MAINE STATE LEGISLATURE

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(Governor's Bill) FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 833

H. P. 733 House of Representatives, February 13, 1981 Referred to the Committee on Taxation. Sent up forthwith for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Rolde of York.

Cosponsors: Senator Clark of Cumberland, Representative Soulas of Bangor, Senator Wood of York.

STATE OF MAINE

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

RESOLUTION, Proposing an Amendment to the Constitution of Maine to Undedicate the Highway Fund.

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

Constitutional amendment. RESOLVED: Two-thirds of each branch of the Legislature concurring, that the following amendment to the Constitution of Maine be proposed:

Constitution, Article IX, Section 19 is repealed.

Constitutional referendum procedure; form of question; effective date. Resolved: That the city aldermen, town selectmen and plantation assessors of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election at a special statewide election, on the Tuesday following the first Monday of November following the passage of this resolution, to vote upon the ratification of the amendment proposed in this resolution by voting upon the following question:

"Shall the Constitution of Maine be amended to remove the limitation on the expenditure of motor vehicle and motor vehicle fuel revenues?"

The legal voters of each city, town and plantation shall vote by ballot on this question, and shall designate their choice by a cross or check mark placed within the corresponding square below the word "Yes" or "No". The ballots shall be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns and, if it appears that a majority of the legal votes are in favor of the amendment, the Governor shall proclaim that fact without delay and the amendment shall become part of the Constitution on July 1, 1983.

Secretary of State shall prepare ballots. Resolved: That the Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this resolution necessary to carry out the purposes of this referendum.

STATEMENT OF FACT

The purpose of this Constitutional Resolution is to repeal Article IX, Section 19 of the Maine Constitution. Section 19 presently requires that all revenues collected from fees, excises, and license taxes on motor vehicles and motor vehicle fuels be expended solely for the construction, repair, administration and maintenance of highways, bridges and public ways.

The road system serves as the backbone for the entire transportation system of the State providing service to the entire population and the economy of the State including the enhancement of industrial development opportunities. The concept that roads serve only those who travel on them is fundamentally inaccurate.

In addition, recent improvements in motor vehicle engine efficiencies together with further engine efficiencies planned during the 1980's are resulting in ever diminishing revenue to the highway program. To provide the same purchasing power as is currently derived from the motor fuel tax in the future would require regular and substantial increases in the motor fuel tax whether that tax remains a cents per gallon tax or is changed to a percentage tax. It is necessary to broaden the revenue tax base to support the highway program. Undedication will serve that purpose.

The trend toward more fuel efficient vehicles is also resulting in inequitable taxation among highway users. As the efficiency of new vehicles improves, the benefits from this efficiency are largely available to those who can afford the new vehicles while the older vehicles must continue to be operated by those less able to pay. Particularly during the transition period as fuel efficiency is improved, motor fuel taxes paid will vary substantially among highway users.