means infrastructure related to all modes of~~
8 ~~transportation, including highways, bridges, railroads, ferries, mass transit, airports and~~
9 ~~bicycle and pedestrian facilities, as well as all buildings, utilities, facilities and other~~
10 ~~appurtenances related to such modes~~ has the same meaning as in section 4241, subsection
11 1.

12 The department has full power to purchase all supplies, materials and equipment that
13 are incidental to, or necessary for, ~~project-specific~~ construction, improvement or
14 maintenance of transportation infrastructure. ~~The purchase of supplies, materials and~~
15 ~~equipment for nonproject-specific purposes must be made through the Chief Procurement~~
16 ~~Officer as provided by law. For the purposes of this section, unless the context otherwise~~
17 ~~indicates, "project-specific" means relating to a specific location for a limited duration, as~~
18 ~~opposed to perennial, nonlocation-specific activities.~~ The department may be consulted by
19 and shall, without charge, advise municipal officers and road commissioners on the subject
20 of construction, improvement and maintenance of public highways, bridges and other
21 structures. The department shall whenever practicable give preference in employment to
22 the inhabitants of the town in which such highways are located.

23 The department may adopt its own guidelines for determining the reasonableness and
24 permissibility of various cost factors, including, but not limited to, salary limits, benefits
25 and expense reimbursement. Notwithstanding any other federal or state law to the contrary,
26 the department's guidelines must be used in lieu of federally mandated provisions.

27 **Sec. 5. 23 MRSA §1651**, as amended by PL 1971, c. 593, §22, is further amended
28 to read:

29 **§1651. Definition Highway Fund established**

30 To provide funds for the construction of state, state aid and town ways, for the
31 maintenance of state and state aid highways, and interstate, intrastate and international
32 bridges, and for other items of expenditure specified, there is established a fund to be
33 known as the ~~General~~ Highway Fund. This fund ~~shall include~~ includes all fees received
34 from the registration of motor vehicles and licensing of operators thereof, all fees accruing
35 to the Treasurer of State under Title 25, section 1502, the receipts from the tax on internal
36 combustion engine fuels, the portion of funds collected for automobile-related sales tax
37 pursuant to Title 36, section 1821 transferred to the fund and all sums received on account
38 of the department for permits to open highways, or from other sources, the disposition of
39 which is not otherwise designated by law. After payment from said ~~General~~ Highway Fund
40 of such sums for interest and retirement as are necessary to meet the provisions of bond
41 issues for state highway and bridge construction, the remainder of said fund ~~shall~~ must be
42 allocated, segregated, apportioned and expended as provided by the Legislature.

43 **Sec. 6. 23 MRSA §1653**, as amended by PL 1995, c. 65, Pt. A, §62 and affected by
44 §153 and Pt. C, §15, is further amended to read:

45 **§1653. Limitation on use of fund**

1 All revenue received by the State from the registration of motor vehicles and the
2 licensing of operators thereof, from the tax imposed on internal combustion engine fuel,
3 from fines, forfeitures and costs accruing to the State under Title 29-A, section 2602, from
4 the portion of the funds collected for automobile-related sales tax under Title 36, section
5 1821, and from permits granted by the department to open highways must be segregated,
6 allocated to and become part of the ~~General~~ Highway Fund created and existing by statute,
7 and after payment and deduction from such fund of such sums as are necessary to meet all
8 provisions of bond issues for state highway and bridge construction, the remainder of such
9 fund must be apportioned and expended solely:

10 **1. Registration and licensing.** For the cost of registering motor vehicles and licensing
11 the operators thereof;

12 **2. State police.** For maintenance of the State Police. This subsection is repealed July
13 1, 2027;

14 **3. Administration of office.** For administration of the office and duties of the
15 department;

16 **4. Administration of fuel tax.** For administration of the tax on internal combustion
17 engine fuel;

18 **5. Rebates.** For payment of rebates on said tax;

19 **6. Highways and bridges.** For the improvement, construction and maintenance of
20 highways and bridges;

21 **7. Snow guards.** For snow guards or removal as provided by statute; and

22 **8. Multimodal transportation.** Pursuant to the Constitution of Maine, Article IX,
23 Section 19, for the planning, design, engineering, construction, improvement, maintenance,
24 operation, purchase, management, demolition or other use of all modes of transportation,
25 including public highways, bridges, aviation, transit, railroads, ferries, ports and other
26 marine infrastructure, trails, pedestrian and bicycle facilities and transportation
27 infrastructure as defined in section 4241.

28 ~~Neither the General~~ The Highway Fund, ~~nor or~~ any fund derived from direct taxation
29 imposed for highway construction, bridge construction or the improvement and
30 maintenance thereof, ~~shall~~ may not be diverted or expended, permanently, for any other
31 purpose than set forth in this section, except that funds so segregated may be used for other
32 appropriations but only those for which anticipated income has not been received and for
33 which financial provision has been made by the Legislature and is forthcoming. The
34 Treasurer of State is directed and authorized to reimburse the ~~General~~ Highway Fund by a
35 deposit of the funds received from such aforesaid appropriations, the receipt of which has
36 been anticipated, to the extent of the amounts temporarily diverted therefrom. Such
37 deposits ~~shall~~ must be made as soon as such revenues are collected.

38 **Sec. 7. 23 MRSA §1656** is enacted to read:

39 **§1656. Funding for transportation capital projects**

40 **1. Minimum funding.** Beginning July 1, 2027, allocations from the Highway Fund
41 must meet the minimum level of funding for each of the following purposes:

42 A. For construction and maintenance of highway bridges, \$150,000,000;

1 B. For the construction and maintenance of highway lights, \$20,000,000; and

2 C. For multimodal transportation, \$30,000,000.

3 **2. Adjustments.** On or before September 1st of the even-numbered years, beginning
4 in fiscal year 2030-31 and each biennium thereafter, the State Budget Officer shall adjust
5 the minimum level of funding amounts outlined in this section by the percentage change in
6 the Consumer Price Index from the 2 complete calendar years preceding the biennial
7 budget.

8 **Sec. 8. 23 MRSA §1984** is enacted to read:

9 **§1984. Report; procurement**

10 Beginning March 1, 2026, and every March 1st of even-numbered years thereafter, the
11 authority shall submit a report to the joint standing committee of the Legislature having
12 jurisdiction over transportation matters. The report must summarize the authority's
13 procurement activities over the preceding 2 calendar years. The summary must include the
14 type and amount of construction contracting, consulting contracts for engineering and other
15 technical services, including general consulting agreements and task order contracts, and
16 other vendor contracts.

17 **Sec. 9. 23 MRSA §4241**, as enacted by PL 2005, c. 313, §6, is amended to read:

18 **§4241. Definitions**

19 As used in this subchapter, unless the context otherwise indicates, the following terms
20 have the following meanings.

21 **1. Transportation infrastructure.** "Transportation infrastructure" means
22 infrastructure, assets, facilities and systems related to all modes of transportation, including
23 highways, bridges, aviation, transit, railroads, ferries, mass transit, airports ports and other
24 marine infrastructure, trails and bicycle and pedestrian facilities, as well as all buildings,
25 utilities, facilities and other appurtenances related to those modes.

26 **2. Transportation-related services.** "Transportation-related services" means all
27 services necessary or convenient to discharge the powers, duties and responsibilities of the
28 department and the commissioner as provided by law including those provided in section
29 4206. These services include all services necessary or convenient to plan, design, engineer,
30 construct, improve, demolish, maintain, operate or use transportation infrastructure. These
31 services may include, but are not limited to, planning and feasibility studies, engineering,
32 surveying, mapping, environmental services, architectural-related services, appraisal, title
33 services, right-of-way services, project and program management, construction support
34 services and equal opportunity and civil rights services.

35 **Sec. 10. 23 MRSA §4245** is enacted to read:

36 **§4245. Report; procurement**

37 Beginning March 1, 2026, and every March 1st of even-numbered years thereafter, the
38 department shall submit a report to the joint standing committee of the Legislature having
39 jurisdiction over transportation matters. The report must summarize the department's
40 procurement activities over the preceding 2 calendar years. The summary must include the
41 type and amount of construction contracting, consulting contracts for engineering and other

1 technical services, including general consulting agreements and task order contracts, and
2 other vendor contracts.

3 **Sec. 11. 25 MRSA §1509-A**, as amended by PL 2013, c. 354, Pt. F, §1 and c. 368,
4 Pt. EEE, §1, is repealed and the following enacted in its place:

5 **§1509-A. Funding**

6 Beginning in fiscal year 2027-28, state funding for the Department of Public Safety,
7 Bureau of State Police is appropriated from the General Fund.

8 **Sec. 12. 30-A MRSA §6054, sub-§5**, as repealed and replaced by PL 2023, c. 189,
9 Pt. H, §5 and affected by §6, is repealed and the following enacted in its place:

10 **5. Use of fund after bond retirement.** Beginning July 1, 2027 and every July 1st
11 thereafter, after all liquor operation revenue bonds and any ancillary obligations secured
12 by the fund have been retired, any amounts received pursuant to Title 28-A, section 90
13 must be deposited as undedicated revenue to the General Fund.

14 **Sec. 13. 36 MRSA §1821, 3rd ¶**, as amended by PL 2025, c. 9, Pt. F, §8, is further
15 amended to read:

16 ~~When~~ Until June 30, 2026, when notified by the assessor, the State Controller shall
17 transfer 40% of the amount in the notice, after the reduction for transfer to the Local
18 Government Fund pursuant to Title 30-A, section 5681, subsection 5, from the General
19 Fund to the Highway Fund. ~~The and the~~ State Controller shall transfer 22% of the amount
20 transferred to the Highway Fund to the TransCap Trust Fund established in Title 30-A,
21 section 6006-G. Beginning July 1, 2027, and every July 1st thereafter, when notified by
22 the assessor, the State Controller shall transfer 60% of the amount in the notice, after the
23 reduction for transfer to the Local Government Fund pursuant to Title 30-A, section 5681,
24 subsection 5, from the General Fund to the Highway Fund and the State Controller shall
25 transfer 22% of the amount transferred to the Highway Fund to the TransCap Trust Fund
26 established in Title 30-A, section 6006-G.

27 **Sec. 14. Effective date.** Those sections of this Act that repeal and replace the Maine
28 Revised Statutes, Title 3, section 521; Title 25, section 1509-A; and Title 30-A, section
29 6054, subsection 5 take effect July 1, 2027.

30 **SUMMARY**

31 This bill amends the laws related to legislative oversight of transportation funding and
32 use of the funds from the Highway Fund. The bill:

33 1. Codifies the joint standing committee of the Legislature having jurisdiction over
34 transportation matters as having jurisdiction over the Highway Fund. It updates references
35 to the Highway Fund;

36 2. Establishes a minimum level of funding for transportation infrastructure programs
37 related to bridges, highway lights and multimodal transportation, and requires the State
38 Budget Officer to adjust the minimum level of funding by the percentage change in the
39 Consumer Price Index each biennium beginning July 1, 2027;

40 3. Increases, from 40% to 60%, the percentage of automobile-related sales and use
41 taxes transferred to the Highway Fund and adds automobile-related sales and use taxes to

1 the list of revenue that is allocated to and becomes part of the Highway Fund beginning
2 July 1, 2027;

3 4. Provides for the net revenue from liquor operations to be deposited as undedicated
4 revenue to the General Fund, rather than being split between undedicated revenue to the
5 General Fund and undedicated revenue to the Highway Fund;

6 5. Provides for state funding for the Department of Public Safety, Bureau of State
7 Police to come solely from the General Fund, rather than being split between the General
8 Fund and the Highway Fund, beginning in fiscal year 2027-28;

9 6. Removes the Department of Public Safety, Bureau of State Police from the list of
10 allowable uses of the Highway Fund;

11 7. Adds multimodal transportation to the list of allowable uses of the Highway Fund;

12 8. Redefines “transportation infrastructure” to mean the infrastructure, assets, facilities
13 and systems related to all modes of transportation, including highways, bridges, aviation,
14 transit, railroads, ferries, ports and other marine infrastructure, trails and bicycle and
15 pedestrian facilities, as well as all buildings, utilities and other appurtenances related to
16 those modes;

17 9. Removes the designation of project-specific and nonproject-specific procurement
18 and retains the provision that the Department of Transportation has full power to purchase
19 all supplies, materials and equipment that are incidental to, or necessary for, construction,
20 improvement or maintenance of transportation infrastructure; and

21 10. Requires, beginning March 1, 2026, the Department of Transportation and the
22 Maine Turnpike Authority to submit biennial reports in each even-numbered year,
23 summarizing the procurement activities over the preceding 2 calendar years. The summary
24 must include construction contracting, consulting contracts for engineering and other
25 technical services and other vendor contracts.